



Middlesbrough
Development
Corporation

Middlesbrough Development Corporation Board

Date: Thursday, 18th December at 1:00pm

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)



Anything is possible

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 AGM and Board meeting held on Friday, 5 th September 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.	Quarter 2 Forecast Revenue Outturn 2025/26 & 2025-2029 Capital Budget and Programme update To receive and consider a report from the Interim Group Director of Finance and Resources presenting an update on the financial position of the Middlesbrough Development Corporation.
6.	Treasury Management Mid-Year Review 2025/26 To receive and consider a report from the Interim Group Director of Finance and Resources presenting an update on the mid-year performance against the Treasury Management Strategy.
7.	Planning Update 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 report from the Interim Group Chief Legal Officer/Monitoring Officer providing an update of urgent and delegated decisions made since the last meeting of the Board.
9.	Gresham Update To receive a report from the Chief Operating Officer presenting an update on the Gresham development. <i>Appendices 2, 3 and 4 to this report are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that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.</i> The following are Confidential Appendices to this report: <ul style="list-style-type: none">• Appendix 2 – Confidential CBRE Soft Marketing Testing Exercise.• Appendix 3 – Confidential CBRE Gresham Scenario Comparison.• Appendix 4 – Confidential Savills Gresham Development Report.
10.	Date and Time of Next Meeting Thursday, 26 March 2026 – 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:

tvagovernance@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

ANNUAL GENERAL MEETING

Friday, 5 September 2025 at 2.00pm

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.

ATTENDEES	
<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
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</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>Apologies</u>	
Victoria Fuller	Independent Advisor

MDC 01/25	<p>Chair's opening remarks / Apologies for Absence</p> <p>The Chair, Tony Parkinson welcomed all in attendance to the Middlesbrough Development Corporation (MDC) Annual General Meeting (AGM). He introduced himself and noted that he was very excited at the opportunity of being Chair.</p> <p>A round of introductions took place.</p> <p>Apologies for absence were submitted as detailed above.</p>
MDC 02/25	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>
MDC 03/25	<p>Governance and Appointments</p> <p>Jodie Townsend, Interim Group Chief Legal Officer/Monitoring Officer informed the Board that the report notes the changes to the MDC Constitution, reconfirms the elected member of Middlesbrough Council as Vice Chair of the MDC Board and notes the MDC Board membership. It reconfirms the Officer Scheme of Delegation, reconfirms the planning scheme of delegated, reconfirms MDC Board is the decision maker for MDC Planning application and seeks for the Board to approve the proposed dates for the ordinary meetings of the MDC.</p> <p>It was also noted that one board member, Stephanie Spensley has resigned from the Board due to time commitment.</p> <p>The Chair informed the Board that all meetings would take place in Middlesbrough, and it was encouraged for members to give feedback on any venues they feel would be suitable to hold Board meetings.</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) NOTES the changes to the MDC Constitution approved by Cabinet on 27 June 2025 as detailed in paragraphs 2.1-2.7.(2) NOTES that a full review of the MDC Constitution will be undertaken and will be aligned to the Best Value Notice Organisational Improvement Plan and be presented to a future Cabinet for approval.

	<ul style="list-style-type: none"> (3) RECONFIRMS the Officer Scheme of Delegation as detailed in the MDC Constitution at Appendix 1. (4) NOTES its membership as set out at paragraph 2.10. (5) NOTES the appointment by the Tees Valley Mayor of an Independent Chair of MDC Board, as noted by TVCA Cabinet on 27 June 2025. (6) RECONFIRMS the elected member of Middlesbrough Borough Council (MDC) as Vice Chair of the MDC Board. (7) NOTES the membership of the MDC Audit & Governance Committee. (8) NOTES the appointment by the Tees Valley Mayor of the Chair of the MDC Audit & Governance Committee. (9) RECONFIRMS the Planning Scheme of Delegation as detailed at Appendix 2. (10) NOTES the Membership Allowance Scheme for 2025-2026 in Appendix 3. (11) RECONFIRMS the position that the MDC Board is the decision maker for MDC Planning applications. (12) APPROVE and NOTES the proposed dates for the ordinary meetings of MDC as detailed below at paragraph 6.
<p>MDC 04/25</p>	<p>Date and Time of Future Meetings:</p> <p>Thursday, 18 December 2025 Thursday, 26 March 2026 Thursday, 25 June 2026</p> <p>(All the above meetings to commence from 2.00pm.)</p> <p>RESOLVED: That the Board APPROVED and NOTED the above meeting dates for 2025/26.</p>



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>
<p>MDC 09/2025</p>	<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>

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QUARTER 2 FORECAST REVENUE OUTTURN 2025/26 & 2025-2029 CAPITAL BUDGET AND PROGRAMME UPDATE

PURPOSE OF THE REPORT

To provide details of the 2025/26 revenue and capital forecast outturn position 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 September 2025 (Quarter 2).

The report will also set out any proposed budget virements (both revenue or capital) where permission is being sought to repurpose initial budget allocations.

The report also provides an update on the Corporation's overall financial position including reserves forecasts.

SUMMARY

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 2.

At the end of Quarter 2, the Corporation is forecasting a high-level revenue overspend of £0.227m against the approved budget. At the end of Quarter 1, the forecast outturn was an underspend of £0.086m and therefore there has been a negative movement of £0.274m.

The primary driver for this movement has been employee costs, which have arisen because of the group recharge in respect of legal work undertaken and an increase of £0.236m in the costs of delivering the planning function.

There was an approved capital budget of £5.836m and the forecast is for an outturn of £7.743m, an overspend of £1.907m primarily as a result of accelerated costs on the Gresham project due to the repositioning of the Gresham scheme pending confirmation of future options for the scheme.

Within the approved revenue MTFP, there was £0.550m for revenue funding for 2026/27, £0.6m for 2027/28 and £14k remaining of the revenue allocation from the original £10m grant from TVCA. To mitigate the forecast £0.227m overspend, this report seeks permission to reprofile the original revenue funding across the MTFP. If approved, this will leave £0.937m for future financial years.

Similarly, with the capital programme, there was a budget of £2.558m in 2026/27 for the Gresham project which fully utilised the remaining capital allocation from the £10m grant.

This report also seeks permission to reprofile £1.907m from the 2026/27 to 2025/26 to offset the accelerated Gresham costs, leaving £0.051m of capital budget available for 2026/27.

Members should note that within the capital budget for 25/26 there is an allocation of £0.5m for asset transfer which is not currently contractually committed. However, the remainder of the capital budget is contractually committed.

As the Corporation only utilises, and draws down, grant funding to match expenditure, there are no usable earmarked reserves within the Corporation. The Corporation should be maintaining a General Fund balance to act as a contingency against unforeseen costs. This will be an important consideration going forward in setting the budget for 2026/27.

RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board:

- i. Notes the Q2 forecast revenue outturn of an overspend of £0.227m for 2025/26.
- ii. Approves the reprofiling of £0.227m from future years' revenue allocation;
- iii. Notes that, if approved, there will be £0.937m of revenue allocation remaining from the TVCA £10m grant;
- iv. Notes the Q2 Capital Outturn Forecast of an overspend of £1.907m for 2025/26;
- v. Approves the reprofiling of funds on the capital programme of £1.907m from 2026/27 to 2025/26 to address the overspend noted above.
- vi. Notes that, if approved, the revised capital programme would indicate additional funding would no longer be required to accommodate the forecasted capital activity in 2026/27.

DETAIL

Background

1. This report sets out MDC’s forecast revenue and capital outturn for 2025/26 (as at 30 September 2025 - Q2). The financial position presented below represents all forecast funding and expenditure for the plan period.
2. On 5 September 2025 the Board approved the virement of £0.093m from the Initial Project Development budget to House of Fraser capital budget to cover the overspend from 2024/25. The Board also approved the allocation of £0.87m from the Initial Capital Project Development budget to the Gresham capital project.

