Tees Valley Combined Authority Cabinet

Friday 31 July 2026 at 10:00 am

Venue: Teesside Airport Business Suite, Teesside International Airport, Darlington, DL2 1NJ

AGENDA

Open to the Public and Press

1. **Apologies for Absence**
   To receive any apologies for absence.

2. **Declarations of Interest**
   To receive any declarations of interest.

3. **Minutes**
   To approve as a correct record the minutes of the meetings held on 26 June 2026.

4. **Mayoral Update**
   To receive a verbal Mayoral update on key activity since the previous meeting of the Cabinet.

Governance Items

5. **Governance & Appointments**
   To receive a report from the Chief Executive and Interim Monitoring Officer detailing a number of appointments for approval, including in relation to the Director of Finance & Resources (Section 73 Officer).

   The appendix to this report is exempt and not for publication by virtue of paragraph 1 (information relating to any individual), paragraph 2 (information which may identify an individual) of Schedule 12 A of the Local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).

6. **Information Governance Policies**
   To receive a report from the Interim Monitoring Officer seeking approval for a number of corporate policies.

7. **Anti-Fraud, Bribery and Corruption and Anti-Money Laundering Policies and RIPA Surveillance Protocol**

To receive a report from the Interim Monitoring Officer seeking approval for a number of corporate policies.

Finance Items

8. **South Tees Development Corporation Loan Agreements**
To receive a report from the Chief Executive and Interim Deputy Director of Finance & Resources seeking Cabinet approval to several recommendations to formalise the loan arrangements between Tees Valley Combined Authority (TVCA) and South Tees Development Corporation (STDC).

Policy Items

9. **Business Tees Valley Programme**
To receive a report from the Director of Business Solutions presenting the Business Tees Valley model and seeking approvals for the programme, funding allocations and approach.

10. **Brownfield Housing Fund Round 4**
To receive a report from the Director of Infrastructure providing an overview of the Brownfield Housing Fund Round 4 and seeking several approvals.

11. **Delegated Decisions**
To receive a report from the Interim Monitoring Officer providing an update on any delegated or urgent decisions made since the last Cabinet meeting.

Date and time of the next meeting – Friday 25 September 2026 at 10:00am

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 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: The Governance Team – tvcagovernance@teesvalley-ca.gov.uk

Membership
The Tees Valley Combined Authority comprises the following membership:

Mayor Ben Houchen	**Chair, Tees Valley Combined Authority**

Councillor Stephen Harker	**Leader, Darlington Borough Council**
Councillor Graham Harrison	**Leader, Hartlepool Borough Council**
Mayor Chris Cooke	**Mayor, Middlesbrough Council**
Councillor Alec Brown	**Leader, Redcar & Cleveland Borough Council**
Councillor Lisa Evans	**Leader, Stockton-on-Tees Borough Council**
Matthew Ord	**Chair, Tees Valley Business Board**

Tees Valley Combined Authority Declaration of Interests Procedures

1. The purpose of this note is to provide advice and guidance to all members (the Mayor, elected and co-opted members, substitute members and associate members) of the Combined Authority Cabinet, Sub-Committees and Tees Valley Business Board Board, on the procedure for declaring interests. The procedure is set out in full in the Combined Authority's Constitution under the "Code of Conduct for Members" (Appendix 8).

Personal Interests

2. The Code of Conduct sets out in full, the principles on the general conduct of members in their capacity at the Combined Authority. As a general principle, members should act impartially and should not use their position at the Combined Authority 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 Combined Authority 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 Combined Authority;
        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. The constituent councils of the Combined Authority are closely integrated with its governance and financial arrangements, and financial relationships between the Combined Authority and Councils do not in themselves create a conflict of interest for Council Leaders who are also Combined Authority Cabinet members. Nor is it a conflict

of interest if the Combined Authority supports activities within a particular council boundary. Nevertheless, there are specific circumstances where the Cabinet is considering 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 Combined Authority. 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.
7. Details of any personal interests registered will be published on the Combined Authority's website, with the full register available at the Combined Authority'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

8. The Combined Authority will include a standing item at the start of each 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.

9. 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.

10. 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

11. Members can seek the advice of the monitoring officer if they consider that the disclosure of their personal interests contains sensitive information.

TEES VALLEY COMBINED AUTHORITY ANNUAL GENERAL MEETING

Friday, 26 June 2026 at 10.00am
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 Stephen Harker	Leader, Darlington Borough Council
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
Jo Moore	Interim Director of Finance & Resources, Tees Valley Combined Authority (joined on Teams)
Craig Peacock	Director of Inward Investment & Marketing, Tees Valley Combined Authority
Jonathan Spruce	Director of Infrastructure, Tees Valley Combined Authority
Sarah Walker	Director of Business Solutions, Tees Valley Combined Authority
Jeanette McGarry	Interim 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
Brian Archer	Chief Executive, Redcar & Cleveland Borough Council
Mike Greene	Chief Executive, Stockton Borough Council
Jacqui Banks	Business Solutions Manager - Skills
Sally Henry	Governance Officer, TVCA

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 Councillor Graham Harrison to his first Cabinet meeting.
TVCA 01/26	**APOLOGIES FOR ABSENCE** Apologies for absence were submitted by Matthew Ord & Rose Rouse
TVCA 02/26	**DECLARATIONS OF INTEREST** No declarations declared
TVCA 03/26	**GOVERNANCE & APPOINTMENTS** The Cabinet received a report from the Chief Executive which detailed various appointments for agreement and confirmation. Councillor Harrison thanked the Mayor and Cabinet members for allowing him the opportunity to take on the Portfolio and advised that he looked forward to working on this area. Cabinet approved the recommendations set out in the report, with the exception of Councillor Alec Brown who abstained. **RESOLVED that Cabinet :-** • NOTED the appointment of the Deputy Mayor; • NOTED the appointment to the Tees Valley Combined Authority Cabinet;

