



Hartlepool  
Development  
Corporation

# Hartlepool Development Corporation Board

**Date:** Thursday, 19 June 2025 at 9:30am

**Venue:** Tees Valley Combined Authority, Teesside International Airport

## **Membership:**

Mayor Ben Houchen (Tees Valley Mayor) (Chair)

Sarah Bedford (Independent member)

Simon Corbett (Independent member)

Alison Gwynn (Independent member)

Councillor Pamela Hargreaves (Independent member)

Councillor Brenda Harrison (Leader of Hartlepool Borough Council)

Brenda McLeish (Independent member)

Lisa Molloy (Independent member)

Shane Moore (Independent member)

Martin Raby (Independent member)

Matt Storey (Independent member)

## **Associate Members:**

Denise McGuckin (Managing Director, Hartlepool Borough Council)

## **Independent Adviser**

Mark Webster (Chief Constable, Cleveland Police)



Anything is possible

	AGENDA
1.	<b>Apologies for Absence</b>  To receive any apologies for absence.
2.	<b>Declarations of Interest</b>  To receive any declarations of interest.
3.	<b>Minutes of the previous meeting</b>  To approve as a correct record the minutes of the meetings held on 6 March 2025
4.	<b>HDC Board External Audit Statutory Recommendations</b>  To receive a draft report from the Group Director of Finance and Resources in respect of the letter received from Ernst and Young LLP, External Auditors.
5.	<b>COO Report External Audit Statutory Recommendations</b>  To receive a draft report from the Chief Operating Officer providing an update in respect of the letter received from Ernst and Young LLP, External Auditors.
6.	<b>Chair's Update</b>  To receive a verbal update from the Tees Valley Mayor on key matters not featured elsewhere on the agenda.
7.	<b>Chief Operating Officer's Update</b>  To receive a report from the Chief Operating Officer providing an update on key matters in relation to Hartlepool Development Corporation.  <i>Appendix 1 to this report is not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular</i>

	<i>person (including the authority holding that information); of schedule 12a Local Government Act 1972</i>
8.	<p><b>Governance and Appointments</b></p> <p>To receive and consider a report from the Group Chief Legal Officer and Monitoring Officer presenting appointments for confirmation.</p>
9.	<p><b>Planning Update</b></p> <p>To receive a report from the Deputy Head of Planning providing an update on the position of planning service delivery and the status of planning applications.</p>
10.	<p><b>Quarter 4 Budget Report and Medium Term Financial Plan Update</b></p> <p>To receive and consider a report from the Group Director of Finance and Resources presenting an update on the financial position of the Hartlepool Development Corporation.</p>
11.	<p><b>Urgent and Delegated Decisions</b></p> <p>To receive a report from the Chief Legal Officer and Monitoring Officer providing an update on urgent and delegated decisions since the last Board meeting.</p> <p><i>The appendices 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></p>
12	<p><b>Middleton Grange Shopping Centre</b></p> <p>To receive a report from the Chief Operating Officer providing an update on the operations of Middleton Grange Shopping Centre.</p> <p><i>The Appendices to this report are not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any</i></p>

	<p><i>particular person (including the authority holding that information)); of schedule 12a Local Government Act 1972.</i></p> <p>The following are Confidential Appendices to this report:</p> <ul style="list-style-type: none"><li>- Appendix 1 - Confidential Financial Update</li><li>- Appendix 2 – Confidential Business Plan Update</li><li>- Appendix 3 – Confidential Wayleaves</li></ul>
13.	<p><b>Date and Time of Next Meeting</b></p> <p>TBC</p>

### **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:  
[tvcagovernance@teesvalley-ca.gov.uk](mailto:tvcagovernance@teesvalley-ca.gov.uk)

## Hartlepool 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 and 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.



## HARTLEPOOL DEVELOPMENT CORPORATION BOARD

Thursday, 6 March 2025 at 4.00pm

Meeting held at Hartlepool Civic Centre

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

<u>ATTENDEES</u>	
<b>Members</b>	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Councillor Tom Feeney	Deputy Leader of Hartlepool Borough Council
Sarah Bedford	Independent Member
Shane Moore	Independent Member
Alison Gwynn	Independent Member
Pamela Hargreaves	Independent Member
Martin Raby	Independent Member
Lisa Molloy	Independent Member
<b>Associate Members</b>	
Tom Bryant	Interim Chief Executive, TVCA
Denise McGuckin	Managing Director, Hartlepool Borough Council
<b>Officers and other representatives</b>	
Emma Simson	Group Chief Legal Officer and Monitoring Officer, TVCA
Gary Macdonald	Group Director of Finance and Resources, TVCA
Sarah Brackenborough	Director of Operations, TVCA
Laura Metcalfe	Development Corporation Manager, TVCA
Mark Webster	Chief Constable, Cleveland Police
Justine Matchett	Lichfields
Neil Westwick	Lichfields
Connor Malone	Governance and Scrutiny Officer, TVCA

HDC 53/24	<b>APOLOGIES FOR ABSENCE</b>  Apologies for absence were submitted by Brenda McLeish, Simon Corbett, Matt Storey, Julie Gilhespie, and Councillor Brenda Harrison. Councillor Tom Feeney attended as substitute for Councillor Harrison.
HDC 54/24	<b>DECLARATIONS OF INTEREST</b>  Ben Houchen, Denise McGuckin, Shane Moore, Pamela Hargreaves and Tom Feeney all declared a non-pecuniary interest in items regarding the Production Village and Creative Industries.  Alison Gwynn and Martin Raby declared a pecuniary interest in items regarding the Production Village and Creative Industries.  Martin Raby declared a non-pecuniary interest in item 9, controlling houses in multiple occupation.  Pamela Hargreaves raised a query on declarations in their capacity as an independent member of the Board. Due to their role as a Councillor, and being listed as one on the agenda, they queried the process of declaring interests. Emma Simson provided explanation as to how to appropriately declare their interests.
HDC 55/24	<b>MINUTES OF THE PREVIOUS MEETING</b>  Members were invited to raise any concern or amendment regarding the minutes of the meeting held on 12 December 2024.  <b>RESOLVED</b> – That board approves the minutes of the meeting held on 12 December 2024 as correct record.
HDC 56/24	<b>CHAIR'S UPDATE</b>  The Chair informed members of the board of recent changes to the TVCA structure. They introduced Tom Bryant as interim Chief Executive of the Authority.

	<p>Following the Tees Valley Independent Review, consideration to the management structure was taken. In the coming weeks, Beverly Bearne will be joining the Authority as the Chief Operating Officer for Hartlepool and Middlesbrough Development Corporations. They intend to build relationships with the board when they start.</p> <p><b>RESOLVED</b> – That the Board noted the update.</p>
HDC 57/24	<p><b>CHIEF EXECUTIVE'S UPDATE</b></p> <p>Tom Bryant introduced the Chief Executive Update report. They provided update on the Tees Valley Investment Zones, detailing the upcoming paper to TVCA's March Cabinet, in which members will be invited to accept the investment plan.</p> <p>Further consideration was noted to the potential allocation of £15m for Northern Studios subject to TVCA Cabinet approval and subsequent development of the business case.</p> <p>To date, there is no further update on asset transfer.</p> <p><b>RESOLVED</b> – That the Board noted the update.</p>
HDC 58/24	<p><b>GOVERNANCE AND APPOINTMENTS</b></p> <p>Emma Simson introduced the Governance and Appointments report. They informed members of the appointment of an independent member to the Development Corporation's Audit &amp; Governance Committee, also provided is the updated Skills Matrix.</p> <p>Ben Houchen requested further understanding on the process of selection. Members were informed that the recruitment process was supported by social media posts and that prospective members were required to submit their CV and a covering letter. The individual within the report was interviewed by Officers and appointed based on skills and expertise.</p> <p>In reference to the skills matrix, this process was introduced following the Tees Valley Independent Review and ensures that the appropriate skillsets are matched to the Development Corporation's needs.</p>

	<p><b>RESOLVED</b> – That the Board noted the update.</p>
<p>HDC 59/24</p>	<p><b>ANNUAL GOVERNANCE STATEMENT</b></p> <p>Emma Simson introduced Annual Governance Statement report. They informed members that this would be the first Governance Statement tabled at HDC Board. Members were informed that the statement had been reviewed by the Audit and Governance Committee and HDC was still awaiting response from EY.</p> <p>Members raised concern with the lack of response from EY, noting the anticipated response date of the 28<sup>th</sup> February. Emma Simson informed members that they were chasing the response.</p> <p><b>RESOLVED THAT THE BOARD;</b></p> <ul style="list-style-type: none"> <li>i) Approves the final Annual Governance Statement for 2023/2024 included in the Appendix to this Report subject to any comments received from the Development Corporation's External Auditors, EY and;</li> <li>ii) Delegates authority to the Chief Legal Officer (Monitoring Officer) to make amendments to the Annual Governance Statement so as to address any comments from the External Auditors.</li> </ul>
<p>HDC 60/24</p>	<p><b>PLANNING UPDATE</b></p> <p>Justine Matchett introduced the Planning Update report. She informed members that they were working closely with Jomast to finalise the terms and conditions of the S106 agreement, they hope this will be in the next fortnight. Jomast are currently utilising their existing planning approval to begin site clearance.</p> <p>Gary Macdonald informed members that the Authority was close to finalising the commercials and funding arrangements with Jomast and anticipates completion in the coming working days. Tom Bryant informed that the scheme will hit the required milestones for Brownfield Housing money.</p> <p>Denise McGuckin raised concerns regarding the high-rise blocks, as mirrored in the previous workshops. Lichfields advised that a planning condition had been implemented required a review of some of the blocks on</p>

	<p>site 2 and when they have been redesigned the amended design will be presented to Board for approval.</p> <p>Councillor Pamela Hargreaves was keen that the Board receive update on the S106 agreement and are provided with a copy of it. Lichfields noted that they would provide the Board with a copy of the agreement when finalised.</p> <p>Query was raised regarding the Queens Meadow applications as they are frequently seen at Board without progress. Lichfields informed Members that there is work ongoing to resolve issues with the application and that independent assessors are currently conducting reviews of viability and noise assessment work. Members discussed the concerns with the proposals and the issues around funding for the schemes. There have been no recent communications between TVCA and the applicant.</p> <p><b>RESOLVED</b> – That the Board noted the update.</p>
<p>HDC 61/24</p>	<p><b>CONTROLLING HOUSES IN MULTIPLE OCCUPATION</b></p> <p>Justine Matchett introduced the Controlling Houses in Multiple Occupation report. She informed Members that the report is being presented following the adoption of the Article 4 Direction by Middlesbrough Development Corporation. Lichfields have held discussions with the Police who believe that small HMO's typically increased antisocial behaviour in locations, the advice indicated that Hartlepool would potentially have the same issues as Middlesbrough.</p> <p>If approved, the Article 4 Direction would not be an immediate implementation, it would be effective from 12 months' time to provide appropriate notice and prevent compensation claims.</p> <p>Members wanted to understand how the applications would be brought to planning meetings. Lichfields explained that these applications would be determined under the existing Scheme of Delegation and would only be brought to Board in limited circumstances. Lichfields advised that HMO's accommodating less than 5 people currently do not require a licence. This means there is no record of how many there are currently operating in the area.</p> <p>Concern was raised that the Direction could encourage HMO's within the Council Authority area. Members noted a desire for the Borough Council to</p>

consider an Article 4 Direction alongside the Development Corporation for consistency. Secondary concern was noted regarding the 12 month period and the potential increase in HMO's during the period. The Chair informed that the Development Corporation would be willing to work alongside the Council, however, felt that the Board shouldn't delay on making a decision. They noted a wider issue for Government to address changes to the process.

Martin Raby discussed concerns with the implication on the availability of student accommodation for the Northern School of Art. They informed Members that availability of accommodation is high on their risk register, they saw a 35% increase in undergraduate intake last year and have previously struggled to accommodate students requiring them to work closely with private landlords. They indicated that the 8-week timeline for the planning process shouldn't cause problems, but felt the 12-month process for the direction could be an issue.

The Chair discussed how typically HMO's take up street housing and can force families out of some locations. They discussed the HDC masterplan and the desire to encourage high quality large scale student accommodation, which could free up properties enabling families to move back into the town centre. It was felt this could help reduce antisocial behaviour associated with HMO's. Martin Raby noted that the primary demand is halls of residence and there are a number of smaller developments coming online with some discussion around purpose-built developments.

Members held discussion around the public concern towards HMO applications and noted that typically the public were content if informed that the intended use was for students. They felt that it would be helpful to have a mechanism to use on applications to determine if they should be permitted as student or HMO. A need for good quality residential accommodation alongside the development of the production village was raised, with concern regarding key potential assets being bought up and converted into significant HMO's.

The Chair motioned for Members to agree to the proposal. It was also noted that HDC Officers should liaise with HBC on the Direction and the wider approach to dealing with HMOs.

**RESOLVED THAT THE BOARD; -**

	<ul style="list-style-type: none"> <li>i) Approves the introduction of an Article 4 Direction and;</li> <li>ii) delegates authority to the Head / Deputy Head of Planning to proceed with making the direction.</li> </ul>
HDC 62/24	<p><b>QUARTER THREE BUDGET REPORT AND MTFP UPDATE</b></p> <p>Gary Macdonald introduced the Quarter Three Budget Report and MTFP Update report. The paper recommended that the Board note the quarter 3 outturn position and sought approval for the revised Medium-Term Financial Plan.</p> <p>Members were invited to raise questions. None were received.</p> <p><b>RESOLVED THAT THE BOARD;</b></p> <ul style="list-style-type: none"> <li>I) notes the quarter 3 outturn position for 2024/25; and</li> <li>II) Approves the revised medium-term financial plan.</li> </ul>
HDC 63/24	<p><b>TREASURY MANAGEMENT MID-YEAR REVIEW 2025/2026</b></p> <p><i>(Item 12 of the agenda was heard before item 11, the minute table has been amended to reflect the order items were considered)</i></p> <p>Gary Macdonald introduced the Treasury Management Strategy 2025/2026 report. The paper recommended that the Board approves the Treasury Management, Investment and Capital Strategies for 2025/26.</p> <p>Members were invited to raise questions. None were received.</p> <p><b>RESOLVED THAT THE BOARD;</b></p> <ul style="list-style-type: none"> <li>I) Approves the Treasury Management, Investment and Capital Strategies for 2025/26.</li> </ul>
HDC 64/24	<p><b>APPROVAL OF BUDGET 2025-2026 AND MTFP</b></p> <p>Gary Macdonald introduced the Approval of Budget 2025-2026 And Medium-Term Financial Plan Update Report. The paper recommended that</p>

	<p>the Board approves the budget for 2025-26 and approves the medium-term financial plan for 25/26 to 28/29.</p> <p>Members were invited to raise questions. None were received.</p> <p><b>RESOLVED THAT THE BOARD;</b></p> <ul style="list-style-type: none"> <li>I) Approves the Budget for 2025-26; and</li> <li>II) Approves the Medium-Term Financial Plan for 25/26 to 28/29.</li> </ul>
<p>HDC 65/24</p>	<p><b>PIPELINE UPDATE</b></p> <p>Sarah Brackenborough introduced the Pipeline Update report. They informed members that a summary document on the Middleton Grange focus area had been received and was undergoing review, when this is finalised, an informal board workshop would be held.</p> <p>Members noted concern that the pipeline update does not provide indicative target dates for stages to be met. They felt that in order to hold the Development Corporation to account, it would be beneficial to have this additional information to review.</p> <p>Officers noted that the incoming COO for Hartlepool and Middlesbrough Development Corporation would be reviewing the reports presented to Board and seek to enhance the information presented.</p> <p>Discussion was held on ensuring that there is a tie in with local partners such as the Town Deal Board, members noted a desire to see the wider picture of developments within the town and how they support each other. Issue was raised with the alignment of information as members were aware of progress on the Binns Building that wasn't reflected in the update. It was clarified that this was due to the timing of the publication of the HDC Board papers and the Town Deal Board meeting.</p> <p><b>RESOLVED – That the Board noted the update.</b></p>
<p>HDC 66/24</p>	<p><b>CREATIVE INDUSTRIES CLUSTER FOCUS AREA</b></p>

	<p>Sarah Brackenborough introduced the Creative Industries Cluster Focus Area Report. They informed members that Stage A &amp; B are progressing as expected, and that it is anticipated that a planning application will be submitted at the end of April. An informal board workshop will be arranged in advance of this.</p> <p>Members requested an explanation of the investment zone funding. They were informed that the IZ programme is TVCA funding that is proposed for acceptance into the wider TVCA investment plan at the TVCA Cabinet meeting at the end of March 2025. The Board was reminded that the government’s IZ policy required TVCA to identify a priority sector, which was digital and creative, and to identify clusters and that these were largely aligned with the Development Corporation areas in Hartlepool and Middlesbrough. As noted in the report, the IZ programme includes an allocation for the Production Village and Northern Studios project and, subject to the IZ programme being approved at TVCA Cabinet in March 2025, HDC will need to follow the IZ governance processes for the funding.</p> <p>Alison Gwynn informed members that there is a challenge in maintaining productions whilst awaiting completion of the studio. They feel it is necessary that there is adequate alternate provision in the area to prevent loss of production. There is an uptake in returning bookings for the existing stages. Members requested a presentation on the demand in the region.</p> <p><b>RESOLVED THAT THE BOARD;</b></p> <ul style="list-style-type: none"> <li>I) Notes the updates on the Production Village and Film Studios, and the wider Screen Industries and Production Village Programme;</li> <li>II) Notes the intention to apply for Tees Valley Investment Zone (TVIZ) funding for the redevelopment of the Film Studios.</li> </ul>
<p>HDC 67/24</p>	<p><b>URGENT AND DELEGATED DECISIONS</b></p> <p>Emma Simson introduced the Urgent and Delegated Decisions report. They informed members that the confidential appendices held commercial information about tenants and could not be public, if members wished to discuss, the session would have to be closed.</p>

	<p>Members discussed concerns with the costs identified by JLL within delegated decision HDC 01-2025. They queried if the costs were not within the realm of the contractual agreements. Members were advised that the service was outside of the contract, however, the process of reprocurring the management of the centre is ongoing, and a comprehensive review of the contract particulars is on track to ensure the new contract covers all requirements.</p> <p><b>RESOLVED THAT THE BOARD;</b></p> <ul style="list-style-type: none"> <li>i) Notes the delegated decisions detailed in paragraph 3 and 4, and appendices 1,2 and 3.</li> </ul>
<p>HDC 68/24</p>	<p><b>MIDDLETON GRANGE SHOPPING CENTRE</b></p> <p><i>Shane Moore left proceedings at 17.00</i></p> <p>Gary Macdonald introduced the Middleton Grange Shopping Centre Report. They informed members that they would welcome discussion on the confidential appendices; however, the Board would require moving into closed session.</p> <p>Members were keen to discuss elements of the Confidential appendices, the Chair moved for nomination to exclude the press and public.</p> <p><b>Martin Raby moved to exclude the members of the press and public from the meeting to consider the confidential appendices. This was seconded by Sarah Bedford. Members of the press and public were excluded from the session.</b></p> <p><b>RESOLVED THAT THE BOARD;</b></p> <ul style="list-style-type: none"> <li>i) Notes the update provided in the report and in confidential appendices 1 and 2;</li> <li>ii) Approves the draft service charge budget for 2025/26 as detailed in paragraph 30 and attached in full at confidential appendix 3; and</li> <li>iii) Approves the proposed termination of a tenancy detailed in confidential appendix 4.</li> </ul>
<p>HDC 69/24</p>	<p><b>DATE AND TIME OF NEXT MEETING</b></p>



	<p>Thursday, 5 June 2025 at 5.00pm</p> <p>(The meeting concluded at 5.17pm)</p>
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## HARTLEPOOL DEVELOPMENT CORPORATION – EXTERNAL AUDIT UPDATE AND ISSUANCE OF RECOMMENDATIONS UNDER SECTION 24 SCHEDULE 7(2) OF THE LOCAL AUDIT AND ACCOUNTABILITY ACT 2014

### SUMMARY

The purpose of this report is to seek acceptance of the recommendations under Section 24 Schedule 7 (2) of the Local Audit and Accountability Act 2014 following receipt of a letter from the Board’s external auditors Ernst and Young LLP, and approval of the Hartlepool Development Corporation (HDC) Board response.

The proposed HDC Board response will be incorporated into the Best Value Notice Improvement Plan, to ensure a holistic approach to continued organisational improvement.

A summary table of the statutory recommendations and how they are proposed to be addressed is provided below with the full recommendation text shown at paragraph 4: -

Statutory recommendation	Report paragraphs	Appendix
Review the support from Group Functions	10-13	3
Review sufficiency of support from TVCA	14	3 and separate HDC COO report on this Board agenda
Review processes around public inspection period	15-17	4



Clear timetable for production of 2024/25 Statement of Accounts, including Annual Governance Statement	18-19	5
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## RECOMMENDATIONS

It is recommended that the HDC Board:

- i. **NOTES** the content of the letter from Ernst & Young LLP;
- ii. **ACCEPTS** the four statutory recommendations and other actions as detailed in the letter referred to in (i) above and detailed in Paragraph 4 of this Report;
- iii. **APPROVES** the action to be taken to address the four statutory recommendations and other actions set out within this report at paragraphs 8-19 and at Appendices 2-5; and
- iv. **APPROVES** the proposed reporting arrangements as identified in paragraph 21 of this Report.

## DETAIL

1. Ernst and Young LLP ("the External Auditors") were appointed as the HDC external auditors as part of the national Public Sector Auditor Appointments process, with work commencing for the 2023/24 financial year financial statements. The first Audit Completion report for those charged with Governance for the 2023/24 financial year concluded that the finance teams had insufficient capacity to properly manage the activities of the HDC. This was reported most recently to Audit and Governance Committee on 12 May 2025 and management responded at that time to the Committee and External Auditors with updates regarding the additional new members of staff that had been recruited into the team to address this risk. Management updated the Audit and Governance Committee, including the External Auditors, on the risks of recruitment due to the ongoing Independent Review activity that had been running since January 2024.
2. The External Auditors have written to management on 4 June 2025 issuing three recommendations under Section 24, Schedule 7 (2) of the Local Audit and Accountability Act 2014.

3. Section 24, Schedule 7 (2) of the Local Audit and Accountability Act 2014 states that: -

"A local auditor of the accounts of a relevant authority may make a written recommendation to the authority relating to the authority or an entity connected with it, so that the recommendation can be considered under this Schedule.

(2) A recommendation may be made during or at the end of an audit.

(3) A recommendation must be sent at the time it is made-

(a) to the Secretary of State,

(b) where the recommendation relates to an entity connected with the relevant authority, to that entity and to any other relevant authority with which the entity is connected,

(c) where the relevant authority is itself a connected entity, to its related authority or authorities."

4. A copy of the External Auditor letter is provided at **Appendix 1** to this report and a summary of the three recommendations and other actions are set out within this letter, with the recommendations set out below:

1. We recommend that the Corporation works with the Tees Valley Combined Authority to review the support it receives from group functions and ensure that this is sufficient to support the breadth of its activities, including supporting the external audit work programme, and meet its statutory financial reporting obligations.
2. We recommend that the Corporation should consider how it evaluates the sufficiency and appropriateness of the support it receives from the Tees Valley Combined Authority, including how it assesses whether such support is meeting the needs of the Corporation and how it identifies and assesses where additional actions by the Corporation to supplement this support may be appropriate.
3. We recommend that the Corporation reviews its processes around the public inspection period for the statement of accounts to ensure that it fully understands the statutory requirements of the inspection period and has arrangements to ensure that these requirements are satisfied.
4. We recommend that the Corporation sets out a clear timetable for production of its 2024/25 Statement of Accounts, including the Annual Governance Statement, which supports commencement of the public inspection period by the statutory deadline of 1 July 2025, and support for the audit of those statements which concludes no later than 30 November 2025, and puts in place the resources necessary to support this timetable.

5. In line with the legislative requirements, a copy of this letter has also been sent to the Secretary of State and the External Auditors have confirmed within this letter that they intend to issue these recommendations to all three Development

Corporations in addition to a letter they have already issued to the Combined Authority on 15 April 2025.

6. The letter states that the HDC must consider these statutory recommendations at a public meeting held before the end of the period of one month beginning with the day on which they were sent to the Board. The deadline date for a response is therefore **3 July 2025**. At that public meeting, the HDC must decide whether the recommendations are to be accepted and what, if any, action to take in response to these recommendations. This report seeks full acceptance of these statutory recommendations and other actions, and approval of the proposed response.
7. The proposed HDC response will be incorporated into the Best Value Notice Improvement Plan, to ensure a holistic approach to continued organisational improvement. There is a commitment to this continued improvement following the Independent Review, the recent Best Value Improvement Notice and these statutory recommendations. The proposed response contained within this report has been developed collaboratively with the constituent local authorities and the Combined Authority.

#### Planning and quality assurance

8. The management of the delivery of the response to External Audit statutory recommendations will be through a master action plan that incorporates; key milestones of delivery, clear ownership of these milestone actions, transparent change control process and regular quality assurance meetings covering: -
  - Weekly - Audit Lead and Group Financial Controller meetings with team members
  - Fortnightly - Audit Partner, Audit Lead, Group Director of Finance and Resources and Group Financial Controller
  - Monthly - Senior Audit Partner, Audit Partner, HDC Chief Operating Officer, Group Director of Finance and Resources and Group Financial Controller
9. A copy of the proposed action plan is provided at **Appendix 2**. A regular log of audit actions will be maintained and tracked throughout the duration of the audit and will incorporate any actions on the External Auditor portal to ensure all live actions are proactively managed.

#### Review of the support services HDC receives from Tees Valley Combined Authority (TVCA)

10. HDC receives group support services (including Financial Services) from TVCA in addition to in-house resources. TVCA have advised that the proposed approach to delivering further capacity and ensuring the appropriate level of

capability across the Group Support Service teams has short, medium and long-term stages of activity and encompasses all team resources. The first is short term Group Finance team resource needs to support the next 6-7 months of activity, which will incorporate additional interim resources to support the team through the financial year end period and provide project support to operational service areas. The second is medium term resource requirements that will be assessed and benchmarked as part of a review of all the Group Support Service teams capacity and capability to ensure a sustainable solution that meets current and forecast future demands to support the objectives of HDC. The third is the long-term embedding of this capacity and capability to ensure a high-performing finance function including services such as Internal Audit.

11. The HDC Head of Finance and Resources role is supported by a further 2 FTE finance team members of staff. TVCA Finance team is currently providing additional resources to support the HDC year-end activities in addition to these team members.
12. A review of the Group finance teams capacity and capability requirements is underway, led by the Group Director of Finance and Resources, with initial benchmarking activity being undertaken across other similar organisations. This review will be coordinated by separate resources to the team focused on detailed 2024/25 year-end activity to ensure it does not compromise the effective delivery of the 2024/25 process. A scope and timetable for this review is set out at **Appendix 3** and this includes collaborative work with the constituent local authorities and the Local Government Association (LGA). This will also be reported to the Best Value Notice Independent Improvement Board alongside the full response to the statutory recommendations in this report. The detail at **Appendix 3** also provides the current baseline position in respect of capacity and capability within the team. This review will include consultation with the HDC Chief Operating Officer to ensure that the requirements for financial support services to HDC are fully accounted for in the scope of the review.
13. The HDC Chief Operating Officer will also review the wider group support service requirements for HDC to ensure the appropriate capacity and capability is provided to HDC to meet the breadth of activities delivered. This will include gaining the appropriate assurances from the s73 officer regarding the necessary support for the HDC internal and external audit work programmes.

Evaluating the sufficiency and appropriateness of the support received from TVCA to meet Corporation needs

14. The HDC Chief Operating Officer has set out in a separate report on this agenda how they intend to evaluate the sufficiency and appropriateness of the support services received from TVCA. This report also sets out how the Corporation

identifies and assesses where additional actions by the Corporation are required to supplement this support.

#### Review of processes around the public inspection period

15. The HDC has reviewed all the legislative provisions in respect of the public inspection period for accounts and the internal processes within the organisation to ensure compliance with all public inspection periods going forward.
16. This work has led to the production of a plan providing detail of the legislative provisions and the accompanying internal processes. The details of this are set out at **Appendix 4** to this report. This appendix includes a full timetable for the 2024/25 financial year public inspection of accounts period based on the 2024/25 year-end timetable to ensure all steps are fully understood and have accountable officers within the organisation for delivery. This timetable is set to meet the commencement of the public inspection period by the statutory deadline of the 1 July 2025. Progress against the timetable will be monitored closely by the HDC Chief Operating Officer and Group Director of Finance & Resources and there will be close engagement at a senior level with the External Auditor.
17. The publication of the notice of the inspection of accounts period will also be included on the TVCA website in the following section: [Annual Statement of Accounts - About](#).

#### Timetable for the production of 2024/25 Statement of Accounts, including the Annual Governance Statement

18. The 2024/25 year-end timetable has been updated to reflect the feedback from External Auditors and the first stage review of internal capacity and resources within the Finance Team as set out above. Following this work, a robust timetable for production of the 2024/25 Statement of Accounts, including the Annual Governance Statement, is provided at **Appendix 5**. This will support the commencement of the public inspection period by the statutory deadline of 1 July 2025 and support the audit of those statements, which must conclude no later than 30 November 2025.
19. The resource plan set out earlier in this report will ensure that there is sufficient resource in place to support delivery to this timetable.

#### Conclusion

20. It is proposed that Board fully accepts the statutory recommendations and other actions set out in the External Auditor letter and agrees to the proposed actions

set out in paragraphs 8-19 above, and covered in more detail in **Appendices 2-5**, to address these recommendations and other actions fully.

21. The proposed reporting of progress against these actions will be through the following means to ensure a collaborative approach through the appropriate governance: -

- **HDC Board** - Board will be provided with an update from the HDC Audit and Governance Committee, which will incorporate Management and External Auditor progress updates on the 2024/25 year-end timetable that are provided to the Committee. The plan is to provide Board with updates at regular intervals throughout the year end timetable, including at the end of June, end of September, end of November.
- **Local Authorities** - Tees Valley Finance Directors group will receive update reports on progress and will also provide advice and support as required for all activities listed within this report. Tees Valley Chief Executives group will also receive update reports on progress during the 2024/25 year-end process.
- **Both TVCA and HDC Audit and Governance Committee** - have the following responsibilities within its Terms of Reference: -
  - I. External Audit
    - To consider:
      - the external auditor's annual letter/relevant reports/and the report to those charged with governance.
      - specific reports as agreed with the external auditor and comment on the scope and depth of external audit work, ensuring it gives value for money.
    - II. Financial Reporting
      - To review the annual statement of accounts and to consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
    - III. Accountability Arrangements
      - To report:
        - to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal/external audit functions
- **Best Value Notice Independent Improvement Board** - This Board is currently being established and the Terms of Reference for the Board are proposed to include the requirement to be provided with assurances that the statutory recommendations and other actions have been addressed.

For information a copy of the Best Value Improvement Notice letter is also provided at **Appendix 6** of this report.

22. The HDC Audit and Governance Committee Chair has received an initial briefing on the statutory recommendations letter and agreed that a full update on the letter, the HDC response and action plan be reported to the next Committee meeting. The Committee will monitor performance of this plan throughout the year-end timetable and request updates from External Auditors as part of this activity.
23. The External Audit team have confirmed the following extract of the Local Audit and Accountability Act 2014 (Schedule 7, paragraph 10), which sets out the following requirement for work with the External Auditors following decisions for this paper: -
- 10(1)As soon as is practicable after making decisions under paragraph 5(6) or (7) or 6(6), a relevant authority must-
    - (a)notify the authority's local auditor of those decisions, and
    - (b)publish a notice containing a summary of those decisions which has been approved by the auditor.

## FINANCIAL IMPLICATIONS

24. The additional initial capacity increases in the finance team from group support services are managed within the TVCA 2025/26 Budget to ensure the same level of service is provided to HDC. The TVCA Executive team have approved the additional resources necessary to deliver the annual financial statements and Governance statement requirements and are progressing the work with the HDC Chief Operating Officer on the review of the Finance team capacity to meet current and future needs of the HDC.
25. The HDC Chief Operating Officer will also keep the sustainable resourcing of the Finance team under regular review to ensure that this level of resourcing is maintained and supported throughout each financial year to ensure support across the Group.
26. The financial implications of any additional work due to additional activities required to be supported by the finance team, such as the Best Value Improvement Notice activity, will also be kept under review to ensure appropriate levels of resources are in place to manage these activities.

## LEGAL IMPLICATIONS

27. The main body of this report sets out the legislative framework by which the External Auditors have made their statutory recommendations to the HDC.

28. Under Section 24, Schedule 7 (5) of the Local Audit and Accountability Act 2014 ('the Act'), the HDC must consider the recommendations at a meeting to be held one month from the date the letter was sent by the External Auditors. The Act states that at the meeting the HDC must decide:

- Whether the recommendation is accepted, and
- What, if any, action to take in response to the recommendation.

29. On conclusion of the decision of HDC Board the HDC is required under the Act to notify the Auditor of its decision and publish a notice containing a summary of those decisions which have been approved by the Auditor.

30. The HDC is discharging its legal duty under the Act by holding this public meeting with HDC Board.

## RISK ASSESSMENT

31. The following key risks are being updated and managed as part of the process to deliver these recommendations.

- *RISK00002990*: Risk that Finance Team Capacity leads to failure to deliver required services - this has been updated to reflect the receipt of the latest External Auditor letter, Best Value Improvement Notice, financial year end and the latest operational planning requirements for service delivery going forward.
- *RISK00002495*: Risk that failure to publish our draft accounts on time may result in significant reputational damages.

## CONSULTATION & COMMUNICATION

32. The areas covered in this report have been consulted with Tees Valley Finance Directors, Chief Executives, Monitoring Officers and Cabinet to ensure all



statutory officers have been briefed on the content of this report and the proposed actions arising from the report. The Chairs of TVCA and HDC Audit and Governance Committee have also received briefings and provided feedback incorporated into the proposals within this report.

33. This report has also been shared and consulted on with the LGA as part of the ongoing work in respect of the Best Value Improvement Notice. The LGA team have provided feedback that has been incorporated into the proposals contained within this report.

## EQUALITY & DIVERSITY

34. There are no equality or diversity issues associated with the recommendations in this report.

Name of Contact Officer:	Gary Macdonald
Post Title:	Group Director of Finance and Resources
Email Address:	<a href="mailto:gary.macdonald@teesvalley-ca.gov.uk">gary.macdonald@teesvalley-ca.gov.uk</a>

Members of Hartlepool Development Corporation  
Hartlepool Development Corporation  
Teesside Airport Business Suite  
Teesside International Airport  
Darlington  
DL2 1NJ

4 June 2025

Dear Members of Hartlepool Development Corporation

## **Hartlepool Development Corporation – External audit update and issuance of recommendations under Section 24 Schedule 7(2) of the Local Audit and Accountability Act 2014**

### ***Background***

Our Completion Report for Those Charged with Governance for our 2023/24 audit has been issued to management and was presented at the Audit and Governance Committee on 12 May 2025. Within our report, we highlight that we have observed evidence which leads us to conclude that there was insufficient capacity within the Tees Valley Combined Authority Group Finance Team to properly manage the Corporation's activities during the 2023/24 financial year.

We also report that these capacity limitations meant the Corporation did not comply with its statutory financial reporting obligations, including timeliness of the publication of both its draft and final statement of accounts.

Our Head of UK Government and Public Sector Audit wrote to the Corporation's Section 73 Officer on 21 August 2024 to communicate the criteria we applied in prioritising our audit resources ahead of the statutory backstop date of 28 February 2025. The Corporation did not meet a number of these criteria, and management were separately informed that, as a result, we anticipated issuing a disclaimed audit opinion for the year ended 31 March 2024.

The Accounts and Audit Regulations 2015 required the Corporation to commence the public inspection period of its draft 2023/24 statement of accounts no later than 1 June 2024. Based on our communication, which occurred two and a half months after this date, management had not intended to prepare a statement of accounts as they were not aware that the Corporation still had a statutory obligation to do so. The statement of accounts was subsequently produced after we highlighted this requirement to management.

This led to a delay in the production of the statement of accounts, which were not published until the 20 January 2025. Consequently, the public inspection period, which must last for 30 working days, extended beyond the backstop date of 28 February 2025.

### ***Completion of the 2023/24 audit***

As highlighted above, the inspection period for the Corporation's draft statement of accounts extended beyond the 28 February 2025 backstop date, and we require this statutory requirement to have been satisfied before we are able to conclude our audit and issue our auditor's report. The inspection period concluded on 3 March 2025, satisfying this requirement.

The draft statement of accounts of the Corporation were approved by the Audit and Governance Committee on 5 February 2025. The Terms of Reference for the Audit and Governance Committee set out that the Committee's role is also to "recommend approval of the annual accounts to the HDC Board". The Audit and Governance Committee has not yet done so, nor has the Corporation's Board approved the statement of accounts. The Corporation has therefore not yet completed the governance procedures required by its Constitution to enable signing of the 2023/24 Statement of Accounts. In addition, management are still to confirm that they have fulfilled their financial reporting obligations, and obtained the necessary assurances, for the period that the Corporation was in existence up to 31 March 2023.

In light of our conclusion that there was insufficient capacity within the Tees Valley Combined Authority Group Finance Team to properly support the Corporation's activities, management have updated the Annual Governance Statement to reflect our observations in this area. We also experienced delays in receiving response to our written enquiries of the Corporation's Section 73 Officer and Monitoring Officer. We issued our letters on 5 February 2025 and 31 January 2025 respectively, and did not receive responses until 7 May 2025 and 1 April 2025.

As a result of these matters, there is a significant delay in the completion of the 2023/24 audit beyond the statutory backstop date of 28 February 2025 imposed by the Accounts and Audit (Amendment) Regulations 2024.

#### ***Performance of the 2024/25 audit***

Our opinion over the financial statements for the year ended 31 March 2024 will be disclaimed, once the above matters have been resolved, as explained verbally at the Audit and Governance Committee meeting on 5 February 2025 and set out in our Completion Report for Those Charged with Governance.

The process to rebuild assurance over the Corporation's financial statements following this disclaimer is subject to further guidance to be issued by the National Audit Office, however it is nevertheless important that the period for which audit procedures cannot be completed does not extend beyond the year ended 31 March 2024 to take the first steps in rebuilding assurance over the financial statements of the Corporation in line with the Local Auditor Reset and Recovery Implementation Guidance (LARRIG) issued by the National Audit Office.

The delayed completion of the 2023/24 audit has had a consequential impact on the delivery of our 2024/25 audit. We agreed with management in January 2025 that the Corporation could prioritise providing support to the completion of the 2023/24 audit over planning work for the 2024/25 audit. Other than the matters noted above, this primarily related to supporting completion of our value for money procedures.

