

APPOINTMENT AND REMUNERATION OF CHAIRS TO THE DEVELOPMENT CORPORATION BOARDS

SUMMARY

Firstly, to consider the Mayor's proposals for the appointment of the three Development Corporation Chair roles, including recommendations for remuneration. Secondly, to consider and approve the Tees Valley Combined Authority's Group Members' Allowances Scheme (the Scheme).

RECOMMENDATIONS

It is recommended that the Cabinet:

- i. **Notes** the appointment of David Smith as a Member and Chair of the South Tees Development Corporation.
- ii. **Notes** the appointment of Tony Parkinson as a Member and Chair of the Middlesbrough Development Corporation.
- iii. **Notes** the appointment of Mark Robinson as a Member and Chair of the Hartlepool Development Corporation.
- iv. **Adopts** the Group Members' Allowances Scheme, attached as **Appendix 1** to this report, as amended for the municipal year 2025/2026 to reflect those matters set out at paragraphs 15 to 17.

DETAIL

1. 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.
2. The Act as amended by the Order states:

- a. 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.
 - b. The Combined Authority must appoint at least one elected member from the Local Authority area the MDC sits in.
 - c. The Combined Authority must appoint one of the members of an MDC to chair the MDC.
 - d. 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.
 - e. 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.
3. In respect of remuneration the Act as modified by the Order states:
- a. 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.
 - b. The Combined Authority determines rates and eligibility criteria in respect of the above.
4. 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.
5. 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.

Chair recruitment

6. The Mayor currently is Chair for all three MDC boards. He confirmed that he would step down as Chair after the TVCA annual general meeting, following publication of new government guidance. Therefore, the Combined Authority needs to appoint members and a Chair to all three respective MDC's.
7. Paragraph 93 of the TVCA Constitution states that the Mayor shall make proposals to Cabinet to appoint the Chair and members to the MDCs. Any proposed appointment shall be supported by a skills matrix produced by the Mayor, which sets out the relevant expertise and knowledge required to support the Mayor in setting and delivering their strategic ambitions. However, as detailed in Paragraphs 1 – 5 inclusive of this report, legislatively, this is a Mayoral power.
8. The Chairs will be responsible for the proper running of their respective DC Board. They will guide and influence the Corporations at a strategic level providing confident, clear and consistent leadership. The Chair will work closely with and support the Tees Valley Mayor and the MDC Chief Operating Officer, and both support and challenge the Boards to lead and develop the MDCs to ensure they deliver the vision for the towns.
9. At Informal Cabinet on 2 May 2025, there was a discussion after the Mayor confirmed that he would be standing down as Chair of the Mayoral Development Corporations and that a formal recruitment process would be undertaken to select the best candidates for the roles.
10. Adverts inviting applications from interested parties went live on Wednesday 7th May and closed on Friday 30th May. Shortlisting was undertaken by the Tees Valley Mayor, Chief Operating Officer for the respective Development Corporations and a Tees Valley Local Authority Chief Executive (CEX). For STDC, the CEX was Erik Scollay from Middlesbrough Council, for HDC the CEX was John Sampson from Redcar and Cleveland Borough Council and for MDC the CEX was Denise McGuckin from Hartlepool Borough Council. Applications were assessed against the essential criteria set out in the application pack. Those who were able to demonstrate that they met the essential criteria were invited for interview.
11. Interviews of those shortlisted took place on 9th June for STDC and HDC and 16th June for MDC and appointments were made by agreement. The interview panel included the Tees Valley Mayor, Chief Operating Officer and respective Chief Executives who took part in the shortlisting as outlined above. The outcome of the interview processes is provided below.



South Tees Development Corporation

12. David Smith, the longest serving member of the South Tees Development Corporation Board. Appointment following interviews on 9th June.

Middlesbrough Development Corporation

13. Tony Parkinson, former Middlesbrough Council Chief Executive, as chair of Middlesbrough Development Corporation. Appointment following interviews on 16th June.

Hartlepool Development Corporation

14. Mark Robinson, a retail and regeneration expert who previously chaired the UK's High Streets Task Force, as Chair of Hartlepool Development Corporation. Appointment following interviews on 9th June.

Remuneration

15. The Chief Operating Officer of MDC & HDC committed to undertake review, with the Mayor and TVCA Chief Executive, during May to determine the responsibilities, essential and desirable criteria, and time commitment that would be expected from an MDC Chair.
16. The estimated time commitment over the year is 33 days.
17. Benchmarking of other similar roles was highly varied. In discussion with the Tees Valley Mayor, it was determined that in order to attract a good calibre of applicant it was necessary to remunerate the role and a figure of £15,120 was arrived at, which equates to a day rate of £420, which is at the lower end of those used for comparison.

Organisation	Role	Time commitment	Remuneration
Greater Manchester Combined Authority	Non-Executive Director	3.5 days per month	£28k p.a.
West Yorkshire Combined Authority	Non-Executive Director	Per meeting	£1000
Ebbsfleet Development Corporation	Chair	1 day per week	£575
Sunderland City Council	Non-Executive Director	15 days per year	£495

Port of Tyne		12 days per year	£14,857 p.a.
Catholic Safeguarding Standards Agency	Non-Executive Director	2 days per month	£13k p.a.

18. The Mayor's recommendation for appropriate levels of remuneration is:

- **£15,120 per annum**

19. Subject to adoption by the Combined Authority Cabinet, the revised levels of remuneration have been incorporated into the Members' Allowances Scheme attached at **Appendix 1**. Remuneration is related to the Chair role and not membership of Board, should the Chair resign from their position of Chair, but remain a member of the board they would not be remunerated.

20. It is recommended that Cabinet **Adopt** the Group Members' Allowances Scheme, attached as **Appendix 1** to this report.

FINANCIAL IMPLICATIONS

21. The total cost for the appointment of three Independent Chair positions for the respective Development Corporations is £45,360. There may well be expenses associated with the positions in addition to the remuneration. These costs will be charged to each respective Development Corporation budget. The current funding within Development Corporation revenue budgets will be used for these costs. This will be monitored each year as part of the normal budget process.

LEGAL IMPLICATIONS

22. The legislative and constitutional implications are set out in the main body of the report.

RISK ASSESSMENT

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

CONSULTATION & COMMUNICATION

24. In accordance with Part 1, paragraph 93 of the TVCA Constitution, the Mayor can and shall make proposals to Cabinet to appoint the chair and members to Mayoral Development Corporations. As such, outside of the above recruitment process, no consultation or communications were necessary.



EQUALITY & DIVERSITY

25. This report does not impact on people with protected characteristics.

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