	• <u>AGREED</u> the Portfolio responsibilities proposed by the Tees Valley Mayor; • <u>APPROVED</u> the appointments to the Overview & Scrutiny Committee; • <u>APPROVED</u> the appointments to the Transport Committee; • <u>APPROVED</u> the appointments to the Audit & Governance Committee; • <u>NOTED</u> that the membership of the Investment Committee will be brought to a future Cabinet meeting; • NOTED the appointment of the Independent Persons and the partnership work with the Constituent Authorities; • <u>NOTED</u> the membership of the Independent Remuneration Panel; • <u>NOTED</u> that a full review of the Constitution will be undertaken and presented to the July Cabinet meeting; • <u>NOTED</u> that the Member Allowance is Scheme is under review and a report will be presented to a future Cabinet meeting; • <u>APPROVED</u> the appointments of the Chair and Vice Chair of the Tees Valley Combined Authority Overview and Scrutiny Committee; • <u>NOTED</u> that the position in respect of the Chair and Vice Chair of Audit & Governance Committee; • <u>NOTED</u> the position in respect of the Development Corporation Board membership; • <u>NOTED</u> the appointments in respect of the Teesside Freeport Governance Board.
TVCA 04//26	**DATES AND TIME OF FUTURE MEETINGS FOR 2026/2027** **RESOLVED** that Cabinet noted the schedule of future Cabinet meetings. **Date and Time of Future Meetings for 2026/2027** • Friday 31st July 2026 • Friday 25th September 2026 • Friday 11th December 2026 • Friday 29th January 2027 • Friday 19th March 2027 • Friday 25th June 2027 All of the above meetings are to commence at 10:00am

TEES VALLEY COMBINED AUTHORITY CABINET

Friday, 26 June 2026 at 10.15am
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 Stephen Harker	Leader, Darlington Borough Council
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
Jo Moore	Interim Director of Finance & Resources, Tees Valley Combined Authority (joined on Teams)
Craig Peacock	Director of Inward Investment & Marketing, Tees Valley Combined Authority
Jonathan Spruce	Director of Infrastructure, Tees Valley Combined Authority
Sarah Walker	Director of Business Solutions, Tees Valley Combined Authority
Jeanette McGarry	Interim 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
Brian Archer	Chief Executive, Redcar & Cleveland Borough Council
Mike Greene	Chief Executive, Stockton Borough Council
Jacqui Banks	Business Solutions Manager – Skills TVCA
Sally Henry	Governance Officer, TVCA

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 05/26	**APOLOGIES FOR ABSENCE** Apologies for absence were submitted by Matthew Ord and Rose Rouse
TVCA 06/26	**DECLARATIONS OF INTEREST** No declarations of interest were received
TVCA 07/26	**MINUTES** **RESOLVED** that the minutes of the meeting held on 24th April 2026 were confirmed as an accurate record.
TVCA 08/26	**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 09/26	**GOVERNANCE & APPOINTMENTS**

	Cabinet received a report from the Chief Executive which provided an update on the recruitment process for the Chief Legal & Monitoring Officer and the Director of Finance & Resources. Members' approval was sought for the appointment of Andrew Perriman as Monitoring Officer. They were advised that interviews had taken place the previous week. Councillor Evans and Matt Wilton were thanked for being involved in the interview process. Cabinet were further advised that it is proposed to regrade the position to Director in line with other Combined Authorities and to reflect the level of responsibility aligned to the new Devolution and Community Empowerment Act. Councillor Brown noted that the new Monitoring Officer looks to be skilled and experienced. An update was also provided on the progress made on the recruitment of Independent Persons. Interviews have taken place and successful candidates have been appointed. Those candidates not appointed have expressed interest in joining the Development Corporation Audit & Governance Committees. Members were given the opportunity to comment or ask questions. Councillor Brown enquired on progress on the recruitment of a new Director of Finance & Resources. He was advised that work is ongoing to identify a suitable candidate. In the meantime Cabinet previously agreed to extend Jo Moore's contract until the end of September and she has committed to ensure there is a smooth transition once the successful person is appointed. **RESOLVED that Cabinet :-** • NOTED the update on the recruitment process for the Chief Legal & Monitoring Officer and the Finance & Resources Director; • APPROVED the permanent appointment of the Director of Legal & Governance (Monitoring Officer), (tabled at the meeting); • NOTED the progress of the recruitment of Independent Persons.
TVCA 10/26	**ORGANISATION IMPROVEMENT PLAN PROGRESS REPORT** Cabinet received a report from the Chief Executive which provided an update on progress in relation to the Organisation Improvement Plan and other matters relating to the Best Value Notice issued on 3 April 2025, and

	the External Audit Statutory Recommendations Letter, issued on 15th April 2025. Mayor Cooke advised members that changes have been made to how the data is presented. He thanked the Director of Operations and the Programme Manager (Improvement) for their work in developing the report. He advised that there is a desire to move towards a continuous improvement plan once this plan is complete. Members were given the opportunity to comment or ask questions. There were no questions or comments. The Chief Executive advised members that he had a meeting recently with The Chair of the Independent Advisory Board, The Tees Valley Mayor and the Mayor of Middlesbrough. The role and future membership of the Board was discussed and an update will be brought to a future Cabinet meeting as this progresses. The Chair thanked Mayor Cooke for working with officers who have all appreciated his support and advice. He also thanked all Cabinet members for their support and for the cross-party approach. **RESOLVED that Cabinet :-** • NOTED progress in relation to the Organisational Improvement Plan; • APPROVED the continuation of the Independent Advisory Board, in line with the detail set out in the report; • NOTED the intention to develop a continuous improvement strategy.
TVCA 11/26	**DRAFT ANNUAL GOVERNANCE STATEMENT 2025/26** Cabinet received a report from the Interim Monitoring Officer which advised that the informal meeting of the TVCA Audit & Governance Committee considered the Annual Governance Statement on the 21 May 2026. The Committee members commented positively on the level of progress and evidence provided. Members requested that the weaknesses section of the report be enhanced. It was noted that this section of the report would be updated once feedback has been provided by the External Auditor (EY) and the Internal Auditor (TIAA). Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet :-**

	• NOTED the comments on the Draft Annual Governance Statement made at the informal meeting of the TVCA Audit and Governance Committee on 21 May 2026; • APPROVED the Draft Annual Governance Statement for publication, subject to any future comments from the Internal Auditor (TIAA) and the External Auditor (EY).
TVCA 12/26	**SOUTH TEES DEVELOPMENT CORPORATION MEDIUM TERM FINANCIAL PLAN** Cabinet received a report from the Interim Director of Finance & Resources presenting the South Tees Development Corporation (STDC) Capital and Revenue budgets for 2026/27, the updated Medium Term Financial Plan (MTFP) and the Capital Programme for 2026/27 – 2030/31 as required by the STDC Constitution. Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet :-** • NOTED the South Tees Development Corporation (STDC) Capital and Revenue budgets for 2026/27, the updated Medium Term Financial Plan (MTFP) and the Capital Programme for 2026/27 – 2030/31.
TVCA 13/26	**SOUTH TEES DEVELOPMENT CORPORATION ANNUAL REPORT** Cabinet received a report from the Chief Executive of the STDC which presented an annual update on the activities of South Tees Development Corporation and progress across the Teesworks site since the previous Cabinet update in March 2025. Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet:-** • NOTED the contents of the report.
TVCA 14/26	**WHISTLEBLOWING POLICY**