Since concluding our value for money work in relation to our 2023/24 audit, we have sought to engage with the Corporation on planning for our 2024/25 audit; however, we have received only limited engagement with our audit from the Corporation and encountered a number of challenges in being able to progress with our audit planning procedures which is of significant concern. The challenges faced include:

- Difficulties obtaining a copy of the Corporation's general ledger for us to perform our data analysis to understand transaction flows and inform our risk assessment procedures. Detailed instructions on how to securely provide general ledger data to us were provided on 27 January 2025, however this had not been received as of 28 April 2025 when we concluded it would be necessary to change our audit methodology for this engagement to one which is less reliant on general ledger data in order to avoid further delay to our risk assessment procedures.

- We previously agreed with management the importance of an audit planning meeting in March 2025 to facilitate the best possible start to the 2024/25 audit. We made multiple requests for diary availability to arrange a planning meeting, and also followed up in our correspondence of 13 March 2025, but were unable to hold a planning meeting until 7 April 2025. This meeting focused on the recent issuance of the Best Value notice to Tees Valley Combined Authority and a further meeting was required on 28 April 2025 to understand significant events and transactions of the Corporation to inform our detailed risk assessment. As our audit opinion was disclaimed for our first year as your auditor, it is critical that we build our understanding of your business and understand the nature of transactions within the financial statements for 2024/25 and the disclaimed period to inform our risk assessment procedures.
- Delays in our ability to complete our walkthrough procedures of key financial reporting processes, which we perform at the group level due to commonality of processes between the Corporation and the Tees Valley Combined Authority. With the exception of payroll, management had advised us that relevant teams did not have capacity to support the performance of our walkthrough procedures until April 2025. Further walkthrough procedures may be required once we receive general ledger data and are able to analyse how financial data flows through your IT systems.
- Failure to inform us as your external auditor in a timely manner of significant governance changes within the Corporation and wider group. Whilst we did receive a notification of proposed changes in governance structures from the Tees Valley Combined Authority Mayor, this appeared to be a general notification issued to multiple stakeholders and came after we had observed reporting of the proposed changes in local media. As your external auditor, we would expect to be informed of significant changes impacting the governance of the Corporation – including changes in statutory officer positions – before learning of them from media reports.
- A general lack of responsiveness to our audit enquiries, in particular where made by more junior members of the audit team, with enquiries only being acknowledged, and not necessarily responded to, when followed-up by more senior members of the audit team and/or shortly before key governance meetings such as the Tees Valley Combined Authority Audit and Governance Committee held on 10 April 2025.

As a result of these issues, we reached a point where we were not able to make any further meaningful progress on the delivery of your 2024/25 audit until there was more active participation in the audit process from the Corporation. We had to release audit resources put in place to perform our audit planning procedures, and our ability to reschedule this resource was delayed until we received confirmation from management as to when the information and engagement necessary to utilise our resources efficiently would be provided.

Consequently, delivery of your 2024/25 audit is already behind schedule and will need to be 'recovered' as the audit progresses as there is a significant risk emerging in relation to the overall audit timetable and our ability to conclude our audit procedures ahead of the statutory backstop date for 2024/25 audits of 27 February 2026.

### ***Our conclusions***

The Corporation utilises the capacity and capabilities of employees of the Tees Valley Combined Authority to support the discharge of its functions. Whilst the provision of this support is managed by the Tees Valley Combined Authority as part of shared group functions, it is the responsibility of the Corporation to ensure that it receives the support it needs through these arrangements.



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The matters set out above, most notably the delay in action by the Corporation to enable conclusion of the 2023/24 audit and the limited engagement with the 2024/25 external audit process, are indicative that capacity challenges within the Tees Valley Combined Authority Group Finance Team highlighted in our value for money commentary for the period ended 31 March 2024 are ongoing and significantly impacting on the Corporation's ability to meet its statutory financial reporting obligations.

We consider that the insufficient capacity and support available to the Corporation, whether through the Tees Valley Combined Authority Group Finance Team or otherwise obtained, its impact upon the Corporation's current arrangements and the potential impact upon the Corporation's future arrangements, if appropriate action is not taken, to be a significant concern. Accordingly, we deem it appropriate to issue the following recommendations to the Corporation as statutory recommendations under Section 24, Schedule 7(2) of the Local Accountability and Audit Act 2014:

1. We recommend that the Corporation works with the Tees Valley Combined Authority to review the support it receives from group functions and ensure that this is sufficient to support the breadth of its activities, including supporting the external audit work programme, and meet its statutory financial reporting obligations.
2. We recommend that the Corporation should consider how it evaluates the sufficiency and appropriateness of the support it receives from the Tees Valley Combined Authority, including how it assesses whether such support is meeting the needs of the Corporation and how it identifies and assesses where additional actions by the Corporation to supplement this support may be appropriate.
3. We recommend that the Corporation reviews its processes around the public inspection period for the statement of accounts to ensure that it fully understands the statutory requirements of the inspection period and has arrangements to ensure that these requirements are satisfied.
4. We recommend that the Corporation sets out a clear timetable for production of its 2024/25 Statement of Accounts, including the Annual Governance Statement, which supports commencement of the public inspection period by the statutory deadline of 1 July 2025, and support for the audit of those statements which concludes no later than 30 November 2025, and puts in place the resources necessary to support this timetable.

The Corporation must consider these recommendations at a public meeting held before the end of the period of one month beginning with the day on which they were sent to the Corporation. At that public meeting, the Corporation must decide whether the recommendations are to be accepted and what, if any, action to take in response to these recommendations.

A copy of this letter has been sent to the Secretary of State for Housing, Communities and Local Government.

Yours sincerely

A handwritten signature in black ink that reads 'Claire Mellons'.

Claire Mellons  
Partner  
for and on behalf of Ernst & Young LLP

1. Recommendation 1					Workstream lead: Group Director of Finance and Resources	RAG	LATEST UPDATE LOG
Ref:	Key tasks / milestones	Lead officer	Start	End			
S1.01	Interim review of critical Finance, Risk and Assurance Team resources and capacity and capability for short term critical requirements to support compliance with statutory obligations 2024/25 FY	Group Director of Finance and Resources	15/04/2025	30/04/2025		Review completed and additional short term resources identified for recruitment.	
S1.02	Recruitment (as applicable) of interim resources as identified from the review at point S1.01	Group Financial Controller	01/05/2025	09/05/2025		Interim recruitment - CVs received from agencies - shortlisted preferred candidates with appropriate experience. Interviews being held 2/5/25 for candidates who are all immediately available. High priority red risk until secured and commenced.	
S1.03	Head of Internal Audit and Management confirmation that appropriate capacity and capability is in place to meet completion of 2024/25 Internal Audit plan and reporting of Head of Internal Audit Opinion for 2024/25 financial year	Head of Internal Audit	15/04/2025	31/05/2025		Head of Internal Audit has provided assurances to the last Audit and Governance Committee that the 2024/25 work programme will be completed to inform an Internal Audit opinion to be produced by the end of May 2025.	
S1.04	CIPFA Review of Internal Audit Arrangements as part of Independent Review - Full implementation of action plan to ensure capacity and capability of Internal Audit Service to support effective completion and delivery of the 2024/25 work programme	Head of Internal Audit	15/04/2025	31/05/2025		Head of Internal Audit has produced an independent review of the evidence to support closure of "CIPFA Review of Internal Audit arrangements" action plan. 2 x Actions remain outstanding both of which are for TIAA to discharge and the actions to discharge each are shown on this s24 notice action plan below.	
S1.06	Head of Internal Audit proposed resourced Internal Audit Plan for 2025/26 approved by TVCA Audit and Governance Committee	Head of Internal Audit	15/04/2025	30/06/2025		The final proposed draft after stakeholder engagement will be issued to TVCA Audit and Governance Committee for consideration and approval.	
S1.07	Consideration should be given to TIAA providing a more enhanced view of the TVCA group risk portfolio	Head of Internal Audit	15/04/2025	30/06/2025		Head of internal Audit reviewing risk registers, BVN, Statutory recommendations and associated material to inform 2025/26 plan. Planning management with Management scheduled in May 2025 to confirm first draft for discussion with stakeholders.	
S1.08	As TIAA are in the early stages of their contract with the TVCA; it may be beneficial for their team members to have a familiarisation session with the Combined Authority	Head of Internal Audit	15/04/2025	30/06/2025		TVCA coordinating with TIAA regarding familiarisation sessions for their team members to ensure they have a comprehensive understanding of the relationships of various elements of the TVCA group; how risk and autonomy are considered; and how the Constitution impacts on TVCA.	
S1.09	Monitoring Officer to be lead TVCA officer with responsibility for production of the Annual Governance Statement to timetable and to ensure publication of the AGS in line with statutory obligations and requirements.	TVCA Monitoring Officer	15/04/2025	30/06/2025		Drafts of all Annual Governance Statements across TVCA and its other public bodies produced and being consulted on with External Auditors currently	
S1.10	Group Director of Finance and Resources scoping the review of the medium to long term capacity and capability requirements for the Finance team. A terms of reference for this review is provided at Appendix 2 to the Cabinet paper.	Group Director of Finance and Resources	15/04/2025	31/05/2025		A first draft Terms of Reference for the review of Finance team has been produced and work has commenced on this activity.	

2. Recommendation 2				Workstream lead: Group Financial Controller	RAG	LATEST UPDATE LOG
Ref:	Key tasks / milestones	Lead officer	Start	End		
S2.01	External Auditors require the statutory requirement for the public inspection period for 2023/24 financial year to be complied with in line with the Accounts and Audit Regulations 2015 (to be run for a period of 30 working days). Management to confirm with External Auditors that this has been complied with.	TVCA Monitoring Officer	15/04/2025	12/08/2025		Cabinet report Appendix 4 provides the background understanding of the legislative requirements and overlays the required deadlines for the 2024/25 financial year. This master action plan has clear owners for the relevant information to comply with requirements.
S2.02	Management update the 2023/24 Annual Governance Statement to reflect External Auditor observations	TVCA Monitoring Officer	15/04/2025	15/04/2025		This action was completed on 1 April 2025 as set out in the External Auditor letter of 15 April 2025.
S2.01	External Auditors to issue their Audit Completion report for 2023/24 financial year.	External Auditor	15/04/2025	??		The External Auditor will confirm a timescale for the issue of Annual Auditor Completion report once Management confirm completion of compliance activity in S2.01
S2.03	Production of 2024/25 Financial Statements (including Narrative report) and publication on TVCA website (see S3.0X) to publication deadline	Group Financial Controller	15/04/2025	30/06/2025		To ensure compliance with this activity the necessary interim resources highlighted at S1.02 need to be secured. Full year end timetable and plans as set out in the actions for S3 below provide further detail.
S2.04	Production of 2024/25 Annual Governance Statements and publication on TVCA website (see S3.0X) to publication deadline	Monitoring Officer	15/04/2025	30/06/2025		Drafts of all Annual Governance Statements across TVCA and its other public bodies produced and being consulted on with External Auditors currently
S2.05	Review of Authority processes around the public inspection period to ensure that it fully understands the statutory requirements of the inspection period	Monitoring Officer	15/04/2025	01/07/2025		Review completed and summary of understanding provided at Appendix 3 to the Cabinet report. Validating with External Auditors this is sufficient to demonstrate understanding point raised.
S2.06	Confirmation Authority has arrangements in place to ensure that statutory requirements for the public inspection period are complied with.	Monitoring Officer	15/04/2025	11/08/2025		Monitoring Officer and Group Financial Controller managing the actual public inspection period to ensure compliance.

3. Recommendation 3				Workstream lead: Group Financial Controller	RAG	LATEST UPDATE LOG
Ref:	Key tasks / milestones	Lead officer	Start	End		
S3.01	Production of 2024/25 "recovery" year end timetable with detailed assurances on capacity and capability to support the effective delivery of the timetable to be provided to External Auditors.	Group Financial Controller	15/04/2025	07/05/2025		The latest year-end timetable has been provided to the External Auditors and will be reviewed and discussed at the next meeting on 7 May 2025
S3.02	Copy of the Authority's General Ledger to be provided to External Auditors	Group Financial Controller	15/04/2025	02/05/2025		There had been some system issues outside of the control of the Finance team that required work with ICT services to resolve. This has been rectified and balances rolled forward accordingly. The General Ledger has now been provided to the External Auditors on 30 April 2025 following the resolution of these ICT issues. This has been provided onto the External Auditor portal in line with instructions for upload.
S3.03	Audit Planning meeting held on 7 April 2025 and a further Audit planning meeting scheduled and agreed with External Auditors on 7 May 2025.	Group Financial Controller	15/04/2025	07/05/2025		The External Auditors confirmed availability for 7 May 2025 for the next meeting including with Senior Partner and TVCA CEX.
S3.04	External Auditors to be provided with management information in respect of any significant events/transactions to inform Auditor risk assessment	Group Financial Controller	15/04/2025	07/05/2025		Management Team consolidating any relevant information to provide to External Auditors for 7/5/25 meeting
S3.05	External Auditors to be provided with management information in respect of any unusual transactions within the financial statements for 2024/25 financial year and the disclaimed periods to inform Auditor risk assessment	Group Financial Controller	15/04/2025	07/05/2025		Management Team consolidating any relevant information to provide to External Auditors for 7/5/25 meeting
S3.06	External Auditor walkthrough procedures information requests to be tracked via the online portal	Group Financial Controller	15/04/2025	14/05/2025		check with external auditors on timescales for this stage of work
S3.07	Informing External Auditors of any significant governance changes	Group Director of Finance and Resources	15/04/2025	07/05/2025		External Auditors to be briefed on current Governance arrangements and structures at the 7/5/25 meeting and process for future communication to be agreed.
S3.08	Responsiveness to auditor queries	Group Financial Controller	15/04/2025	30/11/2025		The 7 April 2025 meeting confirmed all EY resources who would be working on TVCA and Group entity activities for 2024/25 financial year. The online portal will capture all actions and this will be regularly reviewed by a designated lead in the Finance team to ensure timeliness of responses. All emails will be sent to .....and an audit log of live queries will be maintained and reviewed at weekly meetings with Audit Partner and senior management.
S3.09	Confirmation and engagement regarding 2024/25 financial year audit work from Management	Group Director of Finance and Resources	15/04/2025	07/05/2025		Confirmation and engagement has progressed with the External Audit partner and regular updates and communication between Group Financial Controller and Audit lead are in place. The 7/5/25 meeting with all parties to confirm these arrangements in place and working effectively now. Weekly meetings are scheduled every Wednesday with EY Audit lead and Finance Team. Fortnightly update meetings have been put forward on a regular cycle to the External Auditors Audit Partner and Group Director of Finance and Resources and Group Financial Controller.
S3.10	Production of 2024/25 Financial Statements (including Narrative report) - see detailed year-end timetable tab for further information	Group Financial Controller	15/04/2025	30/06/2025		To ensure compliance with this activity the necessary interim resources highlighted at S1.02 need to be secured. Full year end timetable and plans as set out in the actions for S3 below provide further detail.
S3.11	Production of 2024/25 Annual Governance Statements - see detailed year-end timetable tab for further information	Monitoring Officer	15/04/2025	30/06/2025		Drafts of all Annual Governance Statements across TVCA and its other public bodies produced and being consulted on with External Auditors currently

3. Recommendation 3				Workstream lead: Group Financial Controller	RAG	LATEST UPDATE LOG
Ref:	Key tasks / milestones	Lead officer	Start	End		
S3.12	External Auditors require advance notification of any proposed material Governance changes - production of a Communications protocol to be agreed with External Auditors	Monitoring Officer	15/04/2025	31/05/2025		A Communications protocol draft will be produced and discussed and agreed with External Auditors to ensure that all future Governance changes are communicated in advance with the External Auditors.
S3.13	Production of a live queries log will be maintained to track all interactions throughout the audit. This will include portal queries raised via the EY systems.	Group Financial Controller	15/04/2025	30/11/2025		Log created and tracking progress at weekly meetings with Audit Partner and Group Financial Controller.
S3.14	Review of year-end timetable to assess compliance with the year-end timetable	Group Financial Controller	15/04/2025	30/11/2025		This will be evaluated throughout the audit and at completion.

Meeting	Indicative dates to schedule (specific diary dates currently being finalised)	Date held
Audit Team and Group Financial Controller	07/05/2025	
Senior Audit Partner, Audit Partner and TVCA CEX, GDF&R	07/05/2025	
Audit Team and Group Financial Controller	14/05/2025	
Audit Partner and Group Director of Finance & Resources	14/05/2025	
Audit Team and Group Financial Controller	21/05/2025	
Audit Team and Group Financial Controller	28/05/2025	
Audit Partner and Group Director of Finance & Resources	11/06/2025	
Audit Team and Group Financial Controller	18/06/2025	
Senior Audit Partner, Audit Partner and TVCA CEX, GDF&R	16/07/2025	
Audit Team and Group Financial Controller	23/07/2025	
Audit Partner and Group Director of Finance & Resources	06/08/2025	
Audit Team and Group Financial Controller	13/08/2025	
Audit Team and Group Financial Controller	20/08/2025	
Audit Partner and Group Director of Finance & Resources	03/09/2025	
Audit Team and Group Financial Controller	10/09/2025	
Senior Audit Partner, Audit Partner and TVCA CEX, GDF&R	08/10/2025	
Audit Team and Group Financial Controller	15/10/2025	
Audit Partner and Group Director of Finance & Resources	29/10/2025	
Audit Team and Group Financial Controller	05/11/2025	
Audit Team and Group Financial Controller	12/11/2025	
Audit Partner and Group Director of Finance & Resources	26/11/2025	
Audit Team and Group Financial Controller	03/12/2025	
Senior Audit Partner, Audit Partner and TVCA CEX, GDF&R	31/12/2025	
Audit Team and Group Financial Controller	07/01/2026	
Audit Partner and Group Director of Finance & Resources	21/01/2026	
Audit Team and Group Financial Controller	28/01/2026	
Audit Team and Group Financial Controller	04/02/2026	
Audit Partner and Group Director of Finance & Resources	18/02/2026	
Audit Team and Group Financial Controller	25/02/2026	
Senior Audit Partner, Audit Partner and TVCA CEX, GDF&R	25/03/2026	
Audit Team and Group Financial Controller	01/04/2026	
Audit Partner and Group Director of Finance & Resources	15/04/2026	
Audit Team and Group Financial Controller	22/04/2026	
Audit Team and Group Financial Controller	29/04/2026	
Audit Partner and Group Director of Finance & Resources	13/05/2026	
Audit Team and Group Financial Controller	20/05/2026	
Senior Audit Partner, Audit Partner and TVCA CEX, GDF&R	17/06/2026	
Audit Team and Group Financial Controller	24/06/2026	
Audit Partner and Group Director of Finance & Resources	08/07/2026	
Audit Team and Group Financial Controller	15/07/2026	
Audit Team and Group Financial Controller	22/07/2026	
Audit Partner and Group Director of Finance & Resources	05/08/2026	
Audit Team and Group Financial Controller	12/08/2026	
Senior Audit Partner, Audit Partner and TVCA CEX, GDF&R	09/09/2026	
Audit Team and Group Financial Controller	16/09/2026	
Audit Partner and Group Director of Finance & Resources	30/09/2026	
Audit Team and Group Financial Controller	07/10/2026	
Audit Team and Group Financial Controller	14/10/2026	
Audit Partner and Group Director of Finance & Resources	28/10/2026	
Audit Team and Group Financial Controller	04/11/2026	
Senior Audit Partner, Audit Partner and TVCA CEX, GDF&R	02/12/2026	
Audit Team and Group Financial Controller	09/12/2026	
Audit Partner and Group Director of Finance & Resources	23/12/2026	

Source of action	Acton ref	Portal ref (if applicable)	Requested by	Date raised	Date resolved	RAG status
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Activity impacted	Milestone ref.	Milestone	Change requested	Formal change control or revised target date (not formal change control)?	Reason	Impact	Mitigation	If date change:		No. of changes logged against this activity
								Change from	Change to	

## **Review of Group Finance Teams Capacity and Capability**

### **Background**

A review of the Group Finance Teams capacity and capability is proposed to be undertaken to provide the necessary evidence base to assess the level of resources across the team to support all financial services to the Combined Authority including all statutory compliance obligations for reporting and management of activities. This work will also provide part of the formal response to the External Auditor statutory recommendation received as part of the s24 Notice.

The scope of this work is to ascertain the appropriate level of resource to meet financial services obligations to ensure an efficient and effective Finance team and compare this to the current level of resource and capabilities across the team. The current teams have a range of experience, skills and commitment to their roles and provide a valuable resource to the Development Corporation. The purpose of this review is to ensure they have the necessary support and capacity and capability across the team to enable them to deliver the required services to the Development Corporation as required.

### **Context and benchmarking**

Mayoral Combined Authorities are currently proposed to be separated into different categories as part of the English Devolution White Paper: -

*Established Strategic Authorities* - or those Mayoral Strategic Authorities who are able to satisfy a number of additional governance requirements. This unlocks access to further devolution, most notably the Integrated Settlement. The GLA and other MSAs such as Greater Manchester and the West Midlands will be designated as this.

*Mayoral Strategic Authorities* - MCAs and MCCAs will automatically begin as this unless they have been designated as Established. For those with an elected mayor, a range of powers will be devolved.

*Foundation Strategic Authority* - Available to those areas without an elected mayor, Foundation Strategic Authorities will have limited devolution. CAs and CCAs will automatically be designated as this, for example, the current Lancashire devolution deal will establish a Foundation Strategic Authority.

TVCA is currently a Mayoral Strategic Authority based on the English Devolution White paper proposals. Two trailblazer MCAs within the Established Strategic Authority category have already accessed their respective integrated settlements with Government for 2025-26 financial year

This review will utilise available information from these peer organisations to benchmark an appropriate level of resources and capability for the Group Finance Teams.

### Current team capacity and capability

The current teams across the Finance areas can be split into: -

#### **Finance**

Responsible for all aspects of Financial Management throughout the annual financial cycle.

Current team capacity and capability: -

**15 x headcount** across entire Group (incl. Financial teams supporting Development Corporations and separately Airport employed Finance team)

7 x Qualified chartered accountants with over 100 years combined years of post qualified experience

2 x Part-qualified chartered accountants

1 x MAAT qualified

4 x AAT mid studies

1 x Apprentice

#### **Procurement**

Responsible for all end-to-end procurement processes supporting group entities.

Current capacity and capability: -

8 x Headcount

1 x MCIPS Qualified

2 x MCIPS final year

1x CIPS level 4

6 of 8 headcount are certified Advanced Practitioners on the new Procurement Act.

### Scope and timescales

The scope of this capacity and capability review will take account of the recently published CIPFA publication on “Local Government finance workforce action plan for England”. This provides the context for assessing capacity and capability of the Finance Team. The key areas that will be considered as part of this review will be: -

#### Key areas for review:

Leadership and Governance

Workforce and Skills

Process, Technology, and Management information

Tools for review:

**SWOT analysis**

**Local Government finance workforce action plan**

**CIPFA Statement of Expertise**

The timescales for the review with headline milestones is set out below: -

**May 2025** – Review commissioned and agreed with stakeholders and initial benchmarking data gathering requests for information issued

**June 2025** – Benchmarking analysis and review by Tees Valley Strategic Resources Group (FDs) for feedback

**July 2025** – SWOT Analysis and Local Government finance workforce action plan key recommendations analysis performed to support review of the Finance Team

**September 2025** – Formulation of Finance Team structure options and funding requirements as applicable and Recommendations to TVCA Executive and stakeholder groups

**September 2025** – Approval of Finance Team structure and commencement of HR activity as required

Stakeholder collaboration

As part of this review work the Tees Valley Finance Directors views/advice and support will be sought along with any support they can offer from their teams to enable the most comprehensive assessment of capacity and capability to be undertaken.

The existing Tees Valley Resources Group (TVSRG) is the forum where all 6 Finance Directors (5 x Local Authorities and TVCA FDs) meet regularly as a professional peer group. This group will be used to facilitate this support throughout this process.

Reporting

Tees Valley Strategic Resources Group (TVSRG) – monthly progress updates

Tees Valley Chief Executives – monthly progress updates

Best Value Improvement Notice Board – progress updates to each meeting

Development Corporation Audit and Governance Committee – Will receive Best Value Improvement Notice Board updates that will include progress on delivering the statutory recommendations from External Auditors.

Development Corporation Board – Will receive Best Value Improvement Notice Board updates that will include progress on delivering the statutory recommendations from External Auditors.

### **Reference material**

[Local government finance workforce action plan for England | Local Government Association](#)

[Good financial management for combined authorities | Local Government Association](#)

### **Public Inspection of Accounts period**

The development corporation response to the following external audit statutory recommendation is set out below :-

3. We recommend that the Corporation reviews its processes around the public inspection period for the statement of accounts to ensure that it fully understands the statutory requirements of the inspection period and has arrangements to ensure that these requirements are satisfied.

### **Understanding of statutory requirements for the inspection period**

#### **The Accounts and Audit Regulations 2015**

Regulation 14 states that any rights of objection, inspection and questioning of the local auditor conferred by sections 26 and 27 of the Local Audit and Accountability Act 2014, may only be exercised within a single period of 30 working days.

Regulation 15 states the responsible financial officer is responsible for ensuring commencement of the 30 day period for the exercise of public rights under the Regulations, and that they are published on the authority's website and that the statement of accounts is accompanied by a signed declaration, annual governance statement, and narrative statement.

The 30 day period for the exercise of the public rights is treated as being commenced on the day following the day on which the publication obligations have been fulfilled.

Assuming a 30 June 2025 publication, the 30 working day period would commence on 1 July 2025 and finish on 11 August 2025

#### **Arrangements in place to ensure satisfied**

The Group Director of Finance and Resources (s73 officer) is responsible for ensuring the production of the 2024/25 Statement of Accounts, including the Annual Governance statement, and narrative statement by 30 June 2025.

The year-end timetable at Appendix 4 to this report provides the key milestones of how this will be delivered.

The Monitoring Officer is responsible for ensuring that the publication of these documents is uploaded onto the Authority website by 30 June 2025 with the necessary notice of rights to public inspection of these documents by the same date.

The Group Director of Finance and Resources will ensure that appropriate Finance team resource is provided to facilitate the public inspection period effectively throughout the 30 day period.

## Appendix 5

Task	Responsible	Deadline	Information	Status
Internal Year End Planning Meeting – Pre close	Group Director of Finance and Resources (“GFD”)	4 <sup>th</sup> March 2025	Define close timeline, assign responsibilities	Complete
Cutoff Procedures communication to departments	Finance	21 <sup>st</sup> March 2025	-	Complete
Weekly Audit Catch ups	Group Financial Controller (“GFC”) and EY Senior Audit Manager	Weekly	Outstandings and detailed status update	Ongoing
Bi- weekly Audit Catch ups	GFC, GFD, EY Audit Senior Manager and Partner	Bi-weekly	High level progress update	Ongoing
<b>Annual Governance Statement – HDC</b>				
Draft Annual Governance Statement Draft 1	Monitoring Officer and GFC	25 <sup>th</sup> April 2025	-	Complete
Draft Annual Governance Statement Review	GFD, CEX and Mayor of Tees Valley	28 <sup>th</sup> April 2025	-	Complete
Draft Annual Governance Statement presented to A&G committee	Monitoring Officer	12 <sup>th</sup> May 2025	-	Meeting scheduled for 12 <sup>th</sup> May 2025
<b>Annual Governance Statement – MDC</b>				
Draft Annual Governance Statement Draft 1	Monitoring Officer and GFC	14 <sup>th</sup> May 2025	-	Complete
Draft Annual Governance Statement Review	GFD, CEX and Mayor of Tees Valley	19 <sup>th</sup> May 2025	-	Reviews scheduled
Draft Annual Governance Statement presented to A&G committee	Monitoring Officer	4 <sup>th</sup> June 2025	-	-
<b>Annual Governance Statement – TVCA</b>				
Draft Annual Governance Statement Draft 1	Monitoring Officer and GFC	12 <sup>th</sup> June 2025	-	Complete
Draft Annual Governance Statement Review	GFD, CEX and Mayor of Tees Valley	13 <sup>th</sup> June 2025	-	-
Draft Annual Governance Statement presented to A&G committee	Monitoring Officer	3 <sup>rd</sup> July 2025	-	-
<b>Annual Governance Statement – STDC</b>				
Draft Annual Governance Statement Draft 1	Monitoring Officer and GFC	1 <sup>st</sup> May 2025	-	Complete
Draft Annual Governance Statement Review	GFD, CEX and Mayor of Tees Valley	6 <sup>th</sup> May 2025	-	Complete
Draft Annual Governance Statement presented to A&G committee	Monitoring Officer	15 <sup>th</sup> May 2025	-	-
<b>HDC close down</b>				

## Appendix 5

Transactional Activity – HDC	Senior Finance Officer	18 <sup>th</sup> April 2025	All transactional entries entered into the general ledger	Complete
Trail Balance Review – HDC	Corporate Accountant and GFC	19 <sup>th</sup> April 2025	Review by GFC and GFD	Complete
HDC Narrative Report	Head of Communications	25 <sup>th</sup> April 2025	-	Complete
HDC Draft Accounts Prepared	Corporate Accountant	25 <sup>th</sup> April 2025	-	Complete
HDC Draft Accounts Review	GFC, GFD and COO	12 <sup>th</sup> May 2025	Including narrative report	Review scheduled
Draft Annual Governance Statement presented to A&G committee	Monitoring Officer	12 <sup>th</sup> May 2025		Meeting scheduled 12 <sup>th</sup> May 2025
HDC Draft Accounts shared with EY	Corporate Accountant	20 <sup>th</sup> May 2025	-	
MDC close down				
Transactional Activity – MDC	Senior Finance Officer	28 <sup>th</sup> April 2025	All transactional entries entered into the general ledger	In progress
Trail Balance Review – MDC	Corporate Accountant and GFC	30 <sup>th</sup> April 2025	Review by Group Financial Controller and Group Finance Director	Complete
MDC Narrative Report	Head of Communications	30 <sup>th</sup> April 2025	-	Complete
MDC Draft Accounts Prepared	Corporate Accountant	6 <sup>th</sup> May 2025	-	Complete
MDC Draft Accounts Review	GFC, GFD and COO	7 <sup>th</sup> May 2025	Including narrative report	Complete
MDC Draft Accounts shared with EY	Corporate Accountant	16 <sup>th</sup> May 2025	-	-
Draft Annual Governance Statement presented to A&G committee	Monitoring Officer	4 <sup>th</sup> June 2025		-
Limited Companies close down				
Transactional Activity	Entity Finance Manager	28 <sup>th</sup> April 2025	All transactional entries entered into the general ledger	Complete
Trail Balance Review	GFC, GFD and entity Director	30 <sup>th</sup> April 2025	-	Complete
Final Trial balance shared with group	Entity Finance Manager	9 <sup>th</sup> May 2025	Shared for group consolidation process	Scheduled for distribution
Trial Balances Shared with EY	Corporate Accountant	30 <sup>th</sup> June 2025	This done for group scoping purposes	-
STDC Consolidation				

## Appendix 5

Transactional Activity	Head of Finance and Commercial STDC	27 <sup>th</sup> May 2025	All transactional entries entered into the general ledger	In progress
Pension Report Received	Corporate Accountant	26 <sup>th</sup> May 2025	Single Entity trial balance and accounts updated	-
Trail Balance Review	GFC, GFD and entity Director	27 <sup>th</sup> May 2025	-	-
Group Consolidation Working Paper	Corporate Accountant	5 <sup>th</sup> June 2025	-	-
Group Notes Working papers	Corporate Accountant	10 <sup>th</sup> June 2025	-	-
Draft Single Entity Accounts Produced	Corporate Accountant	23 <sup>rd</sup> June 2025	-	-
Produce Draft Group Accounts	Corporate Accountant	23 <sup>rd</sup> June 2025	-	-
Draft Accounts Review	GFC, GFD and COO	24 <sup>th</sup> June 2025	Including narrative report and single entity accounts	-
Draft Accounts shared with EY	Corporate Accountant	30 <sup>th</sup> June 2025	-	-
<b>TVCA Consolidation</b>				
Transactional Activity	Group Finance Manger	27 <sup>th</sup> May 2025	All transactional entries entered into the general ledger	In progress
Pension Report Received	Corporate Accountant	26 <sup>th</sup> May 2025	Single Entity trial balance and accounts updated	-
Trail Balance Review	GFC, GFD and entity Director	27 <sup>th</sup> May 2025	-	-
Group Consolidation Working Paper	Corporate Accountant	16 <sup>th</sup> June 2025	-	-
Group Notes Working papers	Corporate Accountant	18 <sup>th</sup> June 2025	-	-
Draft Single Entity Accounts produced	Corporate Accountant	23 <sup>rd</sup> June 2025	-	-
Draft Group Accounts Produced	Corporate Accountant	25 <sup>th</sup> June 2025	-	-
Draft Accounts Reviewed	Group FC	26 <sup>th</sup> June 2025	Including narrative report and single entity accounts	-
Draft Accounts shared with EY	Corporate Accountant	30 <sup>th</sup> June 2025	-	-
<b>HDC, MDC, TVCA, STDC</b>				
Draft Annual Governance Statement – published online	Head of Communications	30 <sup>th</sup> June 2025	-	-
Draft Accounts published online	Head of Communications	30 <sup>th</sup> June 2025	-	-

## Appendix 5

Inspection Period	GFC	1st July – 12 <sup>th</sup> August 2025	-	-
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**James Blythe**  
*Deputy Director, Local Government  
Stewardship and Interventions*

**Ministry of Housing,  
Communities &  
Local Government**  
4th Floor, Fry Building  
2 Marsham Street  
London SW1P 4DF

[www.gov.uk/mhclg](http://www.gov.uk/mhclg)

Tom Bryant  
Chief Executive  
Tees Valley Combined Authority

3 April 2025

### **Tees Valley Combined Authority best value notice issued on 3 April 2025**

Dear Tom,

The department expects authorities to identify and implement arrangements to secure continuous improvement. We are grateful for the letter sent by Lord Houchen on 27 September 2024 updating the department on the work the Tees Valley Combined Authority (TVCA) and local partners have been doing to address the recommendations identified in the January 2024 report of the independent Tees Valley review. However, ministers are concerned as to the authority's capacity to comply with its best value duty under the Local Government Act 1999 and have therefore decided to issue TVCA with this best value notice ("notice").

This notice is a formal notification that the department has concerns regarding your authority and requests that the authority engages with the department to provide assurance of improvement. The department expects authorities that have been issued with a best value notice to continue leading their own improvement.

This notice is issued to TVCA following concerns highlighted by the Tees Valley review published on 29 January 2024 and the request from the then Secretary of State for the department asking the Mayor to engage with the review's recommendations. It also considers:

- the subsequent reviews of overview and scrutiny undertaken by the Centre for Governance and Scrutiny (CfGS) and the internal audit undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) commissioned by the combined authority
- the Mayor's letter to the department dated 27 September 2024
- the evidence already submitted by the authority to the department regarding their actions and plans to address issues raised by all three reviews
- the published audit reports for TVCA and South Tees Development Corporation covering financial years 2021/22 and 2022/23 which rely on the findings of the Tees Valley Review and identify significant weaknesses in value for money arrangements across financial sustainability, governance and improving economy, effectiveness and efficiency
- the published audit reports for TVCA and South Tees Development Corporation for financial year 2023/24 which identify significant weaknesses in use of resources in relation to the Tees Valley Review and capacity in the finance and risk & assurance

teams and indicate that the auditor is considering issuing statutory recommendations in relation to these capacity issues.

The department's concerns relate primarily to governance, culture, partnerships and continuous improvement. We note that the authority engaged constructively with the Tees Valley review and is already taking steps to address the concerns raised. We also recognise that the appointment of an external Local Government Association (LGA) panel will provide valuable support and challenge as the authority continues to improve. We expect this improvement to continue at pace, with robust arrangements to monitor and assess it.

Specifically, we expect the authority to:

- Develop a clear, overarching and holistic improvement plan. This may include or draw upon improvement or action plans prepared before the date of this notice. This plan should be agreed by officers and members at the authority within three months of the date of this notice. The plan should:
  - address all recommendations from the independent Tees Valley review and reports produced by CfGS and CIPFA;
  - include milestones and measures of impact across all elements to enable transparent reporting of progress to Cabinet, the overview and scrutiny committee, and the LGA panel;
  - include specific focus on improvements to the effectiveness of the overview and scrutiny function at the authority;
  - set out how the authority will make and measure the cultural and relationship changes necessary to make a success of structural and procedural changes to governance and scrutiny in the authority; and
  - be regularly updated to take account of future recommendations from external auditors, other external scrutiny and reviews, and other relevant matters arising during the notice period.
- Review the composition and scope of the LGA panel, in particular to consider:
  - strengthening the panel's emphasis on governance, commercial expertise and officer capabilities
  - embedding the panel's involvement in live issues at TVCA, such as the appointment of a new permanent Chief Executive
  - developing the panel's terms of reference to include public reporting of its work and assessment of TVCA's progress at regular intervals.
- Engage fully with the recommendations made by the LGA panel.
- Have appropriate mechanisms in place to ensure the authority is informed on updates to government guidance or legislation and can demonstrate how the authority is responding effectively to relevant changes.
- Engage regularly with the department at official level throughout the period of this notice, on at least a quarterly basis.

The department will look to the LGA panel and your external auditor for updates and broader assurance that the necessary changes are being made at sufficient pace.

We are conscious that this decision will have implications for the authority's progress towards Enhanced Mayoral Strategic Authority status and the granting of an Integrated Settlement. We are committed to removing barriers to growth in the region and will continue to work closely with you to rebuild confidence, so that the authority can continue its journey towards further devolution. The issuance of this best value notice represents the government's commitment to the future success of the authority.

While the authority may continue to receive and be awarded government funding whilst under this notice, we would emphasise that receipt of funding does not indicate the department's

broader view of the performance of the authority, nor would it indicate any change in the status of this notice, with individual funding programmes being managed and assured independently by their respective departments.

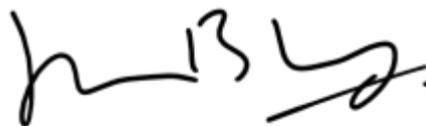
Embedding change across the organisation and ensuring that it is having the desired, long-term impacts is likely to take time and will require sustained effort from both officers and members at TVCA. This notice will be reviewed after 12 months, at which point the department will confirm whether we deem it necessary to continue to seek assurance through such a notice, in which case it will remain in place. The notice may also be withdrawn or escalated at any point based on the available evidence.

This notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of best value failure and, separately, under Section 230 of the Local Government Act 1972 to request information from local authorities. However, a failure to demonstrate continuous improvement may be judged to contribute to best value failure and the Secretary of State will consider using these powers as appropriate. I also intend to keep the content of this notice under review in light of any developments.

