



Middlesbrough
Development
Corporation

Middlesbrough Development Corporation Board

Date: Friday, 5th September at 2:30pm

Venue: Mandela Room, Middlesbrough Town Hall, Albert Road, Middlesbrough,
TS1 2QJ

Membership:

Tony Parkinson (**Independent Chair**)

Mayor Chris Cooke (Middlesbrough Mayor) (**Vice Chair**)

Imran Anwar (Independent member)

Paul Bell (Independent member)

Tony Grainge (Independent member)

Riaz Hameed (Independent member)

Father Glyn Holland (Independent member)

Martin Raby (Independent member)

Stephanie Spensley (Independent member)

Matt Storey (Independent member)

Associate Membership:

Tom Bryant (Chief Executive, TVCA)

Erik Scollay (Chief Executive, Middlesbrough Council)

Independent Adviser:

Victoria Fuller (Chief Constable, Cleveland Police)



AGENDA

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| AGENDA | |
| 1. | Apologies for Absence To receive any apologies for absence. |
| 2. | Declarations of Interest To receive any declarations of interest. |
| 3. | Minutes of Previous Meeting To approve as a correct record the minutes of the meeting held on Thursday, 19 th June 2025. |
| 4. | Update from the Chair and Chief Operating Officer To receive a presentation from the Chair and Chief Operating Officer on key matters in relation to Middlesbrough Development Corporation since the last meeting. |
| 5 | Draft Annual Governance Statement To receive a report from the Interim Head of Governance seeking approval of the Annual Governance Statement for Middlesbrough Development Corporation. |
| 6. | Quarter 1 Forecast of Revenue 2025/26 & 2025/2029 Capital Programme Budget Report and Medium-Term Financial Plan To receive a report from the Interim Group Director of Finance and Resources, which provides details of the 2025/26 revenue and capital forecast outturn position, and the capital programme for Middlesbrough Development Corporation (MDC), highlighting any significant variances against the approved budget for the year, based on the position as at the end of June 2025. |
| 7. | Planning Update |

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| | To receive a report from the Head of Planning providing an update on the position of planning service delivery and the status of planning applications. |
| 8. | Urgent and Delegated Decision To receive a list of urgent and delegated decisions made since the last meeting of the Board. Sections of Appendix 2a are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information); of schedule 12a Local Government Act 1972.) |
| 9. | Date and Time of Next Meeting Thursday 18 December 2025 – 2pm |

Members of the Public - Rights to Attend Meeting

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting or for details of access to the meeting for disabled people, please contact:
tvccgovernance@teesvalley-ca.gov.uk

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Middlesbrough Development Corporation Declaration of Interests Procedure

1. The purpose of this note is to provide advice and guidance to all members of the Development Corporation Board and Audit & Risk Committee on the procedure for declaring interests. The procedure is set out in full in the Development Corporation's Constitution under the "Code of Conduct for Members" (Appendix 2).

Personal Interests

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Development Corporation. As a general principle, members should act impartially and should not use their position at the Development Corporation to further their personal or private interests.
3. There are two types of personal interests covered by the Constitution:
 - a. "disclosable pecuniary interests". In general, a disclosable pecuniary interest will involve any financial interests, such as paid employment or membership of a body, interests in contracts, or ownership of land or shares. Members have a pecuniary interest in a matter where there is a reasonable likelihood or expectation that the business to be considered will affect your well-being or financial position, or the well-being or financial position of the following persons:
 - i. a member of your family;
 - ii. any person with whom you have a close association;
 - iii. in relation to a) and b) above, their employer, any firm in which they are a partner, or a company of which they are a director;
 - iv. any person or body in whom persons described in a) and b) above have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
 - v. any body as described in paragraph 3 b) i) and ii) below.
 - b. Any other personal interests. You have a personal interest in any business of the Development Corporation where it relates to or is likely to affect:
 - i. any body of which you are a member (or in a position of general control or management) and to which you are appointed or nominated by the Development Corporation;
 - ii. any body which:
 - exercises functions of a public nature;
 - is directed to charitable purposes;

- one of whose principle purposes includes influencing public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management).

Declarations of interest relating to the Councils' commercial role

4. Financial relationships between the Development Corporation and individual councils do not in themselves create a conflict of interest for Council Leaders who are also Development Corporation Board members. Nor is it a conflict of interest if the Development Corporation supports activities within a council boundary. Nevertheless, there are specific circumstances where the Board may consider entering into direct contractual arrangements with a council, for example in relation to a particular commercial investment project, or in which that council is a co-funder. In these circumstances a non-pecuniary declaration of interest should be made by the Council Leader or their substitute.

Procedures for Declaring Interests

5. In line with the Code of Conduct, members are required to adhere to the following procedures for declaring interests:

Register of Interests

6. Each member is required to complete a register of interests form with their personal interests, within 28 days of their appointment to the Development Corporation. If no declaration is received from elected members within 28 days the matter may be referred to the Head of Paid Service of your local authority and Leader of the political group you represent on your council for action. If a Declaration is not submitted within an appropriate timescale you may be prevented from attending committee meetings. Details of any personal interests registered will be published on the Development Corporation's website, with the full register available at the Development Corporation's offices for public inspection. The form will be updated on an annual basis but it is the responsibility of each member to notify the Monitoring Officer of any changes to the register throughout the year. Notification of a change must be made to the Monitoring Officer within 28 days of becoming aware of that change.

Declaration of Interests at Meetings

7. The Development Corporation will include a standing item at the start of each statutory meeting for declaration of interests. Where members are aware that any of their personal interests are relevant to an item of business being considered at a meeting they are attending, they must declare that interest either during the standing item on the agenda, at the start of the consideration of the item of business, or when the interest becomes apparent, if later.
8. Where members consider that their interest could be considered by the public as so significant that it is likely to prejudice the members' judgement then they may not participate in any discussion and voting on the matter at the meeting, but may attend the meeting to make representations, answer questions or give evidence relating to the business, before it is discussed and voted upon.
9. If the interest is a disclosable pecuniary interest (as summarised in paragraph 3a) then the member must leave the meeting room during discussion and voting on the item of business, but may make representations, give evidence and answer questions before leaving the meeting room. Failure to comply with the requirements in relation to disclosable pecuniary interests is a criminal offence.

Sensitive Information

10. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

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MIDDLESBROUGH DEVELOPMENT CORPORATION BOARD

Thursday, 19 June 2025 at 2:00pm

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

(These minutes are in draft form until approved at the next Board meeting and are therefore subject to amendments.)

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| <u>ATTENDEES</u> | |
| Members | |
| 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 |
| Paul Bell | 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 |
| Beverley Bearne | MDC Chief Operating Officer |
| Emma Simson | Chief Legal Officer and Monitoring Officer, TVCA |
| Hugh Grime | Head of Legal Services (Deputy Monitoring Officer) |
| Tom Bryant | Interim Chief Executive, TVCA |
| Laura Metcalfe | Development Corporation Manager, TVCA |
| Eleanor Thomas | Governance Officer, TVCA |
| Justine Matchett | Lichfields |
| <u>Apologies</u> | |
| Stephanie Spensley | Independent Member |
| Father Glynn Holland | Independent Member |
| Tony Grainge | Independent Member |
| Matt Storey | Independent Member |
| Mark Webster | Independent Advisor |

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| MDC 61/24 | <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 62/24 | <p>Declarations of Interest</p> <p>The following declarations were made:</p> <p>Mayor Ben Houchen declared a non-pecuniary interest in relation to the statutory audit recommendations and being a member of TVCA Cabinet.</p> <p>Mayor Chris Cooke declared a non-pecuniary interest in relation to being a member of TVCA Cabinet.</p> |
| MDC 63/24 | <p>Minutes of Previous Meeting</p> <p>RESOLVED: The minutes of the meeting held on Thursday, 20 March 2025 were approved as a correct record.</p> |
| MDC 64/24 | <p>External Audit Statutory Recommendations June 2025</p> <p>Gary Macdonald, Group Director of Finance and Resources noted that this report was in response to the acceptance of the recommendations under Section 24 Schedule 7 (2) of the Local Audit and Accountability Act 2014, following receipt of a letter from the Board's external auditors, Ernst and Young LLP. The proposed actions are set out within the papers.</p> <p>It was noted that the letter stated that the MDC must consider the statutory recommendations at a public meeting held before the end of the period of one month, beginning the day on which the letter was sent to the Board which was on 4th June 2025 and hold the meeting before 3 July 2025, so this meeting is within that timeframe.</p> <p>All the four recommendations are shown in full text extract in the papers and for ease of reference they are also in paragraph 4 and attached in full.</p> <p>Gary Macdonald, Group Director of Finance and Resources explained that the first two recommendations deal with the requirement for the Development Corporation to consider the services it receives from the TVCA, in relation to the finance team's capacity. The corporation must consider the sufficiency and advocacy of the resources going forward into the future.</p> |

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| | <p>The third recommendation is in relation to the public inspection period for the accounts. It was explained that once you publish accounts you are supposed to leave a clear working day between when you publish accounts and then launch a commencement of your public inspection period. The prior year, the accounts were published and launched the inspection period on the same day, which was noncompliant. Therefore, going forward there is a process, and a detailed timetable to deal and address with that, so it doesn't happen again.</p> <p>The fourth recommendation is around assurance of the 2024/2025 financial year (the current financial audits work), and there is a detailed timetable that can deliver the accounts on time for 2024/2025 financial year. Gary Macdonald noted that he was pleased to note that the accounts have already been produced for MDC, and the annual Governance Statement (AGS), which are the two documents required to be uploaded for the inspection period for the 2024/2025 financial year.</p> <p>It was noted that there is a working place with the auditors, such as weekly meetings with the team and the external audit team, fortnightly catchups with the audit partners to access by exception of any issues with the audit and periodically there are meetings with senior auditor partners to make sure everything is going as it should be throughout the audit cycle.</p> <p>The Board will receive an updated report in September, to report on how things are going on with the audits through the audit cycle, and a further report in November.</p> <p>Questions and Comments were invites from the Board; none were received.</p> <p>RESOLVED: That the Board:</p> <ul style="list-style-type: none"> i. NOTES the content of the letter from Ernst & Young LLP; ii. ACCEPTS the four statutory recommendations and other actions as detailed in the letter referred to in (i) above and detailed in Paragraph 4 of this Report; iii. APPROVES the action to be taken to address the four statutory recommendations and other actions set out within this report at paragraphs 8-19 and at Appendices 2-5; and iv. APPROVES the proposed reporting arrangements as identified in paragraph 21 of this Report. |
| <p>MDC 65/24</p> | <p>COO Report External Audit Statutory Recommendations June 2025</p> <p>The Board received a report from the MDC Chief Operating Officer to update the MDC Board in respect of work to ensure the necessary</p> |

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| | <p>insurances from TVCA support services in response to the external audit issuance of recommendations under Section 24 Schedule 7 (2) of the Local Authority Act 2014.</p> <p>Beverley Bearne, MDC Chief Operating Officer informed the Board that she would be undertaking an options appraisal with regards to all the services that the Development Corporation currently bars in from the TVCA. As part of the option appraisal, it will include other mechanisms to secure the resources that will be needed, whether this be through TVCA or other routes.</p> <p>The intention is to bring the options appraisal to the September Board meeting for consideration and recommendation on how to move forward so that there is assurance and can meet the requirements for the Development Corporation in the long run.</p> <p>Ben Houchen noted that the Middlesbrough Development Corporation received this letter, due to TVCA being the financial support for the MDC and that because of the work that needs to be done at TVCA, the letter was issued because the Development Corporation is buying in that service that needs to improve capacity and capabilities. Therefore, the option appraisal would give the Board the decision to decide on what structure they want going forward, which would take into account things like risk, capacity in teams, workloads that the Development Corporation is trying to deliver.</p> <p>Questions and Comments were invites from the Board; none were received.</p> <p>RESOLVED: That the Board <u>noted</u> the MDC Chief Operating Officer approach to securing the necessary assurances from TVCA support services following the receipt of statutory recommendations from the external auditor.</p> <p>ACTION – Beverley Bearne to conduct a full options appraisal, which will be shared to Board members, to receive recommendations and Board to decide which option at the September Board meeting.</p> |
| <p>MDC 66/24</p> | <p>Chair's Update</p> <p>The Chair, Ben Houchen informed the Board that this would be his last meeting Chairing the MDC Board, and he was stepping down as Chair. The Board were informed that the new Chair of the MDC, is a Mayoral Appointment, which is a process which has included an application process, interview process, and a criteria process. There was a panel and for the MDC interview panel, it included himself, Bev Bearne as Chief Operating Officer of the Development Corporation and Denise McGuckin (Managing</p> |

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| | <p>Director at Hartlepool Borough Council), the reason being that it felt appropriate for all the Chief Executives to be on one of interview panels, for example Erik Scollay was on the South Tees Development Corporation interview panel.</p> <p>Questions and comments were invites from the Board; none were received.</p> <p>RESOLVED: That the Board <u>noted</u> the Chair’s update.</p> |
| <p>MDC 67/24</p> | <p>Chief Operating Officer Update</p> <p>The Board received a report from the MDC Chief Operating Officer with an update on the activities of Middlesbrough Development Corporation (MDC) since the last meeting of the Board and to seek approval to develop a five-year strategic business plan with accompanying annual action plan, investment plan and communications, marketing and public affairs strategy.</p> <p>Beverley Bearne, MDC Chief Operating Officer noted this was her first Chief Operating Officers report to the MDC, and that she is pleased that she has managed to speak to the majority of Board members ahead of the meeting.</p> <p>It was noted that previously there have been numerous reports on specific projects and going forward to try and amalgamate as much as we can to give an overview of progress on those schemes that are already in delivery. Therefore, in the report it shows an update on key projects around the town centre neighbourhood area, the station quarter, the investment zone funding and there’s a separate report on the agenda for Gresham.</p> <p>Beverley Bearne explained that she particularly wants to secure approval from the Board to work collaboratively on a five-year strategic plan business plan, with the intention to take a reflection on what has been achieved to date, what has been set out in the original master plan and to provide a stronger framework going forward to manage oversight and delivery of key priority projects. Also including key workstreams, social value, sustainability, community safety and anti-social behaviour, this would all be underpinned by an annual action plan.</p> <p>Questions and comments were invited from the Board:</p> <ul style="list-style-type: none"> - Martin Raby emphasised how helpful the development of the five-year strategic business plan would be and noted that it was very much needed. - Ben Houchen noted how it was important for all members of the Board to have a good working relationship with Bev and using Bev as first point of call for the Middlesbrough Development Corporation. |

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| | <p>RESOLVED: That the Board:</p> <ol style="list-style-type: none"> i. Noted the updates provided in the report ii. Approved the development of: <ol style="list-style-type: none"> a. a five-year strategic business plan; b. an annual action plan; c. an investment strategy; and d. a communications and marketing strategy. |
| <p>MDC 68/24</p> | <p>Governance & Appointments</p> <p>Emma Simson, Group Chief Legal Officer and Monitoring Officer, informed the Board that this report is to firstly seek confirmation of the appointment of the Head of Planning and Deputy Head of Planning. Previously Helen Kemp was the Head of Planning but has left her employment with TVCA, and Tom Bryant was the Deputy Head of Planning, but has now assumed the role of Interim Chief Executive at TVCA. Therefore, it is proposed that Julie Hurley, Interim Director of Infrastructure at TVCA, be appointed as Head of Planning for MDC, and Alan Weston, Head of Transport at TVCA, be appointed as Deputy Head of Planning for MDC.</p> <p>It was also noted that an independent member of the Middlesbrough Audit & Governance Committee has resigned.</p> <p>Members were informed that the Middlesbrough Development Corporation (MDC) constitution has been amended to reflect the decision of the Tees Valley Mayor to step down as Chair of the Mayoral Development Corporations, following the new Governance guidance. The MDC Constitution has also been amended to reflect the deletion of the Group Chief Executive post and increase the maximum Board membership to 10, the increase to Board membership has already been approved by the Board at a meeting held on 1 July 2024. There have also been Minor amendments to the MDC Constitution to reflect the legislative position around the appointment of members under the Chair to the Board, it is a Mayoral power to appoint members and a Chair to the Board.</p> <p>Questions and comments were invited from the Board; none were received.</p> <p>RESOLVED: That the Board:</p> <ol style="list-style-type: none"> 1. Confirms: the appointment of Julie Hurley as the Head of Planning for Middlesbrough Development Corporation; and 2. Confirms: the appointment of Alan Weston as Deputy Head of Planning for Middlesbrough Development Corporation: and 3. NOTES: Owen Williams, an independent member on the Middlesbrough Audit & Governance Committee has resigned. |