	Cabinet received a report from the Interim Monitoring Officer which presented the amended TVCA Whistleblowing Policy, which incorporated the Internal Auditor's recommendations and comments made at the informal meeting of TVCA's Audit & Governance Committee on 21 May 2026. The Mayor expressed his thanks to the Audit & Governance Committee. The Interim Monitoring Officer explained that the revised Whistleblowing Policy was at Appendix 1 and she thanked Comms and HR colleagues for implementing the Delivery Plan at appendix 2, in response to the Internal Auditor's comments Members were given the opportunity to comment or ask questions. There were no questions or comments. **RESOLVED that Cabinet :-** • Noted the comments made by the Informal Audit and Governance Committee; and • Approved the revised Whistleblowing Policy.
TVCA 15/26	**DRAFT REVENUE & CAPITAL OUTTURN 2025/26** Cabinet received a report from the Interim Director of Finance & Resources presenting the draft revenue and capital outturn position for Tees Valley Combined Authority (TVCA) for the year ending 31 March 2026, highlighting any key variances to the approved budget for the year, based on the provisional outturn position as at the end of Quarter 4 (31 March 2026). Cabinet members were advised that the report was provisional pending the finalisation of the Annual Statement of Accounts 25/26 and prior year accounts for 2023/24 and 2024/25. The Interim Director of Finance & Resources provided Cabinet members with an overview of the report and Members were given the opportunity to comment or ask questions. Councillor Harrison thanked officers for the report and commented that, noting the underspend on projects, the Investment Committee can play an important role here, alongside the new Single Assurance Framework in challenging and scrutinising the delivery of the projects. **RESOLVED that Cabinet:-**

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NOTED the draft revenue outturn position of a net deficit of £5.798m for the year ending 31 March 2026, which is an adverse variance of £0.026m against the budgeted deficit of £5.772m, and an adverse variance of £5.204m from the reported deficit of £0.594m at Quarter 3.
APPROVE the revenue budget carry forward requests of £3.811m set out in Table 6 of the report, for Creative Place Programme, Sector Networks and Hydrogen Refuelling Station to deliver committed activity.
NOTED the proposed contributions to reserves of £27.603m and contributions from reserves of £10.959m, which is a net movement to revenue reserves of £16.644m.
NOTED the total usable revenue reserves of £51.545m as of 31 March 2026 set out in Table 17.
NOTED the matters to be resolved to finalise the outturn
NOTED the draft outturn for the Capital Programme of £155.610m for the financial year to 31 March 2026, which is a reduction of £81.613m against budgeted capital expenditure of £227.223m and an increase of £48.765m from the reported Q3 position.
NOTED the capital reserves position of £194.060m as 31 March 2026.
APPROVED the additional contribution to MRP of £3.042 for Goosepool 2019 Ltd loans backdated to the loan advance date.

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<td>TVCA 16/26</td>
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TREASURY MANAGEMENT OUTTURN 2025/26
Cabinet received a report from the Interim Group Director of Finance & Resources which informed Cabinet of the TVCA performance against the treasury management and prudential indicators set in the Treasury Management Strategy 2025/26, approved by the Authority on 28 March 2025.
The Interim Director of Finance & Resources provided Cabinet members with an overview of the report, highlighting that we have been fully compliant with Treasury Management codes.
Members were given the opportunity to comment or ask questions.
There were no questions or comments.
RESOLVED that Cabinet:-

NOTED the Treasury Outturn Report for 2025/26.
NOTED that all treasury and prudential indicators approved for 2025/26 have been complied with.

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TVCA 17/26	**APPROVAL OF LOCAL GROWTH PLAN AND INVESTMENT PIPELINE** Cabinet received a report from the Director of Business Solutions which presented the Tees Valley Local Growth Plan for publication and adoption along with associated Investment Pipeline Priority Packages. The Director of Business Solutions expressed her thanks to the Investment Development Team and the Communications and Marketing team. The Local Growth Plan document has been reframed and it is now an extremely positive story about the Tees Valley and sells the opportunities available. The input from Local Authority officers has been important and appreciated. Sarah noted that, since the document was circulated 3 small changes have been made:- • The commitments from the front have now been moved into the Executive Summary; • Some additional imagery has been included around the strategic projects; • Some amends have been made to the digital and creative section. The intention is to have a soft launch if this is approved today and a larger scale launch event in the future involving a “call to action” with stakeholders. The Chair acknowledged that this has been a huge piece of work and expressed specific thanks to all the staff involved both from the Local Authorities and the Combined Authority. He specifically thanked Elaine Fryett and Joseph Demetriou who had worked on it, along with the rest of the teams involved. Members were given the opportunity to comment or ask questions. Mayor Cooke also thanked the teams involved. He noted that the Inward Investment Strategy and the Local Growth Plan are aligned. It feels like all the work is coming together and acknowledges it is a really good piece of work. The Chair concluded by saying that this has been a great example of work undertaken collaboratively and collectively. It has been a good demonstration how we work closely together with Local authorities. **RESOLVED that Cabinet :-**

	• APPROVED the Tees Valley Investment Pipeline Priority Packages as set out on pages 138-145 of the Local Growth Plan; • APPROVED the Tees Valley Local Growth Plan and agree that it can be published and adopted, in accordance with section 8 of the Guidance for Mayoral Strategic Authorities on developing Local Growth Plans. • DELEGATED authority to TVCA's Director of Business Solutions to update and amend the Local Growth Plan if required where these changes would not alter the strategic intent or priorities of the document.
TVCA 18/26	**SKILLS PROGRAMME UPDATE** ***Appendix 1** is a "restricted item" not for publication until Secretary of State approval has been received.* Cabinet received a report from the Director of Business Solutions seeking Cabinet approval of the Local Skills Improvement Plan 2 (2026-2029) for the Tees Valley along with the supporting letter of endorsement. The report also provided an update on the Adult Skills procurement and new funding to support Construction Industry Placements. The Director of Business Solutions advised Cabinet that the NorthEast Chamber of Commerce were the lead body working with TVCA on the production of the Local Skills Plan. Feedback from businesses has been that this is a tangible plan and the actions within it can be taken forward. She advised that the Education & Skills Advisory Group will oversee the implementation of the plan, led by the portfolio holder, Councillor Evans. She further advised that an additional £1.2m of funding from the Department for Education has been received to deliver the construction skills package. Additional smaller funding pots continue to be made available. Councillor Evans expressed her thanks to the team at TVCA and also to the Chamber of Commerce and to the Education and Skills Advisory Group. She noted that excellent feedback had been received from both about the work we are doing so we will continue in the same direction. Councillor Harrison welcomed the plan. It supports the ambitions of the Local Growth Plan and it is important that not only industry and business have

