



MIDDLESBROUGH DEVELOPMENT CORPORATION BOARD

Friday, 5 September 2025 at 2:30pm

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

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

<u>ATTENDEES</u>	
<u>Members</u>	
Tony Parkinson (Chair)	Independent Member (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
Tony Grainge	Independent Member
Father Glyn Holland	Independent Member
Matt Storey	Independent Member
<u>Associate Members</u>	
Tom Bryant	Associate Member
Erik Scollay	Associate Member
<u>Officers in Attendance</u>	
Beverley Bearne	MDC Chief Operating Officer
Jodie Townsend	Interim Group Chief Legal Officer/Monitoring Officer
Shaun Natrass	Group Legal Manager
Jo Moore	Interim Group Director of Finance & Resources
Julie Hurley	Head of Planning
Eleanor Thomas	Governance Officer, TVCA
Justine Matchett	Lichfields
Neil Westwick	Lichfields
<u>Others in Attendance</u>	
Jonathan Munby	Independent Chair of Middlesbrough Development Corporation Audit & Governance Committee
<u>Apologies</u>	
Victoria Fuller	Independent Advisor



MDC 05/2025	<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 06/2025	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>
MDC 07/2025	<p>Minutes of Previous Meeting</p> <p>RESOLVED: The minutes of the meeting held on Thursday, 19 June 2025 were approved as a correct record.</p>
MDC 08/2025	<p>Update from the Chair and Chief Operating Officer</p> <p>The Board received a presentation and a verbal update from the Chair and the Chief Operating Officer of Middlesbrough Development Corporation regarding the work that has been undertaken and what the key priorities are for the Development Corporation over the next few months.</p> <p>Key details are outlined as below:</p> <ul style="list-style-type: none">- The Chair has had significant time with Bev as Chief Operating Officer, to understand what the MDC's operating model is, and what the Development Corporations ambitions are.- Jonathan Munby, who is Independent Chair for the Middlesbrough Development Corporation Audit & Governance Committee (MDC A&G) was in attendance at the Board meeting. The Chair is keen to have better links between the Board and the MDC A&G Committee.- There has been a review of the Strategic Plan and the Investment Zone funding plans.- Key priorities included the Board operation and decision-making processes, such as linking to the way the MDC and the TVCA operate and factoring in the Governance review taking place at TVCA.- Another key priority was having clear deliverables and being clear what the Board wants to deliver over the next 1-2 years, to ensure the Board has presence and is used to talk up the town, showing what great things the town has to offer and what other things can be created through the Board. Therefore, it was noted that there is a need for a marketing and comms strategy to create an online presence to attract investment.

- Regarding Gresham, the land transfer from Middlesbrough Council was approved on 22 July 2025 and is now in the MDC ownership. Boardings have gone up around the site and work is ongoing. Development managers are developing designs which will go through planning to showcase what is anticipating being delivered on the site. There is ongoing work with statutory service disconnecting diversions alongside detailed sign work and planning permission has been agreed with the council. Working with the contractors to develop tender packages which are hoped to be brought out to the market shortly.
- The Crown building was inherited as part of the asset transfer from Middlesbrough Council and time has been spent on erecting scaffolding to ensure the footpath underneath the Crown is safe for pedestrians.
- As part of the contract with Wates, they are delivering social value, and the headline figures to date is that a million pound spend in the local supply chain, 78 hours of volunteering work on local projects and 9 work placements from local young people. It was recommended to the Board that a more comprehensive update can be brought back to the December meeting.
- The Auxiliary works have been almost complete, and it will be open in time for the Middlesbrough Art week.

Questions and comments were invited from the Board and there was a discussion on the recent press release relating to the Middlesbrough Town Centre town guards:

- Mayor Chris Cooke raised concerns around the recent press release of the 'town guards' for Middlesbrough which showcased the town as a negative image and noted that the press release risked pre-empting a decision. The Chair responded that any external announcements do not supersede Board decisions and cannot be held accountable for what the Tees Valley Mayor says, and the Board is not here to get into political disagreements. It is important that this Board remains focused on conducting business effectively through good Governance and ensuring the Board is making a difference to Middlesbrough.
- Mayor Chris Cooke expressed concerns that in the press release it announced that the 'town guards' with the support of Cleveland Police would be given formal police powers to tackle crime and disorder in the town centre but noted this was not factually correct as details have not been finalised and agreed.

