TEES VALLEY COMBINED AUTHORITY CABINET

Friday, 31st July 2026 at 10.00 am
Teesside Airport Business Suite, Teesside International Airport, Darlington

These Minutes are in draft form until approved at the next Cabinet meeting and are therefore subject to amendments.

ATTENDEES	
Members	
Mayor Ben Houchen (Chair)	Tees Valley Mayor
Councillor Graham Harrison	Leader, Hartlepool Borough Council
Mayor Chris Cooke	Mayor of Middlesbrough, Middlesbrough Council
Councillor Alec Brown	Leader, Redcar and Cleveland Borough Council
Councillor Lisa Evans	Leader, Stockton-on-Tees Borough Council
Officers	
Tom Bryant	Chief Executive, Tees Valley Combined Authority
Sarah Brackenborough	Director of Operations, Tees Valley Combined Authority
Alan Layton	Interim Deputy Director of Finance & Resources, Tees Valley Combined Authority
Craig Peacock	Director of Inward Investment & Marketing, Tees Valley Combined Authority
Sarah Walker	Director of Business Solutions, Tees Valley Combined Authority
Victoria Pescod	Interim Deputy Monitoring Officer, Tees Valley Combined Authority
Elizabeth Davison	Executive Director, Resources & Governance, Darlington Borough Council
Matt Wilton	Chief Executive, Hartlepool Borough Council
Erik Scollay	Chief Executive, Middlesbrough Council

Neil Shaw	Executive Director, Redcar & Cleveland Borough Council
Clare Harper	Chief Financial Officer, Stockton Borough Council
Sally Henry	Governance Officer, TVCA
Also in attendance	
Stephen Kitching (on Teams) – item 8 only	Arlingclose

These Minutes capture the key points and decisions of the meeting, but they do not attempt to reproduce every word spoken. The full recording can be found here.

	CHAIR'S OPENING REMARKS The Chair opened the meeting and welcomed everyone in attendance.
TVCA 21/26	**APOLOGIES FOR ABSENCE** Apologies for absence were submitted by Councillor Stephen Harker, Matthew Ord, Mike Greene, Rose Rouse and Jonathan Spruce.
TVCA 22/26	**DECLARATIONS OF INTEREST** Councillor Alec Brown declared a non-pecuniary interest in item 8 as Vice Chair of the STDC Board.
TVCA 23/26	**MINUTES** **RESOLVED** that the minutes of the meetings held on 26th June 2026 were confirmed as an accurate record.
TVCA 24/26	**TEES VALLEY MAYOR'S UPDATE** The Mayor advised Cabinet members that he had nothing further to update them on which was not covered elsewhere on the agenda. Members were however given an opportunity to comment or ask questions. No questions were asked.

TVCA 25/26	**INFORMATION GOVERNANCE POLICIES** Cabinet received a report from the Interim Monitoring Officer which presented the following revised governance policies for approval:- • Data Protection Policy • Data Retention and Deletion Policy • Access to Information (FOI/EIR) Policy • Subject Access Request Policy • Staff Privacy Notice • CCTV Policy The policies form part of the overall corporate policy framework. Cabinet members were asked to note that they are being asked to approve each policy individually, not the full suite of policies. All policies have been considered by the Audit & Governance Committee who have recommended them to Cabinet for approval. Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet :-** • **APPROVED** each policy within the suite of corporate policies; • **DELEGATED** authority to the Monitoring Officer to make minor amendments to the policies, providing that the overall substance, scope and intent of the policies are not significantly altered.
TVCA 26/26	**ANTI-FRAUD, BRIBERY AND CORRUPTION AND ANTI-MONEY LAUNDERING POLICIES AND RIPA SURVEILLANCE PROTOCOL** Cabinet received a report from the Interim Monitoring Officer which presented the following revised governance policies for approval:- • Anti-Fraud, Bribery and Corruption Policy; • Anti-Money Laundering Policy; • RIPA Surveillance Protocol. The policies form part of the overall corporate policy framework. Cabinet members were asked to note that they are being asked to approve each policy individually, not the full suite of policies.