	access to the right skills to support economic growth in the Tees Valley but also that residents have every opportunity to benefit from that growth too. **RESOLVED that Cabinet :-** • **<u>Approved</u>** the Local Skills Improvement Plan 2 (2026-2029) for the Tees Valley as set out in **Appendix 1** and the letter of endorsement as set out in **Appendix 2.** • **<u>Noted</u>** that the Education Employment and Skills Advisory Group will oversee the implementation of the Local Skills Improvement Plan 2 and keep it under review throughout the three-year cycle. • **<u>Noted</u>** that the Adult Skills Fund procurement launched in January 2026 has been withdrawn for review, with a revised opportunity expected in the coming weeks. • **<u>Noted</u>** the £1.2m funding from the Department for Education as part of the national Construction Skills package to support Industry Placements. • **<u>Noted</u>** the additional funding of £0.366m to be allocated to the Combined Authority from the Department for Business and Trade to support the adult skills within the Advanced Manufacturing, Clean Energy and Engineering sectors.
TVCA 19/26	**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 24th April 2026. Cabinet was invited to **<u>NOTE</u>** 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 24th April 2026.
TVCA 20/26	**DATES AND TIME OF FUTURE MEETING** • Friday 31st July 2026 10am

Cabinet

Tees Valley Combined Authority

Date			31 July 2026
Agenda Item			5
Report Title			Governance & Appointments
Accountable Cabinet Member			Ben Houchen **Tees Valley Mayor**
Accountable Chief Officer			Tom Bryant **Chief Executive**
Accountable Employee			Tom Bryant **Chief Executive** Jeanette McGarry **Interim Monitoring Officer**
Report considered by			A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 17 July 2026.
Key Decision		No	This item has been determined not to be a key decision.
Public Report	Yes		The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible. The appendix to this report is exempt and not for publication 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).
Voting arrangements			In accordance with the Constitution.

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**Approve** the appointment of Alan Layton, current Interim Deputy Director of Finance, as Interim Director of Finance & Resources (Section 73 Officer) (the timeframe for the interim appointment will be dependent on the decision taken in relation to recommendation B and an update will be provided at the meeting).
B	In private session, in accordance with S100A(4) of the Local Government Act 1972 and subject to the outcome of the interviews for the permanent Director of Finance & Resources (Section 73 Officer) taking place on 30 July 2026: **Approve** 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). *Please note that due to the timing of the interviews, this recommendation will be considered in private session.*
C	**Approve** the appointment of the Chair and Vice Chair of the Tees Valley Combined Authority Audit and Governance Committee, as detailed in paragraph 10.
D	**Note** the appointment of a member and substitute member to the South Tees Development Corporation Audit & Governance Committee as detailed in paragraph 12.
E	**Note** the appointment of a member and substitute member to the Middlesbrough Development Corporation Audit & Governance Committee as detailed in paragraph 14.
F	**Note** the appointments to the Investment Committee as detailed in paragraph 17.

Purpose

This report details several appointments to be considered for approval, or noted by Cabinet. Please note that recommendation B will be considered in private session.

Detail

Finance & Resources Director (Section 73 Officer)

1. Ms Jo Moore joined TVCA in July 2025 as Interim Director of Finance and Resources. After 12 months in the role, Jo will leave the organisation, stepping down as Interim Director of Finance and Resources and Section 73 Officer.

2. It is therefore recommended to Cabinet that Mr Alan Layton, current Interim Deputy Director of Finance, is appointed as Interim Director of Finance & Resources (Section 73 Officer). The timeframe for the interim appointment will be dependent on the decision taken in relation to the permanent appointment and an update will be provided at the meeting. The interim appointment will ensure continuity of leadership and continued compliance with all statutory obligations associated with the role. A CV for Mr Alan Layton is included as **Appendix 1.**

3. In terms of the permanent appointment, as previously reported to Cabinet, the Chief Executive and HR Team have continued to identify potential candidates, working with several recruitment agencies and through various informal networks.

4. The search has focused on suitably qualified individuals with the required expertise and experience who are willing to commit to a reasonable office presence, which is an important consideration. The search identified three candidates who will be interviewed on 30 July 2026 (after the publication of this report).

5. The interview process will take place on the 30 July 2026 and include an internal panel, a stakeholder panel and an appointment panel (consisting of the Tees Valley Mayor, the TVCA Chief Executive and the Cabinet Member for Finance, Organisational Improvement and Business Growth). This reflects the same rigorous process as previously applied for senior appointments.

6. Should a candidate be recommended for appointment, the details of the candidate will be shared with the Cabinet and discussed during the private session of the Cabinet Meeting on the 31 July 2026. Cabinet will be asked to approve the appointment at the meeting, subject to the standard due diligence being completed (references & normal employment checks). Should a candidate be appointed, following successful completion of the standard due diligence, details of the successful candidate would be made public.

7. The recruitment of a permanent Section 73 Officer is supported by the recent launch of a recruitment campaign for numerous permanent roles within the TVCA Finance team, which has led to significant interest so far.

8. These appointments will further strengthen the Authority’s financial capacity, resilience and capability, supporting robust governance and the effective delivery of TVCA’s priorities across Tees Valley.

Chair & Vice Chair, TVCA Audit & Governance Committee

9. At its meeting on 30 June 2026, the Tees Valley Combined Authority Audit & Governance Committee agreed to recommend the following appointments for approval by Cabinet:

   a. Councillor Mandy Porter, Chair of Audit & Governance Committee.
   b. Councillor Peter Grogan, Vice Chair of Audit & Governance Committee.

10. Cabinet is asked to **<u>APPROVE</u>**:

a. the appointment of Councillor Mandy Porter, Chair of the Tees Valley Combined Authority Audit & Governance Committee; and
b. the appointment of Councillor Peter Grogan, Vice Chair of the Tees Valley Combined Authority Audit & Governance Committee.

<u>Audit & Governance Committee representative to serve on South Tees Development Corporation Audit & Governance Committee</u>

11. At its meeting on 30 June 2026, the Tees Valley Combined Authority Audit & Governance Committee agreed to appoint one of its members as a representative to serve on the South Tees Development Corporation Audit & Governance Committee and also a member to serve as a substitute representative on the South Tees Development Corporation Audit & Governance Committee.