2025/26 Revenue Forecast Outturn

3. Tables 1 and 2 summarise MDC’s projected revenue outturn for 2025/26 and show the movement between the Q1 and Q2 forecasts. The analysis indicates that revenue expenditure is expected to exceed the allocated budget; however, the position remains balanced due to the ability to reprofile future years’ funding into 2025/26.
4. Table 1 provides a subjective (category of expenditure) breakdown of the current budget, expenditure to 30 September 2025, and the forecast outturn for 2025/26.

Table 1 – MDC forecast revenue outturn summarised by type of expenditure & Income – Q2 2025/26

	Annual Budget	YTD Actual	Forecast Outturn	Variance
	£'000	£'000	£'000	£'000
Employees	275	102	204	(71)
Premises	266	120	289	23
Supplies and Services	249	217	485	236
Expenditure	790	439	978	188
Planning Fee Income	(90)	(19)	(38)	52
Preplanning Advice Income	-	-	(13)	(13)
IZ Income	(175)	-	(175)	-
TVCARevenue Funding	(525)	(420)	(752)	(227)
Income	(790)	(439)	(978)	(188)
Net (surplus)/deficit	-	-	-	-

Budget virements

5. Members should not there are no proposed budget virements for Quarter 2.
6. Table 2 provides a breakdown of the forecasted outturns for Q1 and Q2 by expenditure category.

Table 2: Analysis of movement between Q1 and Q2 forecasted outturns for 2025/26

	Forecast Outturn Q1	Forecast Outturn Q2	Movement
	£'000	£'000	£'000
Employees	189	204	15
Premises	266	289	23
Supplies and Services	249	485	236
Expenditure	704	978	274
Planning Fee Income	(90)	(38)	52
Preplanning Advice Income		(13)	(13)
TVCARevenue Funding	(439)	(752)	(313)
IZ Income	(175)	(175)	-
Income	(704)	(978)	(274)
Net (surplus)/deficit	-	-	-

7. Table 2 presented above shows the movement in forecasted outturns for Q1 and Q2 across subjective expenditure and income categories. The Q2 forecasted outturn indicates a forecasted expenditure of £0.978m, representing an increase of £0.274m compared with the Q1 position. This increase can be funded by reprofiling future years revenue funding.
8. Employee costs have risen by £0.015m in Q2, due to an update in the time allocation of the Group Legal Manager. The forecasted outturn shows an underspend on staff costs due to vacant posts of £0.072m. The vacant posts will be managed to achieve the current underspend run rate.
9. Supplies and Services expenditure has increased by £0.236m, primarily due to Lichfields' costs associated with delivering the planning function on behalf of MDC. These planning costs are a key contributing factor to the overall overspend on revenue expenditure. To mitigate this pressure, discussions have been held with Lichfields and a fixed ceiling figure for planning fees has been agreed. Based on planning fee income to date and subject to the introduction of a new charging regime for pre-application advice the net costs from January 2026 for MDC will be broadly neutral.

10. Assets can carry liabilities such as contamination or structural defects. To help mitigate these risks, a comprehensive options appraisal of assets currently held by the MDC has been commissioned. The outcome will inform strategic decision-making regarding cost reduction, risk mitigation, and future asset management requirements.

2025-26 Capital Forecast Outturn

11. MDC currently has a 2025/26 Capital Budget of £5.836m. Table 3 below provides a subjective (category of expenditure) breakdown of the current Capital Budget, expenditure to 30 September 2025 and the forecast outturn for 2025/26.

Table 3 MDC Capital Outturn forecast summarised by type of expenditure – Q2 2025/26

	Annual Budget £000	YTD Actual £000	Forecast Outturn £000	Variance £000
Payment of capital grant	355	89	355	-
Professional Services	4,981	3,351	6,858	1,907
Legal Services	500	-	500	-
	5,836	3,440	7,743	1,907

12. Table 4 below analyses the current capital activity by areas of Investment.

Table 4 – Forecast MDC Capital Outturn summarised by areas of investment – Q2 2025/26

	Revised Annual Budget £'000	YTD Actual £'000	Forecast Outturn £'000	Variance £'000
Professional Services	4,981	3,351	6,858	1,907
Legal Services	500	-	500	-
	5,481	3,351	7,358	1,907

13. Tables 3 and 4 above indicate a revised forecast outturn of £7.7m, representing an increase of £1.9m compared with the Quarter 1 position. Following the decision to reposition the current Crown Square proposals by MDC, officers have continued to work with Impec, the appointed developer, to finalise associated costs. Updated estimates, including the required neutrality credits which can be used for any scheme within the DC area, now show a forecast of £6.8m, compared with £4.9m reported at Quarter 1.

14. To accommodate the increased cost, it is proposed that funding be drawn from the existing Gresham capital budget, with planned expenditure reprofiled from 2026/27 into 2025/26. This approach ensures that the additional requirements can be met within the approved capital programme.
15. MDC officers are working with TVCA officers to progress a business case to drawdown Brownfield Housing Funding to enable recovery of a proportion of the costs spent on the BTR element of the scheme. The business case will be submitted to TVCA for approval by March 2026, with a requirement that work starts on site by March 2029. The final figure of funding available to be drawn down will be presented to the Board at a future meeting.
16. If no further capital expenditure is required for the Gresham project, the revised figures would indicate additional funding would no longer be required to accommodate the forecasted capital activity in 2026/27.

Future Capital Investments

17. 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).
18. 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.
19. 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.
20. 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.

Reserves

21. Due to the funding nature of the Development Corporation, there are no usable reserves in Middlesbrough Development Corporation. At the end of March 2026, MDC is forecast to have funds remaining from the £10m TVCA grant allocation for revenue however it is expected to have fully utilised the capital element.

CONCLUSION

22. At the end of Quarter 2, the Corporation is forecasting a high-level revenue overspend of £0.227m against the approved budget. To mitigate the forecast £0.227m overspend, this report seeks permission to reprofile the original revenue funding across the MTFP. If approved, this will leave £0.937m for future financial years.

23. If no further capital expenditure is required for the Gresham project, the revised figures would indicate additional funding (previously forecasted in Q1) would no longer be required.

FINANCIAL IMPLICATIONS

24. This report is a finance report and the financial implications are contained within the main body of the report.

LEGAL IMPLICATIONS

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

RISK ASSESSMENT

26. 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.

27. 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.

28. 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.
29. 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.
30. 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

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

EQUALITY & DIVERSITY

32. 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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TREASURY MANAGEMENT MID-YEAR REVIEW 2025/2026

SUMMARY

This report provides an update on treasury management activities for the first six months of the 2025/26 financial year together with the Corporation's performance against the Treasury Management Strategy and prudential indicators, approved by Middlesbrough Development Corporation (MDC) 20 March 2025.

Treasury management comprises the management of MDC's cash flows, borrowing and investments together with the associated risks.

Treasury management activity seeks to ensure that cash flow is adequately planned, with cash being available when it is needed and with any surplus cash balances arising from the day-to-day financial operations of the Corporation invested appropriately to obtain an optimal return, while ensuring security of capital and liquidity.

Treasury management manages the effective funding and cashflows of the Corporation's longer term capital plans and effectively manages cashflows to minimise the need to undertake external borrowing. Furthermore, it effectively manages interest rate and refinancing risk where appropriate seeking to minimise the impact of the costs of borrowing on the Corporation's revenue budgets.

MDC are currently in a transitional position with their banking arrangements whilst full operational bank accounts are established. Currently all transactions are facilitated through TVCA. As such there are no cash balances held by the authority and all expenditure undertaken is fully grant funded or funded through revenue receipts.

MDC are still required to report on their Treasury management activities, and this report complies with CIPFA's Code of Practice on Treasury Management.

RECOMMENDATIONS

It is recommended that the Development Corporation Board:

- i. Notes mid-year performance against the treasury management and prudential indicators set in the Treasury Management Strategy approved by Corporation in March 2025.
- ii. Note that none of the prudential indicators or approved limits have been or, are forecast to be, breached in 2025/26.

