



HARTLEPOOL DEVELOPMENT CORPORATION BOARD

Thursday, 19 June 2025 at 9.30am

Meeting held at Tees Valley Combined Authority

<u>ATTENDEES</u>	
<b>Members</b>	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Councillor Brenda Harrison	Leader of Hartlepool Borough Council
Alison Gwynn	Independent Member
Councillor Pamela Hargreaves	Independent Member
Brenda McLeish	Independent Member
<b>Associate Member</b>	
Denise McGuckin	Managing Director, Hartlepool Borough Council
<b>Officers and other representatives</b>	
Tom Bryant	Interim Chief Executive, TVCA
Gary Macdonald	Group Director of Finance and Resources, TVCA
Beverley Bearne	Chief Operating Officer, HDC
Emma Simson	Group Chief Legal Officer and Monitoring Officer, TVCA
Hugh Grime	Head of Legal Services & Deputy Monitoring Officer, TVCA
Laura Metcalfe	Development Corporation Manager, TVCA
Justine Matchett	Lichfields
Neil Westwick	Lichfields
Kate Smith	Governance Officer, TVCA
<b>Apologies</b>	
Sarah Bedford	Independent Member
Simon Corbett	Independent Member
Martin Raby	Independent Member
Lisa Molloy	Independent Member
Matt Storey	Police and Crime Commissioner, Cleveland Police
Mark Webster	Chief Constable, Cleveland Police
Shane Moore	Independent Member

<p>HDC 70/24</p>	<p><b>APOLOGIES FOR ABSENCE</b></p> <p>The Chair welcomed everyone to the meeting.</p> <p>Apologies were noted in the Attendees list.</p>
<p>HDC 71/24</p>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>Mayor Ben Houchen declared a non-pecuniary interest in relation to the statutory Audit recommendations and being a member of TVCA Cabinet.</p> <p>Mayor Ben Houchen and Pamela Hargreaves declared non-pecuniary interest as members of the Board of Improvement.</p>
<p>HDC 72/24</p>	<p><b>MINUTES OF THE PREVIOUS MEETING AND MATTERS ARISING</b></p> <p>Members were invited to raise any concern or amendment regarding the minutes of the meeting held on 6 March 2025.</p> <p>Pamela Hargreaves (PH), Independent Member, asked when the Board can expect a copy of the final Terms and Conditions of the S106 agreement, which was being worked on with Jomast. Justine Matchett (JM) from Lichfields outlined that it is hoped to have a draft agreement by the end of next week. It has taken longer than anticipated following some technical concerns but is now moving forward. This will be circulated to the Board as soon as possible.</p> <p><b>RESOLVED</b> – That board <b>approves</b> the minutes of the meeting held on 6 March 2025 as correct record.</p>
<p>HDC 73/24</p>	<p><b>HDC BOARD EXTERNAL AUDIT STATUTORY RECOMMENDATIONS</b></p> <p>Gary Macdonald (GM), Group Director of Finance and Resources presented a draft report to the Board in respect of the letter received from Ernst and Young LLP, External Auditors (EY).</p> <p>GM outlined that the letter is the process by which the auditors can make recommendations and was received on 4 June 2025 from EY. The letter outlines concerns around capacity of services provided to the HDC Board.</p> <p>Key points included:</p> <ul style="list-style-type: none"> <li>• This meeting is within the deadlines set out that a public meeting must be held before the end of the period of one month, beginning the day on which the letter was sent to the Board (4 June 2025).</li> </ul>

- The 4 recommendations are set out in full text in the papers. It is recommended that all 4 recommendations are accepted fully.
- The papers are structured around the recommendations, with the first 2 covering TVCA support in relation to adequacy and capacity. It was stated that this is being worked on alongside the Chief Operating Officer for the DC.
- Point 3 relates to the Public Inspection period, and GM outlined that a clear working day will be left when accounts are uploaded on 30 June. Last year the accounts were published, and the inspection period was launched on the same day which was non-compliant. GM stated that there is now a process and detailed timetable to ensure this does not happen again.
- Assurances were also offered around the 2024/25 audit work, as referenced in Point 4, and Members were advised there is a detailed timetable which can deliver this.
- GM advised that resources are being looked at in order to future proof. Weekly meetings along with fortnightly updates and periodic senior department meetings are scheduled along with regular reports to the Board, and reporting arrangements are in place.
- Both interim and permanent resource is being put in place as part of a root and branch review.