	All policies have been considered by the Audit & Governance Committee who have recommended them to Cabinet for approval. They were also advised that if approved today an Anti-Fraud and Corruption Strategy and Action Plan will be developed to sit alongside the Anti-Fraud, Bribery and Corruption Policy. Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet :-** • **APPROVED** each policy within the suite of corporate policies; • **NOTED** the comments made by the TVCA Audit & Governance Committee; • **DELEGATED** authority to the Monitoring Officer to make minor amendments to the policies, providing that the overall substance, scope and intent of the policies are not significantly altered.
TVCA 27/26	**SOUTH TEES DEVELOPMENT CORPORATION LOAN AGREEMENTS** Cabinet received a report from the Chief Executive and Interim Deputy Director of Finance & Resources seeking approval to formalise the loan arrangements between Tees Valley Combined Authority (TVCA) and South Tees Development Corporation (STDC) and to delegate authority to finalise and execute the associated loan agreements within the financial and governance parameters set out in the report. The report set out the proposed repayment principles, monitoring arrangements and controls for existing advances and future borrowing within the approved £350m loan facility to STDC. The recommendations were supported by independent financial modelling advice from the TVCA treasury advisers (Arlingclose), including reconciliation of the £421m loan position and stress-test outputs on key downside scenarios. The delegation is subject to the final agreements remaining materially consistent with the repayment principles, affordability safeguards and governance controls set out in this report. Mayor Chris Cooke noted that Cabinet members have had several workshops to discuss this report leading up to the Cabinet meeting. He

	advised that work has been ongoing with Arlingclose to ensure the debts and overarching liabilities are all covered and that there is a mechanism in place for STDC to pay back the debt over the 19 years, but also a way to pay back the debt faster if possible. He advised that further updates will be brought to Cabinet as part of routine reporting. There will be a schedule of debt, which will ensure that all liabilities are covered and also enable overpayments as part of a surplus sweep mechanism. Alan Layton confirmed that this is an important set of recommendations for Cabinet to consider. It formalises the loan arrangements from an informal process to a formal footing and provides assurance to Cabinet that the debt can be paid off within the timescale of the business rates retention agreement period. He highlighted that the quay loan is based over a longer period. He further advised that this has been stress-tested by Arlingclose. Officers are of a view that the STDC business rates income forecasts are prudent. They are based only on current contractual committed occupancies. There is scope for more occupancy going forward so there is a high degree of confidence that the loans can be paid off during the 19 years of the business rates retention period. Councillor Brown enquired whether more tenants on site would mean the debt can be paid off quicker and also asked how often the schedule of payments will be reviewed. He was advised that it will be reviewed quarterly and reported back to Cabinet. There will also be a formal annual review. From a treasury point of view, at any point in the year that STDC have sufficient resources, they can make additional payments. There is no need to wait for a quarterly review. It was noted that, from an STDC perspective it is beneficial to pay the debt off sooner, but it would be better for TVCA for the debt to be paid back over 19 years to maximise the interest from STDC back to TVCA. In the agreement, a minimum repayment has been factored in along with the ability to overpay rather than having standard terms of paying the same amount every year which would tie STDC into a 19 year loan period. Councillor Brown enquired how far the stress testing go in terms of future-proofing.

	He was advised that Arlingclose pushed the current proposals as far as possible within the business rates that are being retained. They looked at a scenario where there is a significant reduction in contractual cash-flows and they are still confident that the debt can be paid. They also tested the impact of delaying the cash flows by 2 years and STDC were still able to pay back within the 19 years. The stress testing proved that even with a significant delay, repayment can still be made within the 19 year period. Councillor Bown noted that this piece of work has provided the assurance he needed and answered any concerns he had. He enquired whether this would have any impact on whether the BVN would be lifted by government. The Chair advised that it was not possible to say whether this would impact on the BVN being lifted, however, agreed that this is a significant piece of work and thanked all those involved. The Chief Executive advised that he has spoken to government and offered them a separate briefing. A press release will be issued if this is approved by Cabinet today. Councillor Evans thanked everyone involved in getting to this stage. She then proposed some additions to the recommendations within the report. She noted that the additions do not seek to change the principle of the loan arrangements presented, nor do they seek to delay the progress and noted there has been a huge amount of progress made. She advised that the proposed additions are intended to strengthen appropriate governance, transparency and Cabinet oversight as these arrangements develop over time. Councillor Evans advised that her proposed amendment to recommendation E is that, while authority is delegated to officers, and rightly so, any change that extends the payment period beyond that set out in the report or results in a different financial impact on TVCA, is presented back to Cabinet for approval. This will ensure that any material changes to the assumptions which have been mentioned remains a matter for elected members to consider and determine. Councillor Evan went on to advise that her proposed amendment to recommendation F is also focussed on transparency and recognises the need for officers to approve future loan advances within the already approved facility. It also provides that Cabinet will receive an update setting out the details and terms of each loan advance. Given the scale of the facility and the importance of these arrangements for the Combined