DETAIL

1. The Corporation adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Corporation to approve treasury management mid-year and annual reports.
2. The Corporation's Treasury Management Strategy for 2025/26 was approved at Board meeting on 20 March 2025. The Corporation does not currently hold any invested funds, however if funds are invested in the future they will comply with the Corporations Investment Strategy. As the Corporation borrows and invests funds it will become exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the Corporations treasury management strategy.

External Context

Economic Background

3. UK headline annual consumer price inflation (CPI) increased over the period, rising from 2.6% in March to 3.8% in August, still well above the Bank of England's 2% target. Core inflation also rose, from 3.4% to 3.6% over the same period, albeit the August reading was down from 3.8% the previous month. Services inflation also fell from July to August, to 4.7% from 5.0%.
4. The UK economy expanded by 0.7% in the first quarter of the calendar year and by 0.3% in the second quarter. In the final version of the Q2 2025 GDP report, annual growth was revised upwards to 1.4% y/y. However, monthly figures showed zero growth in July, in line with expectations, indicating a sluggish start to Q3.
5. Labour market data continued to soften throughout the period, with the unemployment rate rising and earnings growth easing, but probably not to an extent that would make the more hawkish MPC members comfortable with further rate cuts. In addition, the employment rate rose while the economic inactivity rate and number of vacancies fell.

6. The BoE's Monetary Policy Committee (MPC) cut Bank Rate from 4.5% to 4.25% in May and to 4.0% in August after an unprecedented second round of voting. The final 5-4 vote was for a 25bps cut, with the minority wanting no change. In September, seven MPC members voted to hold rates while two preferred a 25bps cut. The Committee's views still differ on whether the upside risks from inflation expectations and wage setting outweigh downside risks from weaker demand and growth.
7. GDP is expected to remain weak in the near-term while over the medium-term outlook will be influenced by domestic and global developments.
8. Arlingclose, the Corporation's treasury adviser, maintained its central view that Bank Rate would be cut further as the BoE focused on weak GDP growth more than higher inflation. One more cut is currently expected during 2025/26, taking Bank Rate to 3.75%. The risks to the forecast are balanced in the near-term but weighted to the downside further out as weak consumer sentiment and business confidence and investment continue to constrain growth. There is also considerable uncertainty around the autumn Budget and the impact this will have on the outlook.
9. Against a backdrop of uncertain US trade policy and pressure from President Trump, the US Federal Reserve held interest rates steady for most of the period, before cutting the Fed Funds Rate to 4.00%-4.25% in September. Fed policymakers also published their new economic projections at the same time. These pointed to a 0.50% lower Fed Funds Rate by the end of 2025 and 0.25% lower in 2026, alongside GDP growth of 1.6% in 2025, inflation of 3%, and an unemployment rate of 4.5%.
10. The European Central Bank cut rates in June, reducing its main refinancing rate from 2.25% to 2.0%, before keeping it on hold through to the end of the period. New ECB projections predicted inflation averaging 2.1% in 2025, before falling below target in 2026, alongside improving GDP growth, for which the risks are deemed more balanced and the disinflationary process over.

Financial Markets

11. After the sharp declines seen early in the period, sentiment in financial markets improved, but risky assets have generally remained volatile. Early in the period bond yields fell, but ongoing uncertainty, particularly in the UK, has seen medium and longer yields rise with bond investors requiring an increasingly higher return against the perceived elevated risk of UK plc. Since the sell-off in April, equity markets have gained back the previous declines, with investors continuing to remain bullish in the face of ongoing uncertainty.
12. Over the period, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.70%. However, these six months saw significant volatility with the 10-year yield hitting a low of 4.45% and a high of 4.82%. It was a broadly similar picture for the 20-year gilt which started at

5.18% and ended at 5.39% with a low and high of 5.10% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.19% over the six months to 30th September.

Credit Review

13. Arlingclose maintained its recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
14. Early in the period, Fitch upgraded NatWest Group and related entities to AA- from A+ and placed Clydesdale Bank's long-term A- rating on Rating Watch Positive. While Moody's downgraded the long-term rating on the United States sovereign to Aa1 in May and affirmed OP Corporate's rating at Aa3.
15. Then in the second quarter, Fitch upgraded Clydesdale Bank and HSBC, downgraded Lancashire CC and Close Brothers while Moody's upgraded Transport for London, Allied Irish Banks, Bank of Ireland and Toronto-Dominion Bank.
16. After spiking in early April following the US trade tariff announcements, UK credit default swap prices have since generally trended downwards and ended the period at levels broadly in line with those in the first quarter of the calendar year and throughout most of 2024.
17. European banks' CDS prices has followed a fairly similar pattern to the UK, as have Singaporean and Australian lenders while Canadian bank CDS prices remain modestly elevated compared to earlier in 2025 and in 2024.
18. Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.
19. Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Corporation's counterparty list recommended by Arlingclose remain under constant review.

Local Context

20. The treasury management position on 30th September 2025 and the change in year is shown in Table 1 below. As previously noted, MDC currently do not hold any invested funds and as a result the table presented indicates zero activity

Table 1: Treasury Management Summary

	31.3.25 Balance £m	Movement £m	30.9.25 Balance £m
Long-term borrowing	-	-	-

Short-term borrowing	-	-	-
Total Borrowing	-	-	-
Long-term investments	-	-	-
Short-term investments	-	-	-
Cash and cash equivalents	-	-	-
Total Investments	-	-	-
Net Investments	-	-	-

21. In January 2024, TVCA Cabinet approved a borrowing facility that allows the Corporation to access up to £75 million in borrowing from Public Works Loan Board (“PWLB”) via TVCA. Proposals to access this funding will be brought to Corporation Board meetings to consider the business plan, risks/opportunities associated with the investment and the type and level of finance required to deliver the proposals as part of the Corporation’s Final Investment Decision (s) including any debt finance requested from TVCA.
22. An assumption has been made within the Treasury Management and Capital Strategies that all investments will be borrowing via PWLB and will take three years until they are operational and that all interests will be capitalised during this period. Alongside each Investment proposal the treasury management indicators will be updated and presented to Board.
23. During the period no proposal has come forward and Middlesbrough Development Corporation at 30 September 2025 have no borrowings.
24. Middlesbrough Development Corporation was approved an allocation of £10m in the TVCA Investment Plan, to support the Development Corporation, and £10m from within the Town Centre Accessibility Investment package for spend on eligible transport projects within the DC areas.
25. These approved allocations have been drawn upon to fund expenditure to date. It is forecast that these approvals will be fully utilised by the 31 March 26.

Borrowing

26. As outlined in the treasury strategy, the Corporation’s chief objective when borrowing will be to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Corporation’s long-term plans change being a secondary objective.
27. The Corporation’s borrowing strategy, when applicable, will address the key issue of affordability without compromising the longer-term stability of the debt portfolio. By following this strategy, the Corporation will be able to reduce any net borrowing costs and reduce overall treasury risk.

28. The Corporation intend to raise the majority of its long-term borrowing from TVCA who will access the PWLB. PWLB loans are no longer available to buy investment assets primarily for yield and this will need to be considered for any future borrowing requests to TVCA.
29. Alternatively, the Corporation may arrange forward starting loans during 2025/26, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. A robust business case would that look to secure an appropriate income stream would be approved prior to entering any borrowing arrangements.
30. As highlighted above, CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Corporation currently has no new plans to borrow to invest primarily for financial return from any applications to utilise the £75m borrowing facility.
31. At 30 September the Corporation held no loans and therefore outstanding loans at 30 September are therefore zero as summarised in Table 2 below.

Table 2: Borrowing Position

	31.3.25 Balance £m	Net Movement £m	30.9.25 Balance £m	30.9.25 Weighted Average Rate %	30.9.25 Weighted Average Maturity (years)
Public Works Loan Board Via TVCA	-	-	-	-	-
Total Borrowing	-	-	-	-	-

Other Debt Activity

32. The Corporation has no other debt activity.

Treasury Management Activity

33. The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Corporation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
34. The MDC holds no invested funds. The investment position at the end of September is shown in table 3 below which demonstrates that MDC have no invested funds.