12. Cabinet is asked to **<u>NOTE</u>**:

a. the appointment of Councillor Peter Grogan to the South Tees Development Corporation Audit & Governance Committee;
b. the appointment of Councillor Paul Salvin as a substitute member to the South Tees Development Corporation Audit & Governance Committee.

<u>Audit & Governance Committee representative to serve on Middlesbrough Development Corporation Audit & Governance Committee</u>

13. At its meeting on 30 June 2026, the Tees Valley Combined Authority Audit & Governance Committee agreed to appoint one of its members as a representative to serve on the Middlesbrough Development Corporation Audit & Governance Committee and also a member to serve as a substitute representative on Middlesbrough Development Corporations Audit & Governance Committee.

14. Cabinet is asked to **<u>NOTE</u>**:

c. the appointment of Councillor Nicky Walker to the Middlesbrough Development Corporation Audit & Governance Committee;
d. the appointment of Councillor Jill Ewan as a substitute member to the Middlesbrough Development Corporation Audit & Governance Committee.

<u>Investment Committee</u>

15. At its meeting on 24 April, 2026, Cabinet approved the establishment of an Investment Committee and its Terms of Reference.

16. Membership of the Investment Committee comprises the TVCA Portfolio Holder for Investment who will Chair the Committee and two appointments from each constituent local authority.

17. The constituent local authorities have made the following appointments to the Investment Committee:

Chair / Portfolio Holder	Mayor Ben Houchen	
Member	Councillor James McGill	Darlington
Member	Councillor Jim Garner	Darlington
Member	Councillor Graham Harrison	Hartlepool
Member	Councillor Mike Young	Hartlepool
Member	TBC following council meeting in September	Middlesbrough
Member	TBC following council meeting in September	Middlesbrough
Member	Councillor Sue Jeffrey	Redcar & Cleveland
Member	Councillor Linda White	Redcar & Cleveland
Member	Councillor Paul Weston	Stockton
Member	TBC following council meeting in September	Stockton

Cabinet is asked to **NOTE** the appointments to the Investment Committee

Partnership & Engagement

18. The Tees Valley Combined Authority Audit & Governance Committee was consulted on the proposed Audit & Governance Committee appointments on 30 June 2026.

Appendices

19. **CONFIDENTIAL Appendix 1** – CV for Mr Alan Layton

Cabinet is requested to consider the following identified implications:	
Financial Implications	
20.	The salary costs of the Finance & Resources Director are affordable within the approved budget for 2026/27 and included within the MTFP.

21.	Support for the governance of Tees Valley Combined Authority is provided from within the Authority's core budget, as agreed by Cabinet through the annual budget process, and funded through resources devolved from central government.

Legal Implications

22.	The TVCA Constitution states in paragraph 119 that Cabinet shall appoint as a senior officer of the Combined Authority, a Group Director of Finance and Resources and other Directors as necessary.
23.	The governance recommendations in this report relates to the Constitution of the Combined Authority, which sets out the appropriate statutory framework.

Equality & Diversity Implications

24.	It is not expected that the recommendations in this report will have an adverse effect on any individual with protected characteristics.

Other Significant Implications
(Tick other implications provided and provide detail in box below)

Risk	x	Assurance Framework		Procurement	
Improvement	x	Environment		HR & IT	x

	Risk Assessment
25.	The recruitment of a permanent Finance & Resources Director is a priority in terms of ensuring the on-going stability of the organisation. The recommendation for the interim appointment ensures continuity and every effort is being made to ensure a seamless transition. Furthermore, assuming a permanent candidate is recommended for appointment, there will be a need to ensure a carefully managed transition from the interim postholder.
26.	The governance recommendations in this report are categorised as low to medium risk. The appointment of members and their substitutes should enhance the quoracy of meetings.
	Improvement
27.	An action within the Organisational Improvement Plan is to ensure a sustainable and high-performing finance function. The Finance & Resources Director role is critical to this and the recommendations in this report will ensure that the responsibilities of the Section 73 Officer continue to be effectively discharged.
28.	Furthermore, there is an action in the Organisational Improvement Plan to ensure that all statutory committees are appropriately supported and challenged to maximise effectiveness. It is critically important that TVCA and the other group entities have effective Audit and Governance Committees, which will ensure continuous improvement, good governance and sound audit processes.

	HR
29.	The Assistant Director, People & Operations has supported the recommendations in this report and continues to be actively involved in the permanent recruitment process, ensuring that it is undertaken in accordance with policy and legislation.

Cabinet

Tees Valley Combined Authority

Date			31 July 2026
Agenda Item			6
Report Title			Information Governance Policies
Accountable Cabinet Member			
Accountable Chief Officer			Jeanette McGarry – Interim Chief Legal and Monitoring Officer
Accountable Employee			Emily Yule – Interim Head of Governance and Data Protection Officer
Report considered by			Audit & Governance Committee. A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 17 July 2026.
Key Decision		No	
Public Report	Yes		The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
Voting arrangements			In accordance with the Constitution.

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**APPROVE** the following corporate policies: • Data Protection Policy • Data Retention and Deletion Policy • Access to Information (FOI/EIR) Policy • Subject Access Request Policy • Staff Privacy Notice • CCTV Policy

B	**DELEGATE** 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.

Purpose

This report presents a number of revised information governance policies to the Cabinet for approval. The policies form part of the overall corporate policy framework.

Executive Summary

This report seeks Cabinet approval for a revised suite of Tees Valley Combined Authority's (TVCA's) corporate information governance policies, including the Data Protection Policy, Data Retention and Deletion Policy, Access to Information (FOI/EIR) Policy, Subject Access Request Policy, Staff Privacy Notice and CCTV Policy. The updated policies strengthen TVCA's information governance framework, support compliance with current legislation and statutory expectations, and address outstanding internal audit recommendations relating to the development and adoption of information governance policies and supporting documentation.

The policy review has updated the documents to reflect current requirements under the UK GDPR, Data Protection Act 2018, Data (Use and Access) Act 2025, Freedom of Information Act 2000, Environmental Information Regulations 2004 and related legislation. The revised policies clarify roles and responsibilities, improve consistency across the corporate policy framework, and provide clearer operational requirements for managing personal data, information requests, records retention, CCTV and staff privacy.