- The Chair noted that Middlesbrough Council initially presented a proposed solution to tackle antisocial behaviour, and the proposal will be discussed with the Board. If approved it will go through the appropriate approval processes. However, it was noted that it is important to have discussions with the Board in private to discuss what a solution could look like, to make the town look and feel safer, and reduce the crime rates. There are perceptions of safety that exists, and it's important to deal with these to ensure that the town becomes more accessible and cleaner, so the experience that people have encourages them to come back. There is not a fully concluded process of the detail, and the message is that they want people to feel safer in Middlesbrough town centre and working with Cleveland Police and Middlesbrough Council to achieve this.
- Tom Bryant outlined the context for the Board on the project and explained that at the March 2025 TVCA Cabinet meeting, Cabinet agreed the Tees Valley investment zone and the investment plan, which is £160million of investment for the whole of the Tees Valley and within this there is a £2.6million allocation to support safety, crime and antisocial behaviour in the Middlesbrough and Hartlepool Development Corporation areas. Therefore, TVCA Cabinet approved the £2.6million allocation, and work has been happening to develop what the project looks like. Once this has been fully developed, a business case in terms of the TVCA contribution will go back through assurance framework to get signed off. It was noted that as the Board is critical for what the town looks like, the Board will have an opportunity to input and shape the project, and everyone's views will have been incorporated into the project.
- Matt Storey emphasised that one key thing is to ensure that key processes are followed and how important it is to ensure Middlesbrough is talked up and not down, and with the recent press release it was talked down which affects the work that is being done by the Board. It was highlighted how positive the town guards would be for the town centre, but it's important that business is done in the correct way, and if the process is not correct it affects the outcomes, and it is important to have a collaborative approach between Middlesbrough Council, the MDC Board and the TVCA/Tees Valley Mayor.
- Jodie Townsend explained that the Governance process has been followed, but it highlights there are clear areas to work on, and areas have been identified for improvement for Governance accountability and assurance across TVCA and the entities. However, it's important for the Board to remain focused on what it wants to achieve, and if there is an outcome the Board wants to get to there might be things that can be strengthened in the future to tackle these particular circumstances, but it was more of a comms issue rather than a Governance issue.

	<ul style="list-style-type: none">- The Chair explained that any announcement made by any individual does not supersede any decision that the Board makes, and as an Independent Chair and the Board will make its own decisions.- Tom Bryant noted that all projects and those that have TVCA contributions will follow the correct process, along with TVCA assurance framework and constitution. <p>RESOLVED: That the Board <u>noted</u> the Chair and Chief Operating Officers update.</p>
MDC 09/2025	<p>Draft Annual Governance Statement</p> <p>Jodie Townsend, Interim Group Chief Legal Officer/Monitoring Officer, informed the Board that the purpose of the Annual Governance Statement (AGS) is to provide assurance that the Development Corporation has a robust Governance framework in place and that it is operating effectively, noting that the AGS has been presented as a draft to the MDC Audit & Governance Committee in July and has been uploaded to the website alongside the draft financial statements.</p> <p>Jonathan Munby, the Chair of the MDC Audit & Governance Committee noted that he has been chairing the Committee for over a year and had previously been an independent member on the TVCA Audit & Governance Committee. As a qualified accountant, with previous public sector experience and a passion for good Governance, transparency and best value for spending public money and ensuring best outcomes for the town.</p> <p>Questions and comments were invited from the Board:</p> <ul style="list-style-type: none">- Martin Raby noted that there is reference to the Development Corporation risk appetite, and he is not aware that the DC has established a risk appetite and recommended it would be helpful for the Board to consider it. In terms of risk management, the Board does not have sight of the risk register and in case of any future risk noted it would be a good idea for Board to be made aware of the risk register. Jodie Townsend noted that this will be amended in the final AGS, and it will be something that will be picked up as part of the governance improvement and the Board will be involved in that process, and there is work to reflect on. <p>RESOLVED: That the Board:</p> <ol style="list-style-type: none">1. NOTED: the content of the draft Annual Governance Statement for 2024-2025 included at Appendix 1: and