Questions and comments were invited from members, and these included:

- Comments were made around capacity, and it was highlighted that the same team are covering the Combined Authority, 2 Development Corporations (DC) and the Airport. The Chair stated that the Best Value Notice (BVN) has been issued against the TVCA not the Development Corporation, and currently the DCs buy in services from the TVCA. The statutory letter has been received because there is a perceived material risk of buying in these services. It was highlighted that each DC Board will need to assess whether it is right and proper to continue to buy in these services. It was suggested to members that the Board will need to consider at the next meeting whether to continue to buy in from TVCA, or to employ their own finance staff. It will be the responsibility of the Board to carry out an **options appraisal** and look at the risks/benefits of insourcing or outsourcing.
- Board Members welcomed the intention of the Chief Operating Officer to carry out the options review to consider risk and workloads.
- GM added that, as part of the Internal Review there is dedicated resource for HDC, which has not been recruited to yet. In the process of assessing the bandwidth in terms of capacity and capability, which includes engagement with the 5 local authorities, and this may come back with additional resource. A certain level of specialist elements are always bought in, depending on projects, however the core team will be robust. The Chair highlighted that the Board will have to analyse and consider any service offer proposals.

	<ul style="list-style-type: none"> <li>Members also sought clarification regarding the hiring of interim staff, as referenced in Recommendation 1, and were advised by GM that interim resource has been secured for the year end. The Chair confirmed that from an HDC point of view the accounts are done and will be submitted on time. The Interim Chief Executive stated that all are working towards not being reliant on interim staff.</li> </ul> <p><b>RESOLVED</b> – That the Board</p> <ol style="list-style-type: none"> <li><b>NOTED</b> the content of the letter from Ernst &amp; Young LLP;</li> <li><b>ACCEPTED</b> 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;</li> <li><b>APPROVED</b> 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</li> <li><b>APPROVED</b> the proposed reporting arrangements as identified in paragraph 21 of this Report.</li> <li><b>NOTED</b> the intention to carry out an options review for bought in services, which will be brought back to the Board for decision.</li> </ol>
<p>HDC 74/24</p>	<p><b>COO REPORT EXTERNAL AUDIT STATUTORY RECOMMENDATIONS</b></p> <p>Beverley Bearne (BB), Chief Operating Officer presented a draft report to the Board in respect of the letter received from Ernst and Young LLP, External Auditors.</p> <p>Members were assured by BB that the intention is to respond effectively to the letter, and the response will include a full range of options. External and internal resource is in place to have built-in resilience.</p> <p>Questions and comments were invited, and none were received.</p> <p><b>RESOLVED</b> – That the Board:</p> <ol style="list-style-type: none"> <li><b>NOTED</b> 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.</li> </ol>
<p>HDC 75/24</p>	<p><b>CHAIRS UPDATE</b></p> <p>The Chair stated this is his last meeting as Chair and he is stepping down as Chair. He explained that the appointment of the new Chair is a Mayoral appointment, and the application process has been a formal process. He confirmed that the</p>