It is important to ensure transparency in relation to the challenges faced by local authorities and the department's engagement on these. A copy of this notice will therefore be published on GOV.UK. I encourage you to make a copy of this notice available on the authority's website, and to share it with the LGA panel, the combined authority cabinet and the audit and governance committee. In line with this, we will notify your external auditor of this action.

I would encourage you to continue making use of the full range of support offered by the LGA. A member of my team will be in touch with you to arrange regular engagement on this notice. I look forward to receiving updates on your progress.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JBlythe'.

**James Blythe**

Deputy Director, Local Government Stewardship and Interventions

Agenda Item 5

Report to the HDC Board

11 June 2025

Report of the HDC Chief Operating Officer

## HARTLEPOOL DEVELOPMENT CORPORATION (HDC) CHIEF OPERATING OFFICER REPORT ON EXTERNAL AUDIT STATUTORY RECOMMENDATIONS JUNE 2025

Hartlepool Development Corporation – External audit update and issuance of recommendations under Section 24 Schedule 7(2) of the Local Audit and Accountability Act 2014.

### SUMMARY

The purpose of this report is to provide the HDC Chief Operating Officer update in respect of work to secure the necessary assurances from TVCA support services in response to the external audit issuance of recommendations under Section 24 Schedule 7(2) of the Local Audit and Accountability Act 2014.

A report on the overall HDC Board proposed response to the statutory recommendations is provided elsewhere on this agenda.

It is recommended that the HDC Board:

- i. **NOTES** the HDC Chief Operating Officer approach to securing the necessary assurances from TVCA support services following the receipt of statutory recommendations from the external auditor.

### DETAIL

1. The proposed response from HDC Board to external auditor statutory recommendations under the Local Audit and Accountability Act 2014 includes provision for the HDC Chief Operating Officer to seek assurances on some key matters. The statutory recommendations are provided below:

- i. We recommend that the Corporation works with the Tees Valley Combined Authority to review the support it receives from group functions and ensure that this is sufficient to support the breadth of its activities, including supporting the external audit work programme, and meet its statutory financial reporting obligations.
- ii. We recommend that the Corporation should consider how it evaluates the sufficiency and appropriateness of the support it receives from the Tees Valley Combined Authority, including how it assesses whether such support is meeting the needs of the Corporation and how it identifies and assesses where additional actions by the Corporation to supplement this support may be appropriate.
- iii. We recommend that the Corporation reviews its processes around the public inspection period for the statement of accounts to ensure that it fully understands the statutory requirements of the inspection period and has arrangements to ensure that these requirements are satisfied.
- iv. We recommend that the Corporation sets out a clear timetable for production of its 2024/25 Statement of Accounts, including the Annual Governance Statement, which supports commencement of the public inspection period by the statutory deadline of 1 July 2025, and support for the audit of those statements which concludes no later than 30 November 2025, and puts in place the resources necessary to support this timetable.

Review of the support services HDC receives from Tees Valley Combined Authority (TVCA)

2. A review of the Group finance teams capacity and capability requirements is underway, led by the Group Director of Finance and Resources, with initial benchmarking activity being undertaken across other similar organisations. This review will be coordinated by separate resources to the team focused on detailed 2024/25 year-end activity to ensure it does not compromise the effective delivery of the 2024/25 process. A scope and timetable for this review is set out at **Appendix 1**. This review will include consultation with the HDC Chief Operating Officer to ensure that the requirements for financial support services to HDC are fully accounted for in the scope of the review.
3. The HDC Chief Operating Officer will also review the wider group support service requirements for HDC to ensure the appropriate capacity and capability is provided to HDC to meet the breadth of activities delivered. A scope and timetable for this review is set out at **Appendix 2**. This review will include gaining the appropriate assurances from the s73 officer regarding the necessary support for the HDC internal and external audit work programmes.

Evaluating the sufficiency and appropriateness of the support received from TVCA to meet Corporation needs

4. The HDC Chief Operating Officer has set out how they intend to evaluate the sufficiency and appropriateness of the support services received from TVCA as part of the scope of TVCA support service review work at **Appendix 2**.

Timetable for the production of 2024/25 Statement of Accounts, including the Annual Governance Statement and review of processes around the public inspection period

5. The HDC has reviewed all the legislative provisions in respect of the public inspection period for accounts and the internal processes within the organisation to ensure compliance with all public inspection periods going forward.
6. The HDC Chief Operating Officer will monitor progress against the year-end timetable and the associated deadline for publication of the inspection period. This will include meetings with the Group Director of Finance & Resources and close engagement at a senior level with the External Auditor.
7. The HDC Chief Operating Officer will ensure progress updates are provided to the following groups through the appropriate governance: -
  - **HDC Board** - Board will be provided with an update from the HDC Audit and Governance Committee, which will incorporate Management and External Auditor progress updates on the 2024/25 year-end timetable that are provided to the Committee. The plan is to provide Board with updates at regular intervals throughout the year end timetable, including at the end of June, end of September, end of November.
  - **HDC Audit and Governance Committee** - have the following responsibilities within its Terms of Reference: -
    - I. External Audit
      - To consider:
        - the external auditor's annual letter/relevant reports/and the report to those charged with governance.
        - specific reports as agreed with the external auditor and comment on the scope and depth of external audit work, ensuring it gives value for money.
    - II. Financial Reporting
      - To review the annual statement of accounts and to consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
    - III. Accountability Arrangements
      - To report:
        - to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk

management and internal control frameworks; financial reporting arrangements, and internal/external audit functions

8. The HDC Chief Operating Officer will also attend the HDC Audit and Governance Committee along with the s73 officer to ensure the Chair and Committee members receive regular updates.

## FINANCIAL IMPLICATIONS

9. The HDC currently budget for group support service recharges each financial year covering both finance and non-financial support services received from the TVCA group. These services currently cost c£270k per annum.
10. The HDC Chief Operating Officer will be reviewing all services as set out in this board paper. Any financial implications associated with either proposals for changes in services received from group and/or changes to the scope existing group support services will be reported back to Board.
11. The financial implications of any changes will be provided in any future reporting to Board on the outcome of the HDC Chief Operating Officer review work.

## LEGAL IMPLICATIONS

12. The main body of this report sets out the legislative framework by which the External Auditors have made their statutory recommendations to the HDC.
13. Under Section 24, Schedule 7 (5) of the Local Audit and Accountability Act 2014 ('the Act'), the HDC must consider the recommendations at a meeting to be held one month from the date the letter was sent by the External Auditors. The Act states that at the meeting the HDC must decide:
  - Whether the recommendation is accepted, and
  - What, if any, action to take in response to the recommendation.
14. On conclusion of the decision of HDC Board the HDC is required under the Act to notify the Auditor of its decision and publish a notice containing a summary of those decisions which have been approved by the Auditor.
15. The HDC is discharging its legal duty under the Act by holding this public meeting with HDC Board.



## RISK ASSESSMENT

16. The following key risks are being updated and managed as part of the process to deliver these recommendations for Group Finance support services.
  - *RISK00002990*: Risk that Finance Team Capacity leads to failure to deliver required services - this has been updated to reflect the receipt of the latest External Auditor letter, Best Value Improvement Notice, financial year end and the latest operational planning requirements for service delivery going forward.
  - *RISK00002495*: Risk that failure to publish our draft accounts on time may result in significant reputational damages.

## CONSULTATION & COMMUNICATION

17. This report has been consulted with the s73 officer and TVCA Chief Executive.
18. The HDC Chief Operating Officer will conduct further consultation and communication with key stakeholders as part of their work to review current group support services.

## EQUALITY & DIVERSITY

19. There are no equality or diversity issues associated with the recommendations in this report.

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## **TVCA's review of Group Finance Teams Capacity and Capability**

### **Background**

A review of the Group Finance Teams capacity and capability is proposed to be undertaken to provide the necessary evidence base to assess the level of resources across the team to support all financial services to the Combined Authority including all statutory compliance obligations for reporting and management of activities. This work will also provide part of the formal response to the External Auditor statutory recommendation received as part of the s24 Notice.

The scope of this work is to ascertain the appropriate level of resource to meet financial services obligations to ensure an efficient and effective Finance team and compare this to the current level of resource and capabilities across the team. The current teams have a range of experience, skills and commitment to their roles and provide a valuable resource to the Development Corporation. The purpose of this review is to ensure they have the necessary support and capacity and capability across the team to enable them to deliver the required services to the Development Corporation as required.

### **Context and benchmarking**

Mayoral Combined Authorities are currently proposed to be separated into different categories as part of the English Devolution White Paper: -

*Established Strategic Authorities* - or those Mayoral Strategic Authorities who are able to satisfy a number of additional governance requirements. This unlocks access to further devolution, most notably the Integrated Settlement. The GLA and other MSAs such as Greater Manchester and the West Midlands will be designated as this.

*Mayoral Strategic Authorities* - MCAs and MCCAs will automatically begin as this unless they have been designated as Established. For those with an elected mayor, a range of powers will be devolved.

*Foundation Strategic Authority* - Available to those areas without an elected mayor, Foundation Strategic Authorities will have limited devolution. CAs and CCAs will automatically be designated as this, for example, the current Lancashire devolution deal will establish a Foundation Strategic Authority.

TVCA is currently a Mayoral Strategic Authority based on the English Devolution White paper proposals. Two trailblazer MCAs within the Established Strategic Authority category have already accessed their respective integrated settlements with Government for 2025-26 financial year

This review will utilise available information from these peer organisations to benchmark an appropriate level of resources and capability for the Group Finance Teams.

### Current team capacity and capability

The current teams across the Finance areas can be split into: -

#### **Finance**

Responsible for all aspects of Financial Management throughout the annual financial cycle.

Current team capacity and capability: -

**15 x headcount** across entire Group (incl. Financial teams supporting Development Corporations and separately Airport employed Finance team)

7 x Qualified chartered accountants with over 100 years combined years of post qualified experience

2 x Part-qualified chartered accountants

1 x MAAT qualified

4 x AAT mid studies

1 x Apprentice

#### **Procurement**

Responsible for all end-to-end procurement processes supporting group entities.

Current capacity and capability: -

8 x Headcount

1 x MCIPS Qualified

2 x MCIPS final year

1x CIPS level 4

6 of 8 headcount are certified Advanced Practitioners on the new Procurement Act.

### Scope and timescales

The scope of this capacity and capability review will take account of the recently published CIPFA publication on “Local Government finance workforce action plan for England”. This provides the context for assessing capacity and capability of the Finance Team. The key areas that will be considered as part of this review will be: -

#### Key areas for review:

Leadership and Governance

Workforce and Skills

Process, Technology, and Management information

Tools for review:

**SWOT analysis**

**Local Government finance workforce action plan**

**CIPFA Statement of Expertise**

The timescales for the review with headline milestones is set out below: -

**May 2025** – Review commissioned and agreed with stakeholders and initial benchmarking data gathering requests for information issued

**June 2025** – Benchmarking analysis and review by Tees Valley Strategic Resources Group (FDs) for feedback

**July 2025** – SWOT Analysis and Local Government finance workforce action plan key recommendations analysis performed to support review of the Finance Team

**September 2025** – Formulation of Finance Team structure options and funding requirements as applicable and Recommendations to TVCA Executive and stakeholder groups

**September 2025** – Approval of Finance Team structure and commencement of HR activity as required

Stakeholder collaboration

As part of this review work the Tees Valley Finance Directors views/advice and support will be sought along with any support they can offer from their teams to enable the most comprehensive assessment of capacity and capability to be undertaken.

The existing Tees Valley Resources Group (TVSRG) is the forum where all 6 Finance Directors (5 x Local Authorities and TVCA FDs) meet regularly as a professional peer group. This group will be used to facilitate this support throughout this process.

Reporting

Tees Valley Strategic Resources Group (TVSRG) – monthly progress updates

Tees Valley Chief Executives – monthly progress updates

Best Value Improvement Notice Board – progress updates to each meeting

Development Corporation Audit and Governance Committee – Will receive Best Value Improvement Notice Board updates that will include progress on delivering the statutory recommendations from External Auditors.

Development Corporation Board – Will receive Best Value Improvement Notice Board updates that will include progress on delivering the statutory recommendations from External Auditors.

### **Reference material**

[Local government finance workforce action plan for England | Local Government Association](#)

[Good financial management for combined authorities | Local Government Association](#)

## **Review of Group Support Service Teams Capacity and Capability**

### **Background**

A review of the Group Finance Teams capacity and capability is proposed to be undertaken to provide the necessary evidence base to assess the level of resources across the team to support all support services provided by the Combined Authority to HDC, including all statutory compliance obligations for reporting and management of activities. This work will also provide part of the formal response to the External Auditor statutory recommendation received as part of the s24 Notice.

The scope of this work is to ascertain the appropriate level of resource to meet support services requirements for the breadth of Corporation activities. The current teams have a range of experience, skills and commitment to their roles and provide a valuable resource to the Development Corporation. The purpose of this review to ensure they have the necessary support and capacity and capability across the team to enable them to deliver the required services to the Development Corporation as required.

### **Context and benchmarking**

HDC is a public body corporate that has responsibility for the delivery of the HDC Masterplan and ensuring that the breadth of its activities are supported with the right level of capacity and capability to meet its objectives.

TVCA is a Mayoral Combined Authority that provides support services to HDC to support the delivery of its objectives.

This review will utilise available information to benchmark an appropriate level of resources and capability for the Group Support Service Teams.

### **Current team capacity and capability**

The current support service teams are as follows: -

**Finance**

**Legal**

**Procurement**

**Governance**

**Human Resources**

**ICT**

For each function baseline information will be provided by TVCA to inform the current position vs available benchmarks and to enable the necessary assessments to be made to fulfil the scope of this review.

### Scope and timescales

The scope of this capacity and capability review will take account of the recently published CIPFA publication on “Local Government finance workforce action plan for England”. This provides the context for assessing capacity and capability of the Finance Team. The non-finance related support services will be reviewed alongside equivalent best practice. key areas that will be considered as part of this review will be: -

### Key areas for review:

Capacity and capability of group support services provided to HDC

Evaluating the sufficiency and appropriateness of the support received from TVCA to meet Corporation needs

### Tools for review:

**HDC Chief Operating Officer – support services requirements specification**

**SWOT analysis of existing support services (in-house and outsourced to TVCA)**

### The timescales for the review with headline milestones is set out below: -

**May 2025** – Review commissioned and agreed with stakeholders and initial benchmarking data gathering requests for information issued

**June 2025** – Benchmarking analysis and review for feedback / HDC support service requirements specification

**July 2025** – SWOT Analysis of current baseline services provided from TVCA group support services

**September 2025** – Formulation of structure options and funding requirements as applicable and Recommendations to TVCA Chief Executive / s73 officer followed by HDC Board

**September 2025** – Approval of any changes as applicable with HDC Board

### Stakeholder collaboration

As part of this review work the HDC Board and HDC operational teams views/advice and support will be sought along with any support they can offer from their teams to enable the most comprehensive assessment of requirements to be undertaken.

### Reporting

Hartlepool Development Corporation Board

Tees Valley Combined Authority Chief Executive – monthly progress updates

Best Value Improvement Notice Board – progress updates to each meeting

Hartlepool Development Corporation Audit and Governance Committee

**[Reference material](#)**

[Local government finance workforce action plan for England | Local Government Association](#)

[Good financial management for combined authorities | Local Government Association](#)



(Appendix 1 to this report is not for publication under the terms of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information); of schedule 12a Local Government Act 1972.)

Agenda Item 7  
Report to the HDC Board  
19 June 2025  
Report of Chief Operating Officer

## CHIEF OPERATING OFFICER'S UPDATE

### SUMMARY

This report provides the Board with an update on the activities of Hartlepool Development Corporation (HDC) since the last meeting of the Board and seeks approval to develop a 5-year strategic business plan with accompanying annual action plan, investment plan and communications, marketing and public affairs strategy. This will provide a framework that translates the Masterplan and project pipeline providing a more robust approach to reporting and monitoring of progress of Development Corporation activities in the years ahead.

### RECOMMENDATIONS

It is recommended that Hartlepool Development Corporation Board:

- i. **NOTES:** the updates provided in this report.
- ii. **APPROVES:** the development of:
  - a. a 5-year strategic business plan;
  - b. an annual action plan;
  - c. an investment strategy; and
  - d. a communications and marketing strategy.

### DETAIL

Progress to date

1. Key items of progress to note are detailed below:

Creative Industries Cluster Focus Area:



2. The Board received a full update on the Production Village and Northern Studios project at their last meeting. Since that meeting, public consultation has been undertaken on the plans. Subsequently the planning application for both elements of the project was submitted in a consolidated application for planning in May.

#### Middleton Grange Focus Area:

3. HDC commissioned a study into the possible options for redevelopment of the Middleton Grange focus area, which encompasses the Middleton Grange Shopping Centre and the Civic Centre. The final report has been received and HDC officers are currently analysing the report with colleagues from Hartlepool Borough Council. The report suggests a phased approach to redevelopment, starting with the element included in the Council's Town Deal project for Reimagining Middleton Grange Phase 1 and the former Binns building. Officers will collectively define the next steps and bring a proposal document for taking forward the recommendations for the Board's consideration at a future meeting. A copy of the report is attached at **confidential Appendix 1**.

#### Urban Village and Coast Connectivity Focus Area:

4. Work has now begun on the transformational £120million waterfront housing development in Hartlepool that has been supported by HDC. The mixed scheme will see multiple brownfield sites developed for housing alongside retail, leisure and medical facilities. The development will provide a mix of family, young professional, retirement, and affordable housing, both for rent and sale at attractive, sustainable locations near the town centre and is a key project in the Development Corporation's plans to regenerate the town.

#### Tees Valley Investment Zone:

5. At its meeting on the 28<sup>th</sup> March 2025, TVCA's Cabinet approved a refresh of the TVCA Investment plan, including acceptance of the Tees Valley Investment Zone into the Plan as a named programme with a confirmed allocation of £80m. A pipeline of projects has also been developed, which includes an indicative allocation of £15m for expansion of the Northern Studios in Hartlepool to support the creative industries growth.
6. Paragraph 2 above details the progress on the wider creative industries cluster focus area, which includes the northern studios expansion and the creation of the Production Village in the surrounding area.

Five-Year Strategic Business Plan and Annual Action Plan:

7. Since its creation in 2023, HDC has established itself as a credible and effective regeneration delivery vehicle that is changing perceptions of the town with residents and visitors, the investor and developer markets, and the wider public sector.
8. HDC is overseeing the development of a range of schemes across the town centre. These schemes, at varying stages of development, will deliver on HDC's vision for Hartlepool to be imaginative, creative & ambitious; a 21<sup>st</sup>-century maritime town. By delivering 2,400 new and high-quality jobs, delivering 1,300 quality town centre homes, shaping a thriving maritime economy centred around the waterfront and creating a thriving SME start-up and Screen Industries cluster around the Northern Studios enabling Hartlepool to become a thriving place to live, work, explore and invest, HDC will deliver on its vision.
9. In order to build on the momentum created in Hartlepool over recent years it is proposed that the Board, working alongside the Tees Valley Mayor, Chief Operating Officer and TVCA Group Director of Finance and Resources develop a strategic business plan supported by an annual action plan, investment strategy and communications, marketing and public affairs strategy that will provide a framework for accelerating the pace and scale of delivery across Hartlepool through HDC in a way that gives confidence to residents, the market, and HDC's partner organisations.
10. It is proposed that the Strategic Business Plan would cover an initial five-year period that would set out the HDC's guiding purpose and objectives, priority projects, the workstreams it is undertaking in the plan period to deliver against the objectives, and how the organisation functions. It would be supplemented by an annual action plan, which would contain an additional level of detail about what HDC will achieve over the coming financial year.
11. The Strategic Business Plan would be read in the context of the adopted Hartlepool Development Corporation Masterplan and project pipeline as the blueprint for how Hartlepool will realise its potential.

**Investment Strategy:**

12. To deliver the overall ambition the HDC has for Hartlepool, significant capital investment is likely to be required over an estimated ten-to-fifteen-year timeframe. A capital investment requirement of this scale poses a significant challenge to the HDC model even though significant capital investment to kick start regeneration in the early phase of the HDC's lifetime has already been secured through a £10m investment from TVCA's Investment Plan, £10m of City Region Sustainable Transport Settlement (CRSTS) and £15m Investment Zone funding from TVCA.

13. Those investment commitments are complemented by further Council investment in a number of development schemes in the area and TVCA Investment Zone funding as detailed above (for the expansion of the Northern Studios), as well as funding through the Government's Brownfield Housing Fund. The next phase of HDC's approach to unlocking capital funding is to assess options for creating a strategic multi-partner framework for investment that can support development and infrastructure provision in line with HDC's ambition and which cannot be achieved through existing models. Without significant upscaling of investment in Hartlepool, HDC will not be able to deliver at the required pace.
14. The development of an Investment Strategy will support HDC to position itself as a delivery vehicle that addresses numerous government agendas with a view to establishing greater collaboration and unlocking public and private sector funding. It will also provide a mechanism to ensure that adequate resources are available to ensure key projects can be delivered efficiently and effectively.

#### **Communications and Marketing strategy:**

15. Within its first two years, the Hartlepool Mayoral Development Corporation has created a strong pipeline of development schemes through which it is delivering the vision for Hartlepool set out in the HDC Masterplan. Through 2025 the HDC will achieve a number of key delivery milestones – including commencement of major construction works on its flagship project with Hartlepool Borough Council to deliver the £33.5m Screen Industries Production Village and expansion of the Northern Studios – which will coincide with continuing construction works on Jomast's £120m mixed-use brownfield site redevelopment at the waterfront.
16. The HDC has attracted media interest, primarily from local and regional outlets. However, the HDC's media profile does not currently match the significance of the HDC's delivery achievements or the unprecedented scale of what the HDC is doing to improve Hartlepool town centre. Crucially, the visibility of the HDC to residents of the Borough beyond the town centre does not currently highlight the HDC's importance for delivering new employment opportunities and housing on brownfield land both of which have a wider relevance for the Borough as a whole.
17. The HDC's profile – especially beyond its immediate local and regional catchment – and the way its mission and its achievements are currently articulated under-represent the HDC as a cutting-edge regeneration initiative that is relevant to a broad range of audiences.
18. An enhanced HDC profile will help stimulate interest and help secure investment not just in the HDC but more importantly the wider Town Centre. It would also have the additional benefit of highlighting the other regeneration work of the Council.

19. As delivery is very visibly scaled-up through 2025, the HDC's strategic communications and engagement with its numerous stakeholder groups needs to change accordingly.
20. A more tailored approach to communications at local and national levels needs to be developed that will scale-up the HDC's communications and engagement activity in response to the delivery programme.
21. For the local market, HDC is putting out a steady stream of news items to maintain a consistent level of interest in Hartlepool which will both improve community engagement and increase the coverage that can be achieved for major announcements.
22. For the national market, the strategy would set out a highly targeted approach based on maximising impact and tying in with policy announcements and media campaigns to improve HDC's prominence specifically for the property and investment industries, and for policy-makers, beyond Tees Valley and the north-east.
23. It is proposed that a more structured approach to communications campaigns and sustained engagement is developed with the main objective of delivering significant positive coverage of HDC from the property industry press, including features in major industry publications and national newspapers. Alongside media engagement the strategy would develop a local communications campaign to promote HDC and the regeneration of the town centre more generally.
24. It is also important that communications and marketing unite the voices of HDC board members and partner organisations and provide opportunities for the development of a network of ambassadors who can support and amplify the messages.

## FINANCIAL IMPLICATIONS

25. This report is an update for information only and therefore has no direct financial implications.

## LEGAL IMPLICATIONS

26. This update is for information only and therefore has no direct legal implications.

## RISK ASSESSMENT

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

## CONSULTATION AND COMMUNICATION

28. This update is for information only therefore no further consultation and communication is necessary.

## EQUALITY AND DIVERSITY

29. This update is for information only therefore it does not impact on groups of people with protected characteristics.

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## GOVERNANCE & APPOINTMENTS

### SUMMARY

The purpose of this report is to firstly seek confirmation of the appointment of the Head of Planning and Deputy Head of Planning of Hartlepool Development Corporation (HDC). Secondly to approve the proposed amendments to the Constitution.

### RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board:

- i. **CONFIRMS:** the appointment of Julie Hurley as the Head of Planning for Hartlepool Development Corporation; and
- ii. **CONFIRMS:** the appointment of Alan Weston as Deputy Head of Planning for Hartlepool Development Corporation.
- iii. **APPROVES** the amendments to the Constitution documents as set out at **Appendix 1**;

### DETAIL

1. Pursuant to the Hartlepool Development Corporation (Functions) Order 2023, HDC is responsible for determining planning applications within the redline boundary of the Development Corporation area. In line with statutory requirements, HDC is required to confirm the appointment of a Head of Planning who will be responsible for the provision of its planning function. The Head of Planning will discharge this responsibility by outsourcing the day-to-day planning function for services to Nathaniel Litchfield & Partners ('Lichfields').
2. The Head of Planning for HDC is responsible for:
  - Ensuring the provision of an adequate planning function.
  - Signing off decisions in accordance with the Scheme of Delegation (Appendix 1), having sought appropriate advice.

- Advising and reporting to the HDC Board, having sought appropriate advice.
  - Dealing with complaints regarding the planning service delivered by HDC.
  - Authorising the taking of Enforcement Action where it is expedient and in the public interest to do so.
3. At its meeting on 14 August 2023, the Board appointed Helen Kemp, Director of Business Solutions at Tees Valley Combined Authority (TVCA), as Head of Planning for Hartlepool Development Corporation.
  4. By Urgent Decision, taken on 1 May 2024, Tom Bryant was appointed as Deputy Head of Planning for Hartlepool Development Corporation. This appointment was confirmed by Board on 11 July 2024.
  5. Helen Kemp has left her employment with TVCA and Tom Bryant has now assumed the role of Interim Chief Executive for TVCA.
  6. As the role of Head of Planning has become vacant and the current Deputy Head of Planning will step down given his current interim role, the Development Corporation will need to make new appointments to these roles.
  7. It is proposed that:
    - (a) Julie Hurley, Interim Director of Infrastructure at TVCA, be appointed Head of Planning for Hartlepool Development Corporation. Julie is an experienced director with a sound understanding of the planning system and significant experience of planning across her career; and
    - (b) Alan Weston, Head of Transport at TVCA, be appointed Deputy Head of Planning for Hartlepool Development Corporation. Alan has appropriate planning experience to fulfil this role.

## 8. HDC Constitution

Following the decision of the Tees Valley Mayor to step down as Chair of the Mayoral Development Corporations following receipt of new Government guidance, the Development Corporations Constitutions have been amended to reflect that position and they shall then be brought to TVCA Cabinet in June for Combined Authority approval, in accordance with the TVCA Constitution.

The HDC Constitution has further been amended to reflect the legislative position that the power to appoint HDC Board Members and the Chair is a Mayoral function and unless delegated it can only be exercised by the Mayor. The legislative position is set out in more detail in the Legal Implications section below.

Additional minor amendments have been made to the HDC Constitution to reflect the deletion of the Group Chief Executive post and increase the maximum Board membership to 10. That increase to Board membership has already been approved by the Board at a meeting held on 2 July 2024.

The Board is asked to approve the Constitution documents for the new municipal year attached as **Appendix 1**.

A full review of the Constitution will be undertaken collaboratively in due course with the constituent local authorities, aligned to the organisational improvement plan and reported to Board for approval.

HDC Board is asked to **APPROVE** the Hartlepool Development Corporation Constitution as amended.

## **FINANCIAL IMPLICATIONS**

9. Group support service agreements will encompass an appropriate recharge for the costs associated with the costs of TVCA Group staff that perform services for the Hartlepool Development Corporation.
10. The recharge will be on a time spent basis and funded from the revenue grant funding received from TVCA as part of the investment plan allocation.

## **LEGAL IMPLICATIONS**

11. Planning Powers were conferred on to HDC on 1 June 2023 giving HDC the power to determine planning applications within the redline boundary. To ensure compliance with statutory requirements, HDC must appoint a Head of Planning to oversee and be responsible for the planning function.
12. In addition to the above, Lichfields has been procured to provide day to day planning services for HDC.
13. It is proposed that a comprehensive induction programme be made available to both appointees, with appropriate training on appointment and with review throughout the term of their appointment.
14. The Localism Act 2011 ('the Act'), Schedule 21, provides the legal framework for the membership and remuneration for Mayoral Development Corporations. This legislation needs to be read in conjunction with The Tees Valley Combined Authority (Functions)

Order 2017 ('the Order'), Schedule 1, which amends the wording of the Act. Schedule 21 of the Act is attached as **Appendix 2** and the Order is attached as **Appendix 3**.

15. The Act as amended by the Order states:

1. A Mayoral development corporation ("MDC") is to consist of such number of members (being not less than six) as the Combined Authority may from time to time appoint.
2. The Combined Authority must appoint at least one elected member from the Local Authority area the MDC sits in
3. The Combined Authority must appoint one of the members of an MDC to chair the MDC.
4. When appointing a member of an MDC, including a Chair, the Combined Authority must have regard to the desirability of appointing a person who has experience of, and has shown some capacity in, a matter relevant to the carrying-out of the MDC's functions, and must be satisfied that the person will have no financial or other interest likely to affect prejudicially the exercise of the person's functions as member.
5. The Combined Authority may require any person whom they propose to appoint as a member to provide information to ensure they do not have any prejudicial financial interest.

16. In respect of remuneration the Act as modified by the Order states

1. An MDC may pay remuneration, travelling expenses and other allowances, and sums in respect of pensions and gratuities. Remuneration and/or pension payments cannot be made to any elected member of the Tees Valley area, unless they act as the chair in which case they can be remunerated for that role.
2. The Combined Authority determines rates and eligibility criteria in respect of the above.

17. S.107D(2) Local Democracy, Economic Development and Construction Act 2009 and s.5(1) states that the functions above conferred to the Combined Authority are general functions exercisable by the Mayor. (attached as **Appendix 4**)

18. The recent Ministry of Housing, Communities and Local Government 'Mayoral Development Corporations in combined authorities and combined county authorities: Guidance on legislation and scrutiny' is attached as **Appendix 5**.

19. Therefore, the appointment of Board Members to the Development Corporations, the appointment of the Development Corporations Chairs, and the ability to determine rates and eligibility criteria for remuneration are functions that only the Mayor can exercise. The Mayor can exercise these functions personally or delegate them to the Deputy Mayor or an Officer of the Combined Authority. They may not be delegated to an individual Member, nor to a Committee unless provided for in an Order by the Secretary of State.

## **RISK ASSESSMENT**

20. HDC has procured Lichfields to run the day-to-day planning services for the Development Corporation. The planning function will be overseen by the Head of Planning. Therefore, the 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**

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

## **EQUALITY & DIVERSITY**

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

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# TEES VALLEY

## Hartlepool Development Corporation

Constitution – V2.0 – January 2025



Hartlepool  
Development  
Corporation

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**Document Version Control**

<b>Document Title</b>	<b>Date Approved by Board</b>	<b>Replaces Version</b>	<b>In force from:</b>
Constitution Version 1	March 2023	NA	March 2023
Constitution Version 2	31.01.2025	1	31.01.2025

## **Introduction**

1. Hartlepool Development Corporation (the “**Corporation**”) is the Mayoral Development Corporation responsible for delivering the agreed economic development and regeneration functions at the specified sites within Hartlepool.
2. The Corporation has been established pursuant to the powers devolved to the Tees Valley Mayor under the Tees Valley Combined Authority (Functions) Order 2017. This Constitution reflects this statutory framework and constitutes a direction to the Corporation pursuant to s220 Localism Act 2011.
3. This Constitution takes effect when the required statutory arrangements are enacted.

## **Objectives**

4. The objectives of the Corporation are:
  - a. To further the economic development and regeneration of the Hartlepool area, through the delivery of the agreed functions within the identified areas so that Hartlepool becomes a major contributor to the Tees Valley economy and plays a core role in the delivery of the Tees Valley’s Strategic Economic Plan;
  - b. To help attract public and private sector investment and thereby create and secure additional jobs, accessible to the people of the Tees Valley; and
  - c. To transform and improve the environment of the Corporation area, providing good quality commercial, leisure and housing facilities for the benefit of the people of Hartlepool at the specified sites and surrounding area.
5. In support of the Objectives, the Corporation will deliver its functions within the Designated Zone and work collaboratively with the Tees Valley Combined Authority, Hartlepool Borough Council (the "Council") and other partners to contribute positively to local and Tees Valley-wide initiatives on skills, job opportunities for local people inward investment, transport, sustainable development, culture and tourism. Where possible, the Corporation will complement existing activity.

6. To support the achievement of its core objectives, the Corporation will develop, a Master Plan, setting out how its objectives will be secured by the development of land and infrastructure within its area of responsibility.

## Boundary

The precise area covered by the Corporation (the "area ") is shown at Appendix A. The sites which shall transfer into the area are specified at Appendix B (the "Sites"). The Mayor and Hartlepool Borough Council may agree other sites within the Designated Zone which may be added to or removed from the Sites at any time up to the End Date (as defined at paragraph 42).

## The Board

7. ~~Save for as detailed in paragraphs 11 and 12 below, the~~The Board of the Corporation shall be appointed by ~~the Combined Authority, following a proposal put to it by~~ the Mayor.
8. The Chair ~~shall be the Tees Valley Combined Authority Mayor or other~~shall be appointed from any Board members nominated by ~~him/her~~the Tees Valley Mayor.
9. An elected member of Hartlepool Brough Council shall be the Vice Chair of the Corporation Board.
10. ~~With the exception of the Mayor, all~~All Board members will serve for a period of 2 years or until the Annual General Meeting following a Mayoral Election but may be reappointed if so proposed by the Mayor.
11. There shall be a minimum of 6 ~~(this being a member of 5 Board Members plus the Mayor)~~ and a maximum of 108 Board Members in total.
12. A Board member may resign by serving notice on the Mayor.
13. Any Board member may be removed by the Mayor, where there is due cause to do so in accordance with Schedule 21 Localism Act 2011.
14. The Chair of the Board may resign that appointment by serving notice on the Mayor, without resigning membership of the Board. ~~Where the Mayor is the Chair of the Board, they may resign by informing the Combined Authority.~~
15. All decisions of the Corporation, unless otherwise delegated, shall be taken by the Board in accordance with the arrangements set out in this Constitution. The Board shall seek consensus on all matters, but where consensus cannot be

achieved decisions shall be made by majority vote. Each member of the Board shall have one vote. The Chair shall not have a second or casting vote. If the vote is tied, it shall be deemed not to have been carried.

16. The Corporation may decide on its own procedure, and the procedure of any of its Boards, or workstreams established by the Board.

17. The quorum shall be:

a. half of the members in office, rounded down in the event that this does not produce a whole number;

~~b. include at least TVCA Mayor or one Member who is a representative of the TVCA and;~~

~~e.b.~~ include at least one Member who is an elected Member of Hartlepool Borough Council.

18. The Chair and Vice Chair may each nominate another member as a Substitute Member, with the authority to act in place of the Chair or Vice Chair.

19. The ~~Group~~ Chief Executive of the Combined Authority and the Managing Director of Hartlepool Borough Council shall be appointed as Associate Members, with the right to participate fully in Board discussions and to receive all papers (no less than two days beforehand) but not vote.

20. The Corporation shall hold an Annual Meeting to consider any amendments to its procedures, to recommend any changes to this Constitution to the Combined Authority and to make appointments to Committee roles.

21. All members of the Board and the Statutory Officers, must sign up to the Corporation code of conduct prior to participating in Board meetings. This shall include an obligation to provide up to date conflict of interest declarations, act The Board shall act in accordance with the Nolan Principles at all times

### **The Statutory Officers**

22. The Combined Authority, ~~Group~~ Chief Executive will serve as Head of Paid Service with overall responsibility for the Corporation's operations and staff, and to act as lead adviser to the Board.

23. The Group Director of Finance & Resources of the Combined Authority (the "Group Director of Finance") shall fulfil the role of Group Director of Finance & Resources of the Corporation. The powers of the Group Director of Finance &

Resources are set out in this Constitution and Statute. The Group Director of Finance & Resources shall oversee the interface between the financial responsibilities of the Combined Authority and the Corporation, to ensure the financial integrity of both organisations.

24. The Group Chief Legal Officer is the Monitoring Officer to the Combined Authority (the “**Monitoring Officer**”) and the Corporation. In the event of a conflict of interest the Deputy Monitoring Officer of the Combined authority will intercede.

### **Powers of the Corporation**

25. The powers of the Corporation are set out in the order made by the Secretary of State for Levelling Up, Housing and Communities. Taking into account all relevant legislation, this Constitution and any other directions made by the Mayor, the Corporation may do anything it considers appropriate for the purposes of the Objective.

26. The Corporation has a number of specific powers from the Localism Act, as set out below in this section. All of the powers are subject to the Objectives set out in paragraph 4, and the provisions of this Constitution, and are summarised as:

- a. Powers relation to infrastructure
  - i. This includes the power to provide, or facilitate the provision of infrastructure.
  
- b. Powers in relation to land
  - i. The power to regenerate or develop land.
  - ii. To bring about the more effective use of land.
  - iii. To provide buildings or other land.
  - iv. To acquire, hold, improve, manage, reclaim, repair or dispose of land, buildings. plant, machinery, equipment or other property.
  - v. To carry out building or other operations, including demolishing buildings.
  
- c. Powers to acquire land
  - i. To acquire land in, in accordance with the provisions of the Localism Act 2011.
  
- d. Powers in relation to acquired land
  - i. To override easements.
  - ii. To extinguish public rights of way (with the consent of the Secretary of State).

- e. Powers in relation to businesses and companies
    - i. To carry on any business.
    - ii. To form or acquire interests in any business or company.
  
  - f. Financial Assistance powers
    - i. To provide financial assistance to any person.  
This may be given in any form, including grants, loans, guarantees, investments, or the incurring of expenditure for the benefit of the person assisted.
  
  - g. Powers in relation to discretionary relief from non-domestic rates
    - i. To determine the amount of discretionary rate relief from non-domestic rates (i.e. business rates).
  
  - h. Powers in relation to Planning
    - i. To be the local planning authority, for the purposes of
      - Part 3 of the Town and Country Planning Act 1990,
      - Part 2 of the Planning and Compulsory Purchase Act 2004, and
      - Part 3 of that Act.
    - ii. To have the functions conferred on the local planning authority by the provisions mentioned in Part 1 of Schedule 29 to the Local Government, Planning and Land Act 1980.
    - iii. To have, the functions conferred on the relevant planning authority by Schedule 8 to the Electricity Act 1989 so far as applying to applications for consent under section 37 of that Act.
    - iv. The provisions specified in Part 2 of Schedule 29 to the Local Government, Planning and Land Act 1980 are to have effect, in relation to land and to the Corporation, subject to the modifications specified in that Part of that Schedule.
27. The Corporation can request at any time that the powers it holds in respect of Planning be exercised by Hartlepool Borough Council and may at any time require that any powers so passed be returned to it with immediate effect. In such a situation, the Corporation shall share all relevant information it holds in respect of issues that have arisen, so that the Council is able to make informed decisions in respect of the exercise of the powers.
28. Hartlepool Borough Council shall continue to be the billing and collecting authority for non-domestic rates for existing operations, except in respect of areas of the Designated Zone where the revenue is received by the Combined Authority.
29. The Corporation shall not transfer to a third party or dispose of the Civic Centre or Hartlepool United Football Club stadium, without agreement from Hartlepool Borough Council.