A number of supporting records, registers and templates have also been produced to enable effective implementation, including the Appropriate Policy Document, Register of Processing Activity, Information Asset Register, DPIA records and templates, and data sharing records and templates. These documents will support the information governance team and the wider organisation in applying the policies consistently in practice.

The policies were considered by the Audit and Governance Committee on 30 June 2026, which resolved to recommend them to Cabinet for approval. The proposed updates are expected to strengthen governance, improve assurance and reduce the risk of non-compliance, without creating significant direct financial implications. Cabinet is therefore asked to approve the policies and delegate authority to the Monitoring Officer to make minor amendments that do not materially alter their substance, scope or intent.

Background

1. The authority must regularly review and update its corporate policies to ensure compliance with current legislation, statutory guidance and sector best practice. While TVCA already had the majority of these policies in place, several required review with some missing.

2. In addition, internal audit recommendations relating to the development and adoption of information governance policies and supporting documents remained outstanding. These have now been completed through this review. The policies identified by the audit are attached and recommended for approval, and the supporting central records and templates are ready to be implemented.

Information Governance Policy Review

3. A full review has been undertaken of the information governance policy framework including supporting tools and documents which will be used by the information governance team and the wider organisation to put the policies into effect. This review has included identifying gaps in the policy framework, reviewing policies for consistency and contemporaneity and updating the provisions to meet current legislative requirements.

4. The following policies have been reviewed, and summary of the changes is provided below:

- Data Protection Policy – updated to reflect current UK GDPR and Data Protection Act requirements, clarify roles and responsibilities, strengthen references to accountability, lawful processing, data protection impact assessments, data sharing, breach reporting and staff responsibilities.
- Data Retention and Deletion Policy – revised to provide clearer requirements for retaining, reviewing and securely deleting records, with improved alignment to the retention schedule, information asset management and records disposal processes.
- Access to Information (FOI / EIR) Policy – updated to clarify how Freedom of Information Act and Environmental Information Regulations requests are identified, logged, managed and responded to, including responsibilities, statutory timescales, exemptions and review arrangements.
- Subject Access Request Policy – revised to set out a clearer process for handling data subject access requests, including identity verification, scope clarification, statutory deadlines, exemptions, redaction and escalation to the Data Protection Officer where required.
- Staff Privacy Notice – updated to improve transparency for employees, workers and office holders about how their personal data is collected, used, shared, retained and protected, including clearer information on lawful bases and individual rights.
- CCTV Policy – reviewed to clarify the purpose and lawful basis for CCTV use, responsibilities for system management, signage, access to footage, retention periods, disclosure arrangements and the handling of requests for CCTV images.

5. In all cases, the policies have been updated to reflect the legislative requirements of the Data (Use and Access) Act 2025. The Act amends, but does not replace, the UK GDPR, Data Protection Act 2018 and Privacy and Electronic Communications Regulations. Relevant requirements include changes to the handling of subject access

requests, including reasonable and proportionate searches and clearer timescale rules; revised provisions for automated decision-making with appropriate safeguards; updated requirements for handling data protection complaints; clarification of the use of personal data for research and statistical purposes; changes relating to recognised legitimate interests and international data transfers; and updates to cookie and similar technology rules. Additionally, all policies have been standardised in terms of template and language and now have consistent version control applied. Where applicable the policies have been replicated for the development corporations and will be presented to the audit and governance committees and boards of the development corporations for approval.

6. In addition to the policies listed in paragraph 5, a number of operational documents have been produced to support the practical application of the policies. These tools will be used by the information governance team and corporately where relevant. The operational documents include:

   - The Appropriate Policy Document – sets out how the Combined Authority meets the legal requirements for processing special category and criminal offence data where an appropriate policy document is required.
   - Register of Processing Activity – records the personal data processing activities undertaken by the Combined Authority, including the purposes, lawful bases, data categories and retention arrangements.
   - Information Asset Register – identifies key information assets held by the organisation, their owners, sensitivity, location and controls to support effective information management and security.
   - Record of Data Protection Impact Assessments – provides a central record of completed and in-progress assessments for processing activities likely to present higher data protection risks.
   - Data Protection Impact Assessment template – provides a standard format for assessing privacy risks, identifying mitigations and recording decisions before new or changed processing begins.
   - Record of Data Sharing Agreements – maintains a central record of agreements in place for sharing personal data with partner organisations or other third parties.
   - Data Sharing Agreement template – provides a consistent template for setting out the purpose, legal basis, roles, responsibilities and security arrangements for data sharing.

7. All policies have been reformatted, reworded to aid understanding and checked for legislative compliance and consistency with other TVCA policies and procedures.

Partnership & Engagement

8. These policies were considered by the Audit and Governance Committee on 30 June 2026. The committee resolved to recommend the policies to the Cabinet for approval. Comments made by the Committee have been incorporated into the versions of the policies presented to the cabinet.

Appendices

9. Appendix A – Data Protection Policy
Appendix B - Data Retention and Deletion Policy
Appendix C - Access to Information (FOI/EIR) Policy
Appendix D - Subject Access Request Policy
Appendix E - Staff Privacy Notice
Appendix F - CCTV Policy

Cabinet is requested to consider the following identified implications:	
Financial Implications	
10.	There are no significant direct financial implications arising from the approval of these revised policies. Implementation and ongoing administration of the policies, registers and templates will be managed within existing budgets and staffing establishments. The strengthened information governance framework will support compliance with data protection, access to information and records management legislation, reducing the risk of regulatory breaches, enforcement action, financial penalties and associated legal costs. Any training, awareness raising and policy implementation activities will be delivered through existing organisational development and governance arrangements. Should any future system enhancements or specialist support be required to support compliance, these will be considered through the Authority's normal budget-setting and approval processes. Overall, the proposals are expected to deliver stronger governance and risk management arrangements without creating any material additional budget pressures.
Legal Implications	
11.	The attached policies ensure that TVCA complies with: • The UK General Data Protection Regulation • Data Protection Act 2018 • Data (Use and Access) Act 2025 • Freedom of Information Act 2000 • Environmental Information Regulations (EIR) 2004

	• The Privacy and Electronic Communications Regulations 2003

Equality & Diversity Implications

12.	There are no equality and diversity implications of adopting these policies.

Other Significant Implications
(Tick other implications provided and provide detail in box below)