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| | <p>4. APPROVES the amendments to the Constitution documents as set out at Appendix 1</p> |
| <p>MDC 69/24</p> | <p>QUARTER 4 BUDGET REPORT AND MEDIUM-TERM FINANCIAL PLAN UPDATE</p> <p>Gary Macdonald, Group Director of Finance and Resources, provided a detailed overview on the financial position of the Development Corporation for the period ending 31 March 2025 and presented the revised Medium-Term Financial plan (MTFP).</p> <p>The Board were informed that publication for statutory accounts is on 30th June, and these accounts have been finalised and will be uploaded on time. The report shows the management accounts, which shows just shy of 5 million pounds in investment in the 2024/2025 financial year, the forecast is in the table shown in paragraph 5. The majority of that is on project development activity, particularly on the Gresham project. It was explained that within the report, in paragraph 12, it shows how the money is being ear marked out in the table and the column analysis in terms of the different schemes for Gresham, Transport, House of Fraser, etc and each are all broken out in terms of the initial allocations and how committed they are in terms of expenditure.</p> <p>Questions and comments were invited from the Board and none were received.</p> <p>RESOLVED: That the Board:</p> <ul style="list-style-type: none"> a) Noted the quarter 4 outturn position for 2024/25; and b) Approved the revised Medium-Term Financial Plan. |
| <p>MDC 70/24</p> | <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 noted that she had no further updates to add and was happy to answer any comments or questions.</p> <p>Questions and comments were invited from the Board:</p> <ul style="list-style-type: none"> - Mayor Chris Cooke queried whether a summary of the key statistics which are being monitored could be reported back to the Board, as some applications are taking longer than others. Justine noted that this is done on a quarterly basis, but as part of the regular planning update this would be added. |

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| | <p>RESOLVED: That the Board noted the updated position of planning service delivery, and the status of planning applications submitted for consideration.</p> |
| MDC 71/24 | <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 20 March 2025.</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. Noted the Delegated Decisions detailed in Paragraph 1 and Appendix 1; andii. Noted the Urgent Decisions detailed in Paragraph 3 and Appendix 2. |
| MDC 72/24 | <p>Gresham update</p> <p>Beverley Bearne, MDC Chief Operating Officer provided the Board with an update on the Gresham development. It was noted that, planning permission for the first phase was submitted by Tarras Park Properties Limited (TPPL) on 27th January 2025, Middlesbrough Council approved the transfer of land to MDC on 2nd April 2025, and the planning application was approved on 11th April 2025.</p> <p>It was noted that there has been significant conversation with CBRE, to support in the sourcing of capital via a 50-year inclusive strip mode but also considering public funding mechanisms. The report would need to go to TVCA Cabinet to get approval for whichever funding model has been decided on. These updates will be shared with Board members, and this will help clarify where they've got with the viability gap and what it looks like and how it will be intended to fill that. It was noted that they are also getting tax advice on the implications of some of the operating structures that will need to be established going forward in terms of the ability to operate the hotel and other developments.</p> <p>It was noted that one of the key recommendations in the report for the Board to approve is the draft heads of terms for the hotel management agreement. The next steps of getting heads of terms will allow for the delivery of the hotel asset within phase one of the scheme.</p> |

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| | <p>Questions and comments were invited from the Board:</p> <ul style="list-style-type: none"> - Martin Raby queried the funding mechanisms, and the financial risks to the MDC, it was noted that his understanding previously was that the MDC would not be borrowing any funds and the lease wrap arrangement would be from TVCA and queried where the MDC risk might fall within this. Gary Macdonald explained that categorically there won't be any financial risks to MDC, it will be TVCA in terms of the arrangements. - Martin Raby queried that in paragraph 17 in terms of feedback on the investment market and the yields, how concerned should we be about the feasibility of the lease wrap given where the numbers are at the moment. Gary Macdonald explained it's across the country with uncertain markets and that from the MDC perspective, they are working with CBRE and advisors to look at what other potential funding options there is to have viable a scheme. Although the markets are challenging, it doesn't mean that the markets won't come up with options and solutions. <p>RESOLVED: That the Board</p> <ol style="list-style-type: none"> a. NOTED the update and progress made with the project. b. APPROVED the draft Heads of Terms of the Hotel Management Agreement as detailed in Confidential appendix 009.5, and delegates authority to the Chief Executive Officer, S73 Officer and Monitoring Officer to approve the terms and enter into the Hotel Management Agreement on those terms, or other such terms as considered necessary by the Chief Executive Officer, S73 Officer and Monitoring Officer. |
| <p>MDC 73/24</p> | <p>DATE AND TIME OF NEXT MEETING</p> <p>TBC</p> |

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DRAFT ANNUAL GOVERNANCE STATEMENT

SUMMARY

This report presents Middlesbrough Development Corporation's (MDC) draft Annual Governance Statement for 2024/2025.

RECOMMENDATIONS

It is recommended that Members **NOTE** the content of the draft Annual Governance Statement for 2024-2025 included at Appendix 1 and **NOTE** that it will be published as a draft with the draft Financial Statements for Middlesbrough Development Corporation as detailed in this Report.

The Annual Governance Statement, together with the Financial Statements were presented to the Audit and Governance Committee as a draft in July 2025.

DETAIL

1. The Accounts and Audit Regulations 2015 require all public authorities in England to conduct a review, at least once a year, of the effectiveness of its governance framework and produce an Annual Governance Statement which will be published to accompany its Statement of Accounts.
2. The draft Statement of Accounts (including narrative report) for the year 2024-2025 were published (with the Annual Governance Statement) in accordance with legislative requirements by 30 June 2025. This commenced a 30 working-day period of public inspection of those financial statements.

3. The draft Statement of Accounts and draft Annual Governance Statement were presented to the Middlesbrough Development Corporation Audit and Governance Committee in July 2025 and are next to be presented to this Board in September 2025. The final Statement of Accounts and the final Annual Governance Statement will be presented to this Board in December 2025, along with the External Audit opinion.
4. The Annual Governance Statement acknowledges Middlesbrough Development Corporation's responsibility for ensuring that proper arrangements are in place around the governance of its affairs. Guidance on producing an effective Governance Statement confirms that approvers of the Statement should be aware of the process followed in order to draft it. Middlesbrough Development Corporation's Annual Governance Statement includes a description of the key elements of its governance framework, how good governance is ensured in each of those elements, a description of the process applied in reviewing the effectiveness of this framework and an outline of the actions taken or, proposed to be taken, to deal with significant governance issues.
5. For the year 2024/2025 the draft Annual Governance Statement identifies that, whilst governance processes are in place, a number of events identify weaknesses in internal controls.
6. The Annual Governance Statement is attached at **Appendix 1**.

FINANCIAL IMPLICATIONS

7. There are no direct financial implications as a result of the content of this Report.

LEGAL IMPLICATIONS

8. Publishing an Annual Governance Statement meets the Corporation's obligations under the Accounts and Audit Regulations 2015.
9. This Audit and Governance Committee were asked to approve the draft alongside the draft Financial Statements in July 2025, and recommended it for approval to the Middlesbrough Development Corporation Board. The final Annual Governance Statement alongside the final Financial Statements and External Audit Opinion, will be brought back to the Board in December 2025 for final approval.



RISK ASSESSMENT

10. The report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION AND COMMUNICATION

11. At this stage, the draft Annual Governance Statement has been shared with the Chair of the Board and the Chief Executive of Middlesbrough Development Corporation, and the Development Corporation's external auditor, EY. Further consultation will be required as the approval process progresses.

EQUALITY AND DIVERSITY

12. No specific impacts on groups of people with protected characteristics have been identified.

Name of Contact Officer: Shaun Natrass
Post Title: Group Legal Manager
Telephone Number: 01325 792600
Email Address: shaun.natrass@teesvalley-ca.gov.uk



DRAFT Middlesbrough Development Corporation Annual Governance Statement 2024/25

1. Introduction

Middlesbrough Development Corporation is a Mayoral Development Corporation, created by Statute in February 2023, pursuant to the Localism Act 2011. It was created by the Middlesbrough Development Corporation (Establishment) Order 2023¹ which came into force on 27 February 2023. The Middlesbrough Development Corporation (Functions) Order 2023² (Functions Order) was laid before Parliament on 21 April 2023, with all but Part 2 of this Order coming into force on 12 May 2023. Part 2 of the Functions Order, which relates to the Development Corporation's planning functions, came into force on 1 June 2023.

The overriding objectives of the Development Corporation are set out in its Constitution and are to:

- a. To further the economic development and regeneration of the Middlesbrough area, so that Middlesbrough continues to be a major contributor to the Tees Valley economy and the delivery of the Tees Valley's Strategic Economic Plan;
- b. To assist in attracting private sector investment and secure additional jobs, accessible to the people of the Tees Valley; and
- c. To transform and improve the environment of the Corporation area, providing good quality commercial, leisure and housing facilities for the benefit of the people of Middlesbrough.

2. Masterplan and Purpose

Approved by the Development Corporation Board in January 2023, the Development Corporation has a Masterplan which details its vision for the Development Corporation Area.

¹ [The Middlesbrough Development Corporation \(Establishment\) Order 2023](#)

² [The Middlesbrough Development Corporation \(Functions\) Order 2023](#)

The Middlesbrough Development Corporation provides an opportunity to accelerate regeneration, influence government policy and leverage private investment to deliver a step change in the local economy, creating jobs and driving growth.

Its vision for the town is “*Bold, Industrious & Open for Business; Middlesbrough reinvented as a great place for everyone*”. It will do this by:

- Delivering 4,000 new and high-quality jobs
- Delivering 1,500 quality town centre homes
- Supporting the Tees Valley transition to Net Zero
- Delivering new and improved open space in the town centre
- Providing access to world class educational opportunities
- Creating clean and safe streets
- Becoming a vibrant and exciting place for arts and culture
- Enabling a contemporary and diverse retail and leisure experience.

Middlesbrough Development Corporation has clear ambitions for its area, which is focused on Middlesbrough Town Centre and encompasses Gresham, Middlehaven and the Zetland Historic Quarter including crucial assets such as the Boho Zone, Middlesbrough Station, the Northern School of Art, Centre Square and more.

The Middlesbrough Development Corporation is also the local statutory planning authority responsible for determining planning applications within its footprint.

3. The Scope of Responsibility

Middlesbrough Development Corporation is responsible for ensuring that its operations are conducted in accordance with the law and appropriate standards, ensuring proper standards of governance are employed. We are also responsible for making sure public money is used effectively and appropriately and is properly accounted for and to ensure we have proper arrangements in place for the governance of our affairs and effective exercise of our functions, including the management of risk. We also have a duty under the 1999 Local Government Act to make continuous improvements to the way we operate.

Good governance is key to the delivery of our organisational objectives. The Development Corporation governance function is delivered through a shared services agreement with the Tees Valley Combined Authority.

The effective and transparent oversight of our growing responsibilities are reliant upon maintaining robust governance arrangements which ensure the effective delivery of our activities, good decision making, transparency and the active identification and management of risk. This ensures that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

As part of the first wave of Mayoral Combined Authorities we are aware that we have a responsibility to prove that the best answers for local people come from local people and that devolution is the most effective way of driving regional economic development and creating vibrant, inclusive and prosperous communities throughout the United Kingdom. It is also our ambition that our Governance Framework continues to grow and develop in order to add genuine value to the decision and policymaking of the Development Corporation.

4. The Purpose of our Governance Framework

Meaningful and dynamic corporate governance establishes the conditions and culture for us to work effectively, economically and ethically.

Our governance framework comprises the systems and procedures we believe will achieve our strategic objectives and deliver our activities in an appropriate and cost-effective way.

Good governance is at the heart of ensuring successful delivery of our ambitions and plans for Middlesbrough.

A strong governance framework will enable us to monitor the achievement of the Middlesbrough Development Corporation's ambitious plans as set out in Section 2 above, ensuring transparency, public accountability and a system of internal control which allows us to manage and report on risk at a realistic level.

5. The Key Elements of our Governance Framework

The following arrangements are in place to quantify the quality of our services, ensure that they are delivering our objectives and make certain that we are providing value for money.

a. The Constitution

The responsibilities of those delivering services to the Development Corporation and its Members is clearly laid out in the Development Corporation's Constitution. This

document – subject to annual review – explicitly documents how the Development Corporation operates, responsibilities for specific functions, schemes of delegation and how decisions are made.

The Constitution – which can only be amended by the unanimous agreement of the Cabinet – also sets out expected standards of behaviour for both officers and members.

The Constitution clearly sets how both the activities of the Board and Senior Officers will be subject to a robust set of checks and balances, and details how this scrutiny process will be delivered.

The Middlesbrough Development Corporation Constitution may only be amended following approval by the Tees Valley Combined Authority Cabinet, following proposal from the Development Corporation Board.

Following establishment of the Development Corporation in February 2023, the Board formally adopted its Constitution in March 2023. Following adoption of the Development Corporation Constitution, there have been a number of updates and revisions. The Constitution will therefore be updated fully before the end of the 2024/2025 municipal year.

Our Constitution sets out how the Development Corporation operates, how decisions are made, what our governance arrangements are and what processes are followed to ensure these are effective, transparent and accountable.

These arrangements are designed to be consistent with all legislative requirements and with the principles and best practice outlined in the CIPFA guidance.

This Annual Governance Statement details how we have complied with this framework and also how we meet our responsibilities under the Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015.

b. The Board

This the decision-making body of the Development Corporation. The Development Corporation Constitution provides that the Tees Valley Mayor and an Elected Member of Hartlepool Council be amongst the Development Corporation's membership.

For the year 2024-25 the Tees Valley Mayor has acted as Chair of the Board and the Mayor of Middlesbrough as Vice Chair.

For the remainder of the Board, the membership is derived in accordance with the Localism Act 2011. The Membership of the Board is approved by the Tees Valley Combined Authority Cabinet, at the recommendation of the Tees Valley Mayor. When considering appointment of Members to the Corporation Board, prospective members are asked to complete a Skills Matrix highlighting the skills that a particular Member will bring to the Board. This will be reviewed alongside the skills matrix for the wider Board as a whole for the time being, to ensure that the skills of the Board are appropriate for the ambitions of the Development Corporation.

At its Annual General Meeting on 27 June 2024, TVCA Cabinet approved the proposal from the Tees Valley Mayor to appoint 12 Members to the Development Corporation Board (including the Mayor of the Tees Valley and the Mayor of Middlesbrough). This was a recognition by the Tees Valley Mayor of a need to increase the scope and skillset of the Development Corporation Board. This was an increase in the number of members on the Board, which required an approval by the Board and an amendment to the Hartlepool Development Constitution increasing the Board members from a minimum of 6 members (this being 5 Board members plus the TVCA Mayor) and a maximum of 8 Board Members in total. The Development Corporation Board approved a proposal to increase in the Development Corporation Membership to a minimum of 6 and a maximum of 10 Board Members in total, in addition to the Tees Valley Mayor and the Mayor of Middlesbrough.

Members should be clear about what is expected of them and in turn should receive appropriate support and training from the Development Corporation. Consideration will be given to ensuring members are aware of what is expected of them, and what support is available from the Development Corporation. Following this, a process of Members appraisals will be implemented for the Municipal Year 2025/26.

The Government release on Mayoral Development Corporations in combined authorities and combined county authorities: Guidance on legislation and scrutiny³ was published on 3 April 2025 and provides additional clarity and guidance on the Membership of Mayoral Development Corporations.

³ [Mayoral Development Corporations in combined authorities and combined county authorities: Guidance on legislation and scrutiny - GOV.UK](#)

Following publication of this guidance, the Tees Valley Mayor has indicated his intention to step down from the Development Corporation Board, and the recruitment of a replacement Chair is underway.

c. Planning Board

On its creation and pursuant to Section 202 of the Localism Act 2011, Middlesbrough Development Corporation became the Planning Authority for the Development Corporation area. To that end, the Development Corporation has a Planning Board which discharges these responsibilities in accordance with all appropriate regulations and legislation.