## Decision Making

30. The Board must not make any decision which imposes a financial or other liability on Tees Valley Combined Authority or Hartlepool Borough Council (with the exception of non-domestic rates, as covered by paragraph 35).
31. The Statutory Officers shall advise the Board in writing where it believes a decision which would be prohibited by paragraph [31] might be made. Information on the Breach shall be shared in writing with the Combined Authority and Council, and representations from each shall be invited, prior to any decision being made.
32. Where the Board identifies a significant risk of breaching paragraph 32, it shall recommend to the Board that in their view this gives rise to Breach.
33. A decision by the Corporation to exercise powers in relation to discretionary relief from non-domestic rates which has a significant adverse financial impact upon the Council must also be approved by an elected member of Hartlepool Borough Council.

## Reporting

34. As soon as reasonably practicable after the end of each financial year, the Corporation must prepare an annual report on how it has exercised its functions during the year, including a copy of its audited statement of accounts for that year, and send that report to the Combined Authority's Cabinet, Overview and Scrutiny Committee and Audit and Governance Committee. The "financial year" shall mean a period of 12 months ending with 31<sup>st</sup> March.
35. The Corporation's officers shall respond promptly to requests from the Group Director of Finance & Resources, and follow any advice and actions required in a timely manner. The Corporation shall make available any financial information reasonably requested from the Combined Authority, or from Finance Directors of the Combined Authority's constituent councils.

## Committees

36. In addition to the Group Audit & Risk committee the Corporation may establish committees of the Board.
37. A workstream may, with agreement of the Board, include persons who are not members of the Corporation. The work of these workstreams, or any recommendations made by them, will be reported back to the Board as part of the [Group](#) Chief Executive's standing update or by additional report as appropriate

38. The Board must approve the Terms of Reference of any such committee.

### **Audit and Risk Committee**

39. The Corporation Board shall establish an Audit and Governance Committee. The Mayor, with agreement of the Combined Authority shall appoint an independent Chair of the Audit and Governance Committee who is not also a member of the Corporation's Board. The Combined Authority's Audit and Governance Committee shall appoint one of its members to be a member of the Corporation's Audit and Governance Committee. The other members of the Audit and Governance Committee shall be appointed by the Board of the Corporation.

40. The Member appointed by the Combined Authority's Audit and Governance Committee shall nominate a Substitute Member with the Authority to act in their place on the Hartlepool Development Corporation Audit and Governance Committee.

### **Delegations**

41. The Corporation may delegate any of its functions to any of its members, committees, or staff.

42. A Committee of the Corporation may delegate any function conferred on it to any member of the Corporation, any sub-committee of the Committee, or any of the Corporation's staff.

43. The Corporation shall establish:

- a. A Scheme of Delegation to include appropriate financial limits;
- b. Procurement Policy which accords with the Public Contract Regulations 2015;
- c. Financial Procedure Rules including provision for setting an annual budget;
- d. A Code of Conduct together with a register of interests;
- e. Provisions relating to the resolution of conflict of interests;
- f. Access to information procedure rules.

### **Amending the Constitution**

44. This Constitution is a living document and shall be amended as the Corporation progresses. Authority is delegated to the Monitoring Officer of the Combined Authority, in consultation with the ~~Group~~ Chief Executive of the Combined Authority to make amendments to the Constitution to the extent that these reflect organisational or legislative changes, or to make any minor textual or grammatical corrections. Any other changes, including increasing the scope of the Corporation, shall be agreed by the Corporation Board

## **Successor Arrangements**

45. In the event of the dissolution of the Corporation, all records will be held by the Council. All sites and rights held by the Corporation will revert to the Council, unless the Secretary of State for Levelling Up, Housing and Communities determines otherwise. The Corporation, Council and Combined Authority agree to collaborate in the lead up to the End Date (this being the final day of operation for the Corporation) to ensure a smooth transfer of functions. In the event of dissolution, the Council will give the Corporation full and unvetted access to the records.

## Appendix I – PLAN OF THE AREA OF RESPONSIBILITY OF THE HARTLEPOOL DEVELOPMENT CORPORATION

### Hartlepool Development Corporation (map 1 of 2)



**Hartlepool Development Corporation (map 2 of 2)**



## Appendix II - RULES OF PROCEDURE

### 1. Interpretation

- 1.1 The Hartlepool Development Corporation is referred to as the “**Development Corporation**” in these rules.
- 1.2 These rules apply to meetings of the Development Corporation Board (“**Board**”) and where appropriate to the meetings of the audit committee and workstreams established by the Board. For the avoidance of doubt, in the event of conflict between these rules and the constitution, the rules shall have effect.
- 1.3 References in these Rules to the “Chair” mean the Member for the time being presiding at the meeting of the Board, and at a meeting of the Audit Committee or other workstream established by the Board.
- 1.4 These Rules shall be read in conjunction with other parts of the Constitution.
- 1.5 These Rules are subject to any statute or other enactment whether passed before or after these Rules came into effect.

### 2. Annual meeting of the Development Corporation Board

- 2.1 The Annual Meeting will:
  - (a) confirm the [Mayor-Chair](#) as the person who is to preside at meetings;
  - (b) approve the Members of the Development Corporation; agree the portfolio responsibilities of each of the members and any functions delegated to them;

Confirm an elected member of Hartlepool Borough Council as Vice Chair

- (c) approve the minutes of the last meeting;
- (d) receive any declarations of interest from Members;
- (e) receive any announcements from the Mayor and/or the [Group](#) Chief Executive;
- (f) consider any recommendations from the Audit Committee;
- (g) appoint the Group Audit Committee;
- (h) appoint such other workstreams as the Development Corporation considers appropriate;
- (i) appoint the membership of the workstreams referred to in the preceding sub-paragraphs after:
- (i) deciding the number of members to be appointed to each workstream and their term of office;

- (k) appoint the Chair and Vice-Chair of the Audit Committee, after considering any proposal put to them by the Committee.
- (l) appoint the Chair and Vice-Chair of the workstreams referred to in the preceding sub- paragraphs;
- (m) appoint to outside bodies;
- (n) agree the officer scheme of delegation;
- (o) consider amendments to the Development Corporation's procedure rules, as appropriate;
- (p) approve the Development Corporation's allowances scheme;
- (q) decide the date and time for the ordinary meetings of the Development Corporation Board;
- (r) consider any other business set out in the agenda for the meeting.

### **3. Ordinary Meetings of the Development Corporation Board**

3.1 At an ordinary meeting of the Development Corporation, the Board will:

- (a) approve the minutes of the last meeting;
  - (b) receive any declarations of interest from Members;
  - (c) receive any announcements from the Mayor and/or the ~~Group~~ Chief Executive including those relating to the work or recommendations of any workstreams established by the Board;
  - (d) deal with any business from the last ordinary meeting;
  - (e) receive reports from the Audit Committee or where appropriate any workstream established by the Board;
  - (f) consider any other business specified in the agenda for the meeting.
- Extraordinary Meetings of the Development Corporation Board

### **4. Admission of the Public**

- 4.1 All meetings of the Board and Audit Committee shall be open to the public, except to the extent that they are excluded whether during the whole or part of the proceedings either:

In accordance with Section 100A(2) of the 1972 Act; or

By resolution passed to exclude the public on the grounds that it is likely, in view of the nature of the business, that if the public were present there would be disclosure to them of exempt information as defined in Section **101 of the 1972 Act. Any such resolution shall identify the business or part of the business to which it applies and state the description, in terms of Schedule 12A to the 1972 Act of the exempt information giving rise to the exclusion of the public.**

## **5. Notice of Meetings**

- 5.1 At least five clear days before a meeting of the Board and the Audit Committee, notice of time and place of the intended meeting shall be published at the offices of the Corporation.
- 5.2 An invitation to attend the meeting, specifying an agenda for the meeting shall be left at, or sent by, electronic mail or post to all Development Corporation Members at their usual place of residence, or to such other place as may be requested by a Member.
- 5.3 Lack of an invitation to a Member shall not affect the validity of a meeting.
- 5.4 Agendas and papers for Board meetings and meetings of the Group Audit & Risk Committee will be published on the Corporation website five clear days prior to the meeting date unless ruled commercially or operationally sensitive under Paragraphs 1 and 2 of Schedule 12A of the Local Government Act 1972, with written agreement of the relevant Chair

## **6. Chair of Meeting**

- 6.1 At a meeting, the Chair shall preside. If the Chair is absent, the Vice-Chair shall preside. If both the Chair and the Vice-Chair are absent, the Members present shall choose which Member is to preside at the meeting.
- 6.2 Any power or duty of the Chair in relation to the conduct of the meeting, may be exercised by the person presiding at the meeting.
- 6.3 The ruling of the Chair on the interpretation of these Rules in relation to all questions of order and matters arising in debate, shall be final.

## **7. Items of Business**

- 7.1 No item of business may be considered at any meeting except:
  - the business set out in the agenda;
  - business required by law to be transacted at the annual meeting; or
  - business brought before the meeting by reason of special circumstances, which

shall be specified in the minutes, and where the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency.

- 7.2 Any business raised under the agenda item any other business shall be for information only and not business requiring a decision, unless agreed by the Chair.

## **8. Order of Business**

- 8.1 Items of business shall be dealt with in the order specified in the agenda for the meeting, except that such order may be varied at the discretion of the Chair, or on a request agreed to by the meeting.

## **9. Order of Debate**

- 9.1 The Chair will introduce each item and may invite a Member or Officer to present it.
- 9.2 Each Member, including Associate Members of the Development Corporation, shall be given an opportunity to speak on the matter and on any recommendations contained in the report.
- 9.3 The order in which anyone will be invited to speak will be decided by the Chair.
- 9.4 Members may speak more than once on the same item, with the agreement of the Chair.
- 9.5 Any Member, when speaking, may move that:
- (a) an amendment be made to the recommendation(s); or
  - (b) that an item be withdrawn.
- 9.6 Any such motion, if seconded, shall either be agreed by consensus amongst those Members present, or be voted upon.
- 9.7 Subject to the outcome of any such motion, once each Member who wishes to speak has done so, the Chair shall move the item, which if seconded, shall again either be agreed by consensus or shall be voted upon.

## **10. Duration**

- 10.1 At any meeting the Chair shall have discretion to adjourn the meeting for a short period of time unless the majority of Members present, by vote, determine it shall stand adjourned to another day, the date and time of which shall be determined by the Chair.

## **11. Minutes**

- 11.1 The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting be signed as a correct record. Discussion of the minutes should be restricted to their accuracy.

## **12. Code of Conduct and Protocols**

- 12.1 Members and Associate Members shall comply with the provisions of the Development Corporation's Code of Conduct for Members and of any other Codes or Protocols, approved by the Development Corporation Board, including those relating to registering and disclosing pecuniary and other interests.

## **13. Access to Information**

- 13.1 In accordance with the Local Government Act 1972 as amended:
- (a) All meetings of the Board and Audit Committee shall be open to the public unless it is likely in view of the nature of the business to be transacted that either confidential information (as defined in section 100A(3) of the 1972 Act) or information falling within one of the categories of exempt information in Schedule 12A (as amended) of the 1972 Act would be disclosed.
  - (b) Copies of the agenda, and reports open to the public will be available for public inspection at least five clear days before a meeting or where the meeting is convened at shorter notice from the time the meeting is convened. If an item is added to the agenda later, the revised agenda and any additional report will be open to inspection from the time it was added to the agenda. Copies of any agenda or reports need not, however, be open to inspection by the public until copies are available to members of the Corporation. In addition, an item of business may be considered urgently, whereby reason of special circumstances, which shall be specified in the minutes, the Chair is of the opinion that the item should be considered at the meeting, as a matter of urgency.
  - (c) The Corporation will make available for public inspection for six years after a meeting the minutes of the meeting (but excluding any part of the minutes when the meeting was not open to the public or which disclose confidential or exempt information), a summary of any proceedings not open to the public where the minutes open to inspection would not otherwise provide a reasonably fair and coherent record, and the agenda for the meeting and reports relating to items when the meeting was open to the public.
  - (d) The author of any report will set out in it a list of those documents (called background papers) relating to the report which in his/her opinion disclose any facts or matters on which the report is based and which have been relied on to a material extent in preparing the report (except

for documents which are published works or which disclose confidential or exempt information). Such background papers will remain available for public inspection for four years from the date of the meeting.

- (e) Where information is withheld under these provisions the fact must be made known to the member of the public concerned who shall be advised of the categories of information being withheld and the way in which the withholding of the information can be challenged.

#### **14. Exclusion of Access by the Public to Meetings**

- 14.1 (a) Confidential information – requirement to exclude public

The Public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Confidential information means information given to the Corporation, its Committees and Sub-Committees by a Government department on terms that forbid its public disclosure or information that cannot be publicly disclosed by reason of a Court Order or any enactment.

- (b) Exempt information – discretion to exclude public

The public may be excluded from meetings wherever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.

Exempt information means information falling within the following categories (subject to any qualifications):

- (i) information relating to any individual;
- (ii) information which is likely to reveal the identity of any individual;
- (iii) information relating to the financial or business affairs of any particular person (including the authority holding that information);
- (iv) information relating to any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matter arising between the Combined Authority, its Committees and Sub-Committees or a Minister of the Crown and employees of, or office holders under, the Combined Authority, its Committees and Sub-Committees;
- (v) information in respect of which a claim to legal professional privilege could be maintained in legal proceedings;

- (vi) information which reveals that the Combined Authority, its Committees and Sub-Committees proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment;

- (c) Exclusion of Access by the public to reports

If the Proper Officer considers it appropriate, the Corporation and the Group Audit & Risk Committee may exclude access by the public to reports which in the Proper Officer's opinion relate to items during which the meeting is likely not to be open to the public. Such reports will be marked "Not for Publication" together with the category of information likely to be disclosed.

## **15. Reporting of Proceedings**

- 15.1 Without prejudice to the Chair's powers in procedure rule 5.3, and subject to procedure rules 17.1 and 17.2, while any meeting of the Corporation is open to the public any person attending the meeting may report on the meeting, and publish or disseminate any recording at the time of the meeting or after the meeting.
- 15.2 The Chair may decide not to permit oral reporting or oral commentary of the meeting as it takes place, if the person reporting or providing the commentary is present at the meeting.
- 15.3 Where the public are excluded from a meeting in order to prevent the likely disclosure of confidential or exempt information, the chair may also prevent any person from reporting on that meeting employing methods which can be used without that person's presence at the meeting, and which enable persons not at the meeting to see or hear the proceedings at the meeting, as it takes place or later.

## **16. General Disturbance**

- 16.1 If a general disturbance makes orderly business impossible, the Chair may:
  - adjourn the meeting for as long as the Chair considers necessary.
  - call for any part of the meeting room open to the public, to be cleared, if the disturbance is in that part.
- 16.2 If a member of the public interrupts proceedings, the Chair shall warn the person concerned. If they continue to interrupt, the Chair may order them to be

removed from the meeting room.

- 16.3 If the Chair considers at any meeting that a Member is behaving improperly or offensively, or is deliberately obstructing business, the Chair may move that the Member should not be heard further. If seconded, the motion shall be voted upon without discussion.
- 16.4 If the Member continues to behave in the same way, the Chair may:
- (a) adjourn the meeting for a specified period; and/or
  - (b) move that the Member leaves the meeting (if seconded such a motion will be voted on without discussion).

## **17. The Forward Plan**

- 17.1 Forward Plans for the Corporation will be prepared to cover a period of four months. The Plans will be updated on a monthly basis.

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## **18. Contents of the Plan**

- 18.1 The Forward Plan will contain details of key decisions which relate to the discharge of Corporation functions and which are proposed to be taken during the period covered by the Forward Plan. The details relating to these key decisions, insofar as they are available or might reasonably be obtained, will be as follows:
- the matter in respect of which a key decision is to be taken;
  - the decision maker's name and title, if any;
  - the date on which, or the period within which the decision is to be made;
  - a list of documents submitted to the decision maker for consideration in relation to the matter, in respect of which the decision is to be taken;
  - the address from which, subject to any prohibition or restriction on their disclosure, copies of or extracts from any document listed, is available;
  - that other documents relevant to the matter may be submitted to the decision maker; and
  - the procedure for requesting details of those documents (if any) as they become available.
- 18.2 For the purposes of the Forward Plan, a "key decision" means a decision of a decision maker, which in the view is likely to result in the Combined Authority or the Mayor incurring significant expenditure, or making significant savings, having regard to the Combined Authority's budget for the service or function to which the decision relates; or to be

**19. Publication of the Forward Plan**

- 19.1 The Forward Plan will be published at least 28 days before the start of the period covered in the Plan.
- 19.2 It will be published on the Combined Authority's website and made available for inspection by the public at the Combined Authority's offices. Exempt information need not be included in the Forward Plan and confidential information cannot be included.

**20. Urgent Decisions**

- 20.1 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 ~~Group~~ 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.
- 20.2 The Monitoring Officer will maintain a record of all 'urgent' decisions and submit a report on these decisions at least annually to the Cabinet. The report will include a summary of the subject matter of the decisions taken.

**21. Confirmatory or Minor Decisions in Writing**

- 21.1 Where a decision of a minor or confirmatory nature (for example to confirm of the decisions of an unexpectedly inquorate meeting) the chair of the Board or relevant committee or subcommittee of the Development Corporation may request that confirmation of such a decision be made in writing. A written confirmation of the decision by each member of Board, the committee or subcommittee shall be treated as a decision of that body when it is signed by the Chair of the body, who shall have authority to confirm that decision.
- 21.2 The Monitoring Officer will maintain a record of all written records of decisions made and report them to the next meeting of the relevant body and submit a report on these decisions at least annually to the Board. The report will include a summary of the subject matter of the decisions taken by this method.

**22. Officers' Interests**

- 22.1 If it comes to an Officer's knowledge that a contract in which the Officer has a pecuniary interest, whether direct or indirect, has been, or is proposed to be entered into by the Development Corporation, the Officer shall as soon as reasonably practicable give notice in writing to the Monitoring Officer of the fact that he/she has such an interest.
- 22.2 An Officer shall be treated as having an indirect pecuniary interest in a contract if he/she would have been so treated by virtue of Section 95 of the Local Government Act 1972 had he/she been a member of the Development Corporation, i.e. the other party to the contract is a company or other person or

body (other than a public body) of which the Officer or his/her spouse/partner is a member or employee or partner.

- 22.3 The Monitoring Officer will keep a record of any such notices/interests and the record shall be open for inspection by any Member of the Development Corporation at its offices.

### **23. Sealing of Documents**

- 23.1 A decision of the Board or the Mayor (or of a joint committee, committee, subcommittee, person or persons to whom the Cabinet has delegated its powers and duties) shall be sufficient authority for the signing or sealing of any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Monitoring Officer should be sealed.

- 23.2 The Common Seal of the Development Corporation shall be kept in a safe place in the custody of the Monitoring Officer and the affixing of the Common Seal shall be attested by the Monitoring Officer or other person nominated by him/her, unless any enactment otherwise authorises or requires, or the Corporation has given requisite authority to some other person (See authority of the ~~Group~~ Chief Executive in accordance with delegation CEO8 (Appendix IV).

### **24. Authentication of Documents**

- 24.1 Where any document is necessary for any legal procedure or proceedings on behalf of the Development Corporation it will be signed by the Monitoring Officer or other person nominated by him or her, unless any enactment otherwise authorises or requires, or the Corporation has given requisite authority to some other person.

### **25. Committees**

- 25.1 The Board shall at its Annual Meeting each year appoint such committees as are required to be appointed by or under any statute, and may at any time appoint such other joint committees, committees or sub-committees as are necessary to carry out the work of the Corporation but, subject to any statutory provision, may at any time dissolve a joint committee, committee, sub- committee or alter its membership;
- 25.2 No joint committee, committee or sub-committee shall continue in office longer than the next Annual Meeting.
- 25.3 These procedure rules shall, with any necessary modifications, apply to meetings of committees and sub-committees of the Board. Save where it is otherwise stipulated elsewhere in this Constitution or in legislation, decisions of the committees and subcommittees of the Development Corporation shall be made by way of a simple majority of the Members present and voting, and the

Chair shall have not have a second or casting vote.

**26. Attendance**

26.1 The Monitoring Officer shall record the attendance of each Member at each meeting of the Board and committees and sub-committees of the Development Corporation, and it shall be the responsibility of each Member to sign such a record, if requested.

**27. Failure to Attend Meetings**

27.1 Subject to the exceptions prescribed by statute, if a Member of the Development Corporation fails throughout a period of twelve consecutive months to attend any meeting of the Board or the joint committees, committees or subcommittees of the Development Corporation to which they have been appointed, he/she shall (unless the failure to attend was due to a reason approved by the Board before the end of that period), cease to be a Member of the Development Corporation. For the purpose of this provision, the period of failure to attend shall date from the first meeting which the Member could have attended as a Member.

**28. Resignation**

28.1 A person appointed as a Member of the Development Corporation may at any time resign his/her office by a notice of resignation in writing signed by him/her and delivered to the Monitoring Officer and the Chair or Vice Chair of the committee that appointed him/her, as the case may be.

**29. Members' Allowances**

29.1 The Development Corporation may pay travel and subsistence allowances to its Members in accordance with a scheme drawn up and approved by the Board.

29.2 The Development Corporation may pay allowances to eligible members, in accordance with recommendations made by the Tees Valley Combined Authority's Independent Remuneration Panel contained in a report submitted by the panel to the Tees Valley Combined Authority Cabinet.

## **Appendix III - CODES OF CONDUCT**

### **PREAMBLE**

#### **FOR INFORMATION ONLY GENERAL PRINCIPLES OF CONDUCT**

##### **Preamble**

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

##### **Selflessness**

Holders of public office should act solely in terms of the public interest.

##### **Honesty and Integrity**

Holders of public office must be truthful and should avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.

##### **Objectivity**

Holders of public office must act and take decisions impartially, fairly on merit, using best evidence and without discrimination or bias.

##### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

##### **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

##### **Personal Judgement**

Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

##### **Respect for Others**

Members should promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their race, age, religion, gender, sexual

orientation or disability. They should respect the impartiality and integrity of the Development Corporation's Statutory Officers and its other employees.

**Duty to Uphold the Law**

Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

**Stewardship**

Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.

**Leadership**

Holders of public office should exhibit these principles in their own behavior. They should actively promote and robustly support the principles and be willing to change poor behavior wherever it occurs.

**Training**

All members of the Board and the Statutory Officers shall be offered training, not less than once every three years, which includes information on the Nolan Principles and Misconduct in Public Office offences.

**NOTE: THIS PREAMBLE AND THE GENERAL PRINCIPLES OF CONDUCT SPECIFIED WITHIN IT ARE FOR INFORMATION ONLY, AND THEY DO NOT FORM A PART OF THE DEVELOPMENT CORPORATION'S CODE OF ENFORCEMENT PURPOSES.**

**HARTLEPOOL DEVELOPMENT CORPORATION (THE  
“DEVELOPMENT CORPORATION”)  
CODE OF CONDUCT FOR MEMBERS AND OFFICERS**

**Members Code of Conduct**

**Part 1 General Provisions**

**Introduction and Interpretation**

1. (1) This Code applies to **you** as a Member of the Development Corporation when you are acting in that capacity.
- (2) This Code is based upon and is intended to be consistent with the General Principles of Conduct specified in the preamble.
- (3) It is your responsibility to comply with the provisions of this Code.
- (4) This Code does not cover matters in respect of which the Secretary of State may under the Act specifically provide that criminal sanctions will apply.

**Interpretation**

2. (1) In this Code--
  - “the Act” means the Localism Act 2011
  - "meeting" means any meeting of:-
    - (a) the Development Corporation or the Development Corporation Board;
    - (b) the Development Corporation Group Audit & Risk Committee and any workstream established by the Board

“Member” includes the Mayor, elected and co-opted Members and Associate Members.

**General Conduct**

3. (1) You must always comply with the law.
- (2) You must treat others with respect.
- (3) You must not do anything which may cause the Development Corporation to breach any of the equality enactments (as defined in Section 33 of the Equality Act 2006).
- (4) You must not bully any person and you must not intimidate or attempt to

intimidate any person who is involved in any complaint about any alleged breach of this Code.

- (5) You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Development Corporation.
  - (6) You must not conduct yourself in a manner which could reasonably be regarded as bringing the Development Corporation, or your office as a Member of the Development Corporation, into disrepute.
  - (7) You must not use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person any advantage or disadvantage.
4. When using or authorising the use by others of the resources of the Development Corporation:-
- (1) You must act in accordance with the Development Corporation's reasonable requirements.
  - (2) You must ensure that such resources are not used improperly for political purposes (including party political purposes); and
  - (3) You must have regard to the Development Corporation's Transparency Code.
5. You must not prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.
6. You must not disclose information which is given to you in confidence, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, unless:-
- (a) you have the consent of a person authorised to give it; or
  - (b) you are required by law to do so; or
  - (c) the disclosure is made to a third party for the purpose of obtaining professional legal advice, provided that the third party agrees not to disclose the information to any other person; or
  - (d) the disclosure is reasonable, in the public interest, made in good faith, and made in compliance with the reasonable requirements of the Development Corporation.
7. Where you have been involved in the making of any decision or the taking of any action by the Development Corporation Board or Group Audit & Risk Committee, or recommendation made by any workstream established by the Board, you must not take part in that scrutiny process other than for the purpose of answering questions or

giving evidence relating to the business.

8. (1) When making decisions on any matter you must have regard to any relevant advice provided to you by:
  - (a) the ~~Group~~ Chief Executive; or
  - (b) the Group Director of Finance & Resources; or
  - (c) the Monitoring Officer,  
where that Officer is acting pursuant to his or her statutory duties.
- (2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the Development Corporation.

## Part 2 Interests

### Registration of Members' Interests

9. Subject to paragraph 12, you must register in Development Corporation's register of Members' interests ("Register") information about your personal interests. For the purposes of paragraphs 9 to 15 inclusively 'your personal interests' or 'personal interest' means:-
- (a) any 'disclosable pecuniary interest' (as specified at the Appendix to this Code or as defined by any statutory provisions in force from time to time under the Act) which you know about and which is held by
- you, or
  - your spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you are civil partners; and
- (b) any other interests held by you as set out in paragraph 11.
10. You must register information about your personal interests by giving written notice to the Monitoring Officer, who maintains the Register, within 28 days of:-
- this Code being adopted by the Development Corporation;
  - your election or appointment as a Member of the Development Corporation; and of
  - becoming aware of any new interest or change to any registered interest.
11. You have a personal interest in any business of the Development Corporation and for the purposes of paragraph 9(b) where either it relates to or is likely to affect:-
- (a) 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;
- (b) any body which:-
- (i) exercises functions of a public nature or
  - (ii) is directed to charitable purposes or
  - (iii) one of whose principal purposes includes the influence of 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);

### **Sensitive Information**

12. Where you think that disclosure of the details of any of your personal interests could lead to you, or a person connected with you, being subject to violence or intimidation, you may inform the Monitoring Officer; and if the Monitoring Officer agrees, a note will be made in the Register to the effect that you have a personal interest, details of which are withheld under Section 32 of the Act.

### **Declaration of Interests**

13. Where you attend a meeting and you are, or ought reasonably to be, aware that any of your personal interests are relevant to an item of business which is being considered, then you must disclose to that meeting the existence and nature of that interest at the start of the consideration of that item of business, or when the interest becomes apparent, if later.
14. Where you have a personal interest in any business of the Development Corporation which relates to or is likely to affect a body of a type described in paragraph 11(a) and 11(b)(i), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
15. Where you have a personal interest but, by virtue of paragraph 12, sensitive information relating to it is not registered in the Register, you must indicate to the meeting that you have a personal interest, but you need not disclose the sensitive information to the meeting.
16. Where you attend a meeting, and you are, or ought reasonably to be aware that a decision in relation to any item of business which is to be transacted might reasonably be regarded as affecting your well-being or financial position, or the well-being or financial position of a person described in paragraph 17, to a greater extent than most of the inhabitants of the area affected by the decision, then you must disclose to that meeting the existence and nature of that interest at the start of that item of business, or when the interest becomes apparent, if later.
17. The persons referred to in paragraph 16 are:-
  - (a) a Member of your family;
  - (b) any person with whom you have a close association;
  - (c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or a company of which they are a director;
  - (d) any person or body in whom persons described in (a) and (b) have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
  - (e) any body of a type described in paragraph 11 (a) and (b).

### **Non participation**

18. Where you have a personal interest of the type described in paragraph 16 in any business of the Development Corporation, and the interest is one which a Member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest and the business:-

- (a) affects your financial position or the financial position of a person or body described in paragraph 17(a) to (e) inclusively; or
- (b) relates to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body referred to in the preceding sub-paragraph (a),

then subject to paragraphs 19 and 20:-

- (a) you may not participate in any discussion of the matter at the meeting;
- (b) you may not participate in any vote taken on the matter at the meeting;
- (c) if the interest is not registered, you must disclose the interest to the meeting; and
- (d) if the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.

19. Where you have an interest of the type described in paragraph 18 in any business of the Development Corporation, you may attend the meeting and make representations, answer questions or give evidence relating to that business before the business is considered and voted upon, provided the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

### **Disclosable Pecuniary Interests**

20. In addition to the requirements of the Act regarding the registration and declaration of a disclosable pecuniary interest, you must also comply with the statutory requirements relating to withdrawal from participating in any discussion or voting on any matter in which you have a disclosable pecuniary interest.

### **Requirement to Leave a Meeting Room**

21. You must comply with any procedural rule or standing order adopted by the Development Corporation which requires a Member to leave the room during any meeting at which a matter in which they have a disclosable pecuniary interest is being discussed.

### **Part 3 Disclosable Pecuniary Interests**

1. The duties to register, disclose and not to participate in respect of any matter in which a Member has a disclosable pecuniary interest are set out in Chapter 7 of the Localism Act 2011.
2. Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) as follows:-

For this purpose:-

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society; “land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant Authority; “Member”

includes a co-opted member;

“Development Corporation ” means the corporation of which M is a Member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

<b>Interest</b>	<b>Prescribed Description</b>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Development Corporation) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a Member, or towards the election expenses of M. This includes any payment or financial benefits from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992).
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the Development Corporation:- <ul style="list-style-type: none"><li>(a) under which goods or services are to be provided or works are to be executed; and</li><li>(b) which has not been fully discharged</li></ul>
Land	Any beneficial interest in land which is within the area of the Development Corporation.
Licenses	Any license (alone or jointly with others) to occupy land in the area of the Development Corporation for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge):- <ul style="list-style-type: none"><li>(a) the landlord is the Development Corporation; and</li><li>(b) the tenant is a body in which the relevant person has a beneficial interest</li></ul>

Securities

Any beneficial interest in securities of a body where:-

- (a) that body (to M's knowledge) has a place of business or land in the area of the Development Corporation; and
- (b) either –
  - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
  - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

## **Officers' Code of Conduct**

### **1. Purpose**

- 1.1 This code sets out the standards of conduct that the Hartlepool Development Corporation ("the Development Corporation") expects from its Officers. The aim is to promote high standards of conduct and to maintain public confidence in the Development Corporation and its services.

### **2. General Principles**

- 2.1 The public is entitled to expect the highest standards of conduct from all Officers. The role of Officers is to represent the Development Corporation in delivering services to the local community. Officers must perform their duties to the best of their abilities with honesty, integrity, impartiality and objectivity and contribute to the maintenance of high standards in public service. Officers must at all times act in accordance with the trust that the public is entitled to place in them.
- 2.2 This code should be read in conjunction with the Development Corporation's Constitution and other relevant Policies and Procedures.

### **3. Gifts and Hospitality**

- 3.1 All offers of gifts or hospitality should be treated with caution. Where a gift or hospitality could be perceived as an inducement or reward for performing Development Corporation duties, or where acceptance of the gift or hospitality could be open to misinterpretation, Officers should tactfully but firmly refuse the offer.
- 3.2 Gifts of a promotional nature, e.g. calendars, diaries and pens which are of a low monetary value i.e. less than £25 may be accepted.
- 3.3 All offers of gifts and hospitality of £25 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and no later than 28 days from the date of the offer) in a register held by the Senior Administrator.
- 3.4 It is a criminal offence under the Bribery Act 2010 to accept a bribe or to bribe another person. The offence of being bribed will occur where an employee agrees to receive or accepts an advantage (for their own or another's benefit and whether or not he or she actually receives it), in order to carry out the improper performance of a Development Corporation function, or where the advantage may be a reward for already having performed the function improperly.
- 3.5 The offence of bribing another person occurs where an employee offers, promises or gives a financial or other advantage to another person, with the intention that this will induce that person to improperly perform a function or activity, or in order to reward that person for the improper performance of such a function or activity.

- 3.6 Guidance on the Bribery Act indicates that bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of a commercial organisation, better to present products and services, or to establish cordial relations, is recognised as an established and important part of doing business and it is not the intention of the Act to criminalise such behaviour of Officers are in any doubt about the acceptance of a gift or hospitality they should inform the Monitoring Officer in advance (where feasible) and seek advice. Where an employee receives an unsolicited gift or believes that a person is otherwise attempting to influence him or her, the Monitoring Officer should be informed immediately.
- 3.7 Particular care should be taken by Officers concerned with purchasing the award of official contracts or the allocation of grant monies. An Officer who knowingly accepts a gift or favour from a contractor or other person providing services to or seeking services or funding from the Development Corporation may put themselves at risk of a disciplinary investigation. Failure to record offers of gifts and hospitality may also be the subject of investigation by managers.

#### **4. Confidential Information**

- 4.1 Officers should treat all information they receive in the course of their employment as confidential to the Development Corporation. Officers must not use information in the Development Corporation's possession to further their private interests or those of their relations and friends. Deliberate exploitation of confidential information for personal gain may result in disciplinary action, including dismissal.
- 4.2 Officers are only permitted to disclose confidential information where it is required by law or where the Development Corporation has agreed to make the information available to the public. Where Officers are in any doubt as to whether they are permitted to release information they must consult their Manager before any disclosure is made.

#### **5. Officer Interests**

- 5.1 Officers must disclose any personal conflicts of interest and must not involve themselves in any decisions or matters where their actions could be perceived as biased. A personal conflict may arise where an Officer provides consultancy services in a private capacity which conflict with or are of a similar nature to the Development Corporation's services, or which may result in a reduction of the Development Corporation's services. Another example is where an employee, acting in a private capacity, causes conflict with a service provided by the Development Corporation to a service user.
- 5.2 Officers interests in contracts must be disclosed in writing where Officers have any financial interest, direct or indirect, in any contract which the Development Corporation has entered into or is proposing to enter into, or any application by the Development Corporation for a licence, consent or permission. Officers are also required to identify a partner, relative or close associate who might have a legitimate interest in Development Corporation contracts or services.

- 5.3 Officers must also disclose in writing any interests where they are involved as either as an individual or as a partner in a business or as a Director of a Company or where they have a substantial shareholding in a public or private company which regularly has dealings with the Development Corporation. For this purpose, “substantial” can be defined as more than £5,000 nominal value or 1/100th of the nominal value of the company whichever is the lower. Friendship or membership of an association or society could also influence an Officer’s judgements and should be treated in the same way.
- 5.4 If Officers are in any doubt as to what interests they need to declare they should seek guidance from the Monitoring Officer. Failure by Officers to declare interests in contracts or companies is a criminal offence. Failure to disclose a conflict of interest may result in disciplinary action.

## **6. Public Office**

- 6.1 Officers who wish to seek public office in a Local Authority other than that with whom they are employed or act for are not generally prevented from doing so unless they occupy politically restricted posts under the Local Government and Housing Act 1989 (“the 1989 Act”) but should discuss their intentions and the implications with the Monitoring Officer and seek legal advice.
- 6.2 Officers other than holders of politically restricted posts who become Councilors of other Local Authorities should ensure that their two capacities are kept separate. In particular, they should take care that they do not disclose or use for an unauthorised purpose confidential information which could benefit or cause harm either to the Authority represented or to the Development Corporation.

## **7. Political Activities**

- 7.1 Political activities relate to standing for public elected office, engaging in party political debate in a personal capacity, by speaking or writing in public and canvassing at elections. The ability of Officers to engage in such activities is restricted if they occupy politically restricted posts, as defined by section 2 of the 1989 Act and specified in a list maintained by the Development Corporation as required by that Act.
- 7.2 An employee who proposes to engage in political activities should consider all aspects of this Code and ensure there is no conflict of interest between their duties as an employee and their political activities. Officers who regularly advise Members, regularly have contact with the public or media, or exercise delegated powers should take particular care when they propose to engage in political activities. They must in all cases consult their Manager.
- 7.3 Where Officers are required to advise Members they must do so in ways which do not compromise their political neutrality and must not allow their own personal or political opinion to influence or interfere with their work.

## **8. Recruitment and Employment**

- 8.1 Officers involved in recruitment or decisions relating to discipline, promotion or grading must not be involved where they are related to an applicant or have a close association with an applicant or employee.
- 8.2 All Officers involved in recruitment and selection on behalf of the Development Corporation must be familiar with, and abide by, the Development Corporation's recruitment policy and procedures.
- 8.3 Canvassing of Members of the Development Corporation relating to any employment matter including appointments, is strictly prohibited and may result in disciplinary action.

## **9. Sustainability Issues**

- 9.1 Officers must be aware of their obligation towards improving the environment and in particular ensure the wider long-term implications of their actions are in accordance with Development Corporation policy.
- 9.2 Officers are required to consider sustainability issues when undertaking their duties, including the procurement of goods and services. In particular they should seek opportunities to improve and promote energy conservation, advocate recycling and waste minimisation, reduce pollution and support Development Corporation initiatives to improve the environment.

## **10. Diversity**

- 10.1 All Members of the local community, customers, contractors, Members and Officers have a right to be treated with fairness and dignity. All Officers are required to comply with the Development Corporation's diversity policies and in accordance with the legal requirements placed upon the Development Corporation.

