



MIDDLESBROUGH DEVELOPMENT CORPORATION BOARD

Thursday, 20 March 2025 at 2:00pm

Teesside International Airport, Business Suite, Darlington, DL2 1NJ

<u>ATTENDEES</u>	
<u>Members</u>	
Mayor Ben Houchen (Chair)	Tees Valley Mayor (Chair)
Mayor Chris Cooke	Middlesbrough Mayor (Elected Member of Middlesbrough Council)
Martin Raby	Independent Member
Imran Anwar	Independent Member
Matt Storey	Independent Member
Councillor Tony Grainge	Independent Member
Stephanie Spensley	Independent Member
Riaz Hameed	Independent Member
<u>Associate Members</u>	
Erik Scollay	Associate Member
<u>Officers in Attendance</u>	
Gary Macdonald	Group Director of Finance and Resources, TVCA
Emma Simson	Chief Legal Officer and Monitoring Officer, TVCA
Tom Bryant	Deputy Head of Planning, TVCA
Sarah Brackenborough	Director of Operations, TVCA
Laura Metcalfe	Development Corporation Manager, TVCA
Shaun Nattrass	Group Legal Officer, TVCA
Kate Smith	Governance Officer, TVCA
Eleanor Thomas	Governance Assistant, TVCA
Justine Matchett	Lichfields
Neil Westwick	Lichfields
<u>Apologies</u>	
Mark Webster	Independent Adviser
Paul Bell	Independent Member
Glynn Holland	Independent Member
Matt Storey	Independent Member
Julie Gilhespie	Associate Member
Helen Kemp	Director of Business Solutions, TVCA

MDC 46/24	<p>Apologies for Absence</p> <p>The Chair welcomed all in attendance to the Middlesbrough Development Corporation (MDC) Board meeting.</p> <p>Apologies for absence were submitted as detailed above.</p>
MDC 47/24	<p>Declarations of Interest</p> <p>The following declarations were made:</p> <p>Mayor Chris Cooke (CC) declared a non-pecuniary interest in relation to Gresham and in his capacity as being the Mayor of Middlesbrough Council.</p> <p>Mayor Ben Houchen (BH) declared a non-pecuniary interest in relation to Gresham.</p>
MDC 48/24	<p>Minutes of Previous Meeting</p> <p>RESOLVED: The minutes of the meeting held on Thursday 19 December 2024 were approved as a correct record.</p>
MDC 49/24	<p>Chief Executive's Update</p> <p>Tom Bryant (TB) informed the Board that there is a report going to TVCA Cabinet on 28 March 2025, which will include the investment zones. £80m has been allocated for Investment Zones for the Tees Valley, subject to Cabinet approval into the investment plan. This will release the money in terms of MDC projects that are earmarked.</p> <p>RESOLVED: That the Board <u>noted</u> the Chief Executive's Update.</p>
MDC 50/24	<p>Chair's Update</p> <p>Following the Chief Executive's Update there was no further updates to be reported.</p> <p>RESOLVED: That the Board <u>noted</u> the Chair's update.</p>
MDC 51/24	<p>Annual Governance Statement</p> <p>Emma Simson (ES), Group Chief Legal Officer and Monitoring Officer, informed the Board that they have received no comments from the external auditors, but prior to publication there will be final checks for comments.</p>

	<p>Questions and comments were invited from the Board – none were received.</p> <p>RESOLVED: That the Board <u>approved</u> the final Annual Governance Statement for 2023/24.</p>
MDC 52/24	<p>Planning update</p> <p>The Board was provided with an updated position on planning service delivery and the status of planning applications.</p> <p>Justine Matchett (JM) informed Board members that since the report was circulated a further four more applications had been determined in the scheme of delegation, and seven new applications had been submitted.</p> <p>Members were informed that a meeting had taken place with Middlesbrough Council, to discuss Vancouver House. The owner confirmed that they would place boards around the site to protect the building, but nothing has happened with this. It was noted that a meeting has been held with an environmental health officer, and when walking around the site, none of the security measures supposed to be in place, appeared to be there. Therefore, the intention is to use the enforcement powers under section 215, to require steps to secure the building, to stop it looking an eyesore and prevent people being able to enter the building, causing anti-social behaviour.</p> <p>Questions and comments were invited from the Board:</p> <ul style="list-style-type: none"> - Mayor Cooke (CC) noted that in this case, Middlesbrough Council have accrued costs on behalf of the owner, and welcomed a combined approach, using Section 215 powers. <p>RESOLVED: That the Board <u>noted</u> the updated position of planning service delivery and the status of planning applications submitted for consideration.</p>
MDC 53/24	<p>Controlling Houses in Multiple Occupation</p> <p>Justine Matchett (JM), advised that this has been prepared in direct response from Middlesbrough Council introducing their article 4, seeking to bring the Development Corporation in line with the Council policy.</p> <p>Questions and comments were invited from the Board:</p>