The Development Corporation has an approved Planning Scheme of Delegation to enable certain planning decisions to be taken by its Head of Planning, under delegation. All other relevant planning applications are considered by the Planning Board.

d. Audit & Governance Committee

The Audit and Governance Committee is a Statutory Committee, assuring sound governance and financial management of the Development Corporation. The majority of the Members of Audit & Governance Committee are independent members, derived from the public and private sector, based on their skills and experience. The Tees Valley Combined Authority Audit & Governance Committee also appoints a representative to the Development Corporation Audit & Governance Committee – for the year 2024/25 this was the Middlesbrough Council representative. This ensures that there is a clear link between the oversight of the Development Corporation and the oversight of the Tees Valley Combined Authority. This committee oversees the operation of the Development Corporation risk management arrangements and financial management, considers and reviews its Internal Audit arrangements and reviews its Financial Statements.

To ensure that the Committee meets all of its statutory responsibilities, the Committee approves annually and keeps up to date, an annual work plan.

e. Risk Management Framework

The Development Corporation operates a comprehensive and proactive Risk Management Framework and Policy adopting ISO 31000 best practice and Orange Book guidance. The Risk Management Framework and Policy outlines our commitment to Risk Management and the approach to be followed to ensure effective identification, evaluation, and response to risk. Risk Management is an essential part of good operational and project management and is the responsibility of all those working across the Corporation. A comprehensive Strategic Risk Register is managed through a Risk Management automated platform, reviewed by Senior officers on a regular basis in line with the Corporation's risk appetite and scrutinised by the Development Corporation's Audit & Governance committee.

f. Internal Audit

For 2024/25 the Development Corporation's Internal Audit function, undertaken by TIAA Limited, ensures compliance with the relevant standards and statutory requirements. The service liaises with relevant statutory and senior officers throughout the year to develop and maximise the effectiveness of the Authority's internal control systems and delivers an annual report on the quality of our processes.

As internal auditors, TIAA is afforded a period of time prior to the start of an Audit & Governance Committee to enable Members to speak with the Auditor without officers in the room to enable the Auditors and Members to discuss any concerns should they exist.

Internal Audit plans for the year are approved by the Development Corporation Audit & Governance Committee, following a discussion with Members and Senior Officers. The Audit & Governance Committee will receive regular updates on the Internal Audit Plan throughout the year, and it will provide an annual report to the Development Corporation Board towards the end of the Municipal Year.

g. External Audit

The Development Corporation's External Audit service for the years 2023/2024 to 2028/2029 is provided by Ernst & Young (EY). The purpose of the External Auditors is to provide an opinion on the accounts and the Corporation's arrangements for securing economy, efficiency, and effectiveness in its use of resources.

The external auditors, EY, are the regulated and independent professional firm appointed with a statutory mandate to audit the Corporation. They are responsible to 'those charged with

governance'. The Local Audit and Accountability Act 2014 sets out the framework for audit of local authorities, including development corporations.

On 15 April 2025, the Development Corporation's Auditors Issued a letter to Tees Valley Combined Authority Cabinet under Section 24, Schedule 7(2) of the Local Audit and Accountability Act 20145, highlighting a number of concerns in relation to the capacity of the finance team within TVCA which is shared with the Development Corporation. Concerns were also raised in respect of the timeliness of the accounts inspection period and the publication of the Annual Governance Statement for the 2023/24 audit period. The impact of this letter is address through relevant parts of this statement.

h. Monitoring Officer

We have arrangements to ensure compliance with relevant laws, regulations, internal policies and procedures, and that expenditure is lawful. The Development Corporation utilises the Tees Valley Combined Authority's appointed Group Chief Legal Officer, who is the Development Corporation's Monitoring Officer, through a shared services arrangement. In addition to the Monitoring Officer, the Development Corporation has a dedicated legal advisor provided through the shared services arrangement with the Tees Valley Combined Authority. This is to ensure that the Monitoring Officer is able to advise on statutory responsibilities and the qualified legal advisor can focus on advising the Board on legal matters. It also ensures that the risk of any conflict of interest is reduced. The Government release on Mayoral Development Corporations in combined authorities and combined county authorities: Guidance on legislation and scrutiny which was published on 3 April 2025⁶, provides clarity on the role of the Development Corporation's Monitoring Officer confirming that the Combined Authority's Monitoring Officer, should assume responsibility as Monitoring Officer for the Development Corporation.

h. Chief Finance Officer and Financial Arrangements

In accordance with the requirements of Section 73 of the 1985 Local Government Act, the Development Corporation has appointed a suitably qualified Chief Finance Officer. The Group Director of Finance and Resources for TVCA fulfils this statutory role. The Group Director of Finance and Resources also fulfils a similar role for the Tees Valley Combined Authority, South Tees and Middlesbrough Development Corporations, ensuring transparency on group finance and resources issues.

The Chief Finance Officer is responsible for:

- the operation of a robust system of budgetary control, including quarterly and annual financial reports indicating financial performance against forecasts.
- ensuring that the Authority's finance function is appropriately resourced
- assessing the short, medium and long-term implications of all material business decisions
- identifying and mitigating financial and organisational risks arising from them;
- aligning the Corporation's business and financial planning processes; and
- promoting good financial management throughout the organisation.

There are comprehensive budgeting systems in place and a robust system of budgetary control, including quarterly and annual financial reports, which indicate financial performance against forecasts. The Corporation's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

i. Declarations of Interest and Code of Conduct

All Development Corporation members are subject to a formal Code of Conduct – forming part of the Development Corporation's Constitution and must complete, at least annually, and formal Declaration of Interests, ensuring that this is kept up to date throughout the year. In the interests of transparency, the member declarations are reviewed by Monitoring Officer and published on the Development Corporation's website. The Chief Executive's Declaration of Interest is also published on the Development Corporation's website.

j. Gifts and Hospitality

The Development Corporation maintains a register of offers of Gifts and Hospitality made to its members and officers, even if these offers are declined. The Officer and Member Codes of Conduct prescribe how offers of gifts and hospitality should be dealt with.

k. Governance Arrangements

Through a Shared Services Agreement with the Tees Valley Combined Authority, a dedicated Governance team is in place to ensure that the Development Corporation is compliant with its regulatory responsibilities and to advise both members, employees and partner organisations.

The team oversees a number of areas including transparent decision making, Declarations of Interest, whistleblowing and Freedom of Information request handling.

m. Freedom of Information and Environmental Information Regulation Requests

The Development Corporation is subject to the provisions of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. The Governance team processes such requests on behalf of the Development Corporation. Governance officers are employed as dedicated Freedom of Information Officers to handle all Freedom of Information requests along with support from the wider Governance team.

6. Governance Arrangements and Activity for 2024-2025.

a. Middlesbrough Development Corporation Board

During 2024/25, Middlesbrough Development Corporation scheduled the following meetings to conduct its business:

- 22 May 2024 – *Cancelled due to lack of business*
- 26 June 2024 – *Cancelled to allow for appointments at TVCA AGM*
- 1 July 2024 – *50% attendance*
- 25 July 2024 – *80% attendance*
- 25 October 2024 – *80% attendance*
- 19 December 2024 – *70% attendance*
- 20 March 2025 - *80% attendance*

No meetings needed to be rearranged due to a lack of quoracy, but for the reasons noted above, two meetings were cancelled.

For the period 2024/25, the Development Corporation has carried out the following activities:

- (i) The Development Corporation has appointed a Development Partner for the proposed Gresham development.
- (ii) Following a successful recruitment campaign, the Development Corporation successfully appointed five independent members to Audit & Governance Committee.
- (iii) Approved the introduction of an Article 4 Direction in respect of planning for

Houses in Multiple Occupation.

(iv) Approved a Business Rates Policy.

(v) Approved its Annual Governance Statement for 2023/24.

(vi) Approved the Medium-Term Financial Plan and budget for 2024/25.

(vii) Received updates on a number of matters including:

a. The Tees Valley Review

b. Project Pipeline

c. Financial Matters including regular budget updates and updates on the Medium Term Financial Plan and Treasury Management activities.

d. the Gresham Development

(viii) attended a number of workshops and briefings regarding the Gresham development.

On 3 April 2025, in response to a recommendation in the Tees Valley Review, the Government issued 'Mayoral Development Corporations in combined authorities and combined county authorities: Guidance on legislation and scrutiny'.

Alongside the Tees Valley Combined Authority, the Development Corporation will need to consider what the guidance means for it, and whether any changes are required to its governance framework in response to the guidance.

b. Planning Board

For the year 2024/25 the Planning Board membership has mirrored the membership of the Development Corporation Board.

During 2024/25, the Planning Board has considered 6 planning applications.

In terms of the governance arrangements for the Planning Board, no Vice Chair of Planning has yet been appointed.

The Development Corporation Board has approved a Scheme of Delegation to the Head of Planning/Deputy Head of Planning to enable certain planning decisions to be taken by the Head of Planning/Deputy Head of Planning, with other matters reserved for the Planning Board.

In addition to the Scheme of Delegation, there is also an approved Terms of Reference and Speaking Note. For the year 2024/25, these planning documents were not incorporated into the Development Corporation Constitution, but consideration should be given to that for the next municipal year.

c. Audit & Governance Committee

There are currently 4 members of the Development Corporation's Audit & Governance Committee (one member having recently resigned).

Following creation in February 2023, with the Development Corporation's appointment of its development partner for the Gresham site in November 2023, , the Audit & Governance Committee was not able to meet formally until 4 December 2024 nearly 2 years following the creation of the Development Corporation, and a year following the appointment of the development partners for the Gresham site.

Although recruitment campaigns for membership for this Committee were launched, the Development Corporation found recruitment challenging. However, over time, 5 independent members being appointed in the year 2024/25 – in August 2024 and January 2025.

The Audit & Governance Committee met on the following dates:

- 4 December 2024 – (*Attendance – 80%*)
- 12 February 2025 – (*Attendance 100%*)

During the year 2024/25, the Audit & Governance Committee has carried out the following activities:

- Review of the Internal Audit Plan for 2024/25
- Received an update on the Summary of Internal Controls
- Received an update from its appointed External Auditors
- Reviewed draft financial statements and draft annual governance statement for 2023/24
- Received updates on risk
- Received updates on regulatory matters – access to information, complaints.

Financial Reporting

During 2024/25, the Development Corporation maintained a robust and transparent financial reporting framework to support effective governance, strategic decision making, and public accountability.

The following financial reports and processes were in place throughout the year:

- Monthly Financial Monitoring Reports: Provided internal oversight of revenue and capital expenditure against approved budgets. Reviews took place by the Development Corporation Manager and Group Financial Controller.
- Quarterly Budget Monitoring Reports: Presented to the Development Corporation Board, providing detailed analysis of financial performance, including updates on reserves, grant funding, and the financial position of key programmes and projects.
- Treasury Management Report: Delivered in accordance with the CIPFA Treasury Management Code, offering assurance on compliance with the Corporation's Treasury Management Strategy and borrowing activities.
- Annual Budget Report for 2024/25 and Medium-Term Financial Plan: Set out the Corporation's revenue and capital budgets for the year ahead, presented and approved by the corporation board.
- Draft Annual Statement of Accounts prepared in line with accounting standards, providing a comprehensive view of the Corporation's financial position and performance for the financial year.
- Annual Treasury Management Strategy and Prudential Indicators: Approved by the Corporation as part of its budget-setting process, ensuring alignment with the Prudential Code.

These reporting arrangements have supported the Corporation in maintaining effective financial stewardship and have provided assurance to members and stakeholders throughout the year.

d. Access to Information – Freedom of Information Act 2000, Environmental Information Regulations 2004 and Data Protection Act 2018.

For the period 2024/25 the Development Corporation has received:

- eight Freedom of Information request
- zero Subject Access Request
- zero requests under the Environmental Information Regulations 2004

The Development Corporation also received no complaints in the year 2025/25.

e. Internal Audit

As part of the 2024/25 internal audit planning process, an Audit Strategy and a

standalone Internal Audit Report for Middlesbrough Development Corporation (MDC) were initially requested from TIAA, the appointed internal auditors. However, due to the limited volume of activity within MDC during the period, it was determined that a standalone Internal Audit opinion would not be proportionate or feasible. Consequently, the internal audit approach for MDC was integrated into the overarching Tees Valley Combined Authority (TVCA) Internal Audit Strategy for 2024/25. Within this integrated strategy, internal audit reviews were scheduled to cover key areas including procurement of consultants and governance arrangements.

An assurance review was conducted on MDC's Procurement of Consultants. The review considered the procurement of consultants and payment of professional fees. The audit considered the procurement arrangements within MDC and covered the processes in place the identification of need, sourcing, approving and receipt of goods and services, including tendering arrangements, monitoring and how value for money and conflicts of interest are considered in the overall procurement arrangements.

The internal audit concluded that 'procurement processes comply with the requirements of the Procurement Policy and the retained documentation is clear and consistent across all procurements. The Procurement Policy's provisions on transparency are being followed, including placing contract award notices on Contracts Finder.'

The overall assessment was substantial assurance and no assurance or operational recommendations were identified as part of this review.

[Governance Internal Audit summary to be included once received]

f. External Audit

The external auditors, EY, have commenced their preparatory work for the annual audit. This includes detailed planning and risk assessment procedures to ensure a comprehensive understanding of the Corporation's control environment and financial reporting processes. EY are currently undertaking these activities in preparation for the submission of their Audit Strategy Memorandum, which is scheduled to be presented at the forthcoming meeting of the Audit and Governance Committee. The Corporation remains committed to supporting the external audit process and ensuring full transparency and cooperation throughout.

Guidance anticipated for the sector and auditors on the rebuilding of assurance following disclaimed audits in previous years has not yet been published, therefore

the focus of the external auditor for 2024/25 will be on the transactions and balances occurring in 2024/25 and not the rebuilding of assurance over prior periods. As a result, the external auditor expects to again modify their opinion on the 2024/25 statements and is currently considering the form of this modification.

g. Member Register of Interests

For the year 2024/25 all members of the Development Corporation Board completed and returned their Register of Interests.

Two members of the Audit & Governance Committee failed to return their completed Register of Interests during 2024/25. The Board must be assured of a timely return of Record of Interests.

7. Government Guidance on Mayoral Development Corporations

On 3 April 2025, the Ministry for Housing, Communities and Local Government issued – ‘Mayoral Development Corporations in combined authorities and combined county authorities: Guidance on legislation and scrutiny’, in response to a recommendation in the Tees Valley Review.⁴

This Guidance makes a number of recommendations and clarifies the legislation in respect of Combined Authorities and Mayoral Development Corporations.

The Development Corporation will need to assure itself that the Guidance has been considered and all appropriate governance processes and changes implemented.

8. Tees Valley Combined Authority Best Value Notice

On 3 April 2025 the Government issued Tees Valley Combined Authority with a non-statutory Best Value Notice. Given the Development Corporation’s links to the Tees Valley Combined Authority and its utilisation of shared services, it will need to consider TVCA’s response to the Best Value Notice and ensure itself that the requirements contained therein have been addressed satisfactorily.

9. Tees Valley Combined Authority Section 24 Notice

⁴ [Tees Valley Review Report](#)

As noted above, on 15 April 2025, External Auditor for TVCA issued letter under Section 24, Schedule 7(2) of the Local Audit and Accountability Act 2014 (Section 24 Letter)¹⁰, highlighting a number of concerns in relation to the capacity of the finance team within TVCA which is shared with the Development Corporation. Concerns were also raised in respect of the timeliness of the accounts inspection period and the publication of the Annual Governance Statement for the 2023/24 audit period. The Board will have to give consideration the impact of this letter on it, and how any identified risks are best addressed.

The Development Corporation and its Audit & Governance Committee will need to assure itself that the resource is in place to ensure the timely and compliant production and publication of Financial Statements and the Annual Governance Statement for 2024/25 and beyond.

10. Tees Valley Review

The Development Corporation must remain be cognisant of the findings of the Tees Valley Review. The issue of the Best Value Notice on 3 April 2025, indicates a need to consider and review the approach taken by the Tees Valley Combined Authority to the recommendations of the review, in respect of the Development Corporation.

11. Conclusion

13.1 In order to address the concerns raised by the Corporation's external auditor in the Section 24 Letter, the Corporation will require assurances that it is able to meet all appropriate Statutory deadlines, including ensuring that adequate internal processes are in place. Without these assurances, the Corporation cannot be satisfied that it is able to meet all relevant deadlines.