	<p>announcement of the new Chair is imminent, and Members were advised that they would be notified of the appointment before a public announcement.</p> <p>Questions and comments were invited, and none were received.</p> <p><b>RESOLVED</b> – That the Board <b>NOTED</b> the update.</p>
<p>HDC 76/24</p>	<p><b>CHIEF OPERATING OFFICERS UPDATE</b></p> <p>Beverley Bearne (BB), the Chief Operating Officer provided the Board with an update on the activities of HDC since the last meeting.</p> <p><b>(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.)</b></p> <p>BB outlined that a lot of time has been spent getting into the details, and the report provides an overview of projects already in delivery.</p> <p>Key points include:</p> <ul style="list-style-type: none"> <li>• The 5-year strategic business plan is a reflection on what has been achieved to date and there is a focus on projects to drive forward over the next 5 years and ensure there is capacity and resource.</li> <li>• Development of an investment strategy and framework to bring forward development and work alongside the Finance team, to create a sustainable model for investment.</li> <li>• Marketing is important to get good news out at both a national and regional level.</li> <li>• A framework of documents will be put together over the next few months, so it is not so fragmented going forward.</li> </ul> <p>Questions and comments were invited from members:</p> <ul style="list-style-type: none"> <li>• Members agreed that there is excitement at the prospects, and it was suggested that one area which would benefit is the Middleton Grange Shopping Centre. It was highlighted that it is important to show the wider public what the Development Corporation is doing as the current work is not currently affecting people in Hartlepool. It would be beneficial for people who live in the town to see the work started.</li> <li>• The Managing Director of Hartlepool Council reported that feedback from the public regarding the film studios was positive and collaboration with the Combined Authority and Government was moving projects forward.</li> <li>• Members suggested that alternative venues should be sourced for holding meetings as it was felt that only having them at the Civic Centre was not always convenient, and gives an impression that the Council IS the Development Corporation.</li> </ul>

	<p><b>RESOLVED</b> – That the Board:</p> <ol style="list-style-type: none"> <li>i. <b>NOTED:</b> the updates provided in this report.</li> <li>ii. <b>APPROVED:</b> the development of:             <ol style="list-style-type: none"> <li>a. a 5-year strategic business plan;</li> <li>b. an annual action plan;</li> <li>c. an investment strategy; and</li> <li>d. a communications and marketing strategy.</li> </ol> </li> </ol>
<p>HDC 77/24</p>	<p><b>GOVERNANCE AND APPOINTMENTS</b></p> <p>The Group Chief Legal Officer and Monitoring Officer presented appointments for confirmation.</p> <ul style="list-style-type: none"> <li>• Head of Planning HDC – Julie Hurley</li> <li>• Deputy Head of Planning HDC – Alan Weston</li> </ul> <p>Additionally proposed amendments to the Constitution were outlined and include:</p> <ul style="list-style-type: none"> <li>• The Mayor stepping down as Chair</li> <li>• An amendment to increase number of Board members.</li> <li>• Minor amendments around Mayoral powers to appoint members to the Board</li> </ul> <p>Members were advised that the Constitution will go to Cabinet on 27 June 2025 for approval.</p> <p>Questions and comments were invited from members and none were raised.</p> <p><b>RESOLVED</b> – That the Board:</p> <ol style="list-style-type: none"> <li>i. <b>CONFIRMED:</b> the appointment of Julie Hurley as the Head of Planning for Hartlepool Development Corporation; and</li> <li>ii. <b>CONFIRMED:</b> the appointment of Alan Weston as Deputy Head of Planning for Hartlepool Development Corporation.</li> <li>iii. <b>APPROVED</b> the amendments to the Constitution documents as set out at <b>Appendix 1</b>;</li> </ol>
<p>HDC 78/24</p>	<p><b>PLANNING UPDATE</b></p> <p>The Deputy Head of Planning submitted a report which provided an update on planning applications within the Hartlepool Mayoral Development Corporation boundary for Hartlepool Development Corporation.</p>