## **11. Intellectual Property/Copyright/Lecture Fees**

- 11.1 All creative designs, writings and drawings produced by Officers in the course of their duties are the property of the Development Corporation.
- 11.2 All inventions made by Officers remain the property of the Development Corporation if made during the course of their duties. The duties are described in the Officers terms of employment, job description and those arising from an instruction from a manager or other authorised officer of the Development Corporation.
- 11.3 Fees for giving lectures or writing articles may only be retained by Officers where these activities are not integral to their employment or position with the Development Corporation and they are conducted in the Officers own time.

11.4 Where Officers are interviewed by the media or agree to give lectures in connection with their official duties the Development Corporation's Head of Communications and Marketing must be consulted on any intended lecture or publication in the press or other media which is connected to their official duties and prior consent of their line manager must be obtained.

11.5 Officers should take care when expressing their personal views publicly that they do not undermine confidence in their objectivity in the performance of their duties.

## **12. Use of the Development Corporation's Facilities**

12.1 Officers must ensure that they use public funds entrusted to them in a responsible and lawful manner. They should strive to ensure value for money to the local community and to avoid legal challenge to the Development Corporation.

12.2 The Development Corporation's resources should be used solely in respect of its business. No improper use must be made of premises, vehicles, equipment, stationery or services. A reasonable amount of personal use of ICT and telephone facilities may be made but is subject to any Development Corporation ICT protocols and any arrangements for the payment of personal telephone calls.

## **13. Performance of Duties**

13.1 Officers are required to observe agreed working procedures, operational regulations, health and safety rules, regulations, professional codes of practice and the provisions of the Development

Corporation's Constitution and to carry out reasonable and proper instructions in matters relating to their duties.

13.2 An Officer must not:-

(a) Fail to discharge through carelessness, or neglect an obligation placed upon him/her by contract or by law;

(b) Fail to report any matter which he/she is required to report;

(c) Fail to wear safety clothing or footwear, or use safety equipment which has been issued as being necessary in the interests of health & safety or otherwise fail to have due regard to health & safety requirements.

13.3 Failure to observe the Officers Code of Conduct or any human resources policies and procedures (for instance relating to substance misuse, smoking or ICT protocols) or other Development Corporation policies, regulations or standards, may lead to disciplinary action in accordance with the Development Corporation's disciplinary procedures.

## **Part 4 Protocol on Member/Officer Relations**

### **1. The Role and Purpose of the Protocol**

- 1.1** The Hartlepool Corporation (“the Development Corporation”) strives to carry out its duties and provide services in a way that is effective; efficient in terms of the resources deployed; and responsive to the views and wishes of the people that might be affected by what it does.
- 1.2** Above all, the Development Corporation operates with, and promotes high ethical values and standards in an environment which demands close and effective working relations between all Members and Officers without either seeking to take unfair advantage of their position. This is achieved by means of a culture of mutual respect, trust, courtesy, openness and understanding, in which Members and Officers feel free to speak to one another openly and honestly.
- 1.3** With this in mind, the purpose of this Protocol is not in any way to change that relationship, but to offer guidance to Members and Officers on their respective roles and their working relations with one another, in order to help them to perform more effectively and thereby to ensure the efficient and effective running of the corporation and the delivery of best value services to the local community.
- 1.4** The relations between Members and Officers are complex and varied. This Protocol does not therefore aim to be either prescriptive or comprehensive. It is intended simply to offer guidance on some of the issues which most commonly arise. It is hoped however that the approach which it adopts to these issues will serve as a reference document for dealing with other issues.
- 1.5** This Protocol relies to a large extent on current practice and convention. It does, however, attempt to promote greater clarity and certainty for the benefit of both Members and Officers.
- 1.6** The Protocol also seeks to reflect and bring together the principles underlying the respective Codes of Conduct which apply to Members and Officers. The shared objective of these Codes is to enhance and maintain the integrity (both real and perceived) of Development Corporations and those who work within them and to maintain the very high standards of personal conduct required of all who serve the public.
- 1.7** Development Corporations do not however operate in isolation. The Development Corporation always seeks to work in partnership with other local organisations and agencies and regional and national bodies to the greatest effect for the people of the area. Increasingly the Development Corporation’s Members and Officers are required to represent the Development Corporation on a variety of outside bodies and organisations with statutory and non-statutory links to the Development Corporation. Whilst the procedural aspects of the Protocol relate mainly to the Development Corporation, it is expected that Members and Officers representing the Corporation on outside bodies, continue to maintain the ethos of courtesy, respect

and understanding advocated by this Protocol.

- 1.8 The Protocol must be read and operated in the context of all relevant legislation and national and local codes of conduct and the Development Corporation's Policy on confidential reporting. A copy of the Members' Code of Conduct and the Confidential Reporting Policy are reproduced in this part

of the Constitution. Advice and guidance in connection with the Code and Policy, together with this Protocol can be obtained from the Development Corporation's Monitoring Officer.

## 2. The Roles of Members and Officers

### 2.1 Members

The roles of Members of the Development Corporation and Officers employed by the Development Corporation are different, but complementary. Members and Officers are servants of the public and they are indispensable to one another, but their responsibilities are distinct. All Members, including the Mayor, serve only so long as their term of office lasts. Officers are responsible to their Corporation (the Development Corporation). Their job is to give advice to all Members including the Mayor, and to the Corporation, and to carry out the Corporation's work under the direction and control of the Corporation.

Mutual respect between Members and Officers is essential to good governance. Close personal familiarity between individual Members and Officers can change this relationship and prove embarrassing to the Members and Officers.

- 2.2 The five guiding principles to be followed are that the Development Corporation should be:

**Transparent** – to ensure that the public are clear about who is responsible for particular decisions.

**Understandable** – to ensure that the decision-making process is simple, clear and unambiguous to Members, Officers and the public.

**Efficient** – to enable swift and responsive action.

**Accountable** – to ensure that decisions are open to scrutiny by Members and by the public and that members of the public are able to measure the Development Corporation's actions against its agreed policies.

**Providing Best Value** - to promote continuous improvement within the Development Corporation and demonstrate Best Value in ensuring resources are directed appropriately.

### 2.3 Officers

Officers support and advise the Development Corporation, and the constituent parts of its decision-making processes; implement the Development Corporation's decisions and may themselves take decisions formally delegated to them through the approved Scheme of Delegation. All Officers are required to be politically neutral.

- 2.4** Both Officers and Members, including the Mayor, must comply in all respects and at all times with their respective Codes of Conduct, not only in their dealings with each other, but also when dealing with partners and the public.
- 2.5** In particular, it should be recognised that Members of the Development Corporation do not have any special immunity from civil or criminal wrongs that they may commit against fellow Members, Officers or members of the public. Members must ensure that they do not, therefore, for example, slander or libel another person. During the course of their normal duties for the Development Corporation, Members will only have a qualified (and not an absolute) protection against prosecution or civil action.
- 2.6** Any member of the public (including Officers) can complain to the Development Corporation's Monitoring Officer about a Members' alleged breach of the Development Corporation's Code of Conduct for Members and/or bring private, civil action against a Member. The Auditor can also take legal action against an elected Member and the Development Corporation, as a whole, for any alleged breach of the law.
- 2.7** The Development Corporation has statutory duties with regard to equality issues and in accordance with Development Corporation's Code of Conduct for Members, Members must promote equality by not discriminating against others. Members and Officers should not, therefore, by their behaviour or speech act in a discriminatory way with regard to, for example, a person's age, gender, race, disability, religion, ethnicity, nationality or sexual orientation. Such principles will apply to the implementation of personnel policies, recruitment and promotion as they apply to day to day dealings with fellow human beings.

## **2.8 Members' expectations**

Members can expect from Officers:-

- (a) A commitment to the Development Corporation as whole, and not to any particular political group.
- (b) A working partnership.
- (c) An understanding of and support for the respective roles, workloads and pressures.
- (d) Reasonable and timely response to enquiries and complaints.
- (e) Professional advice, not influenced by political views or preference, which does not compromise the political neutrality of Officers.

- (f) Regular, up to date information on matters that can reasonably be considered appropriate and relevant to their needs, having regard to any individual responsibilities that they have and positions that they hold.
- (g) Awareness of and sensitivity to the political environment.
- (h) Respect, dignity and courtesy and not acting in a discriminatory way through behaviour or speech.
- (i) That they have received relevant training and development in order to carry out their role effectively.
- (j) Integrity, mutual support and appropriate confidentiality
- (k) That employees will not use their relationship with Members to advance their personal interests or to influence decisions improperly.
- (l) That Officers will at all times comply with the relevant Code of Conduct.
- (m) Support for the role of Members as the local representatives of the Development Corporation, within the parameters of support approved by the Development Corporation.
- (n) That Officers will promote equality of opportunity in all Development Corporation matters.

## **2.9 Officers' Expectations**

Officers can expect from Members:-

- (a) A working partnership.
- (b) An understanding of and support for the respective roles, workloads and pressures.
- (c) Leadership and direction.
- (d) Respect, dignity and courtesy and not acting in a discriminatory way through behaviour or speech.
- (e) Integrity, mutual support and appropriate confidentiality.
- (f) Not to be subject to bullying or harassment or to be put under undue pressure. Members should have regard to the seniority of Officers in determining what are reasonable requests, having regard to the relationship between Members and Officers, and the potential vulnerability of Officers, particularly at junior levels.
- (g) That Members will not use their position or relationship with Officers to advance their personal interests or those of others or to influence decisions

improperly.

- (h) That Members will at all times comply with the Development Corporation's Members' Code of Conduct.
- (i) That Members will promote equality of opportunity in all Development Corporation matters.

## **2.10 Limitations Upon Behaviour**

The distinct roles of Members and Officers necessarily impose limitations upon behaviour. By way of illustration, and not as an exclusive list:-

- (a) Close personal, as opposed to working, relationships between Members and Officers can confuse these separate roles and detrimentally affect the proper discharge of the Development Corporation's functions, not least by creating the perception in others that a particular Member or Officer may be securing advantageous treatment.
- (b) The need to maintain the separate roles means that there are limits to the matters on which Members may seek the advice of Officers, both in relation to personal matters and party political issues.
- (c) Relationships with a particular individual or party group should not be such as to create public suspicion that an employee favours that Member or group above others.

## **2.11 Grievances or Complaints Procedure for Officers**

- (a) From time to time the relationship between Members and Officers may break down or become strained. Whilst it will always be preferable to resolve matters informally, through conciliation by an appropriate senior manager or Member, Officers will have recourse to a Policy and Procedure relating to grievances, where the matter concerns their employment or to the Development Corporation's Monitoring Officer, as appropriate to the circumstances. In the event of a grievance or complaint being upheld, the matter will be referred to the ~~Group~~ Chief Executive Officer who will decide on the course of action to be taken.

### **Procedure for Members**

- (b) In the event that a Member is dissatisfied with the conduct, behaviour or performance of an Officer, he/she should not raise the matter in public or before the press, as Officers have no means of responding to the same in

public. The matter should be raised with an appropriate Officer.

## **Part 5 Confidential Reporting Policy**

This policy enables employees, and other persons working for the Hartlepool Development Corporation (“the Development Corporation”) on Development Corporation premises, together with suppliers and those providing services under a contract with the Development Corporation to voice confidentially serious concerns over alleged malpractice and alleged wrongdoing within the Development Corporation.

Officers will be nominated for the purpose of dealing with concerns raised by employees or other persons under this policy.

### **1. INTRODUCTION**

**1.1** Employees/Officers are sometimes the first to realise that there may be something seriously wrong, but they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Development Corporation; or they may fear harassment, victimisation or other reprisals. In these circumstances it may be easier to ignore the concern rather than report what may be just a suspicion of malpractice.

**1.2** The Development Corporation is committed to the highest possible standards in the delivery of its services, and for full accountability for those services. In line with that commitment employees are encouraged to come forward and voice any serious concerns they may have about the Development Corporation’s operations. It is recognised that certain matters will have to be dealt with on a confidential basis. This policy makes it clear that you can do so without fear of reprisals. This policy is intended to encourage and enable you to raise serious concerns within the Development Corporation rather than overlooking a problem or “blowing the whistle” outside.

**1.3** The policy applies to all Officers, employees and any contractors working for the Development Corporation on Development Corporation premises. It also covers suppliers and those providing services under a contract with the Development Corporation in their own premises.

### **2. AIMS AND SCOPE OF THIS POLICY**

**2.1** This policy aims to:

- (a) provide avenues for you to raise concerns and receive feedback on any action taken;
- (b) allow you to take the matter further if you are dissatisfied with the Development Corporation’s response to the concerns expressed; and
- (c) reassure you that you will be protected from possible reprisals or

victimisation

**2.2** Complaints systems are in place to provide a mechanism for individuals to complain about the standard of service, action or lack of action by the Development Corporation or its employees, which affect our services to the public. If you are an employee there are procedures in place to enable you to lodge a grievance relating to your own employment. The Confidential Reporting Policy is intended to cover concerns that fall outside the scope of these procedures e.g. malpractice or wrongdoing. Thus any

serious concern that you may have regarding possible malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Development Corporation (although complaints about Members' conduct will need to be forwarded to the Development Corporation's Monitoring Officer) or others acting on behalf of the Development Corporation, can and should be reported under this policy. Employees and Officers are expected to report malpractice and wrongdoing and may be liable to disciplinary action if they knowingly and deliberately do not disclose information relating to malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Development Corporation or others acting on behalf of the Development Corporation.

### **3. WHAT IS MALPRACTICE OR WRONGDOING?**

**3.1** Malpractice and wrongdoing may be about something which:-

- is unlawful; or
- against the Development Corporation's Procedure Rules or policies; or
- is not in accordance with established standards of practice; or
- amounts to improper conduct by an Officer or a Member.

The overriding concern should be that it would be in the public interest for the malpractice or wrongdoing to be corrected and, if appropriate, sanctions to be applied.

**3.2** The following are examples of issues which could be raised under this policy. It is not intended to be an exhaustive list and there may be other matters which could be dealt with under the policy:

- (a) any unlawful act or omission, whether criminal or a breach of civil law
- (b) maladministration, as defined by the Local Government Ombudsman
- (c) breach of any statutory code of practice
- (d) breach of, or failure to implement or comply with any policy determined by the Development Corporation

- (e) failure to comply with appropriate professional standards or other established standards of practice
- (f) corruption or fraud
- (g) actions which are likely to cause physical danger to any person, or give rise to a risk of significant damage to property
- (h) failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost, or loss of income, to the Combined Authority or would otherwise seriously prejudice the Development Corporation
- (i) abuse of power, or the use of the Development Corporation's powers and authority for any unauthorised or ulterior purpose
- (j) unfair discrimination in the Development Corporation's employment or services
- (k) dangerous procedures risking health and safety
- (l) damage to the environment
- (m) other unethical conduct

#### **4. SAFEGUARDS**

##### **4.1 HARASSMENT OR VICTIMISATION**

The decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from the Development Corporation as a whole. The Development Corporation will not tolerate any harassment or victimisation and will take appropriate action in order to protect you if you raise a concern in good faith. In addition you are protected in law by the Public Interest Disclosure Act 1998, which gives employees protection from detriment and dismissal where they have made a protected disclosure, provided the legal requirements of the Act are satisfied.

This does not however necessarily mean that if you are already the subject of disciplinary procedures that those procedures will be halted as a result of a concern being raised under this policy.

##### **4.2 CONFIDENTIALITY**

It will be easier to follow up and to verify complaints if complainants are prepared to give their names. However, wherever possible the

Development Corporation will protect those who do not want their names to be disclosed. It must be appreciated that any investigation process may nonetheless reveal the source of the information and that a statement from you may be required as part of the evidence.

#### 4.3 ANONYMOUS ALLEGATIONS

Concerns expressed anonymously are much less powerful, and they will be treated with caution and considered at the discretion of the Development Corporation. In exercising this discretion, the factors to be taken into account would include:

- (a) the seriousness of the issues raised.
- (b) the credibility of the concern; and
- (c) the likelihood of obtaining the necessary information and confirmation of the allegation.

#### 4.4 DELIBERATELY FALSE OR MALICIOUS ALLEGATIONS

The Development Corporation will view very seriously any deliberately false or malicious allegations it receives and will regard the making of any deliberately false or malicious allegations by any employee as a serious disciplinary offence which could result in dismissal.

If you make an allegation in good faith but it is not confirmed by the investigation, no action will be taken against you.

The Development Corporation will try to ensure that the negative impact of either a malicious or unfounded allegation about any employee is minimised. However, it must be acknowledged that it may not be possible to prevent all of the repercussions potentially involved.

### 5. HOW DO I RAISE A CONCERN?

#### 5.1 If you suspect wrongdoing in the workplace:

- **do not** approach or accuse the individuals directly
- **do not** try to investigate the matter yourself
- **do not** convey your suspicions to anyone other than those with the proper authority, but **do** something!

#### 5.2 As a first step, you should normally raise concerns with your immediate manager or supervisor. However, the most appropriate person to contact will depend on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. For

example, if you believe that senior management is involved in the matter of concern, or the normal channels of communication are inappropriate for some reason, as an employee of the Corporation you should approach a Nominated Officer (HR Advisor). If you feel that this would be inappropriate in the light of the particular matter concerned, or if you are not a Development Corporation employee, you can contact the Development Corporation's Monitoring Officer.

- 5.3** Concerns may be raised verbally but are better raised in writing. You are invited to set out the background and history of the concern giving relevant names, dates and places where possible, and the reason why you are particularly concerned about the situation. If you do not feel able to put your concern in writing you can telephone or meet the appropriate Officer.
- 5.4** The earlier a concern is expressed, the easier it is to take appropriate action.
- 5.5** Although you are not expected to prove the truth of an allegation that is made, it will be necessary for you to demonstrate to the person contacted that there are sufficient grounds for concern.
- 5.6** Advice and guidance on how matters of concern may be pursued can be obtained from the Development Corporation's Monitoring Officer.
- 5.7** Alternatively, you may wish to seek advice from your professional association.

## **6. HOW THE DEVELOPMENT CORPORATION WILL RESPOND**

- 6.1** The action taken by the Development Corporation will depend on the nature of the concern. Where appropriate, the matters raised may:
- be investigated by management, internal audit, or through the disciplinary process
  - be referred to the Police
  - be referred to the external Auditor
  - need to be the subject of a referral to the Development Corporation's Monitoring Officer
  - form the subject of an independent enquiry
- 6.2** In order to protect individuals and the Development Corporation, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example allegations of breaches of the Development Corporation's Code of Conduct, or discrimination issues) will normally be referred for consideration under these procedures.

- 6.3** Some concerns may be resolved by agreed action without the need for investigation.
- 6.4** Within 14 calendar days of a concern being raised under this procedure the relevant Officer will write to you:
- (a) acknowledging that the concern has been received;
  - (b) indicating how it is proposed to deal with the matter;
  - (c) giving an estimate (so far as reasonably practicable) as to how long it will take to provide a final response;
  - (d) telling you whether any initial enquiries have been made; and
  - (e) telling you whether further investigations will take place and if not, why not.
- 6.5** The amount of contact between you and the Officers considering the issues will depend on the nature of the matters raised; the potential difficulties involved; and the clarity of information provided. If necessary, further information will be sought from you.
- 6.6** Where any meeting is arranged, you have the right, if you so wish, to be accompanied by someone who is not involved in the area of work and/or the matter to which the concern relates.
- 6.7** The Development Corporation will take appropriate steps to minimise any difficulties you may experience as a result of raising a concern. For example, if you are required to give evidence in criminal or disciplinary proceedings the Development Corporation will advise you about the procedure.
- 6.8** The Development Corporation accepts that you need to be reassured that the matter has been properly addressed. Therefore, subject to any legal restraints, you will receive as much information as possible about the outcomes of any investigation.

## **7. HOW CAN I TAKE THE MATTER FURTHER?**

- 7.1** This policy is intended to provide employees and other persons with an avenue to raise concerns **within** the Development Corporation and it is hoped that you will take this option in the first place. The Development Corporation hopes you will be satisfied with the action taken under the policy. If you are not, and you feel it is right to take the matter outside the Development Corporation, then depending upon the nature of the issue involved, the following are possible contact points:
- a) the External Auditor
  - b) relevant professional bodies or regulatory organisations
  - c) the Police

- d) the Local Government Ombudsman
- e) Public Concern at Work
- f) an independent legal adviser within the meaning of the Public Interest Disclosure Act 1998
- g) a regulatory body designated for the purposes of the Public Interest Disclosure Act

**7.2** If you do wish to take the matter outside the Development Corporation, you must first ensure that you do not disclose confidential information. Check with the Compliance & Governance Manager or the Monitoring Officer about that. In addition, if you wish to secure the protections afforded by the Public Interest Disclosure Act, you must ensure that your disclosure is protected within the meaning of the Act and that it complies with a set of specific conditions which vary according to whom the disclosure is made. Again please check with the Compliance & Governance Manager or the Monitoring Officer about these matters.

## **8. RESPONSIBILITY FOR THE POLICY**

**8.1** The responsibility for the effectiveness of this policy rests with the Monitoring Officer. That Officer will be advised about and maintain records of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will report as necessary to the Development Corporation or one of its Committees.

## **Appendix IV - FINANCIAL REGULATIONS**

### **1. Purpose and Scope**

- 1.1 These regulations form part of the Development Corporation's Constitution and they set out the financial management policies of the Hartlepool Development Corporation (The Development Corporation) and are a key part of the Corporation's financial governance arrangements. All references to The Development Corporation within these financial regulations shall be taken to include all Development Corporation Group entities.
- 1.2 These regulations lay down for the guidance of Members and Officers, principles to be followed in securing the proper administration of the financial affairs of the Development Corporation.
- 1.3 It is important that these Regulations are, and continue to be, relevant to the Development Corporation. They should be reviewed regularly to remain consistent with the Development Corporation's Constitution and related documentation and be in line with best practice and legislation.
- 1.4 Where references are made to Group entities and/or activities that may on occasion conflict with a Subscription and Shareholders Agreement (SSHA) of Group entities these Financial regulations will prevail.

### **2. Role of the Development Corporation**

- 2.1 Many of the responsibilities for financial matters are defined within the constitution of which these regulations form part and the Scheme of Delegation. Responsibilities are either reserved for the Development Corporation's Board to exercise or delegate to specific officers such as the ~~Group~~ Chief Executive Officer and Director of Finance & Resources.
- 2.2 The Development Corporation has overall responsibility for ensuring that the Development Corporation's expenditure remains within the resources available to it.

3. The Development Corporation is responsible for approving the Financial Control Framework of the Development Corporation.

#### **Role of the Group Director of Finance & Resources**

- 3.1 The Group Director of Finance & Resources, shall be responsible for ensuring the proper administration of the Development Corporation's financial affairs.

- 3.2 The Group Director of Finance & Resources shall issue and keep under continuous review, such instructions, advice or procedures relating to financial matters as he or she considers necessary to secure the proper administration of the Development Corporation's financial affairs.
- 3.3 The Group Director of Finance & Resources is responsible for reporting, where appropriate, breaches of Financial Regulations.
- 3.4 The Group Director of Finance & Resources has responsibility for ensuring compliance with the requirements of the Accounts and Audit Regulations relating to accounting records, control systems and audit.
- 3.5 If any financial issues arise which result in any uncertainty or ambiguity as to the correct procedure to follow under these regulations, then the Group Director of Finance & Resources shall have delegated powers to give a valid direction as to the appropriate procedure to follow.
- 3.6 The Group Director of Finance & Resources for the Development Corporation is fulfilled by the Group Director of Finance & Resources for the Combined Authority. If significant conflicts of interest arise between these two roles, these will be identified, and discussed with the ~~Group~~ Chief Executive Officer, who may direct another person to temporarily fulfil the role of Group Director of Finance & Resources for the purpose of resolving the significant conflict of interest.

#### **4. Role of the Officers and Group entities ("the Group")**

- 4.1 Chief Officers shall promote the financial management standards set by the Group Director of Finance & Resources and shall adhere to the standards and practices set down in these regulations.
- 4.2 It is the responsibility of Officers to consult with the Group Director of Finance & Resources and seek advice on any matters likely to have a material effect on the Development Corporation finances, before any decision is made.
- 4.3 If any Chief Officer or officer acting on behalf of the Development Corporation is aware of any contravention to these Financial Regulations, they must immediately notify the Group Director of Finance & Resources who shall determine appropriate action.

#### **5. Accounting Policies**

- 5.1 The Group Director of Finance & Resources is responsible for selecting Accounting Policies and ensuring that they are applied

consistently. The key controls in Accounting Policies are that:

- (a) Systems of internal control are in place to ensure that financial transactions are lawful.
- (b) Proper accounting records are determined and maintained.
- (c) Financial statements are prepared which represent fairly the financial position of the Development Corporation and its income and expenditure.

## **6. Financial Planning**

- 6.1 The Group Director of Finance & Resources shall determine the appropriate timetable for the preparation of the annual budget that conforms to the statutory deadlines.
- 6.2 Each financial year, as part of the ongoing financial strategy, the Group, in consultation with the Group Director of Finance & Resources, will develop annual revenue and capital budget proposals for consideration by the Development Corporation's Board.
- 6.3 The Group shall prepare a statement of all resources and approvals covering a rolling programme identifying all approved schemes and programmes.
- 6.4 The Group Director of Finance & Resources will advise the Development Corporation on the robustness of budget proposals in accordance with his/her responsibilities under these financial regulations.
- 6.5 All revenue reserves held by the Development Corporation will be kept under review by the Group Director of Finance & Resources with a view to ensuring that they are spent on their specified purposes and that planned expenditure is properly phased.
- 6.6 The Group Director of Finance & Resources will also advise the Development Corporation on the prudent level of reserves and general balances.
- 6.7 The ~~Group~~ Chief Executive and Group Director of Finance & Resources will recommend approval of investment plans to the Development Corporation.

## **7. Financial Management – Revenue and Capital**

### Budget Monitoring and Control

- 7.1 The Group are responsible for monitoring their income and expenditure against the revenue and capital budgets approved by the Development Corporation.
- 7.2 The Group Director of Finance & Resources will establish an appropriate framework of financial management and control for the Development Corporation which ensures that;
- (a) budget management is exercised within approved Development Corporation revenue and capital budgets;
  - (b) expenditure and income is monitored using information held on the Development Corporation's corporate financial information system;
  - (c) timely and sufficient information on receipts and payments on each budget is available to enable managers to fulfil their budgetary responsibilities;
  - (d) additions and changes to approved expenditure plans require approval by the Board.
- 7.3 The Group must personally ensure that any information which suggests a potentially significant variation against their approved budget (both overspends and underspends) is notified at the earliest opportunity to the Group Director of Finance & Resources. Where appropriate, the Group Director of Finance & Resources shall prepare a specific report for the Development Corporation to consider the proposed approach to mitigate the effects of such variation.
- 7.4 Where additional revenue or capital resources become available, or are forecast to become available, the Group must notify the Group Director of Finance & Resources at the earliest opportunity.
- 7.5 The Group Director of Finance & Resources will prepare revenue and capital budget monitoring reports in conjunction with the Group for presentation to the Development Corporation on a regular basis. The frequency and content of these reports shall be determined by the Group Director of Finance & Resources, in consultation with the Development Corporation's Board.
- 7.6 Where the Group wish to propose new capital and revenue schemes or blocks for inclusion in the Development Corporation's programme,

they must first consult the Group Director of Finance & Resources who will determine the approach to be taken for approval of the proposal. The proposals would need to be approved by the Development Corporation following advice from the Group Director of Finance & Resources.

7.7 Bids for external funding to support capital and revenue expenditure cannot take place until approved by the Group Director of Finance & Resources.

7.8 Expenditure cannot take place unless the scheme or programme is fully funded and approved.

## **8. Treasury Management**

8.1 The Development Corporation's Treasury Management activities shall be defined as the management of its investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

8.2 All Treasury Management activity shall be undertaken in full compliance with the Chartered Institute of Public Finance & Resources and Accountancy's Code of Practice: Treasury Management in Public Services (revised 2011) as may be revised from time to time or such other practices and procedures as may be approved by the Development Corporation.

8.3 Only the Group Director of Finance & Resources may enter into any borrowing, investment and financing arrangements on behalf of the Development Corporation.

8.4 The Group shall ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the prior approval of the Group Director of Finance & Resources.

8.5 The Group Director of Finance & Resources is responsible for formulating an annual Borrowing and Treasury Management Strategy for approval by the Development Corporation in advance of the year together with providing a mid-year review and annual report after its close.

## **9. Banking Arrangements, Cheque Security and Credit Cards**

9.1 No Group officer/entity other than the Group Director of Finance & Resources may open any bank account in the name of the Development Corporation

- 9.2 The Development Corporation's banking terms and overdraft arrangements shall be agreed by the Group Director of Finance & Resources.
- 9.3 All arrangements for the ordering and issuing of cheques shall be agreed by the Group Director of Finance & Resources, who shall make proper arrangements for their custody.
- 9.4 All cheques drawn on behalf of the Development Corporation shall be signed by 2 of the 3 key nominated signatories – ~~Group~~ Chief Executive Officer the Group Director of Finance & Resources. and the Engineering & Programme Director.
- 9.5 Credit cards, charge cards and other payment methods held in the Authority's name may only be opened, closed and managed by the Group Director of Finance & Resources.
- 9.6 The Group Director of Finance & Resources will ensure that bank reconciliations are completed on at least a monthly basis.

## **10. External Funding / Grants**

- 10.1 The Group Director of Finance & Resources must be consulted on and approve all submissions to central government, European Union, Tees Valley Combined Authority and external bodies for funding. Prior to making any submission in relation to external funding, the Group must ensure that:
- (a) an exit strategy is identified to manage the ultimate cessation of the funding stream with no adverse impact on the Development Corporation;
  - (b) any match-funding requirements are given due consideration prior to entering into agreements and that future revenue budgets reflect these requirements; and
  - (c) they are able to comply with the terms and conditions of a grant scheme, including auditor certification requirements, before accepting them.
- 10.2 The Group must seek approval from the Group Director of Finance & Resources before accepting any offer of funding from external bodies.
- 10.3 The Group are responsible for ensuring that all expenditure to be funded by grant is properly incurred in accordance with the requirements and conditions of the funding body, and is supported by adequate evidence.

- 10.4 The Group are responsible for ensuring the completion and submission of grant claims. The Group must also ensure that grant claims comply with the requirements and grant conditions of the funding body, are submitted promptly, supported by adequate evidence and approved by the Group Director of Finance & Resources.
- 10.5 The Group are responsible for ensuring that any legal implications and risks of working with third parties are appropriately addressed. This will include any back to back agreements as required.

## **11. Income**

- 11.1 All monies received on behalf of the Development Corporation shall be paid in full into the Development Corporation's bank account without delay.
- 11.2 The Group shall ensure that all accounts for income due to the Development Corporation are raised within five days on an official sales invoice which provides particulars of all charges to be made for work done, services rendered, or goods.
- 11.3 The Group Director of Finance & Resources shall be notified promptly of all money due to the Development Corporation and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money.
- 11.4 Any proposal to introduce charges or make changes to existing charges for the provision of services must be approved by the Group Director of Finance & Resources.
- 11.5 Any write off of unrecoverable debt should be in accordance with the write of criteria set by The Group Director of Finance Resources.

## **12. Ordering of and Payments for Works Goods and Services**

- 12.1 Wherever possible a purchase order is required for all purchases of goods and services and these must be raised within the Development Corporation's financial system.
- 12.2 The Group must ensure that orders represent legitimate liabilities of the Development Corporation, sufficient budgetary provision exists to cover the payment and expenditure is correctly coded.
- 12.3 All orders for goods and services must be made in accordance with the Development Corporation's Procurement Policy.

- 12.4 All purchase orders and payments must be approved as detailed in the Scheme of Delegation.
- 12.5 The Group have the responsibility to ensure that payments are made within the terms of the contract and legislative requirements.

### **13. Insurance & Risk Management**

- 13.1 The Group Director of Finance & Resources shall be responsible for ensuring that all insurable risks of the Development Corporation are adequately covered, for maintaining the necessary records and for managing all claims on behalf of the Development Corporation.
- 13.2 The Group shall notify the Group Director of Finance & Resources promptly of all risks, liabilities, properties or vehicles which are required to be insured, and of any alterations affecting risk or insurances indicating the amount of cover required.
- 13.3 The Group shall immediately notify the Group Director of Finance & Resources of any fire, loss, accident or other event that may give rise to a claim against the Development Corporation's insurers.
- 13.4 Directors are responsible for ensuring that a register of significant risks is maintained, reported and monitored.

### **14. Internal Audit**

- 14.1 The Group Director of Finance & Resources shall be responsible for maintaining an internal audit of all accounts and financial transactions of the Development Corporation, and shall satisfy himself/herself as to security arrangements for the custody and safeguarding of the Development Corporation's assets as laid down in any legislation applicable to the Development Corporation and any relevant codes of practice adopted by the Development Corporation.
- 14.2 The Group Director of Finance & Resources, or nominated individuals undertaking internal audit functions, shall have authority to all relevant records of any Service, and shall be entitled to require the production property and to obtain information or explanations with regard to any matters under examination.
- 14.3 The Group shall notify the Group Director of Finance & Resources immediately of any circumstances which may suggest the possibility of irregularity or loss affecting the Development Corporation. Where the Group Director of Finance & Resources considers that an irregularity may have occurred, action shall be taken by way of an investigation and report.

- 14.4 Directors shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are implemented in a timely manner.
- 14.5 The ~~Group~~ Chief Executive and Group Director of Finance & Resources (the Statutory Officers), as outlined in clause 28 of the Development Corporation's Constitution, shall advise the Board when a Referral Decision may be required.
- 14.6 The Development Corporation shall maintain a register of significant risks which may lead to or constitute a Referral Decision (Clause 33 of the Constitution) and notify the Group Director of Finance & Resources at the earliest opportunity of changes to the risk profile of the Corporation which could have a material effect on the Corporation's or the Combined Authority's liabilities.

## **15. Arrangements with External Organisation**

- 15.1 The Group Director of Finance & Resources must be consulted prior to the establishment of any financial arrangements as part of partnerships or joint arrangements with external companies, other public organisations and community and voluntary groups. No partnership or joint arrangements shall be entered into without the approval of the Development Corporation.
- 15.2 Directors must confirm whether any arrangement requires the Development Corporation to be designated an 'Accountable Body'. Where this is the case, the Group Director of Finance & Resources must be consulted and approval of the Development Corporation must be obtained prior to the arrangement becoming operational.
- 15.3 The financial arrangements of all partnerships where the Development Corporation is the Accountable Body should meet the requirements of the Development Corporation's Financial Procedure Rules and Contract Procedure Rules.

## **Appendix V - SCHEME OF DELEGATIONS TO CHIEF OFFICERS**

### **1. Introduction**

This Scheme of Delegation has been adopted by the Board (meaning the members of the Hartlepool Development Corporation meet as such) and can only be altered by the Board.

The roles of ~~Group~~ Chief Executive Officer and Group Director of Finance and Resources of the Development Corporation are discharged by the ~~Group~~ Chief Executive Officer and Group Director of Finance and Resources respectively.

**The scope of this Scheme of Delegation applies to the Corporation where defined below: -**

The Board approves, and/or delegates to its statutory officers in consultation with the Chair, the necessary matters reserved for Board

#### **1.1 ~~Group~~ Chief Executive Officer (CEO)**

The CEO shall fulfil the statutory role of Accounting Officer. The CEO is responsible for the corporate management and overall operational capacity of the Development Corporation, including the strategic management of all of the Development Corporation's staff.

The CEO is appointed the Proper Officer for the purpose of receiving a list of the Development Corporation's politically restricted posts.

The CEO cannot be the Monitoring Officer.

#### **1.2. Monitoring Officer**

Under the provisions of Section 7 of the Tees Valley Combined Authority (Functions) Order 2017, the designation and reports of the Monitoring Officer to the Combined Authority (the Monitoring Officer) shall apply as if the Corporation were a Committee to the Combined Authority. The Monitoring Officer will be responsible for promoting and maintaining the highest standards of conduct. The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration and probity to all Members and provide a comprehensive service to the Development Corporation Board.

The Monitoring Officer to the Development Corporation is appointed the Proper Officer in relation to the following functions under the Local Government Act 1972:

- a) Determination of those reports which should be available for public

inspection prior to a meeting of the Development Corporation Board, the Audit and Risk Committee and any other of the Development Corporation and those which are likely to be heard in private and consequently which should not be released to the public (section 100B (2)).

- b) Provision of documents to the press, additional to committee reports (section 100B(7)).
- c) Preparing written summaries of proceedings (section 100C (2)).
- d) Making arrangements for lists of background papers to reports to be compiled, and for copies of documents on those lists to be made available for public inspection (section 100D (1))
- e) Advising on what may or may not be a background paper for the purposes of reports which are open to public inspection (section 100D (5))
- f) Determination of documents disclosing exempt information which may not be inspected by Members (section 100F (2)).
- g) Signature or authentication of Summonses to the Development Corporation Board (paragraph 4 (1A) (b) of Schedule 12).
- h) Declaration and Certificates with regard to securities (section 146 (1)(a) and(b)).
- i) Deposit of documents (section 225 (1)).
- j) Certifications of photographic copies of documents (section 229 (5)).
- k) Issuing and signing of formal notices (section 234 (1) and (2)).

The Monitoring Officer is also appointed the Proper Officer for the following purposes:-

- l) Certification of copies of resolutions, minutes, other documents.
- m) Exceptions to the overview and scrutiny and publicity requirements relating to key decisions (the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

The Monitoring Officer will maintain an up to date Register of Member's interests and an up to date version of the Constitution and will ensure that it is widely available for consideration by Members, officers and the public.

The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct and be responsible for the receipt and acknowledgement of complaints of failure by a Member of the Development Corporation to comply with the Members Code of Conduct.

The Monitoring Officer cannot be the [Group](#) Chief Executive Officer or the Group Director of Finance & Resources.

### **1.3 Group Director of Finance & Resources**

The Group Director of Finance & Resources has responsibility for ensuring lawfulness and financial prudence of decision making. The Group Director of Finance & Resources is appointed Proper Officer in relation to the following:

- a) receipt of money due from officers (Local Government Act 1972, section 115 (2));and
- b) proper administration of the financial affairs of the Development Corporation.

The Group Director of Finance & Resources will provide advice and guidance to all Members on financial impropriety and budgetary issues and will report to the Development Corporation regarding any proposal, decision or course of action that will involve incurring unlawful expenditure, or that is unlawful and is likely to cause a loss or deficiency on the part of the Development Corporation (including all entities within the Development Corporation Group), or if the Development Corporation, or any of its Group entities, is about to enter an item of account unlawfully.

### **1.4 General**

All officers in whose name reports are submitted to the Development Corporation Board, the Audit & Risk Committee and any workstream established by the Board, shall submit such reports via the Monitoring Officer for:

- a) Compilation and retention of lists of background papers and copies of the relevant documents and reports.
- b) Identifying and determining what are background papers.

