TEES VALLEY

Public Questions for Cabinet on 12th December 2025

Question:		Answer:
Item 7: Quarter 2 Budget Monitoring Report		
1.	"Currently Minimum Revenue Provision (MRP) is not being provided for on-lending to STDC and in respect of the Goosepool/airport loans. However, principal repayments are also not being made and this matter is subject to discussion with the Authority's external auditors. This could result in a requirement to provide MRP which would be an unbudgeted cost" What is the amount of this unbudgeted cost?	The matter has yet to be concluded and amount quantified. Any resulting cost will be quantified for the draft budget report scheduled to be presented to Cabinet on 30 January 2026.
2.	"STDC's ability to pay interest and principal is reliant on the generation of business rates income arising from the development of the Teesworks site" Mazars, the external auditors of Redcar & Cleveland Borough Council, has downgraded their assessment of business rate income from Teesworks by £30m over the next 5 years. The STDC will face an identical shortfall, which will severely strain its ability to pay interest and principal on outstanding loans. Has an assessment been made of the impact of this shortfall?	Although the paper references STDC in relation to interest payments, it does not address this specific matter. Accordingly, it would not fall within the Authority's remit to provide a response.

3.	"On 31 March 2022, a grant was made to STDC of £10.4m by TVCA in connection with the development of the Teesworks site. Following the issuing of the grant it was agreed that this grant would now be viewed as a 'loan' repayable over 25 years at £0.401m per year" When was the decision made to convert the grant into a loan?	This is a request for 'held' information rather than a question, should you wish to do so, please submit this as an FOI. If the information is held, it will be provided through that process.
4.	Public bodies cannot casually reclassify grants as loans after the fact and this was described as an error in the finance report. *The total figure of £11.662m excludes the £0.401m grant/loan error (total budget £12.063m) For this type of change to be lawful, you would normally expect; 1. Political approval (Mayor or Cabinet decision properly recorded) 2. Legal execution (Loan agreement or variation signed by both TVCA and STDC) 3. Accounting & audit recognition (Correct treatment in both sets of accounts & Auditor awareness.	This is a request for 'held' information rather than a question, should you wish to do so, please submit this as an FOI. If the information is held, it will be provided through that process.

	If any of these are missing the reclassification is legally and financially defective. Therefore; 1. Please could you reference the recorded approval for the Reclassification? 2. Was a loan agreement or variation signed by both TVCA and STDC at the time of reclassification? 3. What was the accounting treatment that was applied by TVCA for this funding in each financial year since 21/22	
Item 8: Treasury Management Mid-Year Review 2025-26		
5.	"The interim S73 Officer has been working closely with the Arlingclose on updating the Liability Benchmark for 2025/26 and this has indicated the need for the Authority to undertake c£140m of external borrowing during the remainder of 2025/26." What has caused the budget to deteriorate by such a large sum this late in the financial year?	The budget has not deteriorated but the "under-borrowed" position as a result of a reduction of cash and balance sheet resources available to provide "internal borrowing".
Item 9: Transport Programme Update		
6.	"The contractor has now conducted additional surveys and has now presented stakeholders with options for a way	Further work has been carried out by Network Rail's contractors and there are two options to consider. If the

	forward. This is under review by TVCA, and Redcar & Cleveland Borough Council as the owner of the current footbridge (at South Bank railway station)." What is the estimated cost of the temporary bridge?	chosen preferred option is the dismantling of the current footbridge and the provision of a temporary footbridge to provide access to the east bound station platform and also provide an access over the railway line, the total cost is £2.07m of which the cost of the temporary bridge is currently estimated at £0.658m with an expected 3-year lifespan.