	Authority and our constituent authorities, she believes it is appropriate that Cabinet maintains visibility of how the facility is being managed and utilised and how the associated risks are being managed. Councillor Evans noted that these proposed amendments do not remove operation flexibility for officers. They simply provide additional assurance for Cabinet that members remain informed and retain decision making oversight when there are significant changes to the financial position or repayment arrangements. The proposed amendment to the recommendations was seconded by Councillor Brown. Mayor Cooke then noted that the sweep mechanism means that if STDC over-pay, this would not be captured by this amendment as this is already included in the recommendations in the Arlingclose report and would not slow down any over-payment process. He agreed that the amended recommendation makes it more explicit. Mayor Cooke then noted TVCA had received questions from the public and provided verbal responses. All questions and officer responses can be found on TVCA's website here. Cabinet members were invited to agree to the amended recommendations as proposed by Councillor Evans. **RESOLVED that Cabinet :-** • **Noted** that Tees Valley Combined Authority (TVCA) has advanced funding to South Tees Development Corporation (STDC) totalling circa £421 million as at 31 March 2026; • **Noted** that TVCA has obtained independent financial modelling advice from its treasury advisers (Arlingclose), including stress-test outputs on key downside scenarios. This advice provides confidence that under the current MTFP assumptions and with the proposed repayment mechanism, STDC's debt is sustainable and it can afford to repay its debt in full within the remaining period of the business rates retention arrangements, while maintaining financial resilience, even within a stressed scenario; • **Approved** the formalisation of loan agreements governing all existing loans advanced by TVCA to STDC on the basis set out in this report and recommended by Arlingclose. This provides a bespoke payment mechanism to ensure the repayment of all loans

	to STDC that are due to be repaid by the end of the business rates retention agreement in 2046, and includes future loans envisaged in the STDC MTFP; • **Noted** the loan agreements will include a review mechanism, requiring TVCA and STDC to review the repayment profile, affordability assumptions, cashflow position, reserves position and relevant income forecasts at least once each financial year; • **Delegated** authority to the Director of Finance & Resources (Section 73 Officer), in consultation with the Monitoring Officer, Chief Executive and Cabinet Portfolio Holder for Finance, Organisational Improvement and Business Growth, to finalise and execute the detailed terms of the loan agreements, provided that the final agreements are materially consistent with the repayment principles, interest methodology, monitoring arrangements, early warning triggers, information rights, lender protections and affordability safeguards set out in this report. If the agreement terms, either within the original agreement or through any subsequent review, extend beyond the loan repayment period set out in this report, or if the financial impact upon TVCA differs from that outlined in this report, the matter will be referred back to TVCA Cabinet for approval; • **Delegated** authority to the Director of Finance & Resources (Section 73 Officer), in consultation with the Monitoring Officer, Chief Executive and Cabinet Portfolio Holder for Finance, Organisational Improvement and Business Growth, to approve future loan advances, within the already approved £350million loan facility, to STDC subject to compliance with the agreed loan framework set out in this report, confirmation of affordability, an updated cashflow assessment, and consistency with the TVCA on-lending policy once approved. TVCA Cabinet will be provided with an update setting out the full details and terms of each loan advance.
TVCA 28/26	**BUSINESS TEES VALLEY PROGRAMME** Cabinet received a report from the Director of Business Solutions which sought approval for Business Tees Valley: a single, integrated business growth system for entrepreneurs, existing businesses and high-growth firms across the Tees Valley. The programme builds on the strategic framework approved by Cabinet in June 2025 and aligns business support,

	access to finance and Investment Zone activity with the Tees Valley Local Growth Plan. Cabinet approval was sought for the proposed programme, funding allocations and delivery approach pending completion and appraisal of a Full Business Case. Approval was also sought for programme governance and delegation arrangements. Cabinet were also provided an update on programme development and market engagement activity. Cabinet were also asked to note that the delegations within this programme will also be in conjunction with 2 Cabinet portfolio leads – Business Growth and Investment. This will provide additional oversight for Cabinet members. Members were given the opportunity to comment or ask questions. Mayor Cooke noted that the inter-authority agreement is an important mechanism. There are a lot of good people working across all the Local Authorities who over time have built up specific sector specialisms which can now be shared. **RESOLVED that Cabinet:-** • **APPROVED** the Business Tees Valley programme and associated funding allocations, subject to final due diligence of the Business Case in accordance with the Assurance Framework; • **AGREED TO DELEGATE** approval of the Full Business Case to the Combined Authority's Statutory Officers in accordance with the current Assurance Framework, and in addition, consultation with the Accountable Cabinet Portfolio Leads for Business Growth and Investment • **AGREED TO DEVELOP AND ENTER INTO AN INTER-AUTHORITY AGREEMENT** - with Tees Valley local authority partners to enable consistent delivery of the Business Tees Valley model, including the sharing of resources, data and procurement opportunities where this supports effective programme delivery; • **AGREED TO DELEGATE** authority to the Director of Business Solutions to take all decisions to manage and deliver the programme within the strategic framework and budgets agreed by Cabinet, in consultation with the Accountable Cabinet Portfolio Leads for Business Growth and Investment. Any