Table 3: Treasury Investment Position

	31.3.25 Balance £m	Net Movement £m	30.9.25 Balance £m	30.9.25 Income Return %
Banks & Building Societies	-	-	-	-
Government (incl. LAs)	-	-	-	-
Money Market Funds	-	-	-	-
Total Investments	-	-	-	-

35. Both the CIPFA Code and government guidance require the Corporation to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Corporation’s objective if investing money will be to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
36. As demonstrated by the liability benchmark later in this report, the Corporation has no plans to enter into any long-term borrowing.
37. Following the establishment of an operational bank account and MDC undertaking its payment and income activity through its own bespoke bank account, any new treasury investments will primarily be made to manage day-to-day cash flows using short-term low risk instruments.
38. Bank Rate reduced from 4.50% to 4.25% in May 2025, followed by a further reduction to 4.00% in August 2025. Short term interest rates have largely followed these levels. The rates on DMADF deposits was 4.93% and money market rates between 4.8% and 5.3%.
39. The progression of risk and return metrics are shown in the extracts from Arlingclose’s quarterly investment benchmarking in Table 4 below.

Table 4: Investment Benchmarking – Treasury investments managed in-house.

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.03.2020	4.30	AA-	92%	11	0.50
31.03.2021	4.63	A+	75%	10	0.02
31.03.2022	4.13	AA-	38%	3	0.01
31.03.2023	4.72	A+	100%	1	3.62
31.03.2024	5.02	A+	0.72	7	5.62

30.09.2024	4.74	A+	100%	1	5.03
30.09.2025	4.7	A+	100%	1	4.09
Similar LAs	4.39	AA-	47%	82	5.07
All LAs	4.38	AA-	62%	11	4.06

Non-Treasury Investments

40. The definition of investments in the Treasury Management Code now covers all the financial assets of the Corporation as well as other non-financial assets which the Corporation holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return). The Corporation does not hold any non-treasury investments.

Compliance

41. The Group Director of Finance and Resources reports that all treasury management activities undertaken during complied fully with the CIPFA Code of Practice and the Corporation's approved Treasury Management Strategy. As noted, MDC currently has no outstanding debt and so compliance with the authorised limit and operational boundary for external debt is demonstrated in table 5.

Table 5: Debt Limits

	Maximum in Year To Date £m	30.9.25 Actual £m	2025/26 Operational Boundary £m	2025/26 Authorised Limit £m	Complied?
Borrowing	-	-	75.00	75.00	Yes
Finance Leases	-	-	-	-	Yes
Total	-	-	75.00	75.00	Yes

42. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	30.9.25 Actual £m	2025/6 Limit	Complied? Yes/No

Any single organisation, except the UK Central Government	-	£15m per organisation	Yes
UK Central Government	-	Unlimited	Yes
Any group of organisations under the same ownership	-	£15m per organisation	Yes
Any group of pooled funds under the same management	-	£37.5m	Yes
Negotiable instruments held in a broker's nominee account	-	£37.5m	Yes
Foreign countries	-	£15m	Yes
Registered providers and registered social landlords	-	£37.5m	Yes
Unsecured investments with building societies	-	£15m	Yes
Loans to unrated corporates	-	£15m	Yes
Money Market Funds	-	Unlimited	Yes
Real estate investment trusts	-	£37.5m	Yes

43. The Corporation measures and manages its exposures to treasury management risks using the following indicators.
44. Maturity Structure of Borrowing: This indicator is set to control the Corporation's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing are set out in table 7 below.

Table 7: Borrowing Maturity

	30.9.25 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	0%	100%	0%	Yes
12 months and within 24 months	0%	100%	0%	Yes
24 months and within 5 years	0%	100%	0%	Yes
5 years and within 10 years	0%	100%	0%	Yes
10 years and above	0%	100%	0%	Yes

45. Principal Sums Invested for Periods Longer than a year: The purpose of this indicator is to control the Corporation's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 8: Long Term Investments

	2025/26	2026/27	2027/28
Actual principal invested beyond year end	£0	£0	£0
Limit on principal invested beyond year end	£1m	£1m	£1m
Complied?	Yes	Yes	Yes

46. This indicator compares the Corporation's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

Table 9: Liability Benchmark

	31.3.25 Actual £m	31.3.26 Forecast £m	31.3.27 Forecast £m	31.3.28 Forecast £m
Loans CFR	-	-	-	-
Less: Balance sheet resources	-	-	-	-
Net loans requirement	-	-	-	-
Plus: Liquidity allowance	-	-	-	-
Liability benchmark	-	-	-	-

CONCLUSION AND COMPLIANCE

47. The interim Group Director of Finance and Resources reports that all treasury management activities undertaken during the period complied fully with the CIPFA Code of Practice and the Corporation's approved Treasury Management Strategy and the authorised limit and operational boundary for external debt has not been breached during the first half of the year and is not forecast to be breached by the end of the financial year.

FINANCIAL IMPLICATIONS

48. This report is a financial update and therefore there are no specific financial implications other than those contained in the main body of the report.



LEGAL IMPLICATIONS

49. There are no legal implications associated with the recommendations within this report.

RISK ASSESSMENT

50. The interest rate risk is classified as Medium in the corporate risk register. The risk is managed through regular reviews of forecasts and scenario analysis with our Treasury management advisors.

CONSULTATION & COMMUNICATION

51. None

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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].

In accordance with the approved Scheme of Delegation, 23 applications have been approved under delegated powers since the September Planning Update Report was issued.

At the end of September MDC launched a new development management system (Idox) to provide an enhanced user experience for all involved in the planning function. Training is available to Members if desired.

MDC's intention to put in place a non-immediate Article 4 Direction to remove permitted development rights for the change of use from a Class C3 dwelling house to a Class C4 House in Multiple Occupation has been formally published in the press. If confirmed, the Article 4 will come into effect on 25th November 2026.

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 last Planning Board Update note was issued, 24 new planning applications have been received, 19 of which are valid. There are now 21 valid planning applications currently being considered by MDC. A further five applications are currently invalid.¹
3. 23 applications have been determined under delegated powers since the last Board meeting and the decision notice has been issued for the Gresham redevelopment. Details of current applications are provided in the accompanying schedule.
4. Two new enforcement cases have been opened since the last Board meeting:
 - One relates to unauthorised works to the Grade II listed Shakespeare public house on Linthorpe Road where a significant number of signs have been affixed to the building, some involving damage to the listed tiled frontage. Lichfields have met with the occupier and agreed a strategy for the removal of the signs and the repair of the frontage.
 - The second relates to reports of the unauthorised change of use of the upper floors of 139-141 Linthorpe Road and alterations to the Grade II listed building to accommodate 25 bed residential accommodation. This matter is being investigated jointly with Middlesbrough Council Building Control and Cleveland Fire Brigade.
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 on 31 October 2025 and future quarterly returns will be submitted as required.
6. When the MDC development management function came into existence in 2023, a temporary website and data sharing facility was established and hosted by Lichfields. TVCA subsequently sought to commission a permanent replacement system and Idox was appointed to deliver this. Over the last 12 months Lichfields and TVCA Officers have worked alongside Idox to implement this new application portal.
7. The new Idox portal went live at the end of September 2025 and provides a significantly improved user experience. The new system allows users to search for applications more easily using a keyword, reference number, postcode, single line of an address or by searching for applications on a map. There is also an option for users to register interest in a particular application and automatically receive email notification when new documents are uploaded or decisions are made. The system also allows users to access an online list of applications which have been received in a particular week or generate a list of all current applications. This will allow Members at

any point in time to see new applications which have been received or to review a list of all undetermined applications.