Risk	X	Assurance Framework		Procurement	X
Improvement	X	Environment		HR & IT	X

	Risk
13.	There is a risk that if we do not have compliant information governance policies and procedures in place we may fail to discharge our statutory duties in respect of data protection or risk the security of the personal data we hold. Putting in place a robust policy framework, along with mandatory staff awareness training, mitigates against those risks.
	Improvement
14.	The recommendations in this report directly support the delivery of two key actions within the theme of governance in the Organisational Improvement Plan: the review of governance processes and procedures to ensure exemplar governance and decision-making, and the review of the TVCA Publication Scheme to maximise the amount of information readily available to the public. The updated information governance policies strengthen the organisation's governance framework, support statutory compliance, and promote greater transparency through the proactive and appropriate publication of information. The review and updating of these policies make a direct contribution to the governance improvement work and the Organisational Improvement Plan being undertaken by the authority.
	HR & IT
15.	These policies have direct implications for staff, particularly in relation to the Staff Privacy Notice and the requirement to comply with the information governance framework. We will work with HR and Communications to make sure staff understand the changes, what they mean in practice and the support available to help implement them. We will also continue to monitor completion of mandatory training. These policies do not have an impact on our IT service or infrastructure; however, they do have interdependencies with various IT policies. Work has been undertaken to ensure that the policy revisions are consistent with any related IT policies.

TEES VALLEY

Data Protection Policy

Document Title:	TVCA Data Protection Policy
Document Author:	Data Protection Officer
Senior Responsible Officer:	Monitoring Officer
Document Status:	Draft
Document Authorised Date:	
Version Number:	0.1
New Review Date:	May 2027

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TEES VALLEY

1. Introduction

This Data Protection Policy (the "**Policy**") sets out how the Tees Valley Combined Authority ("we, "our", "us" and/or "TVCA") handles the personal information ("**personal data**") of our customers, suppliers, employees, workers, contractors, website users and other third parties.

This Policy sets out the data protection principles and procedures the TVCA must follow to ensure personal data is collected, stored, used and shared in line with UK data protection legislation. It also explains the key rights that legislation gives to individuals, including employees, workers and contractors, and the right to access personal data held in our internal systems.

This Policy applies to all TVCA employees ("**you**", "**your**"). You must read, understand and follow this Policy when processing personal data on our behalf, and complete data protection training on its requirements. It explains what we expect from you to help TVCA comply with UK data protection legislation. Compliance with this Policy is mandatory. You must also follow any related policies and procedures, which are provided to help you interpret and apply this Policy. Breaches of this Policy may result in disciplinary action.

If you have a specific role in processing personal data, such as obtaining consent, reporting a personal data breach or carrying out a data protection impact assessment ("**DPIA**"), you must also follow the relevant policies and privacy notices.

2. Policy Statement

TVCA will ensure it upholds the rights and protects the interests of all those with whom they contact with by protecting personal data in accordance with the UK data protection legislation. This will be achieved by ensuring that data collection and processing comply with the seven principles of data protection.

TVCA recognises that information relating to its activities and its working practices should be made as widely available as possible in the interests of freedom of information (see FOI section of the website). However, whilst operating this Policy, we must recognise that some information may be sensitive and/or confidential and its release may prejudice the activities of TVCA and the privacy of its employees. There are exceptions to the UK data protection legislation including when an individual exercises their data protection rights. These can be found on the Information Commissioner's Office ("**ICO**") website here.

TVCA is responsible for ensuring all TVCA employees comply with this Policy and need to implement appropriate practices, processes, controls and training to ensure that compliance. TVCA will ensure that all staff are trained to a high standard to enable them to carry out all their duties in line with the UK data protection legislation and this Policy. The data protection officer (the "**DPO**") and the legal team are responsible for overseeing this Policy and, as applicable, developing related policies and privacy notices. To get in contact with the DPO, please use the email: DPO@teesvalley-ca.gov.uk.

Please contact the DPO with any questions about the operation of this Policy or the UK data protection legislation or if you have any concerns that this Policy is not being or has not been followed. You must always contact the DPO if you're unsure of any aspects of data protection, in particular you might contact the DPO if:

- if you are unsure of the lawful basis on which you are relying to process personal data;
- if you need to rely on consent or need to capture explicit consent;
- if you need to draft privacy notices;
- if you are unsure about the retention period for the personal data being processed;
- if you are unsure what security or other measures you need to implement to protect personal data;
- if there has been a personal data breach;
- if you are unsure on what basis to transfer personal data outside the UK;
- if you need any assistance dealing with any rights invoked by an individual;
- whenever you are engaging in a significant new, or change in, processing activity which is likely to require a DPIA or plan to use personal data for purposes other than for which it was collected;
- if you plan to undertake any activities involving automated processing including profiling or automated decision-making;
- if you need help complying with the UK data protection legislation when carrying out promotional activities; or
- if you need help with any contracts or other areas in relation to sharing personal data with third parties (including our vendors).

In accordance with the requirements of the Data (Use and Access) Act 2025, TVCA will operate a formal complaints procedure for data protection complaints. This will be included in the corporate complaints policy.

3. Regulation and Legislation

UK data protection legislation is in place to protect personal data organisations hold on staff and other individuals. In compliance, the TVCA must act in accordance with seven principles, which aims to ensure that personal data is:

- processed lawfully, fairly and in a transparent manner (lawfulness, fairness and transparency);
- collected only for specified, explicit and legitimate purposes (purpose limitation);
- adequate, relevant and limited to what is necessary in relation to the purposes for which it is processed (data minimisation);
- accurate and, where necessary, kept up to date (accuracy);
- not kept in a form which permits identification of individuals for longer than is necessary for the purposes for which the data is processed (storage limitation);
- processed in an appropriate manner to maintain security using appropriate technical and organisational measures to protect against unauthorised or unlawful processing and against accidental loss, destruction or damage (security, integrity and confidentiality); and
- kept with appropriate measures and records in place to be able to demonstrate compliance (accountability).

Under the UK data protection legislation "**personal data**" means:

"Data relating to a living individual who is or can be identified either from the data or from the data in conjunction with other information that is in, or is likely to come into, the possession of the data controller".

For the majority of the information that we hold, the TVCA acts as the "**controller**", i.e. we process information on behalf of its employees and other individuals, and decide how best to process, store and keep that information secure. Our registration reference number is Z4969253.

Further details can be accessed at www.ico.org.uk.

The TVCA may also instruct third parties to process data on their behalf. This is called a "**processor**". Where this is the case, the TVCA will have a contract with the third party which clearly sets out how we expect them to process the information.

4. Lawfulness, Fairness and Transparency

Personal data must be processed lawfully, fairly and in a transparent manner in relation to the data subject.

You may only collect, process and share personal data fairly and lawfully and for specified purposes. The UK data protection legislation restricts the TVCA's actions regarding personal data to specific lawful purposes. These restrictions are not intended to prevent processing but ensure that we process personal data fairly and without adversely affecting the data subject.