13.2 Learnings from the Tees Valley Review have been evidently beneficial, but the Corporation will need to assure itself that all appropriate changes and processes in respect of the recommendations of that review are embedded.

13.3 The Corporation will need to monitor the response to the Best Value Notice issued to the Tees Valley Combined Authority to ensure that any effect on the Corporation is identified and addressed.

13.4 This Annual Governance Statement identifies that whilst there are governance processes in place, there are identified weaknesses in internal controls which should be addressed to ensure sound governance. In addition to this, there are a number of risks associated with the Best Value Notice and Section 24 Letter issued to the Tees Valley Combined Authority which may have an impact on the Development Corporation. In that respect, the Development Corporation should be kept abreast of the work being carried out to address both of these to ensure it is able to continually review any identified risks to its governance.

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Quarter 1 Forecast of Revenue 2025/26 & 2025/2029 Capital Programme

Purpose of the Report

To provide details of the 2025/26 revenue and capital forecast outturn position for Middlesbrough Development Corporation (MDC), highlighting significant variances against the approved budget for the year, based on the position as at the end of June 2025.

Executive Summary

The MDC constitution requires that the Corporation annually sets out a financial budget for both revenue and capital, which must be formally approved by the Board each year. The 2025/26 Budget was presented and adopted by the Board on 14 March 2025. The Budget provides the financial framework within which the Corporation will operate in the financial year (2025/2026) and over the medium-term financial plan (MTFP) period.

During the financial year, the Board is presented with quarterly reports with details of how the Corporation is performing against the financial framework and specific budgets. This report presents the forecast position for both revenue and capital as at the end of Quarter 1.

TVCA agreed in July 2022 that a grant of £10m (£2.056m Revenue and £7.944m Capital) made available to MDC to operate with and invest over the MTFP period 2023/24 to 2028/29. Approval was also granted for MDC to access capital loans up to a maximum value of £75m over the MTFP period, subject to presentation and approval of robust business cases for further investment. This business case should demonstrate that any drawdowns of the loan facility can be fully serviced by that investment.

The forecast revenue position of MDC over the MTFP period 2025/26 to 2028/29 indicates the Corporation would be at a breakeven position to the end of 2027/28 and then, without further income being identified, operate with a loss of £0.678m in 2028/29.

The forecast capital activity for MDC over the MTFP period indicates that sufficient capital funding is available until 2026/27. From that point, without further funding identified, a capital funding shortfall of £0.6m is projected in 2026/27. The Board should note that this shortfall could be addressed through revenue funding. However, if £0.6m of revenue funding is redirected to support the capital programme in 2026/27, MDC would face a revenue funding gap of £0.586m in 2027/28, resulting in a total forecast revenue funding gap of £1.278m across the MTFP period.

From the £7.944m capital grant, the Board approved an allocation of £1m for initial project development expenditure, to allow MDC officers funding for feasibility studies to determine projects to bring forward to the Board. Since the approval of the initial project development allocation, the Board has approved capital allocations to specific projects. As a result, the original £1m development allocation now requires a reduction, with funds reallocated to those approved projects. The reduction and allocations are outlined in the paragraphs below.

Total acquisition costs of House of Fraser were £0.593m, the Board allocated £0.5m capital budget for the acquisition. The Board is asked to approve as part of this paper a reallocation of £0.093m from the initial project development budget to cover the overspend from 2024/25 on House of Fraser capital budget. The expenditure was reported in the previous outturn report, however the funding source was not highlighted.

To date, the Board has approved a total of £11.466m for Gresham, comprising £5m from MHCLG grant funding and the balance from the £10m TVCA Investment Plan allocation. While the allocations and funding sources were outlined in previous reports, the requirement to reduce the initial £1m development allocation funded from the initial TVCA Investment Plan was not explicitly referenced. This clarification is therefore provided for completeness, and the Board is asked to note the reduction from the initial development fund.

RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board:

- i. Notes the Q1 forecast revenue outturn for 2025/26, forecasting an underspend on employee costs of £0.086m.
- ii. Notes the Q1 Capital Outturn Forecast for 2025/26 as at the end of quarter 1, is in line with the approved capital budget.
- iii. Approves the reduction in the initial project development allocation to fully fund the reported overspend from 2024/25 on the House of Fraser acquisition of £0.93m.

- iv. Notes for the approved Gresham capital allocation for 2025/26, that the funding source outlined was TVCA grant and for this an allocation of £0.87m was required from the initial project development allocation in paragraph 19.
- v. Notes that the revenue allocation of £2.056m from the £10m grant from TVCA Investment Plan is forecast to be fully utilised in 2028/29.
- vi. Notes the impact on the Medium-Term Financial Plan for the period to March 2029.
- vii. Notes the forecast overspend on the capital programme of £0.6m for 2026/27.
- viii. Notes the option and future years revenue implications of using revenue funding to fund the current Capital Investment Strategy as set out in paragraph 26.

DETAIL

Background

1. This report sets out MDC's revenue and capital position for 2025/26 (as at 30 June 2025 (Q1)) and the revised medium term financial plan (MTFP). The financial position presented below represents all forecast funding and expenditure for the plan period

2025/26 Revenue Forecast Outturn

2. Tables 1 and 2 below summarise the current projected revenue outturn position for MDC 2025/26. Analysis of the table below indicates that MDC revenue expenditure is forecast to be a positive variance of £0.086m and, consequently, the original revenue funding required can be reduced for 2025/26 and re-allocated to future years.
3. The forecast underspend on employee expenditure is due to vacant posts. MDC will continue to manage vacant posts, and the posts are not forecast to be filled in 2025/26.
4. Table 1 provides a subjective (category of expenditure) breakdown of the current budget, expenditure to 30 June 2025, and the forecast outturn for 2025/26.

Table 1 – MDC forecast revenue outturn summarised by type of expenditure & Income – Q1 2025-26

| | Annual Budget | YTD Actual | Forecast Outturn | Variance |
|------------------------------|---------------|--------------|------------------|-------------|
| | £'000 | £'000 | £'000 | £'000 |
| Employees | 275 | 39 | 189 | (86) |
| Premises | 266 | 45 | 266 | - |
| Transport | - | - | - | - |
| Supplies and Services | 249 | 145 | 249 | - |
| Third Party Payments | - | - | - | - |
| RCCO | - | - | - | - |
| MRP | - | - | - | - |
| Capital | - | - | - | - |
| Expenditure | 790 | 229 | 704 | (86) |
| Planning Fee Income | (90) | (11) | (90) | - |
| Rents | - | - | - | - |
| IZ Income | (175) | | (175) | - |
| TVCA Revenue Funding | (525) | (218) | (439) | 86 |
| Income | (790) | (229) | (704) | 86 |
| Net (surplus)/deficit | - | - | - | - |

- Revenue expenditure incurred is primarily on employee costs, insurance and the running costs associated with the ownership of investment properties.
- Table 2 below analyses the current revenue activity by areas of investment. The position below is due to the TVCA Investment Plan grant funding being reconciled and drawdown quarterly, in line with expenditure. Therefore, the net position on each cost centre is neutral at this stage.

Table 2 – Forecast MDC revenue outturn summarised by category of income & expenditure – Q1 2025-26

| | Annual Budget | YTD Actual | Forecast Outturn | Variance |
|--|---------------|------------|------------------|----------|
| | | | | |

| | £'000 | £'000 | £'000 | £'000 |
|-----------------------------------|-------|-------|-------|-------|
| Planning | - | - | - | - |
| MDC Operational Costs | - | - | - | - |
| Investment property running costs | - | - | - | - |
| Total Expenditure | - | - | - | - |
| Net Expenditure | - | - | - | - |

Revenue MTFP

- MDC now generates other revenue streams in addition to the initial one-off revenue grant of £2.056m provided by TVCA. Of the initial revenue grant, £1.603m was available to support revenue activity for the remainder of the current MTFP planning period. This revenue grant is forecast to be fully utilised in 2028/29.
- Based on the current capital investment programme (without utilising the £75m drawdown facility), Table 3 below presents the latest forecast revenue position of MDC over the MTFP period 2025/26 to 2028/29. The table indicates that the Corporation would be at a breakeven position to the end of 2027/28 and then, without further income being identified, operate with a loss of £0.678m in 2028/29.

Table 3- MDC Approved MTFP 2025/26 to 2028/29 and Forecast

| | Prior Years Expenditure £'000 | Approved Budget 2025/26 £'000 | Forecast 2025/26 £'000 | Budget 2026/27 £'000 | Budget 2027/28 £'000 | Budget 2028/29 £'000 |
|-----------------------|-------------------------------------|--|------------------------------|----------------------------|----------------------------|----------------------------|
| Employees | 262 | 275 | 189 | 275 | 275 | 275 |
| Premises | 234 | 266 | 266 | 266 | 266 | 266 |
| Transport | - | - | - | - | - | - |
| Supplies and Services | 631 | 249 | 249 | 249 | 249 | 249 |
| Third Party Payments | - | - | - | - | - | - |
| RCCO | - | - | - | - | - | - |
| MRP | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - |
| | 1,127 | 790 | 704 | 790 | 790 | 790 |
| Planning Fee Income | (241) | (90) | (90) | (90) | (90) | (90) |
| IZ Income | (433) | (175) | (175) | (150) | (100) | (8) |

| | | | | | | |
|-----------------------|---------|-------|-------|-------|-------|-------|
| TVCA Revenue Funding | (453) | (525) | (439) | (550) | (600) | (14) |
| | (1,127) | (790) | (704) | (790) | (790) | (112) |
| Net (surplus)/deficit | - | - | - | - | - | 678 |

9. The above table indicates that MDC will have fully utilised its allocated revenue budget of £2.056m by 2028/29. Expenditure in 2028/29 is forecast in excess of revenue generated. Therefore, alternative sources of revenue funding will need to be identified in advance of the budget setting for that year or before. The regeneration master plan and the strategic review of investments will support this.

2025/26 Capital Forecast Outturn

10. MDC had a total capital allocation of £22.94m over the MTFP period, with the funding sources identified as £10m from CRSTS, £7.944m from TVCA Investment Plan funds and £5m MHCLG ringfenced Gresham allocation. MDC currently has a 2025/26 Capital Budget of £5.836m.
11. Table 4 below provides a subjective (category of expenditure) breakdown of the current Capital Budget, expenditure to 30 June 2025 and the forecast outturn for 2025/26. As set out in the table, the capital forecast is currently to budget at the end of Quarter 1.

Table 4 - MDC Capital Outturn forecast summarised by type of expenditure – Q1 2025/26

| | Annual Budget £'000 | YTD Actual £'000 | Forecast Outturn £'000 | Variance £'000 |
|--------------------------|------------------------|---------------------|---------------------------|-------------------|
| Payment of capital grant | 355 | 27 | 355 | - |
| Professional Services | 4,981 | 1,758 | 4,981 | - |
| Legal Services | 500 | - | 500 | - |
| | 5,836 | 1,785 | 5,836 | - |

12. Table 5 below analyses the current capital activity by areas of Investment.

Table 5 - Forecast MDC Capital Outturn summarised by areas of investment – Q1 2025/26

| | Annual Budget | YTD Actual | Forecast Outturn | Variance |
|--|---------------|------------|------------------|----------|
|--|---------------|------------|------------------|----------|

| | £'000 | £'000 | £'000 | £'000 |
|---------------------|-------|-------|-------|-------|
| The Auxiliary | 355 | 27 | 355 | - |
| Gresham | 4,951 | 1,728 | 4,951 | - |
| Asset Transfer | 500 | - | 500 | - |
| House of Fraser | - | - | - | - |
| Project Development | 30 | 30 | 30 | - |
| | 5,836 | 1,785 | 5,836 | - |

13. Tables 4 and 5 above indicate that the current spend is within the approved capital budget and there are no forecasted overspends for 2025/26.
14. From the £7.944m capital grant, the Board approved an initial allocation of £1m to support project development expenditure, enabling MDC officers to undertake feasibility studies and identify projects for consideration by the Board.
15. Since then, the Board has approved capital allocations to specific projects. As a result, the original £1m development allocation now requires a reduction, with funds formally reallocated to those approved projects.
16. To date, the Board has approved a total of £11.466m for Gresham, comprising £5m from MHCLG grant funding and the balance from the £10m TVCA Investment Plan allocation. While the allocations and funding sources were outlined in previous reports, the requirement to reduce the initial £1m development allocation within the TVCA Investment Plan was not explicitly referenced. This clarification is therefore provided for completeness.
17. For completeness, we are now clarifying that the initial development project allocation will be reduced accordingly, with funds reallocated to align with the Gresham capital project already approved by the Board.
18. The Board is asked to note that £0.870m of the TVCA grant funding approved for the Gresham project, is from an allocation from the £1m initial project development allocation.
19. The initial project development would be nil, following the reduction and transfer to the Gresham project and House of Fraser acquisition. A summary is presented below of the utilisation of the initial development allocation, this presentation assumes the reallocations noted in paragraph 18 and 23.

| Initial Project Development | Prior years £'000 | Budget 2025/26 £'000 | Total £'000 |
|--------------------------------------|----------------------|-------------------------|----------------|
| House of Fraser | - | - | 93 |
| Feasibility Studies - Future project | 7 | - | 37 |
| Gresham | - | - | 870 |
| Total | 7 | 993 | 1,000 |

20. Table 6 below indicates proposed funding for the 2025/26 MDC capital programme.

Table 6 – Forecast MDC Capital funding for the 2025/26 Capital programme

| Funding | Budget £'000 | YTD Actual £'000 | Forecast Outturn £'000 | Variance £'000 |
|--------------------------------------|-----------------|---------------------|---------------------------|-------------------|
| Capital Grant (TVCA Investment Plan) | 5,836 | - | 5,836 | - |
| Revenue Contribution | - | - | - | - |
| Borrowing (TVCA) | - | - | - | - |
| | 5,836 | - | 5,836 | - |

MDC Capital MTFP

21. Table 7 below indicates that MDC will fully utilise the capital grant funding available from TVCA by 2025/26 and Department of Transport CRSTS grant funding by 2027/28.

22. Based on the assumptions stated above, the capital investment over the MTFP period 2025/26 to 2028/29 is summarised in the table below.

Table 7 – MDC MTFP Approved Capital investment 2025/26 to 2028/29

| | Prior years' expenditure £'000 | Budget 2025/26 £'000 | Budget 2026/27 £'000 | Budget 2027/28 £'000 | Budget 2028/29 £'000 |
|--|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | | | | |

| | | | | | |
|--|-------|-------|-------|-------|---|
| Ring-fenced future CRSTS schemes | - | - | 5,000 | 5,000 | - |
| Master planning and Planning | 549 | - | - | - | - |
| Gresham | 3,956 | 4,081 | 2,558 | - | - |
| Gresham initial project development | - | 870 | - | - | - |
| Project Development | 7 | 30 | - | - | - |
| The Auxiliary | 45 | 355 | - | - | - |
| Strategic Asset Transfers (paragraph 41) | - | 500 | - | - | - |
| House of Fraser | 593 | - | - | - | - |
| | 5,150 | 5,836 | 7,558 | 5,000 | - |

23. The table above includes in the prior year the total acquisition costs of House of Fraser of £0.593m, the Board allocated £0.5m capital budget for the acquisition. The Board is asked to approve a reduction of £0.093m from the initial project development budget to fully fund the overspend from 2024/25 on House of Fraser capital budget. The expenditure was reported in the previous outturn report, however the funding source was not highlighted.

24. The proposed funding of the capital programme outlined in Table 7 above is summarised in Table 8 below – indicating the capital grant available is fully utilised and additional funding is required in 2026/27 to accommodate the forecasted capital activity.

Table 8 –MDC MTFP revised capital funding 2025/26 to 2028/29

| Funding | Prior years | Budget 2025/26 | Budget 2026/27 | Budget 2027/28 | Budget 2028/29 |
|--------------------------|-------------|----------------|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital Grant (TVCA) | 4,706 | 5,836 | 1,958 | - | - |
| Capital Grant (CRSTS) | - | - | 5,000 | 5,000 | - |
| TVCA Funding | 36 | - | - | - | - |
| Devolution Grant | 408 | - | - | - | - |
| Funding to be identified | - | - | 600 | - | - |
| | 5,150 | 5,836 | 7,558 | 5,000 | - |

25. Based on the assumptions stated above, there is no revision to the capital investment programme. The forecast funding requirement for the capital investment programme if

fully utilised for non-ringfenced capital activity by 2026/27 and additional funding is required to accommodate the forecasted capital activity.