8. Members desiring any bespoke training in the use of the system are invited to contact the Lichfields team directly.
9. On 24th November 2025 MDC published notice of its intention to make a Direction under Article 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2105 as amended, to remove permitted development rights for the change of use of a building from a use falling within Class C3 (dwellinghouse) to a use falling within Class C4 (house in multiple occupation). If the Direction is confirmed then it will come into effect on 25th November 2026. This will ensure that a consistent approach to the control of new houses in multiple occupation can be taken borough wide.

FINANCIAL IMPLICATIONS (you must have this section signed off by the Finance Director)

10. There are no financial implications.

LEGAL IMPLICATIONS

11. 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

12. 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

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

EQUALITY & DIVERSITY

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

Name of Contact Officer: Julie Hurley

Post Title: Head of Planning

Telephone Number: 01325 792600

Email Address: Julie.hurley@teesvalley-ca.gov.uk

Middlesbrough Development Corporation

Delegated Planning Decisions¹ since last Update in September 2025

Application Number	Address	Summary of Development	Status
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.	Approved 20 th August 2025
25-0043-FUL	10 Albert Road, Middlesbrough, TS1 1QA	Change of use from Class E to Late Night Bar (Sui Generis) including internal changes.	Approved 20 th August 2025
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.	Approved 16 th October 2025
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.	Approved 19 th September 2025
25/0071/ADV	Hill Street Shopping Centre, Wilson Street, Middlesbrough, TS1 1SU	Erection of 1no. non illuminated aluminium ATM sign	Approved 20 th August 2025
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.	Approved 20 th August 2025

¹ As of 26th November 2025 when report was prepared

Application Number	Address	Summary of Development	Status
25/0077/FUL	22 Corporation Road	Replacement shopfront	Approved 15 th September 2025
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)	Approved 15 th September 2025
25/0079/LBC	Middlesbrough Railway Station	Listed Building Consent for retention of artworks within Middlesbrough Station	Approved 3 rd September 2025
25/0083/FUL	Middlesbrough Railway Station	Installation of a freestanding sculptural artwork	Approved 18 th September 2025
25/0087/FUL	Flat Block 106-140, Grange Road, TS1 2BH	Erection of 3 No bin stores.	Approved 6 th October 2025
25/0089/DIS	Land south of Union Street, Middlesbrough	Partial discharge (for plots 75-80 and 93-98) of planning condition 24 attached to planning permission ref. 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 dwellings with associated access, parking, landscaping and amenity space on land south of Union Street, Middlesbrough	Approved 10 th September 2025
25/0090/DIS	Outwood Academy	Discharge of condition 18 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 2 nd October 2025
25/0091/ADV	46 Linthorpe Road, Middlesbrough	Installation of 1no. fascia sign to front elevation and 1no. fascia sign to side elevation	Approved 29 th October 2025
25/0092/DIS	154 Borough Road, Middlesbrough	Discharge of conditions 5, 6, 10, 11, 18 and 20 on planning permission 25/0014/FUL for the change of use from office to 30	Approved 22 nd October 2025

Application Number	Address	Summary of Development	Status
		student accommodation units including three storey side/rear extension and single storey rear extension.	
25/0096/NMA	Outwood Academy	NMA to amend the wording of Condition 27 on 24/0010/VAR (Variation of conditions 3, 7, 10, 13, 14, 17, 19, 20, 21, 25 and 29 on 21/1160/OUT (Outline application for demolition and redevelopment of site for new secondary school (of up to c.8,000 sqm) with associated access, parking, external spaces and sports facilities)	Approved 15 th September 2025
25/0097/DIS	144-146 Borough Road, TS1 2EP	Discharge of conditions 9 and 10 on 24/0075/FUL	Approved 8 th October 2025
25/0098/ADV	Gresham Redevelopment	Security fence hoarding advertising the proposed development of the site	Approved 17 th October 2025
25/0100/LBC	Middlesbrough Railway Station, Zetland Road, Middlesbrough, TS1 1EG	Listed building consent for the renewal of the four existing Help Points, installation of one new Help Point, and installation of two existing Help Points (Part Retrospective)	Approved 12 th November 2025
25/0101/DIS	Land south of Union Street, Middlesbrough	Partial discharge (for plots 81-88) of planning condition 24 attached to planning permission ref. 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 dwellings with associated access, parking, landscaping and amenity space on land south of Union Street, Middlesbrough	Approved 2 nd October 2025
25/0104/TEL	Cell Number 7069702 Commercial Street	Notification of intention to use PD rights	Approved 20 th September 2025
25/0106/DIS	Outwood Academy	Discharge of conditions 24 and 25 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	Approved 30 th October 2025

Application Number	Address	Summary of Development	Status
		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.	
25/0113/PNR	Middlesbrough College, Dock Street, Middlesbrough, TS2 1AD	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 20 th November 2025

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
25/0070/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
25/0085/COU	Vancouver House, Gurney Street, Middlesbrough, TS1 1JL	Change of use from offices and retail uses (Class E) and licenced premises (Sui Generis) to 183 student accommodation units (Sui Generis), licenced premises (Sui	Validated 27th August 2025 Under consideration

Application Number	Address	Summary of Development	Status
		Generis) and retail and gym (Class E).	
25/0093/DIS	Land to the south of St Aidan's Drive, Middlesbrough	Discharge of condition 8 on planning permission 24/0070/FUL for modifications to existing landscaped area and adjacent public footpath to create three off-street car parking spaces	Validated 26th September 2025 Under consideration
25/0095/FUL	15 Linthorpe Road, Middlesbrough, TS1 1RG	Subdivision of ground floor commercial unit and part change of use to form one commercial unit (Class E) and 2no bedroom student accommodation (Sui Generis)	Validated 5th September 2025 Under consideration
25/0103/FUL	Middlesbrough College, Dock Street, TS2 1AD	Installation of 7 x temporary theory classrooms (portacabins) approx 50m2 each to the North of the existing TTE Workshop Facility. Installation of 3 temporary Workshop Buildings 300m2 in total to the South of the existing T-Construction Facility. Installation of an Air Source Heat Pump Farm to the North of the Main Building	Validated 17 th November 2025 Under consideration
25/0105/COU	The Pearson Building, Bright Street, Middlesbrough, TS1 2AA	Change of use planning application for the above building to convert it from Commercial use (Class E) back to its original use as a place of worship (Use Class F1(f)). The proposal involves no physical alterations and relates solely to a material change of use.	Validated 13th October 2025 Under consideration
25/0107/FUL	Footpath Outside Barclays Bank, Unit 1 Centre Mall, Corporation Road, Middlesbrough, TS1 2NR	Full Application: Installation of 1No. BT Street Hub Unit and associated advertisement panels on either side of the unit	Validated 7th October 2025 Under consideration
25/0108/ADV	Footpath Outside Barclays Bank, Unit 1 Centre Mall, Corporation	Advertisement Consent: Two digital 75 inch LCD display screen, one on each side of the Street Hub unit	Validated 7th October 2025 Under consideration

Application Number	Address	Summary of Development	Status
	Road, Middlesbrough, TS1 2NR		
25/0109/FUL	Footpath Outside 55 Corporation Road, Middlesbrough, TS1 1LT	Full Application: Installation of 1No. BT Street Hub Unit and associated advertisement panels on either side of the unit	Validated 7th October 2025 Under consideration
25/0110/ADV	Footpath Outside 55 Corporation Road, Middlesbrough, TS1 1LT	Advertisement Consent: Two digital 75 inch LCD display screen, one on each side of the Street Hub unit	Validated 7th October 2025 Under consideration
25/0118/DIS	35 - 37 Albert Road, Middlesbrough, TS1 1NS	Discharge of condition 5 on planning permission 25/0011/FUL (Change of use of upper floors and part ground floor from Class E to 4no. HMOs and external alterations including installation of new shopfront to ground floor commercial unit (Class E))	Validated 27th October 2025 Under consideration
25/0119/FUL	12 - 14 Albert Road, Middlesbrough, TS1 1QA	Change of use from Office (Class E) to community engagement centre, office and place of worship (Class F1)	Validated 3rd November 2025 Under consideration
25/0120/FUL	Footpath outside 92 Corporation Road, Middlesbrough, TS1 2RB	Installation of 1No. BT Street Hub Unit and associated advertisement panels on either side of the unit	Validated 30th October 2025 Under consideration
25/0121/ADV	Footpath outside 92 Corporation Road, Middlesbrough, TS1 2RB	Advertisement Consent -Two digital 75 inch LCD display screen, one on each side of the Street Hub unit.	Validated 30th October 2025 Under consideration
25/0122/ADV	3-4 Bottomley Mall, Hill Street Shopping Centre, Wilson	Installation of new fascia signage to car park elevation	Validated 3rd November 2025 Under consideration