	<p>Questions and comments were invited from members and are noted below:</p> <ul style="list-style-type: none"> <li>• It was noted that the members of the HDC Board also make up the HDC Planning Board. It was felt this is not particularly beneficial and was suggested that a separate Planning Board whose members had more connect with local Authority. The Managing Director advised that every Planning application from an officer perspective is connected. The Group Chief Legal Officer, Emma Simson (ES) outlined that this question has previously been raised, and advice is needed from both planners and Governance.</li> <li>• A member asked if there was an update on Article 4, and was advised by Lichfields that this will be happening in the next few weeks, and all papers are ready.</li> </ul> <p><b>RESOLVED</b> – That the Board <u>NOTED</u> the update.</p>
<p>HDC 79/24</p>	<p><b>QUARTER 4 BUDGET REPORT AND MEDIUM TERM FINANCIAL PLAN</b></p> <p>The Group Director of Finance and Resources provided an update on the financial position of Hartlepool Development Corporation for the period ending 31 March 2025 and presented a revised Medium-Term Financial Plan (MTFP).</p> <p>Questions and comments were invited from members and none were raised.</p> <p><b>RESOLVED</b> – That the Board:</p> <ol style="list-style-type: none"> <li><u>NOTED</u> the quarter 4 outturn position for 2024/25; and</li> <li><u>APPROVED</u> the revised Medium-Term Financial Plan.</li> </ol>
<p>HDC 80/24</p>	<p><b>URGENT AND DELEGATED DECISIONS</b></p> <p>The Group Chief Legal Officer and Monitoring Officer presented the Urgent and Delegated Decisions report, and informed members that the confidential appendices held commercial information which could not be public. If members wished to discuss then the session would have to be closed.</p> <p><b>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.)</b></p> <p>The Chair suggested there should be a review of the Delegated Decision process – concerned that the Chair should not be involved in the technical sign-off.</p>

	<p>Members agreed that there should be a review of delegations and come back with recommendations for Board to reconsider.</p> <p>Questions and comments were invited from members and none were raised.</p> <p><b>RESOLVED</b> – That the Board:</p> <ol style="list-style-type: none"> <li>i. <b>NOTED</b> the Delegated Decision detailed in paragraph 3 and confidential Appendix 1.</li> <li>ii. <b>NOTED</b> the Delegated Decision detailed in paragraph 4 and confidential Appendix 2.</li> <li>iii. <b>NOTED</b> the Delegated Decision detailed in paragraph 5 and confidential Appendix 3.</li> <li>iv. <b>NOTED</b> the Delegated Decision detailed in paragraph 6 and confidential Appendix 4.</li> <li>v. <b>NOTED</b> the Delegated Decision detailed in paragraph 7 and confidential Appendix 5.</li> <li>vi. <b>NOTED</b> the Delegated Decision detailed in paragraph 8 and confidential Appendix 6.</li> <li>vii. <b>NOTED</b> the Delegated Decision detailed in paragraph 9 and confidential Appendix 7.</li> <li>viii. <b>NOTED</b> the Urgent Decision detailed in paragraph 11 and confidential Appendix 8.</li> <li>ix. <b>NOTED</b> the Urgent Decision detailed in paragraph 12 and confidential Appendix 9.</li> <li>x. <b>NOTED</b> the Urgent Decision detailed in paragraph 13 and confidential Appendix 10.</li> <li>xi. <b>NOTED</b> the Urgent Decision detailed in paragraph 14 and confidential Appendix 11.</li> </ol>
<p>HDC 81/24</p>	<p><b>MIDDLETON GRANGE SHOPPING CENTRE</b></p> <p>The Chief Operating Officer provided the Board with an update on the operations of Middleton Grange Shopping Centre since the last update in March 2025.</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> <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>

	<p>Questions and comments were invited from Members and none were raised.</p> <p><b>RESOLVED</b> – That the Board:</p> <ul style="list-style-type: none"><li>i. <b>NOTED</b> the updates provided in this report and in confidential appendices 1 and 2; and</li><li>ii. <b>APPROVED</b> the recommendations to grant the wayleaves and the delegation outlined at paragraph 29 of this report.</li></ul>
HDC 69/24	<p><b>DATE AND TIME OF NEXT MEETING</b></p> <p>TBC</p> <p>(The meeting concluded at 10:08)</p>