26. MDC Board should note the option to fund the capital programme in 2026/27 with revenue funding. However, should revenue funding of £0.6m be utilised in 2026/27 to fund the capital programme, then MDC would forecast a revenue funding gap in 2027/28 of £0.586m and an overall forecast revenue funding gap for the MTFP period of £1.278m after relocation of the 2025/26 underspend.

Capital Programme Details

27. TVCA Cabinet has approved a borrowing facility available to fund future MDC capital investment up to a maximum of £75m. To access the borrowing facility, robust business cases will need to be approved by the Development Corporation Steering Group, MDC Board and TVCA along with evidence that MDC can fully service the cost of borrowing (MRP and Interest payments).
28. Borrowed funds can only be spent on capital investments. The Board should be cognisant that developing capital projects may lead to abortive costs that are treated as revenue in nature if any scheme does not progress into capital investment. Such abortive fees would require funding from MDC-generated revenue income. Revenue funding is forecast to be fully utilised in 2028/29 and therefore careful consideration must be given to future borrowing approvals and the source and certainty of revenue funding to service the borrowing.
29. Capital investment activity funded by borrowing could have a material impact on the recurrent revenue costs of MDC. The value and length of the revenue impact will be governed by the value of the loans drawn down and the Minimum Revenue Provision (MRP) policy adopted.
30. An indicative Capital Financing cost that would require revenue funding is c£0.058m per annum per £1m of Capital investment based upon an assumed 4% interest rate and the relevant investment period of 30 years.

Gresham (Crown Square)

31. The Crown Square project has commenced preparation work in central Middlesbrough's Gresham area. It includes a Fairfield by Marriott hotel, student accommodation, and build-to-rent homes for young professionals.

32. In addition to the £10m initial grant allocation from TVCA (£2.056m Revenue and £7.944m Capital), TVCA was also successful in securing additional funding of £5m from MHCLG for the Gresham scheme.
33. To date, the Board has approved a total of £11.466m for Gresham. The Board initially approved the use of the £5m of MHCLG Gresham capital funding and then allocated £6.5m from the initial TVC grant of £10m (£7.944m Capital). A breakdown of each tranche of approved funding is provided below.
34. On 29 November 2023, the Board appointed Tarras Park Properties Limited (TPPL) as development partner and allocated £0.4m of MHCLG capital funding to cover the initial development phase for three months.
35. On 14 March 2024, the MDC Board approved an allocation of £2m of MHCLG capital funding to fund the next phase of development
- On 25 July 2024, the MDC Board approved an allocation of £0.635m of MHCLG capital funding to continue the development and due diligence of the scheme and a further £1m on 25 October 2024.
36. On 19 December 2024, the MDC Board approved a tranche of funding for the Gresham project. £7.431m was approved to continue the project through to completion of the technical designs and to prepare the site with enabling works ahead of the approved funding package and final construction contract. The allocation was the remaining £1.965m from MHCLG capital funding and £6.466m from TVCA capital grant funding.
37. Further funding is anticipated to be received from the Brownfield Housing Fund (BHF). If this funding is secured, it will reduce the ask of the MDC Project Investment budget and the funding will be made available for other MDC projects.
38. MDC is working closely with the developers and is provided with regular performance reporting. There is regular engagement with external advisors to strengthen assurance and mitigate risks.

The Auxiliary

39. On 24 January 2024 the MDC Board approved £0.4m for The Auxiliary art gallery and creative workshop. The project aims to provide the organisation, its studio users and visiting audiences with a flexible but robust low-energy building with a diversity of spaces and uses. It will widen the scope of creative and commercial opportunities, whilst also ensuring that these facilities continue to flourish sustainably in the future, providing the artistic community and expanding cultural sector in Middlesbrough with

high quality spaces in a supportive environment for creative enterprise and education.

House of Fraser

40. On 28 February 2024 the MDC Board approved the acquisition of the House of Fraser, 37 Linthorpe Road, up to a maximum price of £0.5m from the MDC budget. An opportunity was identified to bring this property back into commercial use to support the cluster growth of the creative and digital sector, which is the focus of the Tees Valley Investment Zone.
41. While House of Fraser remains a high-profile regeneration opportunity with long-term potential, its ownerships bring a number of financial risks to MDC. These include ongoing operating costs funded from revenue funding, high redevelopment costs, uncertain demand and funding dependency.

Master Plan and Key Strategic Assets Transfers

42. There are a number of key strategic assets owned by Middlesbrough Borough Council that were identified to assist with the delivery of the master plan. Which were initially proposed to be transferred to MDC and this is under consideration by the secretary of state. On 25 July 2024, MDC Board approved an allocation of £0.5m from within the MDC capital budget to meet the costs associated with the asset transfer including, but not limited to, insurance requirements, conditions surveys, ongoing maintenance and safety requirements and utilities.
43. The key financial risks for MDC from the proposed asset transfer are:
- Assets transferred may have liabilities associated with them such as contamination or structural defects. To help mitigate this risk an asset management review has been procured.
 - Operational costs associated with the asset transfer may be in excess of the allocated budget. Operating cost breakdowns have been requested from Middlesbrough Development Corporation and an assessment is being completed as part of the independent asset management review.

CONCLUSION

44. Capital and Revenue activity within MDC have been summarised separately in this report. As has been referred to, there is a significant long-term impact on forecast

revenue commitments if borrowing is used to finance capital programme. Careful planning will be required to ensure MDC can realistically generate sufficient revenue income to service future capital borrowing if drawn down.

45. Revenue grant funding provided by TVCA to MDC is likely to be fully utilised in 2028/29. There is a forecast revenue funding gap in 2028/29 of £0.678m.
46. The proposed funding of the capital programme outlined in Table 7 highlights the current capital programme is over allocated against capital funding secured by £0.6m. All available unrestricted capital grants are forecast to be fully utilised and additional funding is required in 2026/27 to accommodate the forecasted capital activity. If no additional funding is sourced and revenue funding is utilised for capital purposes, then a review of the capital programme will be required and capital projects scopes reduced.
47. The MDC Board should note the option to fund the capital programme in 2026/27 with revenue funding. However, should revenue funding of £0.6m be utilised in 2026/27 to fund the capital programme, then MDC would forecast a revenue funding gap in 2027/28 of £0.586m and an overall forecast revenue funding gap for the MTFP period of £1.278m after relocation of the 2025/26 underspend
48. The capital programme highlights an actual overspend on capital activity at House of Fraser of £0.093m. The expenditure was reported in the previous outturn report, however the funding source was not highlighted. The Board allocated £0.5m capital budget for the acquisition. The Board is asked to approve as part of this paper a reallocation of £0.093m from the initial project development budget to cover the overspend from 2024/25 on House of Fraser capital budget.
49. The clarification of the requirement to reduce the initial £1m development allocation funded from the initial TVCA Investment Plan allocation for the Gresham project.

FINANCIAL IMPLICATIONS

50. This report gives an update on performance against the budget for Middlesbrough Development Corporation against the approved revenue and capital budgets forecasts.
51. The financial implications are discussed within the body of the report. Funding for both future revenue and capital is the key financial risk.

LEGAL IMPLICATIONS

52. There are no legal implications associated with the recommendations in this report.

RISK ASSESSMENT

53. This Report has been categorised as medium risk to reflect the updated work on the implementation of the TVCA group risk management strategy. The group corporate risk register has been updated to reflect funding uncertainty. The existing management systems and daily routine activities are sufficient to control and reduce risk.
54. The risk of increased costs through economic factors is closely monitored and is being managed through the revised borrowing strategy put in place. A robust business case development process reduces the risk of cost pressures of investments by ensuring sufficient contingencies are built in resulting in no additional asks of Corporations funds.
55. Revenue Funding Gap: Revenue grant funding provided by TVCA (£2.056m) is forecast to be fully utilised by 2028/29, with a projected deficit of £0.678m in that year unless alternative income sources are secured. Reliance on one-off grant funding creates medium-term financial pressure.
56. Capital Funding Shortfall: All available TVCA capital grant funding will be fully committed by 2025/26, and CRSTS grant funding by 2027/28. From 2026/27, additional capital activity requires £0.6m of funding not yet identified, creating a risk of funding gaps or re-prioritisation of projects.
57. Borrowing Commitments: A £75m borrowing facility is available but will require robust business cases and demonstrable ability to service debt. Any drawdown would create ongoing revenue commitments for interest and MRP increasing pressure on limited revenue resources.
58. Asset Transfers: £0.5m has been allocated for transfer costs, but operational and maintenance costs could exceed this budget. There is uncertainty until independent asset management review work is complete.
59. Revenue Impact of Abortive Costs: If capital schemes do not progress, abortive costs become revenue in nature, adding to pressure on already limited and time-bound revenue funding.

CONSULTATION & COMMUNICATION

60. The subject of this report is a matter for MDC Board approval therefore no additional consultation and communication has been undertaken.

EQUALITY & DIVERSITY

61. There are no equality and diversity implications associated with the recommendations in this report. Specific proposals associated with business cases and Investment Plan funding draw down will consider these implications where applicable.

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PLANNING UPDATE

SUMMARY

Responsibility for the determination of planning applications within the Middlesbrough Mayoral Development Corporation boundary lies with the Middlesbrough Development Corporation [MDC].

RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board notes the updated position of planning service delivery and the status of planning applications submitted for consideration.

DETAIL

1. Delivery of planning service functions relating to town and country planning and development control within the Middlesbrough Mayoral Development Corporation area is now overseen by the Head of Planning / Deputy Head of Planning with operational services delivered through Lichfields (re-appointed in April 2025 following a competitive tender process).
2. Since the Planning Board meeting in June 2025, 14 new planning applications have been received, 10 of which are valid. There are now 13 valid planning applications currently being considered by MDC. A further 4 applications are currently invalid.
3. 22 applications have been determined under delegated powers since the last Board meeting. Details of current applications are provided in the accompanying schedule.
4. One new enforcement case has been received since the last Board meeting. This relates to the unauthorised erection of glazed screens on Bedford Street

and was raised by Middlesbrough Council's Environmental Health team, via the Police, following an incident in which the screens obscured the view of CCTV cameras. MDC have confirmed that planning permission would be required for the screens but have been asked to hold off taking enforcement action until discussions within the Council take place.

5. Local planning authorities in England are required to submit quarterly returns to central government to provide summary information relating to the number and status of planning and related applications in each quarter. The last submission was made by the Middlesbrough Mayoral Development Corporation in August 2025 and future quarterly returns will be submitted as required.

FINANCIAL IMPLICATIONS

6. There are no financial implications.

LEGAL IMPLICATIONS

7. Planning Powers were conferred on to the Middlesbrough Mayoral Development Corporation on 1 June 2023 giving MDC the power to determine planning applications within the redline boundary.

RISK ASSESSMENT

8. This subject matter of this report is categorised as low risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

9. The subject of this report is a matter for MDC Board information only therefore no additional consultation and communication has been undertaken.

EQUALITY & DIVERSITY

10. This report does not impact on groups of people with protected characteristics.

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Middlesbrough Development Corporation

Delegated Planning Decisions since last Board Meeting 19th June 2025

| Application Number | Address | Summary of Development | Status |
|---------------------------|--|--|---------------|
| 25-0011-FUL | 35-37 Albert Road | Change of use and reconfiguration of part of the ground floor HMO (Sui Generis) to HMO and Retail Unit (Class E(a)). | Approved |
| 25-0020-ADV | Boho Five, Bridge Street East, TS2 1NY | Vinyl Building Wrap to the front elevation of Boho Five business centre | Approved |
| 25-0022-FUL | Stephenson House, Head Street, TS1 5TR | Replacement of existing single glazed windows to Automotive Opening Vent (AOV) windows | Approved |
| 25-0033-ADV | Hill Street Shopping Centre, Wilson Street, Middlesbrough, TS1 1SU | Installation of 1 x 48-sheet gable mounted LED illuminated advertising display unit, measuring 6.4m in width x 3.4m in height and comprising a pressed metal frame and sealed LED screen | Refused |
| 25-0037-FUL | Adjacent Boots, 88-90 Linthorpe Road, Middlesbrough | Installation of a Communication Hub with Integral Defibrillator and Advertisement Display | Refused |
| 25-0038-ADV | Adjacent Boots, 88-90 Linthorpe Road, Middlesbrough | Advertisement display on communications hub | Refused |
| 25-0039-FUL | Adjacent Lounge Afrique, 25 Corporation Road, Middlesbrough | Installation of a Communication Hub with Integral Defibrillator and Advertisement Display | Refused |
| 25-0040-ADV | Adjacent Lounge Afrique, 25 Corporation Road, Middlesbrough | Advertisement display on communications hub | Refused |
| 25-0041-FUL | Adjacent Footasylum, 5-11 Corporation | Installation of a Communication Hub with Integral Defibrillator and Advertisement Display | Refused |

| Application Number | Address | Summary of Development | Status |
|---------------------------|---|--|---------------|
| | Road, Middlesbrough | | |
| 25-0042-ADV | Adjacent Footasylum, 5-11 Corporation Road, Middlesbrough | Advertisement display on communications hub | Refused |
| 25-0044-FUL | 49-55 Grange Road, Middlesbrough, TS1 5AU | Proposed Change of Use to Student Accommodation Comprising 39 No. Studios and Communal Facilities, Including First and Second Floor Extensions, Dormer Windows and Boundary Treatments | Approved |
| 25-0045-DIS | 49-55 Grange Road, Middlesbrough, TS1 5AU | Discharge of condition 6 on 24/0057/FUL (Proposed Change of Use to Student Accommodation Comprising 38no. Studios and Communal Facilities, including First and Second Floor Extensions, Dormer Windows and Boundary Treatments) | Approved |
| 25-0049-LDC | 207 Linthorpe Road, Middlesbrough, TS1 4AG | Certificate of Lawful Development for Existing Use as a Hot Food Takeaway | Approved |
| 25/0052/DIS | 126 Borough Road, Middlesbrough, TS1 2ES | Discharge of conditions 3, 4 and 5 of planning permission 24/0092/FUL (Retrospective application for use as 10 bed HMO (Sui Generis) and external alterations to front, side and rear elevations. | Approved |
| 25/0057/ADV | Roxy Cinema, Unit 9-10 Captain Cook's Square | Installation of 1no. internally illuminated fascia sign | Approved |
| 25/0058/DIS | Land South of Union Street, Gresham | Partial Discharge (for 35-42, 44, 45, 47 and communal area 4) of condition 24 attached to planning permission 24/0027/VAR (section 73 application to vary conditions 2, 3, 4, 5, 10, 11, 14, 16, 18, 19, 20, 21,22, 24 of application 20/0289/FUL for the erection of 145 residential dwelling with associated | Approved |

| Application Number | Address | Summary of Development | Status |
|---------------------------|-----------------------------|--|---------------|
| | | access, parking, landscaping and amenity space. | |
| 25/0063/PNR | Fountain Court, Grange Road | Application to determine if prior approval is required for proposed installation, alteration or replacement of other Solar Photovoltaics (PV) equipment on the Roofs of Non-domestic Buildings | Approved |
| 25/0064/DIS | Outward Academy | Discharge of condition 22 on planning permission 24/0010/VAR for Section 73 planning application to vary conditions 3, 7, 13, 14, 19, 20, 21, 25 and 29 in respect of planning permission 21/1160/OUT for the demolition and redevelopment of the site for a new secondary school (of up to c.8,000sqm) with associated parking, external spaces and sports facilities at Land north of Lower East Street, Middlesbrough, TS2 1PF. | Approved |
| 25/0065/DIS | Outward Academy | Discharge of condition 6 on planning permission 24/0010/VAR for Section 73 planning application to vary conditions 3, 7, 13, 14, 19, 20, 21, 25 and 29 in respect of planning permission 21/1160/OUT for the demolition and redevelopment of the site for a new secondary school (of up to c.8,000sqm) with associated parking, external spaces and sports facilities at Land north of Lower East Street, Middlesbrough, TS2 1PF. | Approved |
| 25/0066/DIS | Outward Academy | Discharge of condition 5 on planning permission 24/0010/VAR for Section 73 planning application to vary conditions 3, 7, 13, 14, 19, 20, 21, 25 and 29 in respect of planning permission 21/1160/OUT for the demolition and redevelopment of the site for a new secondary school (of up to c.8,000sqm) with associated parking, external spaces and sports facilities at Land north of Lower East Street, Middlesbrough, TS2 1PF. | Approved |
| 25/0068/DIS | Outward Academy | Discharge of condition 4 on planning permission 24/0010/VAR for Section 73 planning application to vary conditions 3, 7, 13, 14, 19, 20, 21, 25 and 29 in respect of planning permission 21/1160/OUT for the | Approved |

| Application Number | Address | Summary of Development | Status |
|---------------------------|-------------------------------------|--|---------------|
| | | demolition and redevelopment of the site for a new secondary school (of up to c.8,000sqm) with associated parking, external spaces and sports facilities at Land north of Lower East Street, Middlesbrough, TS2 1PF. | |
| 25/0076/DIS | Land South of Union Street, Gresham | Partial Discharge (for plots 43 to 48 and 98-109) of condition 24 attached to planning permission 24/0027/VAR (section 73 application to vary conditions 2, 3, 4, 5, 10, 11, 14, 16, 18, 19, 20, 21,22, 24 of application 20/0289/FUL for the erection of 145 residential dwelling with associated access, parking, landscaping and amenity space. | Approved |