## **2. Scheme of Delegation of Functions to Chief Officers**

2.1 Section 101 of the Local Government Act 1972 enables the Development Corporation to delegate the discharge of any of its functions to its officers.

2.2 Section 107D of the Local Democracy, Economic Development and Construction Act 2009 enables the Mayor to arrange for an officer of the Development Corporation to exercise any functions exercisable by the Mayor.

2.3 This part of the Constitution specifies those powers of the Development Corporation and the Mayor which, for the time being, are exercisable from time to time by officers of the Development Corporation, and stating the title of the officer in question by whom the powers are exercisable.

2.4 Chief Officers in the context of this Constitution mean the ~~Group~~ Chief Executive Officer, the Group Director of Finance & Resources.

2.5 The delegated powers of Chief Officers set out in this Scheme may be exercised by other officers authorised by the Chief Officer with the delegated power to act on their behalf and in their name, provided that appropriate administrative procedures are in place to record the authorisation and monitor decisions taken.

2.6 The exercise of delegated powers by officers is required to be in accordance with and subject to:

- a) Statute or other legal requirements, including the principles of public law, the Human Rights Act 1998, statutory guidance and statutory codes of practice;
- b) this Constitution, the Development Corporation Board's Rules of Procedure and Financial Regulations currently in force;
- c) the revenue and capital budgets of the Development Corporation, subject to any variation thereof which is permitted by the Corporation's Financial Regulations; and
- d) any policy or direction of the Development Corporation Board, the Audit & Risk Committee and any workstream established by the Board acting in exercise of the powers delegated to it by the Development Corporation.

2.7 Officers may **not** exercise delegated powers where:

- a) the matter is reserved to the Development Corporation Board, or the Mayor, and is to be exercisable only by them, by law or by this Constitution
- b) the matter is a function which cannot by law be discharged by an officer;
- c) the Development Corporation Board, or a committee, sub-committee or joint committee to which the Development Corporation is a party, has determined that the matter should be discharged otherwise than by an officer.

2.8 Where in relation to an item before the Development Corporation Board, Audit & Risk Committee and any workstream established by the Board, a Chief Officer is given specific authority to determine a particular matter, the officer should ensure that there is an appropriate audit trail to evidence such a determination.

2.9 Any reference in this Scheme of Delegation to any enactment shall include a reference to any amendment or re-enactment of the same.

### 3. General Delegations to all Chief Officers (unless otherwise stated)

GD1 The day to day routine management, supervision and control of services provided for the Development Corporation by staff under its control in accordance with the Rules of Procedure and Financial Regulations of the Development Corporation.

#### Contracts and Accounts

GD2 The disposal of surplus or obsolete equipment to the person submitting the highest quotation up to a limit of £10,000 in value.

GD3 The acceptance of the best value tender or quotation (~~Group~~ **Chief Executive Officer and Group** ~~Group~~ **Director of Finance and Resources**):

a) For the supply of goods, materials or services for which financial provision has been made in the Development Corporation's Budget and that do not exceed £1,000,000, and

b) For building and civil engineering works for which financial provision has been made in the Development Corporation's Budget and that do not exceed £10,000,000

GD4 The invitation of quotations for contracts for the supply of goods, materials or services from at least three persons, subject to financial provision having been made in the Revenue or Capital Budget of the Development Corporation.

GD5 The invitation of quotations for contracts for the execution of works from at least three persons, subject to financial provision having been made in the Revenue or Capital Budget of the Development Corporation.

GD6 The provision of services or the purchase of materials or minor items of equipment for which provision has been made in the revenue estimates.

#### **4. Delegations to the ~~Group~~ Chief Executive Officer**

- CEO1 To discharge the functions of the Group Chief Executive Officer in relation to the Development Corporation.
- CEO2 To engage officers on behalf of the Development Corporation in order to coordinate and carry out its functions.
- CEO3 To discharge any function of the Development Corporation which has not been specifically delegated to another officer or reserved to the Development Corporation Board or Audit Committee whether by law or by this Constitution.
- CEO4 To take all action which is necessary or required in relation to the exercise of any of the Development Corporation's functions or the functions of the Mayor (other than those functions which by law can be exercised only by the Development Corporation or by the Mayor), having regard to the Development Corporation's or Mayor's approved plans, policies or strategies and the Development Corporation's budget, and all enabling legislation.
- CEO5 Take any action which is necessary or required as a matter of urgency in the interests of the Development Corporation, in consultation (where practicable) with the Chair of the Development Corporation Board, the Monitoring Officer and the Group Director of Finance & Resources and the Group Engineering & Programme Director.
- CEO6 Nominate, appoint and remove, in consultation with the Chair of the Development Corporation Board, Development Corporation representatives on the board of companies, trusts and other bodies, and to agree constitutional arrangements for such companies, trusts and other bodies, and give any necessary consent required within their relevant constitutions.
- CEO7 To authorise any named officer of the Development Corporation to exercise functions delegated to the ~~Group~~ Chief Executive Officer, the Group Director of

Finance & Resources or the Monitoring Officer, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

CE08 Authentication of documents and the use of the corporate seal, following appropriate consultation with the Monitoring Officer and Chair of the Board

## **5. Delegations to the Group Director of Finance & Resources**

DoFR1 To effect the proper administration of the Development Corporation's financial affairs particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control generally.

DoFR2 After consulting, so far as practicable with the ~~Group~~ Chief Executive Officer, the Engineering & Programme Director and the Monitoring Officer, to report to the Development Corporation Board if it appears to him/her that a decision has been made, or is about to be made which involves or would involve the Development Corporation incurring unlawful expenditure, or that a course of action has been taken or is about to be taken which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Corporation, or that an item of account is about to be made which is unlawful. Such a report will have the effect of prohibiting the proposal, decision or other action being implemented until the report has been considered.

DoFR3 The taking of all action required on borrowing, investment and financing subject to the submission to the Development Corporation Board of an annual report of the Group Director of Finance & Resources on Treasury Management activities at six-monthly intervals in accordance with CIPFA's Code of Practice for Treasury Management and Prudential Codes.

DoFR4 To effect all insurance cover required in connection with the business of the Development Corporation and to settle all claims under such insurances arranged for the Development Corporation's benefit.

DoFR5 To discharge the functions of the Development Corporation under the Accounts and Audit (England)

Regulations 2015 (with the exception of Regulations 6(2), 9(2) and 20(1)).

- DoFR6 To be the officer nominated, or to nominate in writing another officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any Regulations made thereunder.
- DoFR7 To exercise the responsibilities assigned to the Group Director of Finance & Resources in the Development Corporation's financial arrangements and procedures and in its Procurement Policy.
- DoFR8 To authorise any named Officer of the Development Corporation to exercise functions delegated to the Group Director of Finance & Resources, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

## **6. Delegations to the Monitoring Officer**

MO1 The Monitoring Officer is authorised to:

- a) institute, prosecute, defend, withdraw, conduct, settle or appeal any administrative action and/or any legal proceedings on behalf of the Development Corporation;
- b) negotiate, issue, conclude and/or sign or execute any notice, document or agreement in any case where such action will facilitate, or be conducive or incidental to the carrying out of any decisions of the Development Corporation Board; or in any case where the Monitoring Officer considers that such action is necessary to protect the Development Corporation's interests, or to further or achieve the objectives of the Development Corporation; and
- c) settle or otherwise compromise any such administrative action or legal proceedings if they have been commenced or there are reasonable grounds for believing such actions or proceedings may be contemplated.

MO2 Authentication of documents and the use of the corporate seal.

MO3 After consulting, so far as practicable, with the Group Chief Executive Officer, Group Director of Finance & Resources, the Monitoring Officer will report to the Development Corporation Board if he/she considers that any proposal, decision or omission has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law or any maladministration or failure as determined following an investigation by the Local Government Ombudsman. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

MO4 To accept on behalf of the Development Corporation Board in-year changes to the membership of the Audit & Risk Committee and other workstreams established by the Board.

MO5 To make minor changes to the Constitution and its associated documents in order to reflect organisational or legislative change when the power remains unaltered.

MO6 To make any textual or grammatical corrections to the Constitution and its associated documents.

### **Supporting the Standards Regime**

MO7 To receive and acknowledge complaints of failure to comply with the Members' Code of Conduct under the Development Corporation's adopted local standards arrangements.

MO8 To review complaints received in respect of any alleged breach by a Member of the Code of Conduct for Members and to act in accordance with the Development Corporation's adopted local arrangements.

MO9 The Monitoring Officer will, where considered appropriate, either conduct or arrange for investigations to be conducted into alleged breaches of the Members' Code of Conduct referred to him/her.

MO10 The Monitoring Officer will undertake informal resolution of such complaints in accordance with the Development Corporation's adopted local arrangements.

- M11 To authorise any named Officer of the Development Corporation to exercise functions delegated to the Monitoring Officer, including the functions of a consultee in relation to the exercise of an Officer's delegated powers.

## Contact

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Hartlepool  
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Corporation

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**Changes to legislation:** Localism Act 2011, SCHEDULE 21 is up to date with all changes known to be in force on or before 22 May 2025. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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## SCHEDULES

### SCHEDULE 21

Section 198

#### MAYORAL DEVELOPMENT CORPORATIONS

##### *Membership*

- 1 (1) A Mayoral development corporation (“MDC”) is to consist of such number of members (being not less than six) as the Mayor of London (“the Mayor”) may from time to time appoint.
- (2) The Mayor must, subject to sub-paragraph (5), exercise the Mayor's power under sub-paragraph (1) so as to secure that the members of an MDC include at least one elected member of each relevant London council.
- (3) For the purposes of this Schedule—
- (a) “London council” means a London borough council or the Common Council of the City of London, and
  - (b) a London council is “relevant” in relation to an MDC if any part of the MDC's area is within the council's area.
- (4) The Mayor must appoint one of the members of an MDC to chair the MDC.
- (5) In appointing a person to be a member of an MDC, the Mayor—
- (a) must have regard to the desirability of appointing a person who has experience of, and has shown some capacity in, a matter relevant to the carrying-out of the MDC's functions, and
  - (b) must be satisfied that the person will have no financial or other interest likely to affect prejudicially the exercise of the person's functions as member.
- (6) The Mayor may require any person whom the Mayor proposes to appoint as a member to provide such information as the Mayor considers necessary for the purposes of sub-paragraph (5)(b).

##### **Modifications etc. (not altering text)**

- C1** Sch. 21 para. 1 corresponding functions conferred (3.3.2017) by [The Tees Valley Combined Authority \(Functions\) Order 2017 \(S.I. 2017/250\)](#), arts. 1(2), **3(1)(m)** (with arts. 5(1), 9(1))
- C2** Sch. 21 para. 1: functions made exercisable (20.12.2023) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(2), **10**
- C3** Sch. 21 paras. 1-4: functions made exercisable (7.5.2024) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(3), **27(1)-(3)**

##### *Terms of appointment of members*

- 2 (1) Subject as follows, a member of an MDC holds and vacates office in accordance with the member's terms of appointment.

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- (2) A member may resign by serving notice on the Mayor.
- (3) A person appointed to chair an MDC—
  - (a) may resign that appointment, whether or not the person also resigns from membership of the MDC, by serving notice on the Mayor;
  - (b) ceases to hold that appointment if the person ceases to be a member of the MDC.
- (4) A person who—
  - (a) ceases to be a member of an MDC, or
  - (b) ceases to be the person appointed to chair an MDC,
 is eligible for reappointment.
- (5) The Mayor may remove a member of an MDC if—
  - (a) the member has been absent from meetings of the MDC for more than 3 months without the permission of the MDC,
  - (b) the member has become bankrupt or has made an arrangement with the member's creditors,
  - (c) a debt relief order is made in respect of the member (see Part 7A of the Insolvency Act 1986) or the member is a person in respect of whom a debt relief restrictions order has effect (see Schedule 4ZB to that Act),
  - (d) the member has since being appointed ceased to be an elected member of a relevant London council and the Mayor wishes to appoint an elected member of that council to be a member of the MDC in the member's place, or
  - (e) in the opinion of the Mayor, the member has failed to comply with the member's terms of appointment or is otherwise unable, unfit or unsuitable to exercise the member's functions as a member of the MDC.

**Modifications etc. (not altering text)**

- C3** Sch. 21 paras. 1-4: functions made exercisable (7.5.2024) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(3), **27(1)-(3)**
- C4** Sch. 21 para. 2 corresponding functions conferred (3.3.2017) by [The Tees Valley Combined Authority \(Functions\) Order 2017 \(S.I. 2017/250\)](#), arts. 1(2), **3(1)(n)** (with arts. 5(1), 9(1))
- C5** Sch. 21 para. 2: functions made exercisable (20.12.2023) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(2), **10**

*Staff*

- 3 (1) Before an MDC appoints staff it must obtain the Mayor's agreement to the terms and conditions on which the appointments are to be made.
- (2) An MDC's power to appoint a chief executive may, in the case of the MDC's first chief executive, be exercised by the Mayor.
- (3) An MDC's chief executive is a member of its staff.

**Modifications etc. (not altering text)**

- C3** Sch. 21 paras. 1-4: functions made exercisable (7.5.2024) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(3), **27(1)-(3)**

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- C6** Sch. 21 para. 3 corresponding functions conferred (3.3.2017) by [The Tees Valley Combined Authority \(Functions\) Order 2017 \(S.I. 2017/250\)](#), arts. 1(2), **3(1)(o)** (with arts. 5(1), 9(1))
- C7** Sch. 21 para. 3: functions made exercisable (20.12.2023) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(2), **10**

*Remuneration etc: members and staff*

- 4 (1) An MDC may pay to or in respect of its members—
- (a) remuneration,
  - (b) travelling and other allowances, and
  - (c) sums by way of, or in respect of, pensions and gratuities.
- (2) The Mayor is to determine rates and eligibility criteria for payments under sub-paragraph (1).
- (3) If the Mayor thinks that there are special circumstances that make it right to compensate a person on ceasing to be a member of an MDC, the MDC may pay compensation determined by the Mayor.
- (4) Payments under sub-paragraph (1) or (3), other than travelling and subsistence allowances, are not to be made to a member of an MDC who is also a member of the London Assembly, but this does not prevent payment of an allowance under sub-paragraph (1) to the person appointed to chair an MDC in respect of that office.
- (5) An MDC may pay to or in respect of its staff—
- (a) remuneration,
  - (b) travelling and other allowances, and
  - (c) sums by way of, or in respect of, pensions and gratuities.
- (6) Rates and eligibility criteria for payments made by an MDC under sub-paragraph (5) are to be determined by the MDC with the agreement of the Mayor.
- (7) In this paragraph “member” includes former member and “staff” includes former staff.

**Modifications etc. (not altering text)**

- C3** Sch. 21 paras. 1-4: functions made exercisable (7.5.2024) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(3), **27(1)-(3)**
- C8** Sch. 21 para. 4 corresponding functions conferred (3.3.2017) by [The Tees Valley Combined Authority \(Functions\) Order 2017 \(S.I. 2017/250\)](#), arts. 1(2), **3(1)(p)** (with arts. 5(1), 9(1))
- C9** Sch. 21 para. 4: functions made exercisable (20.12.2023) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(2), **10**

*Status*

- 5 (1) An MDC (and any member of an MDC or of an MDC's staff)—
- (a) is not the servant or agent of the Crown, and
  - (b) does not share any immunity or privilege of the Crown.
- (2) An MDC's property is not to be regarded as property of, or property held on behalf of, the Crown.

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### *Committees*

- 6 (1) An MDC may establish committees.
- (2) A committee may establish sub-committees.
- (3) A committee or sub-committee may, with the agreement of the Mayor, include persons who are not members of the MDC.

#### **Modifications etc. (not altering text)**

- C10** Sch. 21 para. 6 corresponding functions conferred (3.3.2017) by [The Tees Valley Combined Authority \(Functions\) Order 2017 \(S.I. 2017/250\)](#), arts. 1(2), **3(1)(q)** (with arts. 5(1), 9(1))
- C11** Sch. 21 para. 6: functions made exercisable (20.12.2023) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(2), **10**
- C12** Sch. 21 para. 6: functions made exercisable (7.5.2024) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(3), **27(1)-(3)**

### *Delegation*

- 7 (1) An MDC may delegate any of its functions to any of its members, committees or staff.
- (2) A committee of an MDC may delegate any function conferred on it to—
- (a) any member of the MDC,
  - (b) any sub-committee of the committee, or
  - (c) any of the MDC's staff.
- (3) A sub-committee of a committee of an MDC may delegate any function conferred on it to—
- (a) any member of the MDC, or
  - (b) any of the MDC's staff.

### *Proceedings and meetings*

- 8 (1) An MDC may, subject to any directions given by the Mayor, decide—
- (a) its own procedure,
  - (b) the procedure of any of its committees, and
  - (c) the procedure of any sub-committee of any of its committees.
- (2) Subject to sub-paragraph (1), a committee may decide the procedure of any of its sub-committees.
- (3) Subject to sub-paragraphs (1) and (2), a committee or sub-committee may decide its own procedure.
- (4) In this paragraph “procedure” includes quorum.

#### **Modifications etc. (not altering text)**

- C13** Sch. 21 para. 8 corresponding functions conferred (3.3.2017) by [The Tees Valley Combined Authority \(Functions\) Order 2017 \(S.I. 2017/250\)](#), arts. 1(2), **3(1)(r)** (with arts. 5(1), 9(1))

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- C14** Sch. 21 para. 8: functions made exercisable (20.12.2023) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(2), **10**
- C15** Sch. 21 para. 8: functions made exercisable (7.5.2024) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(3), **27(1)-(3)**

- 9 The validity of any proceeding of an MDC is not affected by—
- (a) its having fewer than six members,
  - (b) there being no person appointed to chair it,
  - (c) its members not including at least one elected member of each relevant London council, or
  - (d) any defect in the appointment of any of its members or of the person appointed to chair it.

*Annual report (and “financial year”)*

- 10 (1) As soon as reasonably practicable after the end of each financial year, an MDC must—
- (a) prepare an annual report on how it has exercised its functions during the year,
  - (b) include in the report a copy of its audited statement of accounts for the year, and
  - (c) send a copy of the report to the Mayor and to the London Assembly.
- (2) “Financial year”, in relation to an MDC, means a period of 12 months ending with 31 March.

*Seal etc*

- 11 (1) The application of an MDC's seal is to be authenticated by—
- (a) the person appointed to chair the MDC, or
  - (b) another member of the MDC, or some other person, authorised (generally or specially) for that purpose.
- (2) A document purporting to be duly executed under the seal of an MDC or signed on its behalf—
- (a) is to be received in evidence, and
  - (b) is to be treated as so executed or signed unless the contrary is shown.

*House of Commons Disqualification Act 1975 (c. 24)*

- 12 In Part 2 of Schedule 1 to the House of Commons Disqualification Act 1975 (bodies all of whose members are disqualified) at the appropriate place insert— “  
A Mayoral development corporation (see section 198 of the Localism Act 2011).”

**Changes to legislation:**

Localism Act 2011, SCHEDULE 21 is up to date with all changes known to be in force on or before 22 May 2025. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to :**

- s. 158(8)-(9B) substituted for s. 158(8)(9) by [2016 c. 22 s. 121\(2\)\(e\)](#)
- s. 202(3A) inserted by [2023 c. 55 s. 176\(2\)](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 158(8)-(9B) substituted for s. 158(8)(9) by [2016 c. 22 s. 121\(2\)\(e\)](#)
- s. 202(3A) inserted by [2023 c. 55 s. 176\(2\)](#)

*Draft Order laid before Parliament under section 117(2) of the Local Democracy, Economic Development and Construction Act 2009, for approval by resolution of each House of Parliament.*

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DRAFT STATUTORY INSTRUMENTS

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**2017 No.**

**LOCAL GOVERNMENT, ENGLAND**

**The Tees Valley Combined Authority (Functions) Order 2017**

*Made - - - -*

*Coming into force in accordance with article 1*

The Secretary of State makes the following Order in exercise of the powers conferred by sections 105(3), 105A(1)(b) and (2)(a), 107D(1), 114(1) and (3) and 117(5) of the Local Democracy, Economic Development and Construction Act 2009(1) (“the 2009 Act”).

In accordance with section 105B(1)(b) of the 2009 Act(2)—

- (a) the councils whose local government areas are comprised in the area of the Tees Valley Combined Authority and the Tees Valley Combined Authority have consented to the making of this Order(3), and
- (b) the Secretary of State considers that the making of this Order is likely to improve the exercise of statutory functions in the area to which this Order relates.

The Secretary of State, having had regard to a scheme prepared and published under section 112 of the 2009 Act(4), considers that—

- (a) the making of this Order is likely to improve the exercise of statutory functions in the area to which this Order relates, and
- (b) any consultation required by section 113(2) of the 2009 Act(5) has been carried out.

In accordance with section 113(3) of the 2009 Act, in making this Order, the Secretary of State has had regard to the need to reflect the identities and interests of local communities, and the need to secure effective and convenient local government.

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to section 117(2) of the 2009 Act.

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- (1) 2009 c. 20. Section 105A was inserted by section 7 of the Cities and Local Government Devolution Act 2016 (c. 1) (“the 2016 Act”). Section 114 was amended by section 23 of, and paragraphs 17 and 26 to, the 2016 Act. Section 107D was inserted by section 4 of the 2016 Act. Section 117 was amended by section 13 of the Localism Act 2011 and Schedule 5 to the 2016 Act.
  - (2) Section 105B was inserted by section 7 of the 2016 Act.
  - (3) This Order relates to the area of the Tees Valley Combined Authority, which was established by the Tees Valley Combined Authority Order 2016 (S.I. 2016/449). Article 2 of S.I. 2016/449 defines the “combined area” as the area consisting of the areas of the constituent councils, who are the local government areas of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees.
  - (4) Section 112 was amended by sections 6 and 23 of, and paragraphs 17 and 23 of Schedule 5 to, the 2016 Act.
  - (5) Section 113 was amended by sections 12, 14 and 23 of, and paragraph 24 of Schedule 5 to, the 2016 Act.

In accordance with section 105B(9) of the 2009 Act the Secretary of State has laid before Parliament a report explaining the effect of this Order and why the Secretary of State considers it appropriate to make this Order.

Accordingly the Secretary of State makes the following Order:

### **Citation and commencement**

1.—(1) This Order may be cited as the Tees Valley Combined Authority (Functions) Order 2017.

(2) Save as provided in paragraph (3) this Order comes into force on the day after the day on which it is made.

(3) Article 5(1) comes into force on 8th May 2017.

### **Interpretation**

2. In this Order—

“the 1989 Act” means the Local Government and Housing Act 1989<sup>(6)</sup>;

“the 1999 Act” means the Greater London Authority Act 1999<sup>(7)</sup>;

“the 2003 Act” means the Local Government Act 2003<sup>(8)</sup>;

“the 2009 Act” means the Local Democracy, Economic Development and Construction Act 2009;

“the 2011 Act” means the Localism Act 2011<sup>(9)</sup>;

“combined area” means the area of the Combined Authority;

“Combined Authority” means the Tees Valley Combined Authority;

“constituent council” means the councils for the local government areas of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-On-Tees.

“Corporation” means a corporation established by the Secretary of State in accordance with the provisions in section 198 of the 2011 Act following the designation of an area of land by the Combined Authority; and

“Mayor” means the mayor for the combined area<sup>(10)</sup> except in the term “the Mayor of London”.

### **Conferral of functions on the Combined Authority**

3.—(1) The Combined Authority shall have in relation to the combined area functions corresponding to the following functions contained in the provisions in the 2011 Act, that the Mayor of London has in relation to Greater London—

(a) section 197 (designation of Mayoral development areas);

(b) section 199 (exclusion of land from Mayoral development areas);

(c) section 200 (transfers of property etc to a Mayoral development corporation);

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<sup>(6)</sup> 1989 c 42.

<sup>(7)</sup> 1999 c. 29.

<sup>(8)</sup> 2003 c. 26.

<sup>(9)</sup> 2011 c. 20.

<sup>(10)</sup> Article 3 of the Tees Valley Combined Authority (Election of Mayor) Order 2016 (S.I. 2016/783) provides for there to be a mayor for the combined area.

- (d) section 202 (functions in relation to town and country planning);
- (e) section 204 (removal or restriction of planning functions);
- (f) section 214 (powers in relation to discretionary relief from non-domestic rates);
- (g) section 215 (reviews);
- (h) section 216 (transfers of property, rights and liabilities);
- (i) section 217 (dissolution: final steps);
- (j) section 219 (guidance by the Mayor);
- (k) section 220 (directions by the Mayor);
- (l) section 221 (consents);
- (m) paragraph 1 of Schedule 21 (membership);
- (n) paragraph 2 of Schedule 21 (terms of appointment of members);
- (o) paragraph 3 of Schedule 21 (staff);
- (p) paragraph 4 of Schedule 21 (remuneration etc: members and staff);
- (q) paragraph 6 of Schedule 21 (committees); and
- (r) paragraph 8 of Schedule 21 (proceedings and meetings).

(2) The exercise by the Combined Authority of the functions corresponding to the functions contained in section 197 (designation of Mayoral development areas) of the 2011 Act requires the consent of all members of the Combined Authority appointed by the constituent councils, or substitute members acting in place of those members, whose local government area contains any part of the area to be designated as a Mayoral development area.

(3) The exercise by the Combined Authority of the functions corresponding to the functions contained in section 199 (exclusion of land from Mayoral development areas) of the 2011 Act in respect of any Mayoral development area requires the consent of all members of the Combined Authority appointed by the constituent councils, or substitute members acting in place of those members, whose local government area contains any part of the area to be excluded from a Mayoral development area.

(4) The exercise by the Combined Authority of the functions corresponding to the functions contained in section 202(2) to (4) of the 2011 Act (functions in relation to town and country planning) in respect of any Mayoral development area requires the consent of—

- (a) the North York Moors National Park Authority, if the Combined Authority proposes to exercise the functions in respect of the whole or any part of the area of the North York Moors National Park Authority<sup>(11)</sup>;
- (b) each member of the Combined Authority appointed by a constituent council, or a substitute member acting in place of that member, whose local government area contains the whole or any part of the area in respect of which the Combined Authority proposes to exercise the functions.

(5) For the purposes of paragraphs (2), (3) and (4)(b), the consent must be given at a meeting of the Combined Authority.

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<sup>(11)</sup> The North York Moors National Park Authority was established by article 3 of the National Park Authorities (England) Order 1996 (S.I. 1996/1243), as amended by S.I. 1996/2546, 1997/633, 1999/416, 2006/3165, 2009/557, 2009/837, 2010/490 and 2014/571. Article 3 of S.I. 1996/1243 was restated in article 3 of the National Park Authorities (England) Order 2015 (S.I. 2015/770).

### Application of provisions in the 2011 Act

4.—(1) Chapter 2 of Part 8 of the 2011 Act (Mayoral development corporations) applies to the Combined Authority as it applies in relation to the Mayor of London, with the modifications made by the Schedule.

(2) Chapter 2 of Part 8 of the 2011 Act applies to a Corporation as it applies in relation to a Mayoral development corporation, with the modifications made by the Schedule.

(3) Subject to paragraph (7), in any enactment passed or made on or before the date on which article 1(2) comes into force—

- (a) any reference to a Mayoral development corporation; or
- (b) any reference which falls to be read as a reference to a Mayoral development corporation,

is to be treated as including a reference to a Corporation.

(4) For the purposes of any transfer scheme under any provisions of the 2011 Act applied with modifications by this Order, paragraph 9 of Schedule 24 to the 2011 Act (transfers under scheme under section 200(1) or (4) or 216(1)) applies in relation to—

- (a) any property, rights or liabilities transferred to or from a Corporation in accordance with a transfer scheme; or
- (b) anything done for the purposes of, or in relation to, or in consequence of, the transfer of any property, rights or liabilities to or from a Corporation in accordance with such a transfer scheme,

as it applies in relation to a Mayoral development corporation.

(5) For the purposes of establishing a Corporation, giving the Corporation a name, giving effect to any decisions notified to the Secretary of State under sections 199(4) (exclusion of land from Mayoral development areas), 202(8) (decisions about planning functions) or 214(6) (powers in relation to discretionary relief from non-domestic rates) of the 2011 Act or in relation to the transfer of land to or from a Corporation under any provision of the 2011 Act, applied with modifications by this Order, the provisions in section 235 of the 2011 Act (orders and regulations) apply in relation to—

- (a) the power of a Minister of the Crown to make an order under sections 198(2) (mayoral development corporations: establishment) and 200(6) (transfers of property etc to a Mayoral development corporation) of that Act; and
- (b) the power of the Treasury to make regulations under paragraph 9(2) of Schedule 24 to that Act,

as they apply in relation to the establishment of a Mayoral development corporation, giving the corporation a name, giving effect to any decisions notified to the Secretary of State under sections 199(4), 202(8) or 214(6) of the 2011 Act or in relation to the transfer of land to or from a Mayoral development corporation.

(6) In this article “transfer scheme” means a transfer scheme under section 200(1) or (4) or 216(1) of the 2011 Act.

(7) Paragraph (3) does not apply to—

- (a) paragraph 9(8)(a) of Schedule 2 to the Channel Tunnel Rail Link Act 1996 (works: further and supplementary provisions)(**12**);
- (b) section 31(1A) of the 1999 Act (limits of the general power)(**13**);

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(12) 1996 c 61. Paragraph 9(8) of Schedule 2 was amended by paragraph 43 of Schedule 22 to the 2011 Act.

(13) Section 31 was amended by section 186 of, and paragraphs 44 and 45 of Schedule 22 and Parts 31 and 32 of Schedule 25 to, the 2011 Act, section 33 of the Infrastructure Act 2015 (c. 7) and article 2 of S.I. 2012/1530.

- (c) section 38 of the 1999 Act (delegation)(14);
- (d) section 60A(3) of the 1999 Act (confirmation hearings etc for certain appointments by the Mayor)(15);
- (e) section 68(6) of the 1999 Act (disqualification and political restriction)(16);
- (f) section 73 of the 1999 Act (monitoring officer)(17);
- (g) section 424 of the 1999 Act (interpretation)(18);
- (h) section 24(4) of the Planning and Compulsory Purchase Act 2004 (conformity with spatial development strategy)(19); and
- (i) paragraph 8(8)(a) of Schedule 2 to the Crossrail Act 2008 (works: further and supplementary provisions)(20).

### Functions exercisable only by the Mayor

5.—(1) The functions conferred by article 3(1) shall be general functions exercisable only by the Mayor(21).

(2) Anything which, immediately before 8th May 2017, is in the process of being done by or in relation to the Combined Authority or by or in relation to a constituent council for the purposes of or in connection with the functions mentioned in article 3(1) is to be treated as having been done by or in relation to the Mayor.

### Incidental provisions

6. The following provisions of the 1989 Act(22) shall apply in relation to a Corporation as if it were a local authority—

- (a) section 1 (disqualification and political restriction of certain officers and staff)(23); and
- (b) sections 2 and 3A (politically restricted posts and exemptions from restriction) (24) so far as they have effect for the purposes of that section.

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- (14) Section 38 was amended by paragraphs 36 and 37 of Schedule 19, paragraphs 4 and 5 of Schedule 20, paragraphs 44 and 46 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act, section 28 of the Growth and Infrastructure Act 2013 (c. 27) and article 2 of S.I. 2012/1530.
  - (15) Section 60A was inserted by section 4 of the Greater London Authority Act 2007 (c. 24) and amended by section 224 of the Planning Act 2008 (c. 29), section 20 of the Police Reform and Social Responsibility Act 2011 (c. 13), paragraphs 44 and 47 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act and articles 1, 2 and 36 of S.I. 2008/2038.
  - (16) Section 68 was amended by paragraphs 44 and 48 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act.
  - (17) Section 73 was amended by sections 7 and 9 of, and Schedule 2 to, the Greater London Authority Act 2007 (c. 24), paragraph 16 of Part 2 of Schedule 12 to the Local Government and Public Involvement in Health Act 2007 (c. 28), paragraphs 36 and 38 of Schedule 19, paragraphs 44 and 49 of Schedule 22, Part 32 of Schedule 25 to the 2009 Act and paragraphs 1 and 5 of Part 1 of the Schedule to S.I. 2000/1435.
  - (18) Section 424 was amended by section 1159 of the Companies Act 2006 (c. 46), sections 11, 12, 21, 22 of the Greater London Authority Act 2007 (c. 24), section 3 of the Police Reform and Social Responsibility Act 2011 and paragraphs 44 and 52 of Schedule 22 and Part 32 of Schedule 25 to the 2011 Act.
  - (19) 2004 c. 5. Section 24 was amended by paragraphs 54 and 55 of Schedule 22 to the 2011 Act.
  - (20) 2008 c. 18. Paragraph 8 of Schedule 2 to the Crossrail Act 2008 was amended by paragraph 58 of Schedule 22 to the 2011 Act.
  - (21) Section 107D(2) of the 2009 Act provides that in Part 6 of that Act references to “general functions”, in relation to a mayor for the area of a combined authority, are to any functions exercisable by the mayor other than police and crime commissioner functions.
  - (22) 1989 c 42.
  - (23) Section 1 was amended by section 80 of the Local Government Act 1972 (c. 70), Part 3 of Schedule 1 to the House of Commons Disqualification Act 1975 (c. 24) and paragraphs 199 and 200 of Part 2 of Schedule 16 to the Police Reform and Social Responsibility Act 2011 (c. 13).
  - (24) Section 3A was inserted by section 202(2) of the Local Government and Public Involvement in Health Act 2007 (c. 28) and amended by Part 1 of Schedule 7 to the 2009 Act and paragraph 4 of Part 1 of Schedule 25 to the Localism Act 2011.

7. Section 5(25) of the 1989 Act (designation and reports of monitoring officer) shall apply in relation to the Combined Authority as if a Corporation were a committee of the Authority.

8. Section 32 of the 2003 Act shall apply in relation to expenditure of a Corporation but as if—
- (a) each reference to a functional body were a reference to a Corporation;
  - (b) each reference to the Greater London Authority were a reference to the Combined Authority;
  - (c) each reference to the Mayor of London were a reference to the Mayor; and
  - (d) subsection (7) were omitted.

### Transitional provisions

9.—(1) Until 8th May 2017 the functions conferred by article 3(1) shall be exercised only by the chairman of the Combined Authority(26).

(2) Anything which, immediately before the day on which article 3(1) comes into force is in the process of being done by or in relation to the Combined Authority or by or in relation to a constituent council for the purposes of or in connection with the functions mentioned in article 3(1) is to be treated as having been done by or in relation to the chairman of the Combined Authority.

(3) Before the chairman of the Combined Authority designates an area of land, under functions corresponding to the functions contained in section 197 of the 2011 Act, the chairman must refer the proposal to one of the Combined Authority’s overview and scrutiny committees(27) for consideration.

(4) Before an area of land is designated as a Mayoral development area the chairman of the Combined Authority must have regard to any report or recommendation made by any of the Combined Authority’s overview and scrutiny committees.

### Funding

10.—(1) The constituent councils must ensure that the costs of the Combined Authority reasonably attributable to the exercise of the functions mentioned in article 3 are met.

(2) Subject to paragraph (4), the constituent councils must meet the costs of the expenditure reasonably incurred by the Mayor in, or in connection with, the exercise of the functions specified in article 3, to the extent that the Mayor has not decided to meet these costs from other resources available to the Combined Authority.

(3) Any amount payable by each of the constituent councils to ensure that the costs of the Combined Authority referred to in paragraphs (1) and (2) are met is to be determined by apportioning the costs of the Combined Authority referred to in paragraph (1) between the constituent councils in

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(25) Section 5 was amended by Part 1 of Schedule 4 to the Police and Magistrates Courts Act 1994 (c. 29), paragraph 1 of Schedule 7 to the Police Act 1996 (c. 16), section 132 of the 1999 Act, paragraph 24 of Schedule 5 to the Local Government Act 2000 (c. 22), paragraph 14 of Part 2 to Schedule 12 and Part 14 of Schedule 18 to the Local Government and Public Involvement in Health Act 2007 (c. 28), paragraphs 12 and 13 of Schedule 14 and Part 4 of Schedule 22 to the Marine and Coastal Access Act 2009 (c. 23), paragraphs 199 and 202 of Part 3 of Schedule 16 to the Police Reform and Social Responsibility Act 2011 (c. 13) and articles 1(2), 2(1) and 23(1)(a) to (f) of S.I. 2001/2237.

(26) Paragraph 2(1) of Schedule 1 to S.I 2016/449 provides that the Combined Authority must in each year appoint a chairman from among its members, at the first meeting of the Combined Authority, and in subsequent years at the annual meeting of the Combined Authority.

(27) Paragraph 1 of Schedule 5A to the 2009 Act provides that a combined authority must arrange for the appointment by the authority of one or more committees of the authority to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the authority. Paragraph 1(2)(c) of Schedule 5A provides that the combined authority’s arrangements must ensure that the combined authority’s overview and scrutiny committee has power (or its overview and scrutiny committees) have power between them to make reports or recommendations to the authority on matters that affect the authority’s area or the inhabitants of the area.

such proportions as they may agree or, in default of such agreement, in the following shares between the constituent councils—

Darlington 15.80%

Hartlepool 14.67%

Middlesbrough 20.89%

Redcar and Cleveland 20.97%

Stockton-on-Tees 27.67%.

(4) In relation to the expenditure mentioned in paragraph (2)—

(a) to the extent to which such expenditure is met by amounts payable under arrangements made under paragraph (3)—

(i) the Mayor must agree with the Combined Authority the total expenditure mentioned in paragraph (2) in advance of incurring this expenditure; and

(ii) in the absence of the agreement specified in paragraph (i), no such expenditure may be incurred;

(b) any precept issued in relation to such expenditure under section 40 of the Local Government Finance Act 1992 (issue of precepts by major precepting authorities)**(28)** is to be disregarded from any calculation of the costs of the expenditure.

(5) For the purposes of this article the relevant date in relation to a payment for a financial year is 30th June in the financial year which commenced two years prior to the financial year in which such payment is made.

Signed by authority of the Secretary of State for Communities and Local Government

Date

*Name*  
Parliamentary Under Secretary of State  
Department for Communities and Local  
Government

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**(28)** c. 14. Section 40 was amended by section 83 of the 1999 Act, section 79 of, and paragraph 7 of Schedule 17 to, the Localism Act 2011 and section 5 of the 2016 Act.

SCHEDULE

Article 4(1) and (2)

Modification of the 2011 Act

1.—(1) Part 8 of the 2011 Act (Mayoral development corporations) is modified in accordance with the following provisions.