	projects within the programme above the value of £5m will come back to Cabinet for approval, this will be required for the Tees Valley Co-Investment Fund; • **AGREED** to receive a quarterly report on progress in delivering the Business Tees Valley Programme including any variances approved through the delegation.
TVCA 29/26	**BROWNFIELD HOUSING FUND ROUND 4** Cabinet received a report from the Director of Infrastructure which provided an overview of the Brownfield Housing Fund (BHF) Round 4 funding opportunity which is to be received from the Ministry of Housing, Communities and Local Government (MHCLG). The report sought approval to the concept of the BHF Round 4 Programme in principle as a named programme with a confirmed allocation of £33.3m (£32.6m capital and £0.7m revenue). Cabinet were invited to approve the development of a BHF Round 4 Programme Business Case which will be presented to Cabinet at a future meeting. Cabinet were also asked to approve the process to develop the BHF Round 4 Programme including identifying eligible capital projects to go into the Tees Valley Investment Pipeline through the launch of an open call. In addition, Cabinet were invited to approve the proposed usage of the RDEL funding for the BHF Round 4 Programme to cover staffing, marketing & communications (including workshops), project development capacity, business case development and technical appraisal support. It was noted that this is the first time a strategic pipeline of housing projects has been available. Members were given the opportunity to comment or ask questions. Councillor Brown enquired whether a project could be added to the pipeline of projects next year and was advised that the pipeline is being constantly updated. **RESOLVED that Cabinet :-**

	• **AGREED** in principle to the concept of the Brownfield Housing Fund Round 4 as a named programme with a confirmed allocation of £33.3m; • **AGREED** to the development of a programme level business case which will come to a future meeting for approval; • **AGREED** to proposed process to develop the BHF Round 4 Programme including process of identifying eligible capital projects to go into the Tees Valley Investment Pipeline; • **AGREE** to the proposed use of the £0.7m of Revenue Funding to allow progression of the BHF Round 4 Programme to meet the requirements of MHCLG and the TVCA Assurance Framework.
TVCA 30/26	**DELEGATED DECISIONS** Cabinet was presented with a report from the Interim Monitoring Officer, which advised of all the Delegated Decisions made since Cabinet last met on 26th June 2026. Cabinet was invited to **NOTE** the Delegated Decisions. Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet noted the** Delegated Decisions made since Cabinet last met on 26th June 2026.
TVCA 31/26	**GOVERNANCE & APPOINTMENTS** **Alan Layton left the room at this point.** Members' approval was sought for the appointment of Alan Layton as Interim Director of Finance & Resources (Section 73 Officer). Members were invited to approve the appointment of the Chair and Vice Chair of the Tees Valley Combined Authority Audit and Governance Committee. Members were invited to note the appointment of a member and substitute member to the South Tees Development Corporation Audit & Governance Committee.

	Members were asked to note the appointment of a member and substitute member to the Middlesbrough Development Corporation Audit & Governance Committee. Members were also asked to note the appointments to the Investment Committee. Members were given the opportunity to comment or ask questions. Mayor Chris Cooke requested that his thanks to Jo Moore be placed on record. **RESOLVED that Cabinet :-** • **APPROVED** the appointment of Alan Layton, current Interim Deputy Director of Finance, as Interim Director of Finance & Resources (Section 73 Officer); • **APPROVED** the appointment of the Chair and Vice Chair of the Tees Valley Combined Authority Audit and Governance Committee; • **NOTED** the appointment of a member and substitute member to the South Tees Development Corporation Audit & Governance Committee; • **NOTED** the appointment of a member and substitute member to the Middlesbrough Development Corporation Audit & Governance Committee; and • **NOTED** the appointments to the Investment Committee. ***The Chair then moved to Exclude members of the public by virtue of paragraph 1 (information relating to any individual), paragraph 2 (information which may identify an individual) of Schedule 12 A of the Local Government Act 1972).*** This was proposed by Councillor Harrison and seconded by Councillor Evans. Cabinet received an update from the Chief Executive on the recruitment for the Director of Finance & Resources. **RESOLVED that Cabinet :-** • **APPROVED** the appointment of the permanent Director of Finance & Resources (Section 73 Officer) subject to the standard due diligence being completed (references and normal employment checks). Members of the public were invited back into the meeting at this point.

	CHAIR CLOSED THE MEETING AT 10:38