Application Number	Address	Summary of Development	Status
	Street, Middlesbrough, TS1 1SU		
25/0123/COU	9 Baker Street, Middlesbrough, TS1 2LF	Change of use from Retail (Class E) to residential dwelling (Class C3).	Validated 10th November 2025 Under consideration
25/0126/DIS	Land bounded by Union Street (NW), Diamond Road (to the NE), Princes Road (to the SE) and Waverley Street (to the SW).	Partial discharge (for remaining landscaped areas and final confirmation that the entirety of the site accords with the approved remediation strategy and all necessary works have been carried out thus indicating that the site is suitable for use) of planning condition 24 attached to planning permission ref. 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 dwellings with associated access, parking, landscaping and amenity space on land south of Union Street, Middlesbrough	Validated 13th November 2025 Under consideration
25/0128/DIS	154 Borough Road, Middlesbrough, TS1 2EP	Discharge of condition 12 on planning permission 25/0014/FUL for the change of use from office to 30 student accommodation units including three storey side/rear extension and single storey rear extension.	Validated 18th November 2025 Under consideration
25/0131/LBC	Middlesbrough Railway Station, Zetland Road, Middlesbrough, TS1 1EG	Listed Building Consent for new fixing method and permanent retention of an existing temporary artwork within Middlesbrough Station	Validated 19th November 2025 Under consideration
25/0132/LBC	Middlesbrough Railway Station, Zetland Road, Middlesbrough, TS1 1EG	Listed Building Consent for permanent installation of a new CCTV system and associated works	Validated 19th November 2025 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 in active discussions with owner to secure remediation works.
32 Linthorpe Road	Removal of timber sash window and replacement with upvc Enforcement Notice issued by MBC in 2023	Still in discussions with property owner to secure replacement window.
24 Borough Road	Unauthorised extension to rear of property Reported 30th August 2024	Officers liaising with building owner to arrange submission of retrospective planning application to regularise the works.
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.
The Shakespeare, 34 Linthorpe Road	Unauthorised signage on Listed Building, reported 24th October 2025	Met with occupier to discuss breaches and agree a strategy for removal of signage and repair to damage caused.
139-141 Linthorpe Road	Unauthorised change of use and alterations to Grade II listed building to accommodate 25 bed residential accommodation, reported 18th November 2025	Site visit being undertaken by MBC Building Control and Cleveland Fire Service. Awaiting outcome of that visit to agree action needed.

Current Appeals

Application Number	Address	Status
APP/K0750/Z/25/3369540	Signage at Hill Street Shopping Centre	Start date 25 th September 2025 Awaiting Inspector's Decision
APP/K0750/H/25/3370242 Advert	Pavement outside Cleveland Centre/Linthorpe Road	Start date 18th September 2025 Awaiting Inspector's Decision
APP/K0750/W/25/3370234 Planning	Pavement outside Cleveland Centre/Linthorpe Road	Start date 18th September 2025 Awaiting Inspector's Decision
APP/K0750/H/25/3370241 Advert	Pavement outside Foot Asylum	Start date 25th September 2025 Awaiting Inspector's Decision
APP/K0750/W/25/3370230 Planning	Pavement outside Foot Asylum	Start date 25th September 2025 Awaiting Inspector's Decision
APP/K0750/W/25/3370235 Planning	Pavement outside Lounge Afrique	Start date 22 nd September 2025 Awaiting Inspector's Decision

Application Number	Address	Status
APP/K0750/H/25/3370243 Advert	Pavement outside Lounge Afrique	Start date 22nd September 2025 Awaiting Inspector's Decision

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URGENT AND DELEGATED DECISIONS

SUMMARY

This report provides an update for the Middlesbrough Development Corporation Board of Delegated and Urgent Decisions taken since the last Development Corporation Board meeting on 5th September 2025.

RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board:

- i. NOTES the Urgent Decisions detailed in Paragraph 2 and **Appendices 1a, 1b and 1c** to this report; and
- ii. NOTES the Delegated Decision detailed in Paragraphs 4 and **Appendix 2** to this report.

DETAIL

Urgent Decisions

1. Paragraph 18.1 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.'

2. Since the last MDC Board meeting on 5th September 2025, the following Urgent Decisions have been taken:

2.1 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 June 2025. The Urgent Decision is attached at **Appendix 1a**.

2.2 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 June 2025. The Urgent Decision is attached at **Appendix 1b**.

2.3 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 July 2025. The Urgent Decision is attached at **Appendix 1c**.

Delegated Decision

3. On 19 December 2024, MDC Board delegated to the to the Chief Executive, in consultation with the Chair of the Board, Section 73 Officer and Monitoring Officer the power to enter into any Planning Agreements as landowner as are approved by MDC which the Developer may reasonably require to secure a Satisfactory Outline Permission and/or a Satisfactory Reserved Matters Approval.
4. A delegated decision was made on 20 November 2025 to commit MDC to certain planning obligations for the Gresham development in lieu of an agreement under Section 106 of the Town and Country Planning Act 1990 being possible. The record of delegated decision is attached at Appendix 2.

FINANCIAL IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK ASSESSMENT

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



Middlesbrough
Development
Corporation

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



Anything is possible



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.

OFFICER: Chief Executive	DATE DECISION TAKEN: 19 th June 2025
DECISION NO: MDC UD 09-2025	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 four businesses as set out in writing by Middlesbrough Council to the Corporation – application references: FS718382469, FS718874949, FS720171413, FS721574450</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.



<p>SIGNATURE:</p>  <p>CHIEF EXECUTIVE</p> <p>DATE: 09.09.2025</p>	<p>SIGNATURE:</p>  <p>CHAIR MIDDLESBROUGH DEVELOPMENT CORPORATION</p> <p>DATE: 18.09.2025</p>	<p>SIGNATURE:</p>  <p>MONITORING OFFICER</p> <p>DATE: 07.07.2025</p>	<p>SIGNATURE:</p>  <p>GROUP DIRECTOR OF FINANCE & RESOURCES</p> <p>DATE: 02.09.2025</p>
<p><i>All sections below are for Governance Team use only</i></p> <p>DATE REPORTED TO MANAGEMENT GROUP:</p>			

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.

OFFICER: Chief Executive	DATE DECISION TAKEN: 30 th June 2025
DECISION NO: MDC UD 10-2025	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 three businesses as set out in writing by Middlesbrough Council to the Corporation – application references: FS723638686, FS724445293, FS725653192</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.

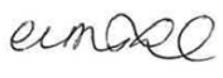
ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

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.



SIGNATURE:  CHIEF EXECUTIVE DATE: 21 August 2025	SIGNATURE:  CHAIR MIDDLESBROUGH DEVELOPMENT CORPORATION DATE: 29 August 2025	SIGNATURE:  MONITORING OFFICER DATE: 7 July 2025	SIGNATURE:  pp GROUP DIRECTOR OF FINANCE & RESOURCES DATE: 19 August 2025
<i>All sections below are for Governance Team use only</i>			
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.

OFFICER: Chief Executive	DATE DECISION TAKEN: 22 nd July 2025
DECISION NO: MDC UD 11-2025	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 three businesses as set out in writing by Middlesbrough Council to the Corporation – application references: FS726247071, FS727022559, FS728536870</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 Group Legal 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 Group Legal 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, Group Legal Manager 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.