Current Valid Applications

| Application Number | Address | Summary of Development | Status |
|---------------------------|---|--|---|
| 24/0094/DIS | Skinnergate Cycles, 96-98 Corporation Road | Discharge of Condition 8 on application 23/5065/FUL for conversion of roof space to create 3 additional bedrooms associated with the existing HMO, 4no. dormer windows to front, 2no. dormer windows to rear and conversion of outbuilding to form additional living accommodation | Validated 22nd October 2024 Under consideration |
| 25-0004-FUL | Land to the south of Borough Road, Gresham: | Full planning application for Phase 1 of the Gresham redevelopment comprising demolition of 149 & 151 Linthorpe Road and construction of a new hotel (Use Class C1), 244no. Build to Rent apartments (Use Class C3), 471no. Student Accommodation beds (comprising a Purpose Built Student Accommodation block of 421no. beds (Use Class Sui Generis) and 5no. Mews Houses of 50no. beds (Use Class Sui Generis)) with | Validated 31st January 2025 Minded to grant. Awaiting finalisation of legal agreement before issuing decision. |

| Application Number | Address | Summary of Development | Status |
|---------------------------|--|--|---|
| | | associated parking, landscaping and infrastructure works. | |
| 25-0014-FUL | 154 Borough Road | Change of use from office to 30 student accommodation units including three storey side/rear extension and single storey rear extension. | Validated 3rd April 2025 Under Consideration |
| 25-0043-FUL | 10 Albert Road, Middlesbrough, TS1 1QA | Change of use from Class E to Late Night Bar (Sui Generis) including internal changes. | Validated 12th May 2025 Under Consideration |
| 25/0047/DIS | Outward Academy | Discharge of condition 33 on planning permission 24/0010/VAR for Section 73 planning application to vary conditions 3, 7, 13, 14, 19, 20, 21, 25 and 29 in respect of planning permission 21/1160/OUT for the demolition and redevelopment of the site for a new secondary school (of up to c.8,000sqm) with associated parking, external spaces and sports facilities at Land north of Lower East Street, Middlesbrough, TS2 1PF. | Validated 2nd May 2025 Under consideration |
| 25/0067/FUL | 46 Linthorpe Road | Change of use from Class E to mixed use comprising Art Gallery and Events Base (Class F1) and workspaces/studios (Class E) including alterations to front and side elevations. | Validated 19th June 2025 Under consideration |
| 25/0070/DIS | 34-36 Borough Road | Discharge of condition 3 on planning permission 24/0030/FUL for Internal re-configuration of building and change of use from 2no. ground floor commercial units (Use Class E) and 5no. residential flats (Use Class C3) to 2no. ground floor commercial units (Use Class E) and 8no. student flats (Sui Generis) with minor external alterations to the principal elevation. | Validated 23rd June 2025 Under consideration |
| 25/0071/ADV | Hill Street Shopping | Erection of 1no. non illuminated aluminium ATM sign | Validated 26th June 2025 |

| Application Number | Address | Summary of Development | Status |
|---------------------------|---|---|--|
| | Centre, Wilson Street, Middlesbrough, TS1 1SU | | Under consideration |
| 25/0075/VAR | 147 Albert Road | Variation to condition 1 of 24/0098/PNR (Application to determine if prior approval is required for a proposed: Change of use from Commercial, Business and Service (Use Class E) to Dwellinghouses (Use Class C3)) to include an additional bedroom. | Validated 1st July 2025 Under consideration |
| 25/0077/FUL | 22 Corporation Road | Replacement shopfront | Validated 2nd July 2025 Under consideration |
| 25/0078/ADV | 22 Corporation Road | Replacement signage (1 x projecting sign, 1 x fascia sign, 2 x ATM shrouds, 1 x internal graphic frames) | Validated 2nd July 2025 Under consideration |
| 25/0079/LBC | Middlesbrough Railway Station | Listed Building Consent for retention of artworks within Middlesbrough Station | Validated 2nd July 2025 Under consideration |
| 25/0083/FUL | Middlesbrough Railway Station | Installation of a freestanding sculptural artwork | Validated 4th August Under consideration |

Current Enforcement Cases

| Address | Unauthorised Works and date reported | Requirements |
|--------------------|---|---|
| 12-14 Borough Road | Development not in accordance with planning permission Reported January 2024 Enforcement Notice issued 14th February 2024 | 14th February 2024 Enforcement Notice served requiring breaches to be rectified. Appeal lodged and dismissed by planning inspectorate. Officers liaising with appellant re start of works. Latest correspondence on 14th May stressed need to progress with remediation work as beyond compliance period of 3rd April. |
| 32 Linthorpe Road | Removal of timber sash window and replacement with upvc | Still in discussions with property owner to secure replacement window. Latest |

| Address | Unauthorised Works and date reported | Requirements |
|--------------------------|--|--|
| | Enforcement Notice issued by MBC in 2023 | correspondence 14th May indicates drawings imminent. |
| 24 Borough Road | Unauthorised extension to rear of property Reported 30th August 2024 | Officers written to owner requesting submission of application. No response received. Section 330 Notice sent to owner on 14th May 2025. Deadline for response 5th June 2025. |
| Birdcage, Bedford Street | Erection of glazed screens on parklet Unauthorised development without planning permission Reported 15 th July 2025 | Liaising with police to understand impact to ascertain whether it is necessary to require the screen to be removed |

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Sections of Appendix 2a are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information); of schedule 12a Local Government Act 1972.)

Agenda Item 8

Report to the MDC Board

5 September 2025

Report of Group Legal Manager

URGENT AND DELEGATED DECISIONS

SUMMARY

This report provides an update for the Middlesbrough Development Corporation Board of Delegate and Urgent Decisions taken since the last Development Corporation Board meeting on 19th June 2025.

RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board:

- i. NOTES the Delegated Decisions detailed in Paragraphs 1-4 and **Appendix 1**; and
- ii. NOTES the Urgent Decisions detailed in Paragraph 5 and **Appendix 2**.

DETAIL

Delegated Decisions

1. A decision has been made to approve the appointment of Occa Design Studio Limited as the selected interior designer on the proposed hotel at Crown Square. At their meeting on 19 December 2024, MDC Board delegated decision making for the approval of appointments to the Chair, Chief Executive, Section 73 officer and Monitoring Officer.

A copy of the Record of Delegated Decision, detailing the action taken by those officers to whom delegated authority was given, is attached at **Appendix 1a**

2. A decision has been made to approve the appointment of Throughway Limited as the selected provider of Nutrient Neutrality credits for the Crown Square development. At

their meeting on 19 December 2024, MDC Board delegated decision making for the approval of appointments to the Chair, Chief Executive, Section 73 officer and Monitoring Officer.

A copy of the Record of Delegated Decision, detailing the action taken by those officers to whom delegated authority was given, is attached at **Appendix 1b**

3. A decision has been made to approve the appointment of Building Surveyors Limited as the selected party wall surveyor for the Crown Square development. At their meeting on 19 December 2024, MDC Board delegated decision making for the approval of appointments to the Chair, Chief Executive, Section 73 officer and Monitoring Officer.

A copy of the Record of Delegated Decision, detailing the action taken by those officers to whom delegated authority was given, is attached at **Appendix 1c**

4. A decision has been made to approve the re-allocation of up to £100,000 from MDC's development budget to its professional fees budget to allow MDC to obtain external specialist legal support for Phase 1 of the Crown Square development.

A copy of the Record of Delegated Decision, detailing the action taken by those officers to whom delegated authority was given, is attached at **Appendix 1d**

Urgent Decisions

5. Paragraph 18 of the Middlesbrough Development Corporation Constitution provides:

'Where a decision needs to be taken urgently and it is not practical to convene a quorate meeting of the Board or relevant committee or subcommittee of the Development Corporation, the Chief Executive, in consultation with the Chair (or in their absence the Vice Chair) of the Board or relevant committee or subcommittee, the Group Director of Finance and Resources and the Monitoring Officer, has the authority to take an urgent decision.'

6. Since its meeting on 19th June 2025, the following Urgent Decisions have been taken:

6.1 to authorise MDC to enter into contract with a provider for Planning Support services following a procurement exercise. The Urgent Decision is attached at **Appendix 2a**. The appendix to Urgent Decision record is not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Schedule 12A of the Local Government Act 1972.

6.2 to authorise the administration of business rate relief under s.47 of the Local Government Finance Act 1988, from 1 April 2024 for further applications considered in March 2025. The Urgent Decision is attached at **Appendix 2b**

6.3 to authorise the administration of business rate relief under s.47 of the Local Government Finance Act 1988, from 1 April 2024 for applications considered in April 2025. The Urgent Decision is attached at **Appendix 2c**

6.4 to authorise the administration of business rate relief under s.47 of the Local Government Finance Act 1988, from 1 April 2024 for applications considered in April 2025. The Urgent Decision is attached at **Appendix 2d**

FINANCIAL IMPLICATIONS

7. The financial implications in relation to each Delegated and Urgent Decision are identified within each decision form.

LEGAL IMPLICATIONS

8. The decisions referred to in this report have been taken in accordance with the Middlesbrough Development Corporation Constitution and delegations from the Board.

RISK ASSESSMENT

9. This report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

Name of Contact Officer: Shaun Natrass

Post Title: Group Legal Manager

Telephone Number: 01325 792600

Email Address: Shaun.Natrass@teesvalley-ca.gov.uk



Appendix 1a to Agenda Item 8

Report to the MDC Board

5 September 2025

Report of Group Legal Manager

RECORD OF THE EXERCISE OF DELEGATIONS TO CHIEF OFFICERS AS APPROVED BY MDC BOARD IN RELATION TO THE GRESHAM REDEVELOPMENT PROJECT

This form should be used to record decisions taken in accordance with delegations approved by the MDC Board in relation to the Gresham Redevelopment Project, to the Chief Executive, Section 73 Officer, Monitoring Officer and Chair of the MDC Board.

| | |
|---|---|
| OFFICER: Elizabeth Hutchinson | DATE DECISION TAKEN: 29/05/2025 |
| DECISION NO: | MDC DD 05-2025 |
| REFERENCE/MINUTE REF – TYPE OF DELEGATION MDC 43/24 | DELEGATION POWER – MEETING DATE, MINUTE REF, DELEGATION APPROVED MDC Board decision MDC 43/24 taken 19/12/24, Board Item 11, paragraph 33, 34 To delegate to Chair, Chief Exec, Section 73 officer and Monitoring Officer the approval of appointments. In order to meet the obligations of the Development Management Agreement to continue to progress the project in line with approvals in between board meetings. This is subject to the project remains within the financial envelope, relevant laws and regulations, and vision approved by the board. |

DETAILS OF DECISION:

Confirmation of OCCA as interior designers for the Gresham hotel

The terms of the Development Management Agreement entered into by MDC with TPPL entitles the Development Partner to appoint consultants; professional team members; contractors; subcontractors and as the Developer reasonably requires in pursuance of the Pre-Development Services and the Development, provided that:

- The identity of any such appointees are first Approved by MDC;
- The scope of works, fees proposals, forms of appointment, and insurance requirements shall be in a form Approved by MDC;
- The Developer shall procure the appointee issue a collateral warranty in favour of MDC in a form first Approved by MDC save where it is first Approved by MDC that it is not reasonable or otherwise appropriate to seek a collateral warranty from such an appointee;
- The Developer shall instruct and direct such appointees in accordance with the agreed terms referred to at Clause 2.5.2 above, and the Developer shall not alter, amend, vary or terminate such forms of appointment without the Approval of MDC and
- Such terms of appointments comply with Public Contracts Regulations 2015

To progress the technical designs, to confirm costs and prepare for construction start on site, it is necessary for the development partner to appoint interior designers for the buildings.

The hotel is a Fairfield by Marriott brand franchise, and the selected contractor OCCA are preferred designers working with Marriott, familiar with the brand's design code. Their established working relationships grants them authority to make pragmatic decisions to apply the design standards. As Marriott's preferred supplier, a full procurement is not possible, however, the initial price provided has been negotiated down, and benchmarked against the interior designers procured for the other buildings in the development.

As OCCA are providing interior design advice and have been involved in the design and layout of functional spaces such as the kitchen and bar, which is more than that is provided by the other interior design contracts. The benchmarking finds OCCA provide good value for money and are recommended by the developer to fulfil this role.

FINANCIAL IMPLICATIONS:

MDC has allocated funding for these fees in the board decision MDC 43/24 taken 19/12/24, it is within the funding envelope

Within the Budget approved by MDC Board is allocation of £92k, the actual fees quoted by OCCA are £94k. There is flexibility in the budget and contingency within the overall budget to pay for this fee

IS THIS A KEY DECISION?

No

PROCESS OF PARTNER CONSULTATION:

N/A

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

No alternative providers were able to tender for this work, as OCCA are the preferred supplier of the Marriott brand.



| | | | |
|--|---|--|--|
| ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS: None | | | |
| ANY OTHER INFORMATION TO BE INCLUDED AS PART OF THE DECISION RECORD: N/A | | | |
| SIGNATURE:  CHIEF EXECUTIVE DATE:17/6/25 | SIGNATURE:  CHAIR OF MIDDLESBROUGH DEVELOPMENT CORPORATION DATE: 29/05/2025 | SIGNATURE:  MONITORING OFFICER DATE: 17/6/25 | SIGNATURE:  FINANCE DIRECTOR DATE: 17/6/25 |
| Date Reported to MDC Board 5 September 2025 | | | |

Once fully complete and signed off please return to the Governance Team.



Appendix 1b to Agenda Item 8

Report to the MDC Board

5 September 2025

Report of Group Legal Manager

RECORD OF THE EXERCISE OF DELEGATIONS TO CHIEF OFFICERS AS APPROVED BY MDC BOARD IN RELATION TO THE GRESHAM REDEVELOPMENT PROJECT

This form should be used to record decisions taken in accordance with delegations approved by the MDC Board in relation to the Gresham Redevelopment Project, to the Chief Executive, Section 73 Officer, Monitoring Officer and Chair of the MDC Board.

| | |
|---|---|
| OFFICER: Elizabeth Hutchinson | DATE DECISION TAKEN: 29.05.2025 |
| DECISION NO: | MDC DD 06-2025 |
| REFERENCE/MINUTE REF – TYPE OF DELEGATION MDC 43/24 | DELEGATION POWER – MEETING DATE, MINUTE REF, DELEGATION APPROVED MDC Board decision MDC 43/24 taken 19/12/24, Board Item 11, paragraph 33, 34 To delegate to Chair, Chief Exec, Section 73 officer and Monitoring Officer the approval of appointments. In order to meet the obligations of the Development Management Agreement to continue to progress the project in line with approvals in between board meetings. This is subject to the project remains within the financial envelope, relevant laws and regulations, and vision approved by the board. |

DETAILS OF DECISION:

Confirmation of Thoroughway as provider of Nutrient Neutrality Credits

The terms of the Development Management Agreement entered into by MDC with TPPL entitles the Development Partner to appoint consultants; professional team members; contractors; subcontractors and as the Developer reasonably requires in pursuance of the Pre-Development Services and the Development, provided that:

- The identity of any such appointees are first Approved by MDC;
- The scope of works, fees proposals, forms of appointment, and insurance requirements shall be in a form Approved by MDC;
- The Developer shall procure the appointee issue a collateral warranty in favour of MDC in a form first Approved by MDC save where it is first Approved by MDC that it is not reasonable or otherwise appropriate to seek a collateral warranty from such an appointee;
- The Developer shall instruct and direct such appointees in accordance with the agreed terms referred to at Clause 2.5.2 above, and the Developer shall not alter, amend, vary or terminate such forms of appointment without the Approval of MDC and
- Such terms of appointments comply with Public Contracts Regulations 2015.