(2) Section 196 of the 2011 Act (interpretation of Chapter) is to be read as if—

(a) ““the Mayor” means the Mayor of London” is omitted; and

(b) at the appropriate places there were inserted—

““the combined area” means the area of the Combined Authority;”;

““Combined Authority” means the Tees Valley Combined Authority established by the Tees Valley Combined Authority Order 2016 **(29)**;”;

““Corporation” means a corporation established by the Secretary of State in accordance with the provisions in section 198 following the designation of an area of land by the Combined Authority;”;

““National Park” means a National Park mentioned in column 1 of Part 1 of Schedule 1 to the National Park Authorities (England) Order 2015**(30)**;”;

““National Park authority” means a National Park authority for a National Park. ”.

(3) Sections 196 to 222 of the 2011 Act shall have effect as if for every reference to—

(a) “the Greater London Authority” there were substituted “the Combined Authority”;

(b) “the Mayor” there were substituted “the Combined Authority”, except for the two occurrences in section 197(3)(e); and

(c) “MDC” there were substituted “Corporation”.

(4) Section 197 of the 2011 Act (designation of Mayoral development areas) shall have effect as if—

(a) in subsection (1) for “Greater London” there were substituted “the combined area”;

(b) in subsection (3)—

(i) in paragraph (a) for “any one or more of the Greater London Authority’s principal purposes” there were substituted “economic development and regeneration in the combined area**(31)**”,

(ii) in paragraph (d) for “the London Assembly” there were substituted “the Combined Authority” and for “subsection (4)(d), (e), (f) or (g)” there were substituted “subsection 4(d) and (e)”, and

(iii) in subsection (f) for “the London Assembly” there were substituted “the Combined Authority”;

(c) in subsection (4)—

(i) in paragraph (a) for “the London Assembly” there were substituted “the Combined Authority”,

(ii) paragraph (b) were omitted,

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**(29)** [S.I. 2016/449](#).

**(30)** [S.I. 2015/770](#).

**(31)** Article 7 of, and Schedule 2 to, the Tees Valley Combined Authority Order 2016 confer on the Combined Authority functions exercisable for the purpose of economic development and regeneration.

- (iii) in paragraph (d) for “each London borough council whose borough” there were substituted a reference to “each district council or county council whose local government area”,
- (iv) in paragraph (e) for “the Common Council of the City of London if any part of the area is within the City” there were substituted “a National Park authority if any part of the area is within the National Park”,
- (v) paragraphs (f) and (g) were omitted;
- (d) in subsection (5)—
  - (i) in paragraph (a) for “the London Assembly” there were substituted “the Combined Authority”,
  - (ii) in paragraph (b)(i) for “the Assembly” there were substituted “the Combined Authority”,
  - (iii) in paragraph (b)(ii) for “the Assembly members voting” there were substituted “all members of the Combined Authority who are appointed by the constituent councils (including substitute members, acting in place of those members) present and voting on that motion”;
- (e) in subsection (6)(c) for “Mayoral development corporation” there were substituted “Corporation”; and
- (f) subsection (7) were omitted.
- (5) Section 198 of the 2011 Act (Mayoral development corporations: establishment) shall have effect as if—
  - (a) in the heading for “Mayoral development corporation” there were substituted “Corporation”; and
  - (b) for every other reference to “Mayoral development corporation” there were substituted “Corporation”.
- (6) Section 199 of the 2011 Act (exclusion of land from Mayoral development areas) shall have effect as if in subsection (2) for “the London Assembly” there were substituted “the Combined Authority”.
- (7) Section 200 of the 2011 Act (transfers of property etc to a Mayoral development corporation) shall have effect as if—
  - (a) in subsection (3)—
    - (i) in paragraph (a), for “a London borough council” there were substituted a reference to “a district council or county council wholly or partly in the combined area”,
    - (ii) paragraph (b) were omitted,
    - (iii) in paragraphs (d) and (e), for “in Greater London” there were substituted a reference to “in the combined area”,
    - (iv) paragraphs (f) to (h) were omitted, and
    - (v) paragraph (k) were omitted;
  - (b) in subsection (4) paragraph (b) were omitted;
  - (c) subsection (7) were omitted;
  - (d) subsection (8) were omitted; and
  - (e) in subsection (10) the definitions of a “functional body” and “public authority” were omitted.

(8) Section 201 of the 2011 Act (object and powers) shall have effect as if subsection (8)(b) were omitted.

(9) Section 202 of the 2011 Act (functions in relation to town and country planning) shall have effect as if—

(a) in subsection (7)(c) for “the London Assembly” there were substituted “the Combined Authority”, and

(b) in the definition of “affected authority” there were omitted “, (f) or (g)”.

(10) Section 203 of the 2011 Act (arrangements for discharge of, or assistance with, planning functions) shall have effect as if for each reference to “a London borough council or the Common Council of the City of London” there were substituted a reference to “a district council, county council or a National Park Authority”.

(11) Section 207 of the 2011 Act (acquisition of land) shall have effect as if—

(a) in subsection (2) for “in Greater London” there were substituted a reference to “in the combined area”; and

(b) in subsection (3) for the words “the Mayor of London” there were substituted “the Combined Authority”.

(12) Section 214 of the 2011 Act (powers in relation to discretionary relief from non-domestic rates) shall have effect as if—

(a) in subsection (4)(c) for “the London Assembly or an affected local authority” there were substituted “the Combined Authority or a district council or county council wholly or partly in the combined area”; and

(b) in subsection (4) the definition of “an affected local authority” were omitted.

(13) Section 216 of the 2011 Act (transfers of property, rights and liabilities) shall have effect as if—

(a) in subsection (2) “, (e)” were omitted; and

(b) in subsection (4)—

(i) the definition of “functional body” were omitted; and

(ii) in the definition of “permitted recipient”—

(aa) paragraph (b) were omitted,

(bb) in paragraph (d) for “a London borough council” there were substituted “a district council or county council wholly or partly within the combined area”, and

(cc) paragraph (e) were omitted.

(14) Schedule 21 of the 2011 Act (Mayoral development corporations) shall have effect as if—

(a) for each reference to “the Mayor” there were substituted “the Combined Authority”, except for the reference in paragraph 1(1);

(b) for each reference to “MDC” there were substituted “Corporation”;

(c) in paragraph 1(1)—

(i) for the reference to “Mayoral development corporation (“MDC”)” there were substituted “Corporation”;

(ii) for the reference to the Mayor of London (“the Mayor”) there were substituted “the Combined Authority”;

(d) in paragraph 1(2) for the reference to “each relevant London council” there were substituted a reference to “each relevant district council or county council”;

- (e) in paragraph 1(3)—
  - (i) sub-paragraph (a) were omitted, and
  - (ii) in sub-paragraph (b) for “a London council” there were substituted “a district council or county council”;
- (f) in paragraph 2(5)(d) for “a relevant London council” there were substituted “a relevant district council or county council”;
- (g) in paragraph 4(4) for the reference to “the London Assembly” there were substituted a reference to “the Combined Authority”;
- (h) in paragraph (9)(c) for “each relevant London council” there were substituted “each relevant district council or county council”; and
- (i) in paragraph 10(1)(c) the reference to “and to the London Assembly” were omitted.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order provides for the Tees Valley Combined Authority (“the Combined Authority”) to have in relation to its area functions corresponding to the functions that the Mayor of London has in relation to Greater London to designate Mayoral development areas.

Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions in their area.

Section 105A of the 2009 Act enables the Secretary of State by order to make provision for a function of a public authority that is exercisable in relation to a combined authority’s area to be exercisable by the combined authority; or confer on a combined authority, in relation to its area, a function which corresponds to a function which another public authority has in relation to another area.

Article 3 of the Order provides that the Combined Authority is to have in relation to its area functions corresponding to the functions that the Mayor of London has in relation to Mayoral development areas and Mayoral development corporations. It also provides that the exercise of some of those functions by the Combined Authority requires the consent of a member of the Combined Authority who is an elected member of a constituent council whose council area contains any part of the area to be designated as a mayoral development area. The article also provides that the North York Moors National Park Authority must consent before the Combined Authority exercises certain functions in respect of any part of the North York National Park.

Article 4 of, and the Schedule to, the Order applies Chapter 2 of Part 8 (Mayoral development corporations) and section 235 (orders and regulations) of, and paragraph 9 of Schedule 24 (transfers under scheme under section 200(1) or (4) or 216(1)) to, the Localism Act 2011 in relation to areas designated by the Combined Authority and corporations established as a consequence of such designation.

Article 5 provides for the functions conferred by article 3(1) to be exercisable by the Mayor of the Combined Authority only (as a consequence of article 1(3) the Mayor will exercise this function from 8th May 2017).

**Draft Legislation:** This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Tees Valley Combined Authority (Functions) Order 2017 No. 250

Articles 6 and 7 apply sections 1 (disqualification and political restriction of certain officers and staff), 2 and 3A (politically restricted posts and exemptions from restriction) of the Local Government, Housing and Land Act 1989 in relation to a Mayoral development corporation established as a consequence of this Order and also section 5 of that Act (designation and reports of monitoring officer) as if a mayoral development corporation established as a consequence of this Order were a committee of the Combined Authority.

Article 8 applies section 32 of the Local Government Act 2003 to ensure that a Minister of the Crown has the power to pay a grant under section 31(1) of the Local Government Act 2003 towards expenditure incurred or to be incurred by a Corporation.

Article 9 provides transitional arrangements for the functions to be exercised by the chairman of the Combined Authority until the Mayor takes office on 8th May 2017.

Article 10 provides for the funding of the functions.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.



# Local Democracy, Economic Development and Construction Act 2009

## 2009 CHAPTER 20

### PART 6

#### ECONOMIC PROSPERITY BOARDS AND COMBINED AUTHORITIES

#### *[<sup>F1</sup>Mayors for combined authority areas]*

#### **[<sup>F1</sup>107D Functions of mayors: general**

- (1) The Secretary of State may by order make provision for any function of a mayoral combined authority to be a function exercisable only by the mayor.
- (2) In this Part references to “general functions”, in relation to a mayor for the area of a combined authority, are to any functions exercisable by the mayor other than PCC functions.
- (3) The mayor may arrange—
  - (a) for the deputy mayor to exercise any general function of the mayor,
  - (b) for another member or officer of the combined authority to exercise any such function, or
  - (c) so far as authorised by an order made by the Secretary of State—
    - (i) for a person appointed as the deputy mayor for policing and crime by virtue of an order under paragraph 3(1) of Schedule 5C, or
    - (ii) for a committee of the combined authority, consisting of members appointed by the mayor (whether or not members of the authority), to exercise any such function.

[ The reference in subsection (3)(b) to a member of a combined authority does not <sup>F2</sup>(3A) include a non-constituent or associate member.]

- (4) An order under subsection (3)(c)(ii) may include provision—

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*Changes to legislation: There are currently no known outstanding effects for the Local Democracy, Economic Development and Construction Act 2009, Section 107D. (See end of Document for details)*

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- (a) about the membership of the committee;
- (b) about the member of the committee who is to be its chair;
- (c) about the appointment of members;
- (d) about the voting powers of members (including provision for different weight to be given to the vote of different descriptions of member);
- (e) about information held by the combined authority that must, or must not, be disclosed to the committee for purposes connected to the exercise of the committee's functions;
- (f) applying (with or without modifications) sections 15 to 17 of, and Schedule 1 to, the Local Government and Housing Act 1989 (political balance on local authority committees etc).

[ An order under subsection (3)(c) must provide that the committee must not consist<sup>F3</sup>(4A) solely of non-constituent or associate members.]

- (5) Provision in an order under subsection (1) for a function to be exercisable only by the mayor is subject to subsection (3); but the Secretary of State may by order provide that arrangements under subsection (3)—
  - (a) may authorise the exercise of general functions only of a description specified in the order, or
  - (b) may not authorise the exercise of general functions of a description so specified.
- (6) Any general function exercisable by the mayor for the area of a combined authority by virtue of this Act is to be taken to be a function of the combined authority exercisable—
  - (a) by the mayor individually, or
  - (b) in accordance with arrangements made by virtue of this section or section 107E [<sup>F4</sup>or 107EA].
- (7) An order under this section may—
  - (a) include provision for general functions to be exercisable by the mayor subject to conditions or limitations specified in the order (including, for example, a condition for general functions to be exercisable only with the consent of the appropriate authorities (as defined by section 107B (5)));
  - (b) provide for members or officers of a mayoral combined authority to assist the mayor in the exercise of general functions;
  - (c) confer ancillary powers on the mayor for the purposes of the exercise of general functions;
  - (d) authorise the mayor to appoint one person as the mayor's political adviser;
  - (e) provide for the terms and conditions of any such appointment;
  - (f) provide that functions that the mayoral combined authority discharges in accordance with arrangements under section 101(1)(b) of the Local Government Act 1972 (discharge of local authority functions by another authority) are to be treated as general functions exercisable by the mayor (so far as authorised by the arrangements).
- (8) Provision under subsection (7)(c) may include provision conferring power on the mayor that is similar to any power exercisable by the mayoral combined authority—
  - (a) under section 113A, or
  - (b) under an order made under section 113D,
 but the power conferred on the mayor may not include a power to borrow money.

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*Changes to legislation: There are currently no known outstanding effects for the Local Democracy, Economic Development and Construction Act 2009, Section 107D. (See end of Document for details)*

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- (9) [<sup>F5</sup>Except as provided for by [section 107ZA\(7\)](#), an] order under this section may be made only with the consent of—
- (a) the appropriate authorities (as defined by [section 107B\(5\)](#)), and
  - (b) in the case of an order made in relation to an existing mayoral combined authority, the mayor of the authority.
- (10) Where an order under this section is contained in the same instrument as an order made by virtue of [section 107B\(3\)\(b\)](#), a non-consenting constituent council is not to be treated as an appropriate authority for the purposes of subsection (9) above.
- [ The requirement in subsection (9) does not apply where the order is made under <sup>F6</sup>(11) [section 105A](#) and this section in relation to an existing mayoral combined authority and provides for a function—
- (a) to be a function of the combined authority, and
  - (b) to be a function exercisable only by the mayor.

See [section 107DA](#) in relation to an order of this kind.]]

#### Textual Amendments

- F1** Ss. 107D-107F inserted (28.1.2016 for specified purposes, 28.3.2016 in so far as not already in force) by [Cities and Local Government Devolution Act 2016 \(c. 1\)](#), [ss. 4\(1\)](#), 25(2)
- F2** [S. 107D\(3A\)](#) inserted (26.12.2023) by [Levelling-up and Regeneration Act 2023 \(c. 55\)](#), [ss. 64\(11\)\(a\)](#), 255(2)(h) (with [s. 247](#))
- F3** [S. 107D\(4A\)](#) inserted (26.12.2023) by [Levelling-up and Regeneration Act 2023 \(c. 55\)](#), [ss. 64\(11\)\(b\)](#), 255(2)(h) (with [s. 247](#))
- F4** Words in [s. 107D\(6\)\(b\)](#) inserted (31.1.2017 for specified purposes, 17.7.2017 in so far as not already in force) by [Policing and Crime Act 2017 \(c. 3\)](#), [ss. 8\(3\)](#), 183(1)(5)(e); S.I. 2017/726, reg. 2(a)
- F5** Words in [s. 107D\(9\)](#) substituted (26.12.2023) by [Levelling-up and Regeneration Act 2023 \(c. 55\)](#), [ss. 63\(3\)](#), 255(2)(h) (with [s. 247](#))
- F6** [S. 107D\(11\)](#) inserted (26.12.2023) by [Levelling-up and Regeneration Act 2023 \(c. 55\)](#), [ss. 61\(4\)](#), 255(2)(f) (with [s. 247](#))

#### Modifications etc. (not altering text)

- C1** [S. 107D\(3\)](#) applied (with modifications) (8.5.2017) by [The Greater Manchester Combined Authority \(Fire and Rescue Functions\) Order 2017 \(S.I. 2017/469\)](#), arts. 1(3), [5\(2\)](#)
- C2** [S. 107D\(3\)](#) restricted (7.5.2024) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(3), [43](#) (with arts. 45, 50-53)

**Changes to legislation:**

There are currently no known outstanding effects for the Local Democracy, Economic Development and Construction Act 2009, Section 107D.



Ministry of Housing,  
Communities &  
Local Government

Guidance

# Mayoral Development Corporations in combined authorities and combined county authorities: Guidance on legislation and scrutiny

Published 3 April 2025

**Applies to England**

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# 1. Background

This guidance from the Ministry of Housing, Communities and Local Government (MHCLG) is designed for officers and members of combined authorities (CA) and combined county authorities (CCA). The term C(C)A will be used for the remainder of this guidance to refer to a CA or CCA.

It seeks to address the recommendation from the [Tees Valley Review Report \(https://www.gov.uk/government/collections/independent-review-teesworks-joint-venture\)](https://www.gov.uk/government/collections/independent-review-teesworks-joint-venture), published 29 January 2024, that government “should clarify the regulations in respect of Tees Valley Combined Authority (TVCA) and South Tees Development Corporation (STDC) (and if necessary other combined authorities and development corporations), including oversight, reserve matters, and consent as well as stranded liabilities.”

This guidance seeks to:

- clarify the legislation that enables a mayor of a C(C)A to establish a mayoral development corporation (MDC)
- explain how legislation relates to relevant provisions on overview and scrutiny
- set out how the various pieces of legislation work together, setting out the mayor’s responsibilities and what the carrying out of those responsibilities means for governance arrangements

## 2. The legislation

Mayoral development corporations (MDCs) are covered by multiple pieces of legislation. This section sign-posts where the relevant legislation on MDCs can be found.

The organisations which can establish an MDC are defined in the following primary legislation:

- the [Local Democracy, Economic Development and Construction Act 2009 \(https://www.legislation.gov.uk/ukpga/2009/20/contents\)](https://www.legislation.gov.uk/ukpga/2009/20/contents) (“2009 Act”) for combined authorities
- the [Levelling-up and Regeneration Act 2023 \(https://www.legislation.gov.uk/ukpga/2023/55/contents\)](https://www.legislation.gov.uk/ukpga/2023/55/contents) (“2023 Act”) for combined county authorities

The powers and functions of an MDC are also established in primary legislation:

- the [Localism Act 2011](https://www.legislation.gov.uk/ukpga/2011/20/contents) (<https://www.legislation.gov.uk/ukpga/2011/20/contents>) (“2011 Act”).

The scrutiny and oversight of an MDC is defined in both primary and secondary legislation via the following Act and Order:

- the [Local Government and Housing Act 1989](https://www.legislation.gov.uk/ukpga/1989/42/contents) (<https://www.legislation.gov.uk/ukpga/1989/42/contents>) (“1989 Act”)
- the [Combined Authorities \(Overview and Scrutiny Committee, Access to information and audit committees\) Order 2017 \(S.I. 2017/68\)](https://www.legislation.gov.uk/ukxi/2017/68/contents/made) (<https://www.legislation.gov.uk/ukxi/2017/68/contents/made>) (“2017 O&S Order”)

Secondary legislation (statutory instruments) sets out the specific provisions which apply locally for an individual C(C)A. This guidance uses the [Tees Valley Combined Authority \(Functions\) Order 2017 \(S.I. 2017/250\)](https://www.legislation.gov.uk/ukxi/2017/250/contents/made) (<https://www.legislation.gov.uk/ukxi/2017/250/contents/made>) (“2017 TVCA Functions Order”) to illustrate how the secondary legislation works. A list of statutory instruments conferring the powers on other C(C)As is at [Annex A](#).

All C(C)As where MDC powers have been conferred have similar provisions to Tees Valley Combined Authority regarding the mayor’s role in respect of MDCs, except for the West Midlands Combined Authority where the functions are exercised by the combined authority, not the mayor.

## 3. Guidance

### Overview

There are currently 10 mayoral combined authorities and 1 mayoral combined county authority. They are body corporates, established through secondary legislation, with an elected mayor. The secondary legislation confers public authority and local authority functions (including functions related to MDCs) on the C(C)As. These functions are exercised either solely by the mayor or collectively by the members of the C(C)A.

An MDC is a body corporate, established by secondary legislation following the mayor designating a mayoral development area with the object of securing regeneration for that area. The mayor may identify a mayoral development area having consulted with, and gaining the consent of, the appropriate bodies and persons. The Orders conferring MDC functions on the C(C)A detail the specific institutions and individuals which are required

to provide consent by amending section 197 of the 2011 Act. Taking the 2017 TVCA Functions Order as an example, for the TVCA the relevant bodies and institutions to be consulted are:

- the Combined Authority
- the local MPs, whose constituencies are covered by any part of the development area
- the district and county councils whose areas are covered by any part of the development area
- a National Park authority if any part of the area is within a National Park
- any other person whom the Combined Authority considers it appropriate to consult

Following consultation and consent of the C(C)A, the mayor is able to notify the Secretary of State of their desire to establish an MDC. The Secretary of State on receiving a notification from an elected mayor must establish via secondary legislation an MDC for the mayoral development area, giving it the name notified by the mayor and any planning functions identified by the mayor. The mayor appoints the board members to the MDC and can provide guidance and directions on the operation of the MDC.

The legislation sets out a process for the transfer of property, rights and liabilities to an MDC. For this to occur, the Secretary of State must consult with the individuals or institutions whose property, right or liabilities would be transferred, as well as the mayor who oversees the relevant MDC. Once the Secretary of State has undertaken the necessary consultation, they may make a scheme which enables the transfers to occur. In the case of acquiring land, the MDC must obtain consent of the C(C)A and / or mayor, depending on the C(C)A's Order before submitting a compulsory purchase order for the Secretary of State's authorisation.

The mayor is able to decide whether an MDC should have planning functions for some or all of the mayoral development area it covers. To do so, consent from the affected local planning authorities is required; the consent requirements are set out in the Orders conferring MDC powers to the relevant C(C)A (see [Annex A](#)); for C(C)As, they are not set out in the Localism Act 2011. With consent given, the conferral of planning functions upon an MDC can be made via secondary legislation.

Where a mayor of a C(C)A is exercising functions in relation to an MDC, oversight of the MDC is provided through:

- the ability of the mayor to give directions and guidance to support an MDC in the carrying out of its activities and functions
- the provision that some decisions - such as the dissolution of an MDC, the transfer of property to an MDC, or the restriction of planning function

to an MDC - require the consent of the mayor

- the ability of the overview and scrutiny committee of the C(C)A to scrutinise the mayor's decisions regarding the MDC (the committee has a right to see all documents relating to mayor's decisions and can require the mayor, C(C)A members and officers, MDC members to attend meetings to answer questions regarding decisions on the MDC)
- the duty of the mayor to periodically review the continuing existence of the MDC
- the requirement that the C(C)A monitoring officer is also the monitoring officer for any MDCs in the authority's area

As set out in paragraph fifteen, the role of the mayor of a C(C)A is to establish an MDC, make appointments to the MDC board, and provide oversight through the provision of guidance and directions on the exercise of the functions of the MDC and the provision of consent to decisions, such as compulsory purchase and disposal of land below value. Whilst legislation does not prevent a mayor from being the chair of an MDC, their oversight role is not compatible with them also taking the role of chair. The oversight function should be clearly separate from decision making to avoid conflicts of interest. As the Mayor provides oversight of the MDC, and has powers in relation to the issuing of guidance and direction to an MDC, the mayor should not be the chair of an MDC.

The principle of the separation of the role of oversight from those involved in the decision making, in order to avoid conflict of interest, should also apply to officer roles within the C(C)A, MDC, and any other body corporate established by the MDC. Where individuals hold roles in multiple organisations throughout a group structure, for example in a constituent council and in an MDC or a corporate body established by an MDC, there should be no circumstances where one individual has a key role in one organisation that provides oversight to another organisation while also having decision-making responsibilities. The avoidance of conflicts of interest also means that individuals need to recuse themselves from decisions in which they have a stake.

Where the relevant functions are exercised by the C(C)A, rather than the mayor - currently only in the West Midlands Combined Authority - there is less risk of a conflict of interest if the mayor is the chair of an MDC but the C(C)A should carefully consider local circumstances when appointing the chair and apply the principle of separation of the oversight and decision making.

## The Localism Act 2011

When seeking to understand how MDC functions and powers are applied to C(C)As, it is important to have consideration and understanding of Part 8 of the 2011 Act. The 2011 Act is the primary legislation for MDCs and describes the powers, functions and duties of an MDC; secondary legislation then confers MDC powers onto individual C(C)As and their mayors and appropriately amends the 2011 Act as required.

Part 8 of the Localism Act 2011 confers functions on the Mayor of London which enables the mayor to designate a mayoral development area and set up an MDC with the object of securing regeneration for that area. The statutory instruments that establish and confer functions on a C(C)A apply these same provisions to the mayor for the area of a C(C)A (or in the case of West Midlands Combined Authority, the WMCA).

This guidance uses the example of the 2017 TVCA Functions Order to illustrate the application of the 2011 Act, which applies in the same way to provisions set out in the statutory instruments for other C(C)As that confer the same functions on a mayor. See [Annex A](#) for a list of the relevant statutory instruments.

Although these functions are based on the 2011 Act, it is not possible to confer equivalent functions in respect of MDCs that the Localism Act 2011 confers on the Mayor of London directly onto e.g. the Mayor of Tees Valley Combined Authority, as the mayor of a C(C)A is not a body corporate. The legislative route used in the 2017 TVCA Functions Order is to first confer the functions on the institution of the C(C)A, of which the mayor is a member, through article 3 of that Order, and then to specify in article 5 that the functions conferred on the C(C)A in article 3 may only be exercised by the mayor. The effect is to make these functions mayoral; the C(C)A 'board' (the cabinet of the C(C)A) does not have a role in exercising any functions that article 5 states are to be exercised only by the mayor.

Schedule 1 to the 2017 TVCA Functions Order sets out the modifications made to the 2011 Act in order to confer the functions onto the combined authority. In this Schedule, there is a general modification to substitute references to 'the mayor' with references to 'the combined authority'. This Schedule is to be read in conjunction with article 5 of the 2017 TVCA Functions Order to identify which functions are then to be exercised by the mayor.

All other mayoral C(C)As have similar provisions conferring functions in respect of MDCs onto the mayor, with the exception of the West Midlands Combined Authority. (The relevant statutory instruments, see [Annex A](#), provide that these functions are the responsibility of the West Midlands Combined Authority.)

## Consents

In order for an MDC to make use of some of its functions and powers, the securing of consent from certain parties first needs to have taken place. The consent requirements for an MDC are outlined in the 2011 Act; these consent requirements are applicable to C(C)A mayors via their establishing secondary legislation. Using the 2017 TVCA Order by way of illustration:

- Part 8 of the 2011 Act provides that, in London, an MDC may: carry out the compulsory purchase of land; disposal of land below value by an MDC; form or acquire interests in bodies corporate; and provide financial assistance (sections 207, 209, 212 and 213 of the 2011 Act) but requires the consent of the Mayor of London to do so.
- Schedule 1 to the 2017 TVCA Functions Order (paragraphs 3 and 11) covers all the functions under Part 8 but modifies the requirements in sections 207, 209, 212 and 213 of the 2011 Act so that it is the consent of the combined authority in the TVCA area that is required.
- Section 221 of the 2011 Act makes provision about the giving of consent; this section is conferred on TVCA by article 3 of the 2017 TVCA Functions Order and then article 5 of the 2017 Order provides that the function is exercisable only by the mayor. The Mayor of TVCA, like the Mayor of London, must consent for an MDC to: carry out the compulsory purchase of land; disposal of land below value by an MDC; form or acquire interests in bodies corporate; and provide financial assistance.

## Directions

A similar approach is taken to the conferral of functions regarding the issuing of guidance and directions to an MDC; the statutory instruments conferring these functions on other mayoral C(C)As contain the same provisions:

- Sections 219 and 220 of the 2011 Act provides for the Mayor of London to issue guidance and directions regarding the exercise of an MDC's functions.
- Schedule 1 to the 2017 TVCA Functions Order (paragraphs 3 and 11) modifies the requirements in sections 219 and 220 of the 2011 Act so that it is for the combined authority to issue guidance and directions.
- Article 3 of the 2017 TVCA Functions Order confers 2011 Act functions on TVCA and article 5 of the 2017 TVCA Functions Order provides that these functions of the TVCA are exercisable only by the mayor. The

Mayor of TVCA, like the Mayor of London, is able to issue guidance and directions regarding the exercise of an MDC's functions.

## Membership of the MDC board

A mayor is able to appoint the members of an MDC's board. Schedule 21 of the 2011 Act, which is applied to C(C)As by the secondary legislation, is outlined in [Annex A](#). Schedule 21 outlines the various requirements a mayor must undertake when making an appointment.

In order for the mayor to appoint members to an MDC board, the mayor must have considered the desirability of appointing a person who has experience in matters relating to the functions of an MDC. The mayor also needs to be satisfied the person they are appointing does not have any financial or other interest which may prevent them from exercising their functions as a member.

To ensure that the mayor is satisfied that the person being appointed does not have any financial interest or interests which may prevent them from being a member, the mayor may require the person to provide information which they consider necessary in order for the mayor to make their decision.

## Monitoring officer

Article 7 of the 2017 TVCA Functions Order provides that section 5 of the Local Government and Housing Act 1989 applies to the combined authority as if a Corporation were a committee of the authority. This means that the monitoring officer of TVCA is automatically the monitoring officer of any MDC in the area. The same provision is made for MDCs in other C(C)A areas.

## Overview and scrutiny

Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009 sets out the remit of the Overview and Scrutiny Committee(s) of a combined authority, with equivalent requirements for combined county authorities in Schedule 1 to the Levelling-up and Regeneration Act 2023.

Paragraph 1(3) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009 provides that the overview and scrutiny committee of a mayoral combined authority may scrutinise decisions made, or actions taken, to discharge the mayor's general functions; make reports or recommendations to the mayor in the respect of the discharge of those functions; and make reports or recommendations to the mayor on matters that affect the authority's area or inhabitants of the area. The equivalent requirement for mayoral combined county authorities is set out at paragraph 1(3) of Schedule 1 to the Levelling-up and Regeneration Act 2023.

Paragraph 2(6) of Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009 provides that the overview and scrutiny committee of a combined authority may require the members or officers of the authority to attend before it to answer questions (including, in the case of a mayoral combined authority, the mayor for the authority's area and deputy mayor) and may invite other persons to attend meetings of the committee. The equivalent requirement for mayoral combined county authorities is set out at paragraph 2(6) of Schedule 1 to the Levelling-up and Regeneration Act 2023.

The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 sets out further provisions for combined authority and combined county authority overview and scrutiny committees. Article 10 provides that a member of the overview and scrutiny committee is entitled to a copy of documents in the possession of the mayor that contains any material relating to business that has been transacted at a decision-making body of that authority, or any decision made by an individual member of that authority. Following a request, such documentation must be provided as soon as practicable or no later than 10 days following the request.

Exempt or confidential information is excluded from this provision unless it is relevant to an action or decision being scrutinised by the committee or is relevant to a review in an overview and scrutiny committee work programme. Advice from political advisers is also excluded from this provision.

The [Scrutiny Protocol for English institutions with devolved powers](https://www.gov.uk/government/publications/scrutiny-protocol-for-english-institutions-with-devolved-powers) (<https://www.gov.uk/government/publications/scrutiny-protocol-for-english-institutions-with-devolved-powers>) provides further guidance on effective overview and scrutiny in C(C)As. It sets out 18 key principles for good scrutiny, including expectations of co-operation from mayors and combined authority members.

Taken together, these provisions mean that the scrutiny committee of a C(C)A:

- may scrutinise the decisions of a mayor or C(C)A that relate to MDCs

- have a right to see documentation relating to mayoral and C(C)A decisions on an MDC
- may require the mayor to attend a meeting to answer questions in relation to mayoral decisions relating to an MDC; the Scrutiny Protocol makes it clear that the mayor should commit to engage regularly with the committee both informally and formally and must attend the committee when requested
- may require C(C)A members who are on the board of an MDC to attend a meeting to answer questions about their role on the MDC. The Scrutiny Protocol set out that Members who are portfolio-leads (or equivalent) should also commit to engaging regularly with the committee and attend when requested. Even if members of the institution have assigned or delegated areas of responsibility to others, it should be standard practice for them to attend to present any reports within their portfolio alongside the appropriate officers
- have a right to see documentation relating to the monitoring officer's role in respect of an MDC
- may require the monitoring officer to attend a meeting to answer questions about their role in respect of an MDC
- may invite officers and board members of an MDC to a meeting of the overview and scrutiny committee to discuss the MDC

The overview and scrutiny committee of a C(C)A should engage in all these activities and the mayor, C(C)A members and officers, and MDC board members and officers should facilitate such scrutiny, in order for local residents to be confident that public assets and money are being used for public benefit.

## Annex A: List of statutory instruments conferring Mayoral Development Corporation functions on a C(C)A as of January 2025

Area	Statutory Instrument (S.I.)	S.I. number	Date
West of England	<a href="#">The West of England Combined Authority Order 2017</a>	2017/126	2017

Area	Statutory Instrument (S.I.)	S.I. number	Date
Tees Valley	<a href="#">The Tees Valley Combined Authority (Functions) Order 2017</a>	2017/250	2017
Liverpool	<a href="#">The Liverpool City Region Combined Authority (Functions and Amendment) Order 2017</a>	2017/430	2017
West Midlands	<a href="#">The West Midlands Combined Authority (Functions and Amendment) Order 2017</a>	2017/510	2017
Greater Manchester	<a href="#">The Greater Manchester Combined Authority (Functions and Amendment) Order 2017</a>	2017/612	2017
South Yorkshire	<a href="#">The Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (Functions and Amendment) Order 2020</a>	2020/806	2020
West Yorkshire	<a href="#">The West Yorkshire Combined Authority (Election of Mayor and Functions) Order 2021</a>	2021/112	2021
North Yorkshire	<a href="#">The York and North Yorkshire Combined Authority Order 2023</a>	2023/1432	2023
East Midlands	<a href="#">The East Midlands Combined County Authority Regulations 2024</a>	2024/232	2024
North East of England	<a href="#">The North East Mayoral Combined Authority (Establishment and Functions) Order 2024</a>	2024/402	2024

## Annex B: Mayoral Development Corporations in England as of January 2025

<b>Area</b>	<b>Mayoral Development Corporation</b>	<b>Established</b>
Greater London Authority	London Legacy Development Corporation	9 March 2012
Greater London Authority	Old Oak and Park Royal Development Corporation	1 April 2015
Tees Valley Combined Authority	South Tees Development Corporation	1 August 2017
Tees Valley Combined Authority	Hartlepool Development Corporation	27 February 2023
Tees Valley Combined Authority	Middlesbrough Development Corporation	27 February 2023
Greater Manchester Combined Authority	Stockport Town Centre West Mayoral Development Corporation	2 September 2019

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## PLANNING UPDATE

### SUMMARY

Responsibility for the determination of planning applications within the Hartlepool Mayoral Development Corporation boundary lies with the Hartlepool Development Corporation (HDC).

In accordance with the approved Scheme of Delegation, 10 applications have been approved under delegated powers since the last Board Meeting on 6<sup>th</sup> March 2025. A further 2 applications will be reported to Board on 11<sup>th</sup> June 2025.

### RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board note 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 Hartlepool Mayoral Development Corporation area is now overseen by the Head of Planning with operational services delivered through Lichfields.
2. Since the Board meeting on 6<sup>th</sup> March 2025, 8 new planning applications have been submitted. There are 20 valid planning applications currently being considered by HDC.
3. 10 applications have been determined under delegated powers since the last Board meeting. Details are provided in the accompanying schedule.
4. 2 applications at Queens Meadows Business Park will need to be reported to Board for determination, as required by the approved Scheme of Delegation.

5. Two applications have been submitted by the same application, the first of which proposes the erection of up to 210 dwellings and the second proposes the erection of 14no. employment buildings and up to a further 451,000sqft of employment floorspace. Officers have been liaising with the Applicant in response to objections received from consultees. Discussions between your officers and the Applicant are ongoing. Two member site visits have now taken place and the applications will be considered by the Board on 11<sup>th</sup> June 2025.
6. 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 Hartlepool Mayoral Development Corporation on 29<sup>th</sup> April 2025 and future quarterly returns will be submitted as required.
7. There is one new enforcement case to report, relating to the unauthorised felling of 4 TPO trees. There are now a total 3 enforcement cases ongoing.

## **FINANCIAL IMPLICATIONS**

8. There are no financial implications.

## **LEGAL IMPLICATIONS**

9. Planning Powers were conferred on to the Hartlepool Mayoral Development Corporation on 1 June 2023 giving HDC the power to determine planning applications within the redline boundary.