<p>SIGNATURE: </p> <p>CHIEF EXECUTIVE</p> <p>DATE: 9 September 2025</p>	<p>SIGNATURE: </p> <p>CHAIR MIDDLESBROU GH DEVELOPMENT CORPORATION</p> <p>DATE: 18.09.2025</p>	<p>SIGNATURE: </p> <p>GROUP LEGAL MANAGER</p> <p>DATE: 22 August 2025</p>	<p>SIGNATURE: </p> <p>GROUP DIRECTOR OF FINANCE & RESOURCES</p> <p>DATE: 2 September 2025</p>
<p><i>All sections below are for Governance Team use only</i></p> <p>DATE REPORTED TO MANAGEMENT GROUP:</p>			

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



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	DATE DECISION TAKEN: 20 November 2025
DECISION NO: MDC DD-11-2025	
REFERENCE/MINUTE REF – TYPE OF DELEGATION MDC 43/24	DELEGATION POWER – MEETING DATE, MINUTE REF, DELEGATION APPROVED MDC Board decision MDC 43/24 at meeting on 19/12/2024 - Board Item 11, paragraphs 40 and 41. Delegation to the Chief Executive, in consultation with the Chair of the Board, Section 73 Officer and Monitoring Officer, those functions and decision powers detailed in 36 above PROVIDED THAT this delegation shall only be exercised in so far as, following the relevant decision, the project remains within the financial envelope, all relevant laws and regulations and vision approved by the Board. NOTE: It should be acknowledged that the paragraph 41 of the MDC Board item 11 report refers to paragraph 36 of the report, but this should in fact refer to paragraph 40.

DETAILS OF DECISION:

Background

1. MDC's development partner, Tarras Park Properties Limited, submitted an application for planning permission for the 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 associated parking, landscaping and infrastructure works on 5 February 2025 which was allocated planning reference 25/0004/FUL.
2. MDC Planning Board was minded to approve the planning application 25/0004/FUL at a meeting on 11 April 2025 and resolved to delegate to the Head/Deputy Head of Planning authority to grant planning permission subject to appropriate conditions and the signing of a Section 106 agreement. The MDC Planning Board also confirmed a delegation that the Head of Planning be authorised to add, vary and amend the planning conditions and heads of terms for the Section 106 agreement as necessary.
3. On 21 July 2025, the land at Gresham together with the former Crown building, 147 Linthorpe Road, 149 Linthorpe Road and 151 Linthorpe Road shown edged red on the plan attached at Appendix 1 of this decision record ("the Land") was transferred from Middlesbrough Council to MDC.
4. In order for planning permission to be secured, MDC must enter into a commitment to be bound by certain planning obligations for planning application 25/0004/FUL pursuant to Section 106 of the Town and Country Planning Act 1990. These obligations are:
 - a. Payment by MDC of an NHS Contribution in the sum of £202,230.00 (Two Hundred and Two Thousand Two Hundred and Thirty Pounds) to be used towards the provision of healthcare facilities in the vicinity of the Development to be made by MDC prior to 1st Occupation of the Development; and
 - a. Payment by MDC of a Traffic Regulation Order (TRO) Contribution in the sum of £40,000.00 (Forty Thousand Pounds) to be used by Middlesbrough Council towards the delivery of traffic regulation orders in the vicinity of the Development.
5. As MDC is both landowner of the Land and local planning authority for the purposes of the planning application 25/0004/FUL, MDC is not able to enter into an agreement pursuant to Section 106 of the Town and Country Planning Act 1990 as it would not be legally enforceable. Instead, in order to comply with planning requirements to allow the planning permission to be issued, there must be an MDC decision to be bound by the obligations listed at paragraph 4 above.

Decision

6. MDC shall comply with the obligations set out at paragraph 4 above.
7. MDC shall not dispose of the Land without first procuring that the transferee of the Land enters into a Section 106 with the local planning authority to be bound by the obligations listed at paragraph 4 above.

FINANCIAL IMPLICATIONS:



MDC allocated funding for the planning obligations set out at paragraph 4 above at the board meeting on 19 December 2024. The fees are therefore within the existing funding envelope approved by MDC Board.
IS THIS A KEY DECISION? No
PROCESS OF PARTNER CONSULTATION: N/A
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED: Not to be bound by the planning obligations listed at paragraph 4 above. This would not allow for the planning permission to be issued.
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 Interim Group Director of Finance & Resources of Middlesbrough Development Corporation is also the Interim Group Director of Finance & Resources of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, the Interim 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 Interim Monitoring Officer of Middlesbrough Development Corporation is also the Interim Monitoring Officer of Tees Valley Combined Authority. This creates a perceived conflict of interest. By exercising this delegation, the Interim 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: N/A



<p>SIGNATURE:</p>  <p>CHIEF EXECUTIVE</p> <p>DATE: 20/11/25</p>	<p><p>CHAIR OF MIDDLESBROUGH DEVELOPMENT CORPORATION</p><p>DATE: 28/11/2025</p></p>	<p>SIGNATURE:</p> <p>PP </p> <p>INTERIM MONITORING OFFICER</p> <p>DATE: 19/11/2025</p>	<p>SIGNATURE:</p>  <p>INTERIM GROUP DIRECTOR OF FINANCE & RESOURCES</p> <p>DATE: 19/11/25</p>
<p>Date Reported to MDC Board</p>			

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

Appendix 1 – Gresham land plan



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Appendices 2, 3 and 4 to this report 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 9
Report to the MDC Board
18 December 2025
Report of Chief Operating Officer

GRESHAM UPDATE

SUMMARY

MDC has been working with a development partner since late 2023 to develop a scheme to deliver the redevelopment of the Gresham focus area as set out in its masterplan.

This report provides the Board with an update and includes: the outcome of due diligence undertaken on the proposed financing and structure of the scheme, the urgent decision taken by officers since the last Board meeting, and the proposed next steps.

RECOMMENDATIONS

It is recommended that the Middlesbrough Development Corporation Board:

- i. **NOTES** the updates detailed within this report;
- ii. **AGREES** to reassess the options for the Gresham development to bring forward a viable scheme.
- iii. **DELEGATES** authority to the Chief Executive, Interim Group Director of & Finance and Resources and the Interim Monitoring Officer to undertake and complete the necessary contractual steps and requirements to pause the scheme as set out in paragraph 17b of this report; and
- iv. **AGREES** for officers to work with developer partners to explore potential alternative options to deliver its aspirations for redevelopment of the site within the scope of the existing financial envelope previously approved by MDC Board detailed in Appendix 1 of this report, as set out in paragraph 17c of this report.

DETAIL

1. In November 2023, Middlesbrough Development Corporation (MDC) appointed Tarras Park Properties Limited (TPPL) as lead development partner with iMpeC Developments Limited, to progress regeneration ambitions for the Gresham focus area.
2. Since their appointment TPPL have been working to develop a viable proposal to deliver a first phase of redevelopment of Gresham.
3. In that time MDC Board have taken a number of decisions on the project. Details of these decisions are collated into appendix 1 for ease of reference.
4. Budget allocation approved to date by MDC totals £11.466m. This funding was allocated to develop the project through to completion of the technical designs and prepare the site with enabling works ahead of the approved funding package and final construction contract.
5. The traditional route to fund this kind of scheme is via private investors providing debt funding during the construction phase and accepting the development risk of the project. However, in this case TVCA and MDC were advised by advisors, CBRE, that this route was unlikely to be successful.
6. The project has several viability issues; the Middlesbrough property market is currently weak, but construction costs and fees are comparable with the rest of the UK. This means that traditional funders would require an extremely high yield to compensate them for the project's risks, and the pool of investors for this sort of large, higher risk project in the Northeast is limited.
7. It was proposed that TVCA take responsibility for the funding of the project. This would be taking on debt itself directly, via the Public Works Loan Fund (PWLF) or National Wealth Fund. Alternatively, via an income strip lease provided by an institutional investor.
8. CBRE were appointed by TPPL to undertake soft market testing with institutional investors in March 2025 and reported back their findings in May 2025. A copy of the analysis of the soft market testing is attached in confidential appendix 2.