As a requirement of the planning permission Nutrient Neutrality (NN) credits must be secured at the time Planning Permission is submitted. Planning permission was submitted on 27th January 2025.

To secure the required NN credits the development partner has carried out an assessment of available options:

Background

As the scheme is delivering a hotel and PBSA, Natural England does not support applications through their Tees Valley Nutrient Mitigation scheme, which is restricted to housing. Therefore, a private solution large enough to support the scheme was required. With WSP's assistance, two viable options were identified.

Nutrient Credit Requirement for Gresham

- 535.2 kg pre-2030 (temporary credits until water treatment plant upgrades reduce the offset requirement)
- 267.6 kg post-2030 (permanent credits)

Given the temporary nature of the pre-2030 credits, a reduced price per credit has been negotiated for these, while maintaining the standard price for post-2030 credits.

Offers Received

1. Greenshank Environmental: (email attached shows lesser Kg requirement but the below has been adjusted to show updated requirement)

- o Pre-2030: £1,250 per kg × 535.2 kg = £669,000
- o Post-2030: £2,500 per kg × 267.6 kg = £669,000
- o Total: £1,338,000
- o Deposit: 100% deposit required on pre 2030 credits and 10% required on post-2030 credits
- o Legal Position: Pre-2030 credits secured, but S106 agreement for post-2030 credits is still in the process of being signed

2. TCC Land Limited / Thoroughway Limited:

- o Pre-2030: £1,200 per kg × 535.2 kg = £642,240

- o Post-2030: £2,550 per kg × 267.6 kg = £682,380
- o Total: £1,324,620
- o Deposit: 10% required on both pre- and post-2030 credits
- o Legal Position: Signed S106 agreements already in place for both pre- and post-2030 credits
- o Additional Benefit: £10,000 contribution towards legal fees

Recommendation

While both offers require only a 10% deposit, our recommendation is to proceed with TCC Land / Thoroughway for the following reasons:

- Certainty of Delivery: Their S106 agreements are already signed, meaning they can fulfil our requirement immediately. Greenshank is still finalising their S106 for post-2030 credits, which could introduce timing risks.
- Lower Cost: TCC's total cost is £13,380 less than Greenshank's.
- Cashflow: TCC's offer requires less cash on exchange of contracts £132,462 vrs £735,900.
- Legal Contribution: TCC has offered £10,000 towards our legal costs, further improving the financial case.

FINANCIAL IMPLICATIONS:

MDC has allocated funding for these fees in the board decision MDC 43/24 taken 19/12/24, it is within the funding envelope

IS THIS A KEY DECISION?

No

PROCESS OF PARTNER CONSULTATION:

N/A

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

Natural England and Greenshank Environmental were considered and rejected for the reasons above.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

None

ANY OTHER INFORMATION TO BE INCLUDED AS PART OF THE DECISION RECORD:

The procurement process undertaken has been reviewed for robustness by TVCA Procurement and TVCA Legal, as the fee is very large, and the market to secure such credits is limited, further constrained by the requirement for the credits to be confirmed as available immediately.



| | | | |
|---|---|---|--|
| <p>SIGNATURE:</p>  <p>CHIEF EXECUTIVE</p> <p>DATE: 17/6/25</p> | <p>SIGNATURE:</p>  <p>CHAIR OF MIDDLESBROUGH DEVELOPMENT CORPORATION</p> <p>DATE: 29/05/2025</p> | <p>SIGNATURE:</p>  <p>MONITORING OFFICER</p> <p>DATE:17/6/25</p> | <p>SIGNATURE:</p>  <p>FINANCE DIRECTOR</p> <p>DATE: 17/6/25</p> |
| <p>Date Reported to MDC Board 5 September 2025</p> | | | |

Once fully complete and signed off please return to the Governance Team.



Appendix 1c to Agenda Item 8

Report to the MDC Board

5 September 2025

Report of Group Legal Manager

RECORD OF THE EXERCISE OF DELEGATIONS TO CHIEF OFFICERS AS APPROVED BY MDC BOARD IN RELATION TO THE GRESHAM REDEVELOPMENT PROJECT

This form should be used to record decisions taken in accordance with delegations approved by the MDC Board in relation to the Gresham Redevelopment Project, to the Chief Executive, Section 73 Officer, Monitoring Officer and Chair of the MDC Board.

| | |
|--|---|
| OFFICER: Chief Executive, Group Director of Finance & resources, Group Chief Legal Officer and Monitoring Officer and Chair of the MDC Board | DATE DECISION TAKEN: 9 th July 2025 |
| DECISION NO: | MDC DD 07-2025 |
| REFERENCE/MINUTE REF – TYPE OF DELEGATION MDC 43/24 | DELEGATION POWER – MEETING DATE, MINUTE REF, DELEGATION APPROVED MDC Board decision MDC 43/24 taken 19/12/24, Board Item 11, paragraph 33, 34 To delegate to Chair, Chief Exec, Section 73 officer and Monitoring Officer the approval of appointments. In order to meet the obligations of the Development Management Agreement to continue to progress the project in line with approvals in between board meetings. This is subject to the project remains within the financial envelope, relevant laws and regulations, and vision approved by the board. |

DETAILS OF DECISION:

Confirmation of Building Surveyors Limited as provider of Party Wall Survey services

The terms of the Development Management Agreement entered into by MDC with TPPL entitles the Development Partner to appoint consultants; professional team members; contractors; subcontractors and as the Developer reasonably requires in pursuance of the Pre-Development Services and the Development, provided that:

- The identity of any such appointees are first Approved by MDC;
- The scope of works, fees proposals, forms of appointment, and insurance requirements shall be in a form Approved by MDC;
- The Developer shall procure the appointee issue a collateral warranty in favour of MDC in a form first Approved by MDC save where it is first Approved by MDC that it is not reasonable or otherwise appropriate to seek a collateral warranty from such an appointee;
- The Developer shall instruct and direct such appointees in accordance with the agreed terms referred to at Clause 2.5.2 above, and the Developer shall not alter, amend, vary or terminate such forms of appointment without the Approval of MDC and
- Such terms of appointments comply with Public Contracts Regulations 2015.

The development team ran a Request for Quote procurement exercise for this work, and received three prices.

The scope of work in each quote was on a like for like basis; the successful bidder won the work on their competitive price.

FINANCIAL IMPLICATIONS:

MDC has allocated funding for these fees in the board decision MDC 43/24 taken 19/12/24, it is within the funding envelope, the fee is £2,150.

IS THIS A KEY DECISION?

No

PROCESS OF PARTNER CONSULTATION:

N/A

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

Encompass and Lantern provided quotes, and were rejected as more expensive

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

The Chief Executive of Middlesbrough Development Corporation is also the Chief Executive of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, the Chief Executive has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

The Group Director of Finance & Resources of Middlesbrough Development Corporation is also the Group Director of Finance & Resources of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, the Group Director of Finance & Resources has considered whether this creates an actual conflict of



interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

The Group Chief Legal Officer and Monitoring Officer of Middlesbrough Development Corporation is also the Group Chief Legal Officer and Monitoring Officer of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Middlesbrough Development Corporation Constitution, the Group Chief Legal Officer and Monitoring Officer has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

ANY OTHER INFORMATION TO BE INCLUDED AS PART OF THE DECISION RECORD:

None

| | | | |
|---|--|--|--|
| <p>SIGNATURE:</p>  <p>CHIEF EXECUTIVE</p> <p>DATE: 09/07/2025</p> | <p>SIGNATURE:</p>  <p>CHAIR OF MIDDLESBROUGH DEVELOPMENT CORPORATION</p> <p>DATE: 15/08/2025</p> | <p>SIGNATURE:</p>  <p>MONITORING OFFICER</p> <p>DATE: 09/07/2025</p> | <p>SIGNATURE:</p>  <p>FINANCE DIRECTOR</p> <p>DATE: 09/07/2025</p> |
| <p>Date Reported to MDC Board 5 September 2025</p> | | | |

Once fully complete and signed off please return to the Governance Team.



DELEGATED DECISION FOR PROJECT INVESTMENT FUND

This form should be used to record decisions for project investment funding for Middlesbrough Development Corporation taken under delegated decision arrangements by the Group Chief Executive, Group Director of Finance & Resources, and Monitoring Officer. Delegated decisions are possible pertaining to initial project investment expenditure up to a maximum balance of £1m to facilitate project development.

| | |
|---|--|
| OFFICER: CHIEF EXECUTIVE, GROUP FINANCIAL CONTROLLER AND GROUP LEGAL MANAGER | DATE DECISION TAKEN: 22 July 2025 |
| DECISION NO: MDC DD-08-2025 | DELEGATION POWER AND PAGE OF CONSTITUTION OR BOARD MINUTE NUMBER: 20 March 2025 – MDC 56/2024 |



DETAILS OF DECISION:

BACKGROUND:

On the approval of Middlesbrough Development Corporation's ("MDC") Business Case, £10,000,000 of funding was allocated by TVCA Cabinet from the Investment Plan to each DC. From this, each DC allocated funding for non-project specific and operational costs, development costs and professional fees.

It is requested that up to £100,000 from MDC's development budget is re-allocated to the Gresham legal fees budget to provide external specialist legal support to MDC in order to progress Phase 1 of the Gresham project and represent the interests of MDC.

MDC will shortly undertake a procurement exercise to appoint an external legal services provider. External legal advice will be sought when support is required due to capacity issues and/or where it is required due to the complexity of a particular aspect of the project. This will be managed by TVCA's in-house legal team.

The funding will be allocated pending completion of the procurement process; on confirmation of the costs the commitment will be revised accordingly.

It is not possible for MDC Board to approve this decision at the next meeting as it is not practical to wait until the next MDC Board on the basis that specialist legal support is required in the interim to progress the project.

DECISION:

The Chief Executive, in consultation with the Chair of the Board, Group Director of Finance & Resources and Group Chief Legal Officer and Monitoring Officer, has made the following decisions:

1. Re-allocate £100,000 from MDC's development budget to the Gresham legal fees budget;





2. Approve that a procurement process is commenced to appoint an external legal services provider; and
3. Approve that a contract is entered into with the successful legal services provider following completion of the procurement process.

FINANCIAL IMPLICATIONS:

The funding required for the external legal support up to £100,000 is available in MDC's existing development budget. This decision effects the reallocation of funds from MDC's development budget to the Gresham project professional fees budget.

The implication of this decision is that the development budget will reduce by £100,000, meaning less funding is available for other MDC development projects.

LEGAL IMPLICATIONS:

It is expected that the Gresham development project will shortly require specialist legal support to review and advise upon contracts and agreements to progress the next stages of the development. For example, MDC will be required to approve a Hotel Management Agreement with the proposed hotel operator and the Franchise Agreement with the proposed franchisee, the terms of which MDC will be required to comply with once the contracts have been novated following construction. It is therefore imperative that MDC receives specialist legal advice to review and advise upon the agreement terms.

The external legal resource will be managed by TVCA's in-house legal team.

EXISTING BOARD DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

On 22 July 2022, TVCA Cabinet approved the allocation of £10,000,000 to Middlesbrough Development Corporation from TVCA's Investment Plan.

On 20 March 2025, MDC Board approved the 2025/2026 MDC budget which includes the development budget.

IS THIS A KEY DECISION?

No

RELEVANT DEVELOPMENT CORPORATION POLICY FRAMEWORK:

MDC Masterplan - https://teesvalley-ca.gov.uk/about/wp-content/uploads/sites/2/2023/07/TV_MDC-masterplan_digital.pdf

PROCESS OF PARTNER CONSULTATION:

There has been no partner consultation as part of this decision.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

Not to re-allocate the funding, undertake the procurement or award contracts with a specialist legal services provider. This would mean that the MDC would not receive external specialist legal support on complex aspects of the Gresham project, meaning that MDC would enter into contracts and agreements without the necessary advice.



ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

The Chief Executive of Middlesbrough Development Corporation is also the Chief Executive of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Middlesbrough Development Corporation Constitution, the Chief Executive has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

The Group Financial Controller of Middlesbrough Development Corporation is also the Group Financial Controller of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Middlesbrough Development Corporation Constitution, the Group Financial Controller has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

The Group Legal Manager of Middlesbrough Development Corporation is also the Group Legal Manager of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Middlesbrough Development Corporation Constitution, the Group Legal Manager has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

| | | |
|---|--|---|
| <p>SIGNATURE:</p>  <p>CHIEF EXECUTIVE</p> <p>DATE: 17/08/25</p> | <p>SIGNATURE:</p>  <p>GROUP FINANCIAL CONTROLLER (with the necessary delegations for the Group Director of Finance & Resources)</p> <p>DATE: 19/08/25</p> | <p>SIGNATURE:</p>  <p>GROUP LEGAL MANAGER (with the necessary delegations for the Monitoring Officer)</p> <p>DATE: 19/08/25</p> |
|---|--|---|



Appendix 2a to Agenda Item 8
Report to the MDC Board
5 September 2025
Report of Group Legal Manager

DELEGATED DECISION IN CASE OF URGENCY (PROCEDURE RULE 20 – MIDDLESBROUGH DEVELOPMENT CORPORATION CONSTITUTION)

This form should be used to record decisions taken under urgent decision arrangements by the Chief Executive in consultation with the Chair of the Middlesbrough Development Corporation Board, Group Director of Finance & Resources and Monitoring Officer, where the decision needs to be taken urgently and it is not practicable to form a quorate meeting of the board.

A record of this decision must be submitted to the next MDC Board. An annual record is also maintained by the Monitoring Officer.

| | |
|---|--|
| OFFICER: INTERIM CHIEF EXECUTIVE | DATE DECISION TAKEN: 11 April 2025 |
| DECISION NO: MDC UD 04-2025 | DELEGATION POWER AND PAGE OF CONSTITUTION: Procedure Rule 18, Middlesbrough Development Corporation Constitution |
| DETAILS OF DECISION: <u>Background</u> Middlesbrough Development Corporation's ("MDC") contract with Nathaniel Lichfield and Partners to provide General Planning Support for Middlesbrough Development Corporation is due to expire on 19 April 2025. On 10 February 2025, TVCA on behalf of MDC published a Request for Quote which invited tenders from organisations to provide a planning support service for MDC from April 2025 for a term of 12 months with two optional 12 month extensions. The Request for Quote closed on 14 March 2025. A total of 3 tenders were received and were subsequently evaluated by officers in accordance with a strict scoring criteria. Following the evaluation process, Nathaniel Lichfield and Partners were the successful bidder. <u>Decision</u> A decision has been made to enter into the contract to Nathaniel Lichfield and Partners to provide General Planning Support for Middlesbrough Development Corporation for a term of 12 months with two optional 12 month extensions. | |

FINANCIAL IMPLICATIONS:

MDC invited bids from organisations via a Request for Quote procurement. A total of 3 tenders were received and considered by officers in line with evaluation criteria which included an assessment of the costs of the procured service.

Confidential Appendix A to this report provides a summary of the fees quoted by Nathaniel Lichfield and Partners to deliver the service. Although Nathaniel Lichfield and Partners' fees quoted to deliver the service were not the lowest of the 3 bidders, they were considered the most economically advantageous bidder when considering price, quality and social value.

The maximum spend under the contract is limited to £1,500,000, although the actual spend is expected to be less than this. The cost of the services under the contract will be met from the existing professional services fees budget.

EXISTING BOARD DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

There is no existing board decision.