	<ul style="list-style-type: none"> - Mayor Cooke (CC) queried whether this would have a 12-month delay, and if so, in the meantime will there be an understanding that Houses in Multiple Occupation (HMO) are refereed by default? JM noted that, until it comes into effect there will still be a Permitted Development Right for a small HMO, meaning they won't need an application. <p>RESOLVED: That the Board <u>approved</u> option 1 the introduction of an Article 4 Direction which would withdraw the permitted development right to change the use of a dwellinghouse (Use Class C3) to a small HMO (Use Class C4) within the Development Corporation area and DELEGATE authority to the Head of Planning to proceed with making the Direction.</p>
MDC 54/24	<p>QUARTER 3 BUDGET REPORT AND MEDIUM-TERM FINANCIAL PLAN UPDATE</p> <p>Gary Macdonald (GM), Group Director of Finance and Resources, provided a detailed overview on the financial position of the Development Corporation for the period ending 31 December 2024 and presented the revised Medium-Term Financial plan (MTFP).</p> <p>It was noted that there is some underspend, but this will be monitored for the remainder of the last quarter. GM brought Members attention to paragraph 8 in the Report which summarizes how this funding will be earmarked.</p> <p>It was noted that there is a funding summary, which is capital revenue, and any borrowing from TVCA is depended on individual business cases which are brought to the Board. Members were advised that no projects have been received so far.</p> <p>RESOLVED: That the Board:</p> <ul style="list-style-type: none"> a) <u>Noted</u> the quarter 3 outturn position for 2024/25; and b) <u>Approved</u> the revised Medium-Term Financial Plan.
MDC 55/24	<p>TREASURY MANAGEMENT STRATEGY 2025-26</p> <p>The Board received a report from the Group Director of Finance and Resources which provided an update on the mid-year performance against the treasury management and prudential indicators set in the Treasury Management Strategy approved by the Corporation in February 2024.</p>

	<p>The Board was advised that the Corporation does not currently hold any invested funds, however if funds were invested in the future they were to comply with the Corporation's Investment Strategy.</p> <p>GM highlighted that for the 2025/2026 financial year there are currently high-level estimates. These will be managed against targets and limits set in strategy. Any excess there temporarily will be appropriately invested.</p> <p>Questions and comments were invited from the Board; none were received.</p> <p>RESOLVED: That the Board <u>approved</u> the Treasury Management, Investment and Capital Strategies for 2025-26.</p>
MDC 56/2024	<p>Approval of Budget 2025-26 and Medium-Term Financial Plan</p> <p>Gary Macdonald (GM) informed members that the paper sets the budget for the 2025-2026 financial year. The wider economy is included in the paper, which involves receiving advice from HM Treasury advisors about interest rates and yields. All this information is important for projects, such as the Gresham project, to understand how they would be funded, and how grant funding is being maximised.</p> <p>Questions and comments were invited from the Board, none were received.</p> <p>RESOLVED: That the Board:</p> <ul style="list-style-type: none"> i. Approved the budget for 2025-26 ii. Approved the Medium-Term Financial Plan for 25/26 to 28/29
MDC 57/24	<p>Delegated and Urgent Decisions</p> <p>The Board received a report which detailed Delegated and Urgent Decisions taken since the last Board meeting on 19 October 2024.</p> <p>Questions and comments were invited from the Board; none were received.</p> <p>RESOLVED: That the Board <u>noted</u> the Urgent Decisions detailed in Paragraph 2 to the report and Appendix 1a, 1b and 1C</p>
MDC 58/24	<p>Gresham update</p>

The Board was presented with a report which provided an update on the Gresham development.

Tom Bryant (TB) informed members that the Gresham planning application was submitted in January 2025 and is progressing well. Therefore, it is hoped that the determination date will be brought forward to the planning Board in April. This would mean determining the planning application within a 10-week period. Members were advised that the Finance team are currently working through potential financial models. Cabinet has been updated, and a decision will be needed in June.

Ben Houchen (BH) reminded the Board that Gresham will be funded through Tees Valley Combined Authority (TVCA), with Cabinet making the final decision.

Questions and comments were invited from the Board:

- Martin Raby (MR) queried the project risk and requested an updated on the land transfer from Middlesbrough Council to Middlesbrough Development Corporation (MDC). ES noted that Middlesbrough Council are taking the land transfer to their executive meeting on 2 April, to request Middlesbrough Council transfers the Gresham site to MDC.
- Councillor Tony Grainge (TG) noted that at the Executive Meeting on 2 April, the Executive team at Middlesbrough deciding on the land transfer, may not have as much information as this Board does. BH suggested that the Executive can be provided with a pack of papers, which are already in the public domain, and if necessary, TVCA or MDC Officers can attend to answer any questions. ES also noted that the developers have offered to provide Executive members with a presentation on the Gresham project.
- MR asked GM if there was any clarity on the direction of travel for Gilt Rates and was advised that commercial and financial advisors were being utilised to model around making decisions about investment. GM outlined that the approach and engagement with the market was to see what the outlook is from their perspective to inform the direction of travel. Parameters will need to be agreed with Cabinet, based on yields and activities. The last update was that Gilt Rates have plateaued, but this continues to be monitored. BH agreed that fundamentally this is a risk, and ideally a decision will be targeted at the end of Q4. Members were assured that all is being done to get to a place for sign-off, however wider market cannot be predicted. The risk is likely delay, rather than cancellation.

	<p>Mayor Houchen advised that following the Middlesbrough Council Executive meeting, Board members will be updated.</p> <p>RESOLVED: That the Board <u>noted</u> the update contained within this report.</p>
MDC 59/24	<p>Project Pipeline update</p> <p>Members were provided with an update on projects in the masterplan pipeline for MDC.</p> <p>Tom Bryant, (TB) outlined these are short and medium-term priorities. Work is being done on what the milestones will be, in more granular details, which will help to show the levels of detail and hold officers to account.</p> <p>Mayor Cooke (CC) asked whether there is a way of transferring into the Investment Plan, from the MDC to the TVCA. BH responded that this Board feeds into the plan to create the list of projects which are ready and developed, for when funding becomes available.</p> <p>RESOLVED: That the Board <u>noted</u> the update contained within this report</p>
MDC 60/24	<p>DATE AND TIME OF NEXT MEETING</p> <p>Thursday, 19 June at 2:00pm.</p> <p>A planning Board to determine the Gresham project is to be scheduled early April, date to be confirmed.</p> <p>(The meeting closed at 2:30pm)</p>