	<p>2. NOTED: that it will be published as a draft with the draft Financial Statements for Middlesbrough Development Corporation as detailed in the report.</p>
<p>MDC 10/2025</p>	<p>Quarter 1 Forecast of Revenue 2025/26 & 2025/29 Capital Programme Budget Report and Medium-Term Financial Plan</p> <p>Jo Moore, Interim Group Finance Director of Finance & Resources informed the Board that she is ensuring that the quarterly board reports are out on time to members, but the reports have been slightly changed to a different format and hopefully Board members will be able to see the impact in the different way of presenting and highlighting things in a better format and will be further improved for the next Board meeting.</p> <p>It was noted that there is a slight underspend on revenue, the forecast underspend on employee expenditure is due to vacant posts and within that there is £175,000 investment zone income which is factored into the underspend. There is further work to do, to ensure all set out in agreements and an update will be brought back to the next Board meeting.</p> <p>Regarding the capital, it is on budget for 2025/2026 and the report combines this year's budget monitoring and broader GMP position, but going forward it will be segregated, and the quarterly reports will be focusing on the budget, MTFP, and mitigate update ahead of budget setting.</p> <p>In the report it refers to the outturn report for the prior year which indicated there was an overspend on purchase of House of Fraser, and the report noted the expenditure but not the funding source, and in this report, it proposes the Board approve a reduction of £0.93m from the initial project development budget to fully fund the overspend.</p> <p>It was noted that the TVCA Cabinet approved a borrowing facility available to fund future MDC Capital Investment up to £75m, but to access the borrowing facility there would need to be robust business cases approved by MDC Board and TVCA along with evidence that MDC can fully service the cost of borrowing.</p> <p>Questions and comments were invited from the Board:</p> <ul style="list-style-type: none"> - Martin Raby noted the report highlights future funding shortfalls in 2026/2027, and in revenue in 2028/2029 and queried what the plan is to keep the Board informed in terms of meeting the funding shortfall as 2026/2027 starts on 1st April 2026 and where it sits in terms of the risk register. In response, Jo Moore explained that it is

proposed in October/November to hold workshops on budget setting for next year, and to work together with officers to get the right proposals for the Board to consider.

- Mayor Chris Cooke raised a couple of queries, and these are as follows. One query was in relation to the planning costs; it was noted that when the Board first started talking about planning it was agreed that planning would be covered by the fees collected, and there is a shortfall and queried is there any plan for this. Another query raised was that there are premises that the MDC are paying for, but only MDC are paying for it, HDC are not paying for any premises, and queried what this discrepancy is about. The total staffing costs were also queried; it was noted that there is an allocation for MDC and for HDC and queried whether this is an indicative cost or whether it is a shared cost. It was noted that in paragraph 27 of the report, there is reference to a Development Corporation Steering Group who have delegated authority to approve business cases, and clarity was requested on this. Concerns were also raised about the investment zone income and how this has been funded. In response to the concerns raised by Mayor Chris Cooke, Tom Bryant advised that a detailed response would be circulated to the Board, and that these issues will be discussed at the budget setting workshop.
- Mayor Cooke noted that a full-scale review of the budget was necessary, as there is a lot of reoccurring spend. It was suggested there be an analysis of the budget, what makes up the budget, a comprehensive response as to how the decisions have been reached and whether it is value for money. The Chair noted that a full written response would be circulated to the Board by the end of September at the latest.
- Mayor Cooke requested an additional recommendation be added that the Board will meet again to assess the information received and to further make a decision. The Chair noted that depending on what that information tells the Board, it can be decided on whether the Board require a further meeting.
- Martin Raby raised concerns around the viability of the Gresham project, and the lease wrap, as gilt rates are now at a record level for this century, and queried what this means for Gresham. Beverley Bearne explained that they are awaiting a report from independent advisors on the market, but this is an opportunity to consider different approaches to the funding of Gresham.

RESOLVED: That the Board:

- i. **NOTED:** the Q1 forecast revenue outturn for 2025/26, forecasting an underspend on employee costs of £0.086m.

	<ul style="list-style-type: none"> ii. NOTED: the Q1 Capital Outturn Forecast for 2025/26 as at the end of quarter 1, is in line with the approved capital budget. iii. APPROVED: 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. NOTED: 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. NOTED: 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. NOTED: the impact on the Medium-Term Financial Plan for the period to March 2029. vii. NOTED: 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. ix. NOTES the request for an additional meeting to assess the information received in terms of the budget concerns.
<p>MDC 11/2025</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>Questions and comments were invited from the Board; none were received.</p> <p>RESOLVED: That the Board noted the updated position of planning service delivery, and the status of planning applications submitted for consideration.</p>
<p>MDC 12/2025</p>	<p>Delegated and Urgent Decisions</p> <p>The Board received a report which detailed Delegated and Urgent Decisions taken since the last Board meeting on 19 June 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 Paragraphs 1-4 and Appendix 1; andii. NOTED: the Urgent Decisions detailed in Paragraph 5 and Appendix 2.
MDC 13/2025	<p>Date and Time of Next Meeting</p> <p>Thursday, 18 December 2025 at 2pm with the location TBC in Middlesbrough.</p>