Hartlepool
Development
Corporation

PROCESS OF PARTNER CONSULTATION:

Save for inviting bids via the procurement process, there has been no consultation undertaken.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

Not to award the contract to Nathaniel Lichfield and Partners – this has been rejected on the basis that a procurement exercise has been undertaken after which Nathaniel Lichfield and Partners has been selected as the successful bidder in accordance with the evaluation criteria.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

The Interim Chief Executive of Middlesbrough Development Corporation is also the Interim Chief Executive of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Middlesbrough Development Corporation Constitution, the Interim Chief Executive has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE CONSULTEES:

The Group Director of Finance and Resources of Middlesbrough Development Corporation is also the Group Director of Finance and Resources of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Middlesbrough Development Corporation Constitution, the Group Director of Finance and Resources has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

The Group Chief Legal Officer and Monitoring Officer of Middlesbrough Development Corporation is also the Group Chief Legal Officer and Monitoring Officer of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, under the Middlesbrough Development Corporation Constitution, the Group Chief Legal Officer and Monitoring Officer has considered whether this creates an actual conflict of interest. This decision will not adversely affect the Tees Valley Combined Authority, and as such, the decision maker is content that no actual conflict arises, such that the decision can be made free from such conflict.

SIGNATURE:



GROUP CHIEF EXECUTIVE

DATE: 5 June 2025

SIGNATURE:



**CHAIR OF MDC BOARD
TEES VALLEY MAYOR**

DATE: 6 June 2025

SIGNATURE:



**GROUP CHIEF LEGAL OFFICER
AND MONITORING OFFICER**

**PP DEPUTY MONITORING
OFFICER**

DATE: 5 June 2025

SIGNATURE:



**GROUP DIRECTOR OF
FINANCE & RESOURCES**

DATE: 5 June 2025

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DATE REPORTED TO MANAGEMENT GROUP:

Once fully complete and signed off please return to the Governance Team.



DELEGATED DECISION (URGENT DECISION – PARAGRAPH 18, Middlesbrough Development Corporation Constitution)

This form should be used to record decisions taken under delegated decision arrangements by the Chief Executive in consultation with the Chair of the Board, Statutory Officers (the Group Director of Finance and Resources and the Monitoring Officer), where the decision needs to be taken on less than 28 days' notice and it is not practicable to form a quorate meeting of the Board.

A record of this decision must be submitted to Board. An annual record is also maintained by the Monitoring Officer.

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| OFFICER: Group Chief Executive | DATE DECISION TAKEN: 10 th March 2025 |
| DECISION NO: MDC UD 05-2025 | DELEGATION POWER AND PAGE OF CONSTITUTION: Paragraph 18 - Middlesbrough Development Corporation Constitution |
| DESCRIPTION OF DECISION: <p>MDC has taken an urgent decision in line with its constitution (Rule 18 of the Middlesbrough Development Corporation Constitution) as follows:</p> <ul style="list-style-type: none"> The decision of the Corporation under s.47 of the Local Government Finance Act 1988 is that discretionary relief should apply from 1 April 2024 where the criteria is met, and at the rate provided for, under the Business Rates Relief: 2024/25 Retail, Hospitality and Leisure Scheme <p>The above scheme is a Government Scheme, which the law provides are administered by Middlesbrough Council and Middlesbrough Development Corporation (in their respective areas), pursuant to s47 of the Local Government Finance Act 1988.</p> <p>Middlesbrough Development Corporation and Middlesbrough Council will comply with the compensatory provisions as set out in the Middlesbrough Development Corporation (Functions) Order 2023. This ensures that Middlesbrough Council is not left in a detrimental financial position as a result of the Development Corporation's decisions on Discretionary Rate Relief.</p> <p>The above decision has been taken for the two businesses as set out in writing by Middlesbrough Council to the Corporation – application references: FS690266794.</p> | |



REASON WHY IT IS IMPRACTICAL TO GIVE LONGER NOTICE OR CONVENE A MEETING OF HARTLEPOOL DEVELOPMENT CORPORATION:

Middlesbrough Council, as billing authority, is required to implement the required billing processes for the above schemes for financial year 1 April 2024 – 31 March 2025. That billing process started on 1 March 2023 and therefore MDC is required to take an urgent decision to ensure that this process can be completed.

FINANCIAL IMPLICATIONS:

The discretionary rate reliefs are issued under the Business Rates Relief: 2024/25 Retail, Hospitality and Leisure Scheme.

The relief scheme is a temporary Government backed scheme which will in line with the eligibility criteria set out in the relevant guidance, reimburse local authorities that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant relief.

Therefore there are no financial implications of this decision as all rate reliefs issued should be recoverable from Government for the loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in relevant guidance, using a grant under Section 31 of the Local Government Act 2003.

EXISTING BOARD DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

Not applicable.

PROCESS OF PARTNER CONSULTATION:

The Group Chief Executive has, in compliance with Paragraph 18 of the Middlesbrough Development Corporation Constitution, consulted with the Chair of the Board, s73 Officer and Monitoring Officer and in addition, with Officers from Middlesbrough Borough Council, as the billing authority.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

Any delay in making this decision would be in order to bring this decision to a Board Meeting. If this option were taken it would delay Middlesbrough Council being able to issue bills to businesses, causing uncertainty for those businesses and possibly having a negative financial impact on the businesses who have applied for relief.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

The Middlesbrough Development Corporation was established by the Secretary of State for the Department for Levelling Up Housing & Communities at the request of the Tees Valley Combined Authority. The Group Chief Executive, the Chair, the Monitoring Officer and the Director of Finance & Resources for Middlesbrough Development Corporation, hold similar roles for the Tees Valley Combined Authority. It is acknowledged that in making of this decision there could be a perceived conflict of interest.

The Group Chief Executive in making this decision, and the Chair, Monitoring Officer and Group Director of Finance & Resources as part of that delegation have been consulted and have considered whether the perceived conflict of interest amounts to an actual conflict of interest.

The award of relief pursuant to the Government Scheme detailed in this decision, does not result in any financial detriment to the Development Corporation. Any relief given in pursuance of the government scheme, is reimbursed by central government. As there is no financial detriment to the Development Corporation, there is no likelihood of any financial



detriment to the Tees Valley Combined Authority and therefore no conflict of interest has been identified.

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| <p>SIGNATURE:</p>  <p>GROUP CHIEF EXECUTIVE</p> <p>DATE: 12/06/2025</p> | <p>SIGNATURE:</p>  <p>CHAIR MIDDLESBROUGH DEVELOPMENT CORPORATION</p> <p>DATE: 10/03/2025</p> | <p>SIGNATURE:</p>  <p>MONITORING OFFICER</p> <p>DATE: 12/06/2025</p> | <p>SIGNATURE:</p>  <p>GROUP DIRECTOR OF FINANCE & RESOURCES</p> <p>DATE: 12/06/2025</p> |
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DELEGATED DECISION (URGENT DECISION – PARAGRAPH 18, Middlesbrough Development Corporation Constitution)

This form should be used to record decisions taken under delegated decision arrangements by the Chief Executive in consultation with the Chair of the Board, Statutory Officers (the Group Director of Finance and Resources and the Monitoring Officer), where the decision needs to be taken on less than 28 days' notice and it is not practicable to form a quorate meeting of the Board.

A record of this decision must be submitted to Board. An annual record is also maintained by the Monitoring Officer.

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| OFFICER: Group Chief Executive | DATE DECISION TAKEN: 2 nd April 2025 |
| DECISION NO: MDC UD 06-2025 | DELEGATION POWER AND PAGE OF CONSTITUTION: Paragraph 18 - Middlesbrough Development Corporation Constitution |
| DESCRIPTION OF DECISION: <p>MDC has taken an urgent decision in line with its constitution (Rule 18 of the Middlesbrough Development Corporation Constitution) as follows:</p> <ul style="list-style-type: none"> The decision of the Corporation under s.47 of the Local Government Finance Act 1988 is that discretionary relief should apply from 1 April 2024 where the criteria is met, and at the rate provided for, under the Business Rates Relief: 2025/26 Retail, Hospitality and Leisure Scheme <p>The above scheme is a Government Scheme, which the law provides are administered by Middlesbrough Council and Middlesbrough Development Corporation (in their respective areas), pursuant to s47 of the Local Government Finance Act 1988.</p> <p>Middlesbrough Development Corporation and Middlesbrough Council will comply with the compensatory provisions as set out in the Middlesbrough Development Corporation (Functions) Order 2023. This ensures that Middlesbrough Council is not left in a detrimental financial position as a result of the Development Corporation's decisions on Discretionary Rate Relief.</p> <p>The above decision has been taken for the two businesses as set out in writing by Middlesbrough Council to the Corporation – application references: FS699435917, FS700693152.</p> | |



REASON WHY IT IS IMPRACTICAL TO GIVE LONGER NOTICE OR CONVENE A MEETING OF MIDDLESBROUGH DEVELOPMENT CORPORATION:

Middlesbrough Council, as billing authority, is required to implement the required billing processes for the above schemes for financial year 1 April 2025 – 31 March 2026. Any delay in making this decision would be in order to bring this decision to a Board Meeting. If this option were taken it would delay Middlesbrough Council being able to issue bills to businesses, causing uncertainty for those businesses and possibly having a negative financial impact on the businesses who have applied for relief.

FINANCIAL IMPLICATIONS:

The discretionary rate reliefs are issued under the Business Rates Relief: 2025/26 Retail, Hospitality and Leisure Scheme.

The relief scheme is a temporary Government backed scheme which will in line with the eligibility criteria set out in the relevant guidance, reimburse local authorities that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant relief.

Therefore there are no financial implications of this decision as all rate reliefs issued should be recoverable from Government for the loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in relevant guidance, using a grant under Section 31 of the Local Government Act 2003.

EXISTING BOARD DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

Not applicable.

PROCESS OF PARTNER CONSULTATION:

The Group Chief Executive has, in compliance with Paragraph 18 of the Middlesbrough Development Corporation Constitution, consulted with the Chair of the Board, s73 Officer and Monitoring Officer and in addition, with Officers from Middlesbrough Borough Council, as the billing authority.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

The alternative option would be to reject the applications for relief however this was not appropriate given the applicants are eligible and the scheme is funded by Government therefore has no financial implication on Middlesbrough Development Corporation.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

The Middlesbrough Development Corporation was established by the Secretary of State for the Department for Levelling Up Housing & Communities at the request of the Tees Valley Combined Authority. The Group Chief Executive, the Chair, the Monitoring Officer and the Director of Finance & Resources for Middlesbrough Development Corporation, hold similar roles for the Tees Valley Combined Authority. It is acknowledged that in making of this decision there could be a perceived conflict of interest.

The Group Chief Executive in making this decision, and the Chair, Monitoring Officer and Group Director of Finance & Resources as part of that delegation have been consulted and have considered whether the perceived conflict of interest amounts to an actual conflict of interest.

The award of relief pursuant to the Government Scheme detailed in this decision, does not result in any financial detriment to the Development Corporation. Any relief given in pursuance of the government scheme, is reimbursed by central government. As there is no financial detriment to the Development Corporation, there is no likelihood of any financial



detriment to the Tees Valley Combined Authority and therefore no conflict of interest has been identified.

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| <p>SIGNATURE:  GROUP CHIEF EXECUTIVE DATE: 07/07/2025</p> | <p>SIGNATURE:  CHAIR MIDDLESBROUGH DEVELOPMENT CORPORATION DATE: 15/08/2025</p> | <p>SIGNATURE:  MONITORING OFFICER DATE: 07/07/2025</p> | <p>SIGNATURE:  GROUP DIRECTOR OF FINANCE & RESOURCES DATE: 19/05/2025</p> |
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DELEGATED DECISION (URGENT DECISION – PARAGRAPH 18, Middlesbrough Development Corporation Constitution)

This form should be used to record decisions taken under delegated decision arrangements by the Chief Executive in consultation with the Chair of the Board, Statutory Officers (the Group Director of Finance and Resources and the Monitoring Officer), where the decision needs to be taken on less than 28 days' notice and it is not practicable to form a quorate meeting of the Board.

A record of this decision must be submitted to Board. An annual record is also maintained by the Monitoring Officer.

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| OFFICER: Chief Executive | DATE DECISION TAKEN: 15 th April 2025 |
| DECISION NO: MDC UD 07-2025 | DELEGATION POWER AND PAGE OF CONSTITUTION: Paragraph 18 - Middlesbrough Development Corporation Constitution |
| DESCRIPTION OF DECISION: <p>MDC has taken an urgent decision in line with its constitution (Rule 18 of the Middlesbrough Development Corporation Constitution) as follows:</p> <ul style="list-style-type: none"> The decision of the Corporation under s.47 of the Local Government Finance Act 1988 is that discretionary relief should apply from 1 April 2024 where the criteria is met, and at the rate provided for, under the Business Rates Relief: 2025/26 Retail, Hospitality and Leisure Scheme <p>The above scheme is a Government Scheme, which the law provides are administered by Middlesbrough Council and Middlesbrough Development Corporation (in their respective areas), pursuant to s47 of the Local Government Finance Act 1988.</p> <p>Middlesbrough Development Corporation and Middlesbrough Council will comply with the compensatory provisions as set out in the Middlesbrough Development Corporation (Functions) Order 2023. This ensures that Middlesbrough Council is not left in a detrimental financial position as a result of the Development Corporation's decisions on Discretionary Rate Relief.</p> <p>The above decision has been taken for the five businesses as set out in writing by Middlesbrough Council to the Corporation – application references: FS702297923, FS702655547, FS702042777, FS704052376, FS704441199.</p> | |



REASON WHY IT IS IMPRACTICAL TO GIVE LONGER NOTICE OR CONVENE A MEETING OF MIDDLESBROUGH DEVELOPMENT CORPORATION:

Middlesbrough Council, as billing authority, is required to implement the required billing processes for the above schemes for financial year 1 April 2025 – 31 March 2026. Any delay in making this decision would be in order to bring this decision to a Board Meeting. If this option were taken it would delay Middlesbrough Council being able to issue bills to businesses, causing uncertainty for those businesses and possibly having a negative financial impact on the businesses who have applied for relief.

FINANCIAL IMPLICATIONS:

The discretionary rate reliefs are issued under the Business Rates Relief: 2025/26 Retail, Hospitality and Leisure Scheme.

The relief scheme is a temporary Government backed scheme which will in line with the eligibility criteria set out in the relevant guidance, reimburse local authorities that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant relief.

Therefore there are no financial implications of this decision as all rate reliefs issued should be recoverable from Government for the loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in relevant guidance, using a grant under Section 31 of the Local Government Act 2003.

EXISTING BOARD DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

Not applicable.

PROCESS OF PARTNER CONSULTATION:

The Chief Executive has, in compliance with Paragraph 18 of the Middlesbrough Development Corporation Constitution, consulted with the Chair of the Board, s73 Officer and Monitoring Officer and in addition, with Officers from Middlesbrough Borough Council, as the billing authority.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

The alternative option would be to reject the applications for relief however this was not appropriate given the applicants are eligible and the scheme is funded by Government therefore has no financial implication on Middlesbrough Development Corporation.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

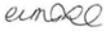
The Middlesbrough Development Corporation was established by the Secretary of State for the Department for Levelling Up Housing & Communities at the request of the Tees Valley Combined Authority. The Chief Executive, the Chair, the Monitoring Officer and the Director of Finance & Resources for Middlesbrough Development Corporation, hold similar roles for the Tees Valley Combined Authority. It is acknowledged that in making of this decision there could be a perceived conflict of interest.

The Chief Executive in making this decision, and the Chair, Monitoring Officer and Group Director of Finance & Resources as part of that delegation have been consulted and have considered whether the perceived conflict of interest amounts to an actual conflict of interest.

The award of relief pursuant to the Government Scheme detailed in this decision, does not result in any financial detriment to the Development Corporation. Any relief given in pursuance of the government scheme, is reimbursed by central government. As there is no financial detriment to the Development Corporation, there is no likelihood of any financial



detriment to the Tees Valley Combined Authority and therefore no conflict of interest has been identified.

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| <p>SIGNATURE:</p>  <p>CHIEF EXECUTIVE</p> <p>DATE: 20/05/2025</p> | <p>SIGNATURE:</p>  <p>CHAIR MIDDLESBROUGH DEVELOPMENT CORPORATION</p> <p>DATE: 22/05/2025</p> | <p>SIGNATURE:</p>  <p>MONITORING OFFICER</p> <p>DATE: 16/05/2025</p> | <p>SIGNATURE:</p>  <p>GROUP DIRECTOR OF FINANCE & RESOURCES</p> <p>DATE: 19/05/2025</p> |
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