9. In May and June 2025, CBRE undertook a scenario comparison exercise of proposed funding models for the scheme. TVCA has been presented with 50- and 60-year models for both PWLF and income strip approaches. The outcome of the comparison exercise is attached at confidential appendix 3.
10. Arlingclose, TVCA's retained treasury management advisors, were subsequently engaged to consider the appropriateness of the proposed options from a treasury management perspective.
11. Arlingclose's report was received in October 2025 and concluded that they could not recommend taking any proposed structures forward due to national factors, namely volatility in the bond market resulting in margins being eroded through the Income Strip lease and the project requires that TVCA/MDC bear an unusual level of operational risk, especially via the proposed hotel.
12. Arlingclose recommended that the project be reviewed and redesigned so that the project is attractive to third party investors, no longer requiring TVCA subsidy or funding.
13. Savills were commissioned in July 2025 to undertake a due diligence review of the scheme proposals made by TPPL to MDC and TVCA as a way of supporting the viability of the Gresham scheme and addressing the level of risk it would be exposed to were TVCA to enter the Income Strip lease.
14. Savills' report was received in October 2025 and reflected that the outcome of the scheme had shifted since it was originally conceived and whilst, at that time there was a recognition that the scheme would result in a viability gap (set out in Savills Gresham Market Demand & Viability Assessment April 2023), the quantum of the funding ask has grown as the scheme has evolved.
15. The report concluded that to progress the scheme there needs to be greater recognition of the likely route to market and exploration of additional funding streams. A copy of the Savills report is included at confidential appendix 4 for information.
16. As a result of a review of the financial environment and project viability, concluding that current market conditions make proceeding at this time financially unviable the TVCA Chief Executive, under the urgency powers delegated to them within the MDC constitution, took the decision to instruct TPPL to pause the previous Board approved

development work on the proposed hotel, student accommodation, and build-to-rent apartments at Gresham, and relook at how this development can be brought forward. The Board were notified of this decision on 27 October 2025.

17. This report seeks to formally notify the Board of the decision made above and recommends that the Board:
- a. **AGREES** to reassess the options for the Gresham development to bring forward a viable scheme.
 - b. **DELEGATES** authority to the Chief Executive, Interim Group Director of & Finance and Resources and the Interim Monitoring Officer to undertake and complete the necessary contractual steps and requirements to pause the current scheme; and
 - c. **AGREES** for officers to work with developer partner to explore potential alternative options to deliver its aspirations for redevelopment of the site within the scope of the existing financial envelope previously approved by MDC Board detailed in Appendix 1 of this report.

FINANCIAL IMPLICATIONS

18. Following the movement to looking at alternative delivery options, MDC officers have worked with TPPL, the appointed developer, and their agents, to finalise associated costs for the scheme and have successfully secured the full suite of detailed designs, planning consent and nutrient neutrality credits within the allocated budget envelope. Whilst we are looking at alternative options to take this development forward, securing these elements will enable the scheme to progress should market conditions improve, or when the appropriate refreshed scheme is in place. These credits can also be used on other schemes within the MDC area.
19. Updated estimates, including the required neutrality credits, now show a forecast of £6.8m, compared with £4.9m reported at Quarter 1.
20. To accommodate the increased cost, it is proposed that funding be drawn from the existing Gresham capital budget, with planned expenditure reprofiled from 2026/27 into 2025/26. This approach ensures that the additional requirements can be met within the approved capital programme.

21. MDC officers are working with TVCA officers to progress a business case to drawdown Brownfield Housing Funding to enable recovery of a proportion of the costs spent on the BTR element of the scheme. The business case will be submitted to TVCA for approval by March 2026, with a requirement that work starts on site by March 2029.

LEGAL IMPLICATIONS

16. Legal advice for the scheme is managed by TVCA's in-house legal team, specialist advice will be sought from external legal specialists on an ad hoc basis as and when this is required.
17. MDC entered into a Development Management Agreement with Tarras Park Properties Limited (TPPL) on 19 July 2024 to appoint TPPL as development partner for the Gresham development project. MDC will continue to work with TPPL under the terms of the Development Management Agreement to find a viable solution for the development and will be bound by the agreement terms until the agreement is varied or terminated.

RISK ASSESSMENT

18. This report has been classified as medium risk to accurately reflect the current position, which is subject to ongoing and proactive monitoring. The categorisation acknowledges that while risks are present, they are being actively managed and mitigated. Key areas under close observation include financial exposure, legal compliance, operational continuity, and reputational impact.
19. Existing governance frameworks, management systems, and established daily operational controls are considered robust and sufficient to manage these risks effectively, reducing the likelihood of escalation.
20. In addition, a comprehensive risk assessment specific to the Gresham site has been developed. This assessment identifies asset-related and site-specific vulnerabilities and outlines mitigation strategies. It will be reviewed regularly to ensure that emerging risks are promptly addressed and that controls remain fit for purpose as circumstances evolve.

CONSULTATION & COMMUNICATION



Middlesbrough
Development
Corporation

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

EQUALITY & DIVERSITY

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

Name of Contact Officer: Bev Bearne

Post Title: Chief Operating Officer

Email Address: Beverley.Bearne@teesvalley-ca.gov.uk



Anything is possible

Appendix 1

MDC Board Decisions relating to the Gresham project November 2023 to date

MDC Board 29 November 2023:

- i. Appoints Tarras Park Properties Limited (TPPL), as lead development partner with iMpeC Developments Limited providing development management services; and
- ii. Delegates to the Group Chief Executive, Director of Finance & Resources and Monitoring officer to enter into a Development Agreement with TPPL in accordance with the procurement process, in order to deliver the identified project at Gresham.

MDC Board 14 March 2024:

- i. Notes the progress made to date.
- ii. Approves the site wide Masterplan Document (Confidential appendix item 6.1).
- iii. Approves the draft Heads of Terms of the Development Management Agreement (Confidential appendix item 6.6) and delegates authority to the Chief Executive Officer, S73 Officer and Monitoring Officer to approve the terms of and enter into the Development Management Agreement on those terms.
- iv. Approves an allocation of £2m to fund the next phase of development, including:
 - a. £875,000 via variation to the Pre-Development Services Agreement towards the next phase of development work. To progress towards planning permission (over a period of 2 months until the Development Management Agreement is entered into) and delegated authority to the Group Chief Executive Officer, S73 Officer and Monitoring Officer to approve the terms of and enter into a variation to the Pre- Development Services Agreement to provide for this funding in advance of entering into the Development Management Agreement.
 - b. £1.125m towards the next phase of development work allocated under the Development Management Agreement, to progress towards the submission of planning permission in Summer 2024.

MDC Board 25 July 2024:

- i. Notes the progress made to date.
- ii. Approves the proposed designs to be submitted for Planning approval (Confidential appendix 7.1)
- iii. Approves an additional £635k to continue development and due diligence.

MDC Board 25 October 2024:

- i. Notes the progress made to date.
- ii. Notes the outcome of consultation and stakeholder engagements for planning application.
- iii. Approved the appointment of the construction contractor (Wates)
- iv. Approved the appointment of the hotel operator (Cycas)
- v. Approved £1 million for fees to the end of 2024 and to continue development of technical designs towards RIBA 4
- vi. Approved the exploration of a method of acquisition (alternative to the secretary of state transfer) in order to secure site assembly

MDC Board 19 December 2024:

- i. Approved the allocation of £7.431million to continue the project through to completion of the technical designs and prepare the site with enabling works ahead of the approved funding package and final construction contract
- ii. Approved all of the delegations detailed in paragraphs 33, 35, 37, 39, and 41 of this Report to enable the project to continue to progress in line with approvals from the Board (approval of appointments under DMA)
- iii. Approved the exploration of funding options to raise the capital sum to fund the construction of the first phase. CBRE are procured to support this work, with their market knowledge and role to source an investor, alongside TVCA and retained treasury advisors Arlingclose.

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