## **RISK ASSESSMENT**

10. 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**

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

## **EQUALITY & DIVERSITY**

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

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## Hartlepool Development Corporation

### Delegated Planning Decisions since last Board Meeting on 6<sup>th</sup> March 2025

Application Number	Address	Summary of Development	Delegated Decision
<a href="#">HMDC-2024-0041</a>	84 York Road, Hartlepool, TS26 8AB	Change of use/conversion of 2no. retail units at ground floor level to create 3no. retail units (Use Class E) and conversion of 1no. residential unit (Use Class C3) at first floor level and office (Use Class E) at second floor level to create an 8-bedroom HMO (House in Multiple Occupation) (Sui Generis)	31.03.2025
<a href="#">HMDC-2024-0064</a>	Pets at Home, Highpoint Retail Park	1no. internally illuminated fascia sign, 3no. non-illuminated poster frame signs, 1no. non-illuminated vinyl glazing sign, 2no. non-illuminated vinyl totem signs and 1no. wall mounted flat panel sign	05.03.2025
<a href="#">HMDC-2025-0002</a>	48 Church Street, Hartlepool	Change of use of ground floor and lower ground floor to bar and restaurant premises E(b) (Retrospective) and alterations to rear elevation to provide enlarged opening with double doors to refuse store.	01.05.2025
<a href="#">HMDC-2025-0003</a>	Wesley Chapel, Hartlepool	Listed building consent for the erection of sub-station	26.02.2025
<a href="#">HMDC-2025-0004</a>	Wesley Chapel, Hartlepool	Erection of sub-station	26.02.2025
<a href="#">HMDC-2025-0005</a>	Santander, 110 York Road, Hartlepool	Display of 1no. new internally illuminated hanging sign and 1no. new internally illuminated fascia sign in Santander's new standard script font	13.05.2025
<a href="#">HMDC-2025-0007</a>	Saks Hair and Beauty, 24 Church Street, Hartlepool, TS24 7DH	Discharge of condition 6 (new air conditioning/plant equipment) on HMDC/2023/0018 (change of use of basement( part), ground (part), first and second floors from Class E to 6 bed HMO (use class C4) including internal and external alterations (amended description)	26.05.2025

<a href="#">HMDC-2025-0010</a>	Queen Meadow Business Park	Non-material amendment to application HMDC/2023/0019 for Hybrid application seeking (1) full planning permission for the erection of 2no. employment buildings (Use Class E(G)/B2/B8) with associated access, parking, landscaping and infrastructure; and (2) outline planning permission for the erection of 1no. employment building (Use Class E(G)/B2/B8) with associated access, parking, landscaping and infrastructure with all matters reserved to amend the design of Plot 2	26.02.2025
<a href="#">HMDC-2025-0011</a>	Community Drug Centre, Whitby Street, Hartlepool	Discharge of conditions 6 and 16 on HMDC/2024/0046 (proposed demolition of existing substance misuse treatment centre and erection of building to be used a substance misuse treatment centre (Use Class E) with associated car parking and landscaping.	22.04.2025
<a href="#">HMDC-2025-0013</a>	Hartlepool Art Gallery, Church Square, TS24 7EQ	Listed Building Consent for works to address repairs, health and safety issues, accessibility facilities and services upgrade	02.05.2025

## Current Live Applications

Application Number	Address	Summary of Development	Status
<a href="#">HMDC-2023-0031</a>	Land east of Queens Meadow Business Park, Hartlepool	Outline planning application (with all matters reserved apart from access) for the erection of up to 210 dwellings (Use Class C3) with associated infrastructure, access and landscaping	Received 5 <sup>th</sup> December 2023  Under consideration and will come to Board on 11 <sup>th</sup> June 2025  SITE VISIT UNDERTAKEN
<a href="#">HMDC-2023-0032</a>	Land at Queens Meadow Business Park	Hybrid application for 1) Outline planning permission (with all matters reserved) for the erection of up to 451,000sqft of employment floorspace (Use Class B2/B8) with associated infrastructure, access and landscaping; and 2) full planning permission for the erection of 14no. employment buildings (Use Class B2/B8) with associated infrastructure, access and landscaping	Received 5 <sup>th</sup> December 2023  Under consideration and will come to Board on 11 <sup>th</sup> June 2025  SITE VISIT UNDERTAKEN
<a href="#">HMDC-2024-0015</a>	Land to the rear of Deepdale Solutions, Queens Meadow	Reserved matters application for the appearance, landscaping, layout and scale for development for 2no. employment buildings (Use Class B2 and B8) and discharge of conditions 5, 7, 8, 9, 11, 13, 14, 15 and 16 on application H/2022/0208 for Outline planning permission with all matters reserved for B2 & B8 uses of the land	Received 14 <sup>th</sup> June 2024  Validated 12 <sup>th</sup> July 2024 under consideration
<a href="#">HMDC-2024-0018</a>	Land to the rear of Deepdale Solutions, Queens Meadow	Variation of Condition 6 (Flood Risk and Drainage) and 12 (BNG) on outline consent H/2022/0208	Received 17 <sup>th</sup> July 2024  Validated 17 <sup>th</sup> July 2024  Under consideration
<a href="#">HMDC-2024-0036</a>	18 Whitby Street	Change of use to 15 student apartments	Received 30 <sup>th</sup> August 2024  Validated 15 <sup>th</sup> November 2024  Under Consideration
<a href="#">HMDC-2024-0037</a>	Land at Maritime Avenue, Fleet Avenue and	Section 73 application to vary conditions 2,3 7, 10, 11, 16, 17, 18 and 19 of planning permission H/FUL/0638/01 for the construction of	Received 4 <sup>th</sup> September 2024.  Validated 31 <sup>st</sup> October 2024.

Application Number	Address	Summary of Development	Status
	Mainsforth Terrace	apartments, houses, offices, food takeaway unit, retail outlet, business units, nursing home, nursery school/creche together with associated parking and external works units, nursing home, nursery school/creche together with associated parking and external works	BOARD MINDED TO GRANT SUBJECT TO COMPLETION OF S106 AGREEMENT  DISCUSSIONS WITH APPLICATION STILL ONGOING
<a href="#">HMDC-2024-0044 and 0045</a>	42-46 Church Street, Hartlepool	Full Planning Application - Change of use and alterations to create 26 bed HMO (Sui Generis)	Received 22 <sup>nd</sup> October 2024  Validated 2 <sup>nd</sup> January 2025  Under Consideration
<a href="#">HMDC-2024-0044 and 0045</a>	42-46 Church Street, Hartlepool	Listed Building Consent - Change of use and alterations to create 26 bed HMO (Sui Generis)	Received 22 <sup>nd</sup> October 2024  Validated 2 <sup>nd</sup> January 2025  Under Consideration
<a href="#">HMDC-2024-0049</a>	Queens Meadow Business Park	Application for reserved matters approval of access, appearance, landscaping, layout and scale for the development of 1no. employment building (Use Class E(G)/B2/B8) and discharge of conditions 8, 9, 10, 15, 16, 20, 21, 22 and 23 relating to the outline element on application HMDC/2023/0019 for hybrid application seeking (1) full planning permission for the erection of 2no. employment buildings (Use Class E(G)/B2/B8) with associated access, parking, landscaping and infrastructure; and (2) outline planning permission for the erection of 1no. employment building (Use Class E(G)/B2/B8) with associated access, parking, landscaping and infrastructure with all matters reserved	Received 30 <sup>th</sup> October 2024H  Validated 5 <sup>th</sup> November 2024  Under Consideration
<a href="#">HMDC-2024-0054</a>	Saica Pack	Discharge of conditions 6, 8, 9, 12, 13, 14, 17, 19, 20, 21, 24 on HMDC-2024-0038 (Erection of employment	Received and validated on 12 <sup>th</sup> December 2024  Under Consideration

Application Number	Address	Summary of Development	Status
		building with associated access, infrastructure and landscaping).	
<a href="#">HMDC-2024-0055</a>	3-5 Scarborough Street	Change of Use from Offices (Class E) to a HMO (Class C4) with Eight category A one-person units. The associated internal works and the upgrade of the whole of the Front Elevation from Glazed Timber to Masonry with two traditional Bay Windows.	Received 29 <sup>th</sup> November 2024 Validated 6 <sup>th</sup> February 2025 Under Consideration
<a href="#">HMDC-2024-0063</a>	Queens Meadow Business Park, Hartlepool	Erection of café (use class E(b)) with associated parking	Received and validated 17 <sup>th</sup> December 2024 Under Consideration
<a href="#">HMDC-2025-0009</a>	47 Church Street, Hartlepool	Discharge of conditions 1, 2, 3, 4, 5, 7, and 8 on HMDC/2024/0031 for Change of use to 13-bed HMO (Sui Generis)	Received 7 <sup>th</sup> February 2025 Validated 7 <sup>th</sup> March 2025 Under Consideration
<a href="#">HMDC-2025-0020</a>	Hartlepool College of Further Education, Stockton Street, Hartlepool, TS24 7NT	Automotive Spray Booth	Received 17 <sup>th</sup> April 2025 Validated 13 <sup>th</sup> May 2025 Under Consideration
<a href="#">HMDC-2025-0021</a>	Community Drug Centre, Whitby Street, Hartlepool	Discharge of conditions 3, 4, 8, 10, 11 and 15 on HMDC/2024/0046 (proposed demolition of existing substance misuse treatment centre and erection of building to be used a substance misuse treatment centre (Use Class E) with associated car parking and landscaping.	Received 23 <sup>rd</sup> April 2025 Validated 23 <sup>rd</sup> April 2025 Under Consideration
<a href="#">HMDC-2025-0024 - Bus Shelter 1701-0069 Winterbottom Avenue</a>	Bus Shelter 1701-0069, Winterbottom Avenue, Opposite Howbeck Lane	Replace existing Double-sided internally illuminated 6-sheet Bus Shelter advertising displays with Double-sided digital displays. Replacement digital displays will portray static advertising images that change every 10 seconds.	Received 16 <sup>th</sup> May 2025 Validated 16 <sup>th</sup> May 2025 Under Consideration
<a href="#">HMDC-2025-0025 - The Vault</a>	The Vault, 28 Whitby Street	Change of Use from licensed premises (Sui Generis) to flexible office / workshop space (Class E) and external alterations including change to roof pitch	Received 23 <sup>rd</sup> May 2025 Validated 23 <sup>rd</sup> May 2025 Under Consideration

<b>Application Number</b>	<b>Address</b>	<b>Summary of Development</b>	<b>Status</b>
<a href="#">HMDC-2025-0026 - 21 to 25 Whitby Street</a>	21-25 Whitby Street	Change of use of upper floors from residential (Class C3) to flexible office / workshop space and ancillary uses within Use Class E (Ground floor to remain in Class E Use) and external alterations.	Received 23 <sup>rd</sup> May 2025 Validated 23 <sup>rd</sup> May 2025 Under Consideration
<a href="#">HMDC-2025-0027 - The Northern Studios</a>	10-14 Church Street, 16 Church Street, The Northern Studios, & Land South of Surtees Street	Partial demolition, material changes to the external appearance and Change of Use from Class E to Sui Generis (development ancillary to a Film Studio) of 10-14 Church Street, Partial demolition, internal and external renovations, and change of use from a licensed premises (Sui Generis) to a use ancillary to a film studio (Sui Generis) of The Shades (16 Church Street), partial demolition with replacement studio extensions to The Northern Studios, 2 'unit bases' (trailer parking / lay down area / siting of temporary support buildings), stopping up of John Street and Surtees Street, proposed substation and security building, entrance feature, associated infrastructure and engineering works, security fencing, car parking, and landscaping works.	Received 23 <sup>rd</sup> May 2025 Validated 23 <sup>rd</sup> May 2025 Under Consideration
<a href="#">HMDC-2025-0030 - The Shades (16 Church Street)</a>	The Shades Hotel, 16 Church Street	Listed Building Consent for 'Proposed repairs and renovation including removal of stucco render from external walls and replacement with lime based render, faience restoration, stone repairs, removal of existing paint covering to stone work and replacement with specialist paint coating, restoration of stained glass window, replacement of windows and doors, installation of lift and associated partial removal of stone slab; and demolition of rear extension.'	Received 23 <sup>rd</sup> May 2025 Validated 23 <sup>rd</sup> May 2025 Under Consideration

## Current Enforcement Cases

Address	Unauthorised Works and date reported	Requirement of Enforcement Notice	Status
37 Church Street	Installation of white UPVC window frames 6 <sup>th</sup> November 2023	Remove and replace with timber frames	Timber frames have been installed but officers reviewing design.
9 Upper Church Street	Removal of front dormer window	Reinstate timber dormer	Period for compliance ended 20 <sup>th</sup> April. Papers currently being prepared by solicitors to enable prosecution in magistrate's court.
Engineers Social Club, 28 Raby Road, TS24 8AE	Unauthorised felling of 4 TPO'd trees. 26 <sup>th</sup> March 2025	N/A	Discussions underway with new owner regarding re-planting and wider plans for the site.



## QUARTER 4 BUDGET REPORT AND MEDIUM-TERM FINANCIAL PLAN UPDATE

### SUMMARY

The purpose of this report is to provide an update on the financial position of Hartlepool Development Corporation for the period ending 31 March 2025 and present a revised Medium-Term Financial plan (MTFP).

### RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board:

- i. **Notes** the quarter 4 outturn position for 2024/25; and
- ii. **Approves** the revised Medium-Term Financial Plan.

### DETAIL

1. This report sets out the quarter 4 financial position for 2024/25 and the revised medium term financial plan (MTFP). The financial position presents all forecast funding and expenditure for the plan period.

#### Expenditure

2. The below table summarises the projected expenditure to date for 2024/25 and shows a comparison to the budget per the original MTFP:

Heading	Rev/Cap	2024/25 Budget	2024/25 Actual YTD	Spend YTD as a % of total 24/25 budget
		£'000	£'000	£'000
<b>Expenditure</b>				
Operational costs	Revenue	268	459	171%
Planning Preparatory Costs	Revenue	-	-	-
Master planning	Capital	-	-	-
Planning Services	Revenue	-	-	-
Initial project Development	Capital	-	-	-
Project Investments	Capital	3,067	1,713	56%
Transport Investments	Capital	-	-	-
Evaluation	Revenue	-	-	-
Reinvestment	Revenue	-	-	-
MRP	Revenue	-	-	-
Interest	Revenue	-	-	-
<b>TOTAL</b>		<b>3,335</b>	<b>2,172</b>	<b>65%</b>
<b>Funding</b>				
TVCA Investment Plan	Revenue	268	268	100%
TVCA Investment Plan	Capital	3,067	1,904	62%
Tees Valley Investment Zone	Revenue	-	-	-
CRSTS 1	Capital	-	-	-
Borrowing	Capital	-	-	-
Investment Returns	Revenue	-	-	-
Other investment returns	Revenue	-	-	-
<b>TOTAL</b>		<b>3,335</b>	<b>2,172</b>	<b>65%</b>

3. The table above shows the actual funding and expenditure to 31 March 2025 at £2.17 million which equates to 65% of the forecasted budget for 2024/25 of £3.3 million. Operating costs at quarter 4 are over budget at 171% of the total budget for 2024/25.
4. No additional funding has been secured in quarter 4.
5. The table below shows the revised projected funding and expenditure across the medium term:

Heading	Rev/Cap	2024/25 Forecast	2025/26	2026/27	2027/28	2028/29	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>							
Operational costs	Revenue	459	482	506	531	558	2,536
Planning Services	Revenue/capital	-	250	250	250	250	1,000
Initial project Development	Capital	-	1,000	-	-	-	1,000
Project investments	Capital	1,713	24,727	24,888	19,913	4,888	76,129
Transport Investments	Capital	-	5,000	5,000	-	-	10,000
Evaluation	Revenue	-	-	25	-	25	50
Reinvestment	Revenue	-	250	250	250	250	1,000
MRP	Revenue	-	-	-	-	600	600
Interest	Revenue	-	-	-	-	1,161	1,161
<b>TOTAL</b>		<b>2,172</b>	<b>31,709</b>	<b>30,919</b>	<b>20,944</b>	<b>7,72</b>	<b>93,476</b>
<b>Funding</b>							-
TVCA Investment Plan	Revenue	459	482	506	531	558	2,526
TVCA Investment Plan	Capital	1,713	814	-	-	-	2,527
Tees Valley Investment Zone Planning	Revenue	-	163	163	163	163	652
CRSTS 1	Capital	-	5,000	5,000			10,000
Borrowing	Capital	-	25,000	25,000	20,000	5,000	75,000
Investment Returns	Revenue	-	250	250	250	250	1,000
Other investment returns	Revenue	-	-	-	-	1,761	1,761
<b>TOTAL</b>		<b>2,172</b>	<b>31,709</b>	<b>30,919</b>	<b>20,944</b>	<b>7,732</b>	<b>93,476</b>
<b>Capital and Revenue funding split</b>							
Revenue		459	895	919	944	2,732	5,949
Capital		1,713	30,814	30,000	20,000	5,000	87,527
<b>TOTAL</b>		<b>2,172</b>	<b>31,709</b>	<b>30,919</b>	<b>20,944</b>	<b>7,732</b>	<b>93,476</b>

The capital and revenue funding split has been provided. Capital funding must be used for capital expenditure purposes. Revenue funding may be used for revenue expenditure or capital expenditure.

## Reprofiling

### 6. Project Investments

The detail regarding drawdown of these facilities will be dependent on the review of individual project requests and business cases/plans for investments as they are approved and agreed by Development Corporation Board. As projects come forward for development to the HDC board the expenditure will be profiled to reflect this.

### 7. Transport Investment

£10m was allocated to spend on eligible transport projects. This has been reprofiled from 2024/25 to future years.

### 8. Tees Valley Investment Zone Planning

£652k was allocated to spend against planning. This has been reprofiled from 2024/25 to future years.

### 9. Operational costs

£1.6m has been reprofiled from capital funding to revenue funding to reflect the operational costs in future years.

### 10. Borrowing

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. The Corporation intend to raise the majority of its long-term borrowing from TVCA who will access the PWLB. Based on current project pipeline drawdown from this facility has been reprofiled from 2024/25 to future years. Any request for borrowing will be subject to the necessary commercial case to support drawdown.

## Funding

11. The table below outlines secured and allocated funding since incorporation:

Capital accounts	TVCA IP	CRSTS	Middleton Grange	Town Hall Theatre	Film Studios	Development Expenditure	Asset Transfer
Funding							
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment Plan Funding	10,000	-	-	-	-	-	-
Investment Plan Funding allocated	(7,731)	-	6,151	50	931	99	500
Additional funding:							
CRSTS		10,000	-	-	-	-	-
Income	117	-	-	-	-	-	-
Additional funding allocated	-	-	-	-	-	-	-
<b>Total Funding</b>	<b>2,386</b>	<b>10,000</b>	<b>6,151</b>	<b>50</b>	<b>931</b>	<b>99</b>	<b>500</b>
Expenditure							
Expenditure to date	(587)	-	(5,669)	(50)	(442)	(99)	-
<b>Remaining funds</b>	<b>1,799</b>	<b>10,000</b>	<b>492</b>	<b>-</b>	<b>489</b>	<b>-</b>	<b>500</b>

12. TVCA Cabinet approved an allocation of £10m to HDC in the TVCA Investment Plan and £10m from within the Town Centre Accessibility Investment Package (referred to as CRSTS in the table above) for spend on eligible transport projects within the DC area. Of the £10m Investment Plan funding, £7.7m has been allocated to projects.

13. Discretionary funds unallocated and available for future projects is £1.8m. CRSTS funding of £10m is available for eligible projects.

14. 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 ("PWL") via TVCA. HDC has not drawn down any borrowing at quarter 3.

15. On the 28 November 2023 the HDC board approved the purchase of Middleton Grange Shopping Centre. The purchase price was £4.4m. This had been discounted from the original proposed price of £6.1m to allow for identified remediation costs. Taking the revised purchase price of £4.4m plus the additional remediation costs (identified by advisors) of £1.75m the total capital cost of the transaction is £6.2m. The total cost was funded from the Hartlepool MDC £10m allocation received from TVCA Investment Plan.

A programme plan and phased profile of remediation works is now being managed and monitored post-transaction.

16. On 11 July 2024, HDC Board approved an allocation of £500k from within the HDC budget to meet the costs associated with the asset transfer including, but not limited to, insurance requirements, conditions surveys, ongoing maintenance and safety requirements and utilities.
17. In November 2023, HDC commissioned a piece of work, undertaken by Time + Space, to determine whether the Northern Studios can effectively accommodate projected production growth in the region, the wider growth strategy of the Production Village and wider Screen Industries programme, and to further develop a comprehensive business plan for the Production Village and Northern Studios.
18. On 15th October 2024, HDC entered into a funding agreement with HBC to provide a 50/50 cost split for the Northern Studios proportion of the commission. The funding will total £442k over eight months for HDC. On 12<sup>th</sup> December 2024 HDC Board approved the delegation of £489,000 from the Project Investment Fund of £1m. A funding agreement will be entered into with HBC, such that the work will take place in conjunction with the Production Village, to ensure cost-effectiveness.
19. On 19 February 2024 the HDC board approved £1m for initial project development expenditure. This is required to bring projects forward and will ensure the required information is available for informed decisions to be made by the board. The board approved to delegate authority for initial project development expenditure up to a maximum balance of £1m to the Group Chief Executive, Group Director of Finance & Resources & Monitoring Officer in their capacity as statutory officers for HDC to facilitate project development. The £1m is not included as allocated in the above table, as it is available to be allocated against any project.
20. In 2025/26 the Corporation is planning capital expenditure of £30 million as summarised below:

	2023/24 Actual	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
	£'000	£'000	£'000	£'000	£'000	£'000
Capital expenditure	-	1,713	28,827	30,000	20,000	5,000
Middleton Grange	4,599	-	1,552			
Total	4,599	1,713	30,379	30,000	20,000	5,000

21. Expenditure for Middleton Grange Shopping Centre of £1.5m relates to the remediation costs, the costs for this expenditure we're not fully incurred in full in Q4, and the amount has been reprofiled to 25/26. This is dependent on the works being done around operational activities.
22. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Corporation's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is as follows:

	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
	£'000	£'000	£'000	£'000	£'000
Capital grants	1,713	5,379	5,000		
Borrowing	-	25,000	25,000	20,000	5,000
<b>Total</b>	<b>1,713</b>	<b>30,379</b>	<b>30,000</b>	<b>20,000</b>	<b>5,000</b>

23. The borrowing strategy will be developed on a project basis and will include a range of maturities, short and long term, with ability to refinance built in. These are driven from the latest interest rates.

## FINANCIAL IMPLICATIONS

24. This report gives an update on performance against the budget for the Development Corporation, updates the Medium-Term Financial Plan and Investment Plan forecasts.

## 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 our 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.



Hartlepool  
Development  
Corporation

## CONSULTATION & COMMUNICATION

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

## EQUALITY & DIVERSITY

29. 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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The appendices 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 11  
Report to the HDC Board  
19 June 2025  
Report of Group Chief Legal Officer

## URGENT & DELEGATED DECISIONS

### SUMMARY

This report provides an update for the Hartlepool Development Corporation Board of Delegated and Urgent Decisions taken since the last Development Corporation Board meeting on 6 March 2025.

### RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board:

- i. **NOTES** the Delegated Decision detailed in paragraph 3 and confidential **Appendix 1**.
- ii. **NOTES** the Delegated Decision detailed in paragraph 4 and confidential **Appendix 2**.
- iii. **NOTES** the Delegated Decision detailed in paragraph 5 and confidential **Appendix 3**.
- iv. **NOTES** the Delegated Decision detailed in paragraph 6 and confidential **Appendix 4**.
- v. **NOTES** the Delegated Decision detailed in paragraph 7 and confidential **Appendix 5**.
- vi. **NOTES** the Delegated Decision detailed in paragraph 8 and confidential **Appendix 6**.
- vii. **NOTES** the Delegated Decision detailed in paragraph 9 and confidential **Appendix 7**.
- viii. **NOTES** the Urgent Decision detailed in paragraph 11 and confidential **Appendix 8**.
- ix. **NOTES** the Urgent Decision detailed in paragraph 12 and confidential **Appendix 9**.
- x. **NOTES** the Urgent Decision detailed in paragraph 13 and confidential **Appendix 10**.
- xi. **NOTES** the Urgent Decision detailed in paragraph 14 and confidential **Appendix 11**.

### DETAIL

1. Attached to this report are seven Delegated Decision Forms, and four Urgent Decision Forms.

2. The records contain commercially sensitive information pertaining to Middleton Grange Shopping Centre, which relates to the arrangements reached with individual tenants. As with any other operator of such an asset, making this information public will limit the Corporation's ability to continue to negotiate with individual tenants going forward.

### Delegated Decisions

3. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 11 July 2024, under item 10.3.
  - a. A decision was made relating to a court proceeding for a new lease at an existing unit. As stated on the delegated decision record, the discontinuance of the claim on a 'no order as to costs' basis was a recommendation from external solicitors and external real estate consultants, confirming that this is usual in these matters. The Board delegated the authority to the Monitoring Officer to withdraw, conduct, settle or appeal any administrative action and/or any legal proceedings on behalf of the Development Corporation- page 70 of the HDC constitution.
  - b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 1**.
4. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 11 July 2024, under item 10.3.
  - a. A decision was made to agree and award new lease terms with an existing tenant of a unit within Middleton Grange Shopping Centre. The lease terms were negotiated by external property retail consultants engaged on behalf of Hartlepool Development Corporation. The Board delegated authority to Hartlepool Development Corporation Statutory Officers to enter into any letting with a rent value up to £150,000pa.
  - b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 2**.
5. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 11 July 2024, under item 10.3.

- a. A decision was made to proceed with the implementation of a new signage scheme for Middleton Grange Shopping Centre. As stated on the delegated decision record, the new signage is necessary to reflect the recent rebranding of the centre, which is aimed at modernising its identity and enhancing its appeal to both retailers and visitors. The Board delegated authority to Hartlepool Development Corporation Statutory Officers to authorise all landlord non recoverable capex up to £100,000.
  - b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 3**.
6. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 11 July 2024, under item 10.3.
- a. A decision was made to undertake a desktop Reinstatement Cost Assessment (RCA) of the Middleton Grange Shopping Centre. As stated on the delegated decision record, the RCA will be used for insurance purposes to ensure HDC's insurance coverage is an accurate representation of the shopping centre building and its contents. The Board delegated authority to Hartlepool Development Corporation Statutory Officers to monitor the overall asset strategy, both the asset business plan and regeneration, and authorise all landlord non recoverable capex up to £100,000.
  - b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 4**.
7. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 11 July 2024, under item 10.3.
- a. A decision was made to agree and award new lease terms with an existing tenant of a unit within Middleton Grange Shopping Centre. The lease terms were negotiated by external property retail consultants engaged on behalf of Hartlepool Development Corporation. The Board delegated authority to Hartlepool Development Corporation Statutory Officers to enter into any letting with a rent value up to £150,000pa.
  - b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 5**.

8. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 11 July 2024, under item 10.3.
  - a. A decision was made to agree and award new lease terms with an existing tenant of a unit within Middleton Grange Shopping Centre. The lease terms were negotiated by external property retail consultants engaged on behalf of Hartlepool Development Corporation. The Board delegated authority to Hartlepool Development Corporation Statutory Officers to enter into any letting with a rent value up to £150,000pa.
  - b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 6.**
  
9. The Delegated Decision below has been taken in line with the Middleton Grange Shopping Centre Scheme of Delegation, as agreed by the board on 11 July 2024, under item 10.3.
  - a. A decision was made to grant a licence to allow the occupation of a unit at Middleton Grange Shopping Centre on 16 April 2025 for the purposes of hosting a public consultation event for Hartlepool Borough Council's Production Village project, which is being supported by Hartlepool Development Corporation. The Board delegated authority to Hartlepool Development Corporation Statutory Officers to enter into any letting with a rent value up to £150,000pa.
  - b. A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at confidential **Appendix 7.**

## Urgent Decisions

10. Attached to this report are three Urgent Decision Forms.
  
11. The Urgent Decision below was taken in respect of Middleton Grange Shopping Centre on 10 April by the Interim Chief Executive exercising his delegated power in accordance with Procedure Rule 20, Hartlepool Development Corporation Constitution.
  - a. A decision was made to award Anthony Collins Solicitors LLP with a contract to provide legal services for Middleton Grange Shopping Centre limited to a maximum spend of £250,000.00 following a successful procurement exercise.

The decision was deemed to be urgent as the contract with the current legal services provider was due to expire in April 2025. On 18 December 2024, HDC Board was made aware that the procurement process was being undertaken, and it received an update on progress in March 2025.

- b. A copy of the Urgent Decision form, recording the action the action taken by those officers who exercised their delegated authority in accordance with the HDC Constitution is attached at confidential **Appendix 8**.

12. The Urgent Decision below was taken in respect of Middleton Grange Shopping Centre on 29 May by the Interim Chief Executive exercising his delegated power in accordance with Procedure Rule 20, Hartlepool Development Corporation Constitution.

- a. A decision was made to issue a wayleave agreement to a telecommunications operator to install electronic communication apparatus at a unit within the Middleton Grange Shopping Centre. The equipment is required by the tenant to upgrade the telecommunication accessibility in the unit in order to facilitate technology upgrades. As the cables and equipment are being installed outside of the tenant's unit, HDC consent was required.
- b. A copy of the Urgent Decision recording the action the action taken by those officers who exercised their delegated authority in accordance with the HDC Constitution is attached at confidential **Appendix 9**.

13. The Urgent Decision below was taken in respect of Middleton Grange Shopping Centre on 4 June by the Interim Chief Executive exercising his delegated power in accordance with Procedure Rule 20, Hartlepool Development Corporation Constitution.

- a. A decision was made to issue a wayleave agreement to a telecommunications operator to install electronic communication apparatus at a unit within the Middleton Grange Shopping Centre. The equipment is required by the tenant to upgrade the telecommunication accessibility in the unit in order to facilitate technology upgrades. As the cables and equipment are being installed outside of the tenant's unit, HDC consent was required.
- b. A copy of the Urgent Decision recording the action the action taken by those officers who exercised their delegated authority in accordance with the HDC Constitution is attached at confidential **Appendix 10**.

14. The Urgent Decision below was taken in respect of Hartlepool Development Corporation on 5 June by the Interim Chief Executive exercising his delegated power

in accordance with Procedure Rule 20, Hartlepool Development Corporation Constitution.

- a. A decision was made to enter into a contract with Nathaniel Lichfield and Partners to provide General Planning Support for Hartlepool Development Corporation for a term of 12 months with two optional 12 month extensions.
- b. A copy of the Urgent Decision recording the action the action taken by those officers who exercised their delegated authority in accordance with the HDC Constitution is attached at confidential **Appendix 11**.

## **FINANCIAL IMPLICATIONS**

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

## **LEGAL IMPLICATIONS**

16. The decisions referred to in this report have been taken in accordance with the Hartlepool Development Corporation Constitution and delegations from the Board. Middleton Grange Shopping Centre Scheme of Delegation was agreed by the board on 11 July 2024, under item 10.3. The main body of the report identifies the specific delegations exercised by the Statutory Officers in accordance with the Scheme of Delegation and Constitution.

## **RISK ASSESSMENT**

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

**Name of Contact Officer:** Emma Simson

**Post Title:** Group Chief Legal Officer and Monitoring Officer

**Telephone Number:** 01325 792600



The appendices 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 12  
Report to the HDC Board  
19 June 2025  
Report of Chief Operating Officer

## MIDDLETON GRANGE SHOPPING CENTRE

### SUMMARY

The acquisition of the Middleton Grange Shopping Centre long leasehold completed on 19 December 2023. This report provides Board Members with an update on the operations of the shopping centre since the last update in March 2025.

### RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board:

- i. **NOTES** the updates provided in this report and in confidential appendices 1 and 2; and
- ii. **APPROVES** the recommendations to grant the wayleaves and the delegation outlined at paragraph 29 of this report.

### DETAIL

#### Finance

1. Since completion of the purchase of the shopping centre, HDC officers have worked with JLL, the appointed property management company, to obtain comprehensive financial information. This information covers, for example, tenant schedules, current contract terms, operating costs and arrears reports.
2. The information provided has allowed officers to review the current rent roll, current debtors and identify any irrecoverable costs – and to review the potential impact certain scenarios would have on financial results for the year. From this information

officers have prepared a forecast position and compared to actuals and this is included in confidential **appendix 1** to this report.

3. A monthly review of actuals to forecasts is undertaken and any variances will be considered by management and discussed with JLL. Both the financial information and the forecasts are updated for any new lease agreements entered, costs which have arisen and tenants who may have vacated their premises in the period. Provisions are reviewed and updated as necessary.
4. The debtor's position is analysed monthly, and potential high-risk tenants identified. Tenants are considered high risk if they have not made payments for a significant period or if their payments are turnover-based and there has been a significant fall in turnover, reducing the amount receivable.
5. A quarterly finance update of performance against forecast will be presented to the Board as part of the overall shopping centre update. For the year ended 31 March 25 there is a negative net operating position. Details are included in confidential **appendix 1**.
6. The purchase of the shopping centre was approved by the board in November 2023. The total cost was funded from the Hartlepool MDC £10m allocation received from TVCA Investment Plan. A programme plan and phased profile of remediation works identified as part of the purchase is now being managed and monitored post-transaction.
7. In advance of the acquisition and during the acquisition costs had been incurred on professional fees. The costs were funded via the project development allocation, under the delegation approved on the 19 February 2024.

### **Capital Expenditure**

8. The market hall area of the centre was closed in September 2024. This area is secured and isolated from the rest of the centre. Work is underway to obtain costs for short term risk mitigation works to enable safe access to vital areas of the hall for maintenance of services.
9. Assessment of the potential longer-term options for the future of the market hall continue. These options are being considered in conjunction with the options for the regeneration of the wider Middleton Grange focus area.
10. Separately, a specification for the repairs required to the currently closed vehicle ramp has been received. Work is underway to obtain costs for the repairs.

## Marketing

11. Over the past quarter contracted marketing provider, Cool Blue, has continued to strengthen Middleton Grange's digital presence and community engagement, delivering successful seasonal advertising campaigns and maintaining strong tenant relationships. Highlights include several collaborative giveaways with key tenants, the success of the free Easter event and a continued following growth across social platforms.
12. Digital presence: Continuing to implement a proactive content plan to maintain steady online engagement and reach. From January – March 2025, social media achieved an organic reach of 86,622 across all platforms, 40% up in comparison to the same period the previous year. The centre's email subscriber database has grown to 1,010 recipients, supporting ongoing communication and campaign visibility. A monthly newsletter distributed to the database, with content focuses on Valentine's Day and Mother's Day.
13. Tenant communications: Sustained consistent engagement with tenants on a bi-weekly basis via a communication email, most notably through the successful Easter Giveaway with The Entertainer on social media.
14. Events: Planning for the Easter event in April. Proposals were reviewed from a range of local and national event companies and Radiquip were selected, the firm that successfully delivered the Christmas event.
15. Digital advertising: Supported wider awareness of the Easter event with a paid digital advertising campaign, designed to target local families and community groups within a 20-mile radius of the centre – achieved 12,928 reach, 47,693 impressions and 553 engagements. Boosted further awareness with a two-week digital audio campaign through Bauer Media (stations include Magic, Kiss, Absolute Radio and Jazz FM) to promote the event, achieving over 75,000 impressions and an impressive listen-through rate of 98.9%.
16. Website: The Middleton Grange website continues to be monitored with regular maintenance and content updates in place to ensure it remains current and user-friendly.
17. Site signage: Ongoing implementation of the site-wide signage refresh to ensure consistent application of the new brand across all centre signage.
18. Photography: To elevate marketing outputs and keep brand materials fresh, new model imagery was shot in the centre during the w/c 28 April. This was using real people (not

models). These images will be used across all digital, print, and promotional campaigns moving forward.

## Footfall

19. Counters are installed at various entrances around the Centre.
20. For the year to date period January 2025 – March 2025, the total number of visitors to the Centre was 1,247,069 which is 0.5% up on the same period in 2024 (compared to the UK average of 1% and a North/Yorkshire average of 0.2%).
21. March 2025 saw 434,250 visitors to the Centre (-2.01% on 2024). However, it should be noted that Easter in 2024 was in March whereas in 2025, it was in April and this will have had an impact on the figures for both months and therefore, cannot be seen as a true like-for-like comparison.
22. Compared to 2024, January 2025 saw an increase in visitors of 3.1% (439,849) and February 2025 was 0.5% (372,970).

## Business Plan

23. At its meeting in July 2024, the HDC Board approved a strategic asset business plan which set out at a high level the actions required over a 12-18 month period to ensure that the underlying investment is preserved while the longer-term aspirations and viability is tested. Confidential **appendix 2** provides an update on progress against that plan for the period January 25- March 25.
24. At its meeting in July, HDC Board also approved a scheme of delegation defining the decision-making functions of the HDC Board and HDC Statutory Officers with the aim of streamlining operations, ensuring time critical decisions can be made between quarterly board meetings and reducing the volume of board decisions on standard items. Details of the decisions taken by officers under this scheme of delegation since its approval can be found at agenda item 9 of this meeting.
25. A review of the scheme of delegation is underway with the aim of streamlining operational decision making in relation to the shopping centre, A revised scheme of delegation will be brought to the next HDC Board meeting for consideration.

## Wayleaves

26. HDC has been approached by three separate tenants with a request to install new telecommunications equipment within their respective units at the Centre. In order to

do this, the telecommunications operator requires a wayleave agreement for each of the new installations.

27. The wayleave agreements will provide the tenants and telecommunications operator consent to install new cables leading to each of the units to facilitate technology upgrades in the units, such as an improved Wi-Fi connection.
28. Further information on these proposed wayleave agreements can be found at **confidential appendix 3**.
29. HDC Board is asked to:
  - a. Approve that HDC enters into the wayleave agreements in order to grant consent to the tenant and telecommunications operator for the installation of the cables at the Centre; and
  - b. Delegate to the Chief Legal Officer and Monitoring Officer of the authority to negotiate and execute the required wayleave agreements.

## **FINANCIAL IMPLICATIONS**

30. The shopping centre generates income from rents. There are a range of lease agreements, for example, some agreements are rates only. Where properties are vacant, HDC as landlord is liable for service charge fees and business rates.
31. After landlord liabilities for void service charges and business rates, and non-recoverable operating fees, are deducted there is an operating deficit due to the transition costs this financial year to be in the region of £380k. This will be funded via the £10m investment plan allocation to HDC.
32. No financial implications from the capital expenditure on current repair or investigation activity, as the purchase price was reduced to cover these as part of the negotiations.
33. The proposed wayleaves will not have a direct financial implication on the operation of the Centre. The cost of the legal advice provided by HDC's external solicitors, Anthony Collins Solicitors LLP, will be borne by the tenants.

## **LEGAL IMPLICATIONS**

34. Once HDC has entered into a Lease for a particular unit it will be bound by its terms. HDC has instructed a number of industry experts to ensure that all legal documentation is based on accurate industry advice.

35. External solicitors are instructed by HDC to complete all legal documentation and provide ongoing advice as required. This is managed by the TVCA in-house legal function.
36. Consideration will be given to, and an assessment produced to manage any risk under the Subsidy Control Act 2022, whereby a public authority provides resources to give one entity a commercial advantage over another. This will be considered, and an assessment made in respect of any letting, before it is agreed.
37. The installation and maintenance of the new cables will be governed by wayleave agreements which will be drafted by HDC's external solicitors, Anthony Collins Solicitors LLP. The terms of the wayleave agreements will be in line with other wayleave agreements granted at the Centre to ensure consistency.

## **RISK ASSESSMENT**

38. Property Management: HDC does not have the internal expertise to proactively manage the MGSC and ensure continuity of rent collection, service charge management and general property management. This is mitigated with the appointment of JLL.
39. Asset Management: HDC does not have the internal expertise to strategically manage the MGSC asset. This is mitigated by the appointment of JLL alongside experienced letting agents and legal advisors.
40. Financial Risk: Declining income: Micro and macro-economic conditions may deteriorate leading to additional tenants vacating units or entering liquidation. This may reduce net income to a deficit level. This risk will continue and is inherent to the retail asset type. This is partly mitigated with increasing marketing activity to attract footfall, a proactive asset management and reletting strategy to stabilise and grow income, pending ongoing review of the asset as part of the forthcoming wider plans.
41. Financial Risk: Operational cost liability: There is a risk income voids from vacant premises means service charge is not covered and must be paid by HDC as owner. This is partly mitigated by income from rents which could be used to offset void service charge and rates costs. The delivery of the asset management business plan aims to stabilise and grow tenancies, whilst rationalising retail space, will seek to increase demand and reduce costs to reduce the long term risk of income and service charge void.
42. Abortive Costs: there is a possibility that the costs required to be spent soon after acquisition will be abortive. Works are required in the short term to ensure health and safety requirements are met and the shopping centre can continue to operate. The



vision for the area will indicate places where rationalisation will take place. Spending in these areas would not incur costs unless necessary for H&S reasons.

43. The risks are categorised as either low or medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **CONSULTATION AND COMMUNICATION**

44. The contents of this require do not require further consultation.

## **EQUALITY AND DIVERSITY**

45. It is not expected that the subject of the report will have an effect on groups of people with protected characteristics.

**Name of Contact Officer: Beverley Bearne**

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