The UK data protection legislation allows processing for specific purposes, known as "**lawful basis**". You must identify and document the lawful basis being relied on for each processing activity and record this in the record of processing activities. A list of the lawful bases for data processing can be found at A guide to lawful basis | ICO.

In using the lawful basis 'to perform a public task', individuals' rights to erasure and data portability do not apply. However, individuals do have a right to object.

In using the lawful basis 'to comply with our legal obligations' individuals' rights to erasure, data portability and to object do not apply.

5. Consent

Personal data may only be processed where at least one lawful basis under UK data protection legislation applies, including consent.

A data subject gives consent to the processing of their personal data by clearly agreeing, either through a statement or a positive action. Consent must involve an affirmative step, so silence, pre-ticked boxes and inactivity are unlikely to be valid. Where consent is included in a document covering other matters, it must be presented separately. Consent should give data subjects control, support trust and engagement, and strengthen the TVCA's reputation.

Where we rely on consent as the lawful basis for processing, we must record it against the data subject's record. If consent is the sole lawful basis, our ability to use that data for other purposes may be limited. If you want to use the data for a purpose other than the one for which it was originally collected, seek advice from the DPO.

Data subjects must be able to withdraw consent easily at any time, and any withdrawal must be acted on promptly. Consent may also need to be renewed if you intend to process personal data for a new and incompatible purpose that was not explained when consent was first obtained.

When processing special category data, we may sometimes rely on consent or explicit consent as the lawful basis. Where explicit consent is required, we must provide the data subject with our privacy notice so they can make a fully informed decision, and obtain explicit consent using a clear alternative method, such as an express verbal or written confirmation.

6. Transparency (notifying data subjects)

UK data protection law requires the TVCA to give data subjects certain information, depending on whether we collect their personal data directly or obtain it from another source. This information must be provided in a privacy notice that is concise, transparent, easy to access and understand, and written in clear, plain language.

When we collect personal data directly from a data subject, including for HR or employment purposes, we must provide all information required by UK data protection law at the point the data is collected. This includes the identity of the DPO, and how and why we will use, share, protect and retain the personal data. For advice on transparency, contact the DPO for the relevant privacy notice.

When personal data is obtained indirectly, for example from a third party or a public source, we must provide the required information as soon as possible after receiving it. We must also confirm that the third party collected the data in line with UK data protection law and on a basis that allows our intended processing.

If you are collecting personal data from a data subject, directly or indirectly, then you must provide the data subject with a privacy notice in accordance with our related policies and privacy notices.

To help you meet your transparency obligation, remember to:

- document your decision that the processing is necessary for you to perform a task in the public interest or exercise your official authority;
- identify the relevant task or authority and its basis in common law or statute; and
- include basic information about your purposes and lawful basis in your privacy notice;
- ensure that the privacy notice clearly explains how individuals can raise a data protection complaint.

When collecting personal data from individuals, you do not need to provide them with any information that they already have. When obtaining personal data from other sources, you do not need to provide individuals with privacy information if:

- the individual already has the information;
- providing the information to the individual would be impossible;
- providing the information to the individual would involve a disproportionate effort;
- providing the information to the individual would render impossible or seriously impair the achievement of the objectives of processing;
- you are required by law to obtain or disclose the personal data; or

- you are subject to an obligation of professional secrecy regulated by law that covers the personal data.

7. Purpose Limitation

Personal data must be collected only for specified, explicit and legitimate purposes. It must not be further processed in any manner incompatible with those purposes.

You cannot use personal data for new, different or incompatible purposes from that disclosed when it was first obtained unless you have informed the data subject of the new purposes and they have consented where necessary.

8. Data Minimisation

Personal data must be adequate, relevant and limited to what is necessary for the purposes for which it is processed.

You may process personal data only where this is necessary to carry out your job duties. Do not process personal data for any purpose unrelated to those duties.

You may collect only the personal data needed for your job duties. Do not collect more than is necessary, and make sure any personal data collected is adequate and relevant for the intended purpose.

When personal data is no longer needed for the specified purpose, you must delete or anonymise it in line with the company's data retention guidelines.

9. Accuracy

Personal data must be accurate and, where necessary, kept up to date. It must be corrected or deleted without delay when inaccurate.

You must ensure that the personal data we use and hold is accurate, complete, kept up to date and relevant to the purpose for which we collected it. You must check the accuracy of any personal data at the point of collection and at regular intervals afterwards. You must take all reasonable steps to destroy or amend inaccurate or out-of-date personal data.

The “**right to rectification**” gives individuals the right to have inaccurate personal data corrected. If an individual challenges the accuracy of their personal data, you should consider whether the personal data is accurate and, if it is not, you should delete or correct it.

Individuals don’t have the right to erasure just because their personal data is inaccurate. However the accuracy principle requires you to take all reasonable steps to erase or rectify inaccurate personal data without delay, and it may be reasonable to erase the personal data in some cases. If an individual asks you to delete inaccurate personal data, it is good practice to consider this request.

10. Storage Limitation

Personal data must not be kept in an identifiable form for longer than necessary for the purposes for which it is processed.

All employees must comply with the Data Retention and Deletion Policy and the Record Retention Schedule, however there are exceptions to destruction schedules. If you believe, or the DPO tells you, that records may be relevant to current or anticipated litigation, a government investigation, an audit, a subject access request or another similar matter, you must preserve them and must not delete, dispose of, destroy or alter them, including emails and other electronic documents, until the DPO confirms they are no longer required. Preserving records includes suspending any relevant retention schedule requirements and maintaining the integrity of the records in whatever format they are held. If you think this exception may apply, or are unsure, contact the DPO. You may also be asked to suspend routine disposal procedures for other reasons, such as an organisational restructure or the replacement of IT systems.

The Data Retention and Deletion Policy ensures personal data is deleted at the appropriate time, unless the law requires it to be kept for a minimum period. All employees must follow this policy to avoid keeping personal data longer than necessary. Failure to comply may expose the TVCA to fines, reputational damage, and difficulties in obtaining evidence or operating effectively.

You must ensure data subjects are told, in any relevant privacy notice, how long their data will be kept or how that period will be decided.

You must not keep personal data in an identifiable form for longer than necessary for the legitimate business purposes for which it was collected, including legal, accounting and reporting requirements.

If personal data is not listed in the Record Retention Schedule, it will usually be treated as disposable information. If you think the schedule is missing something, or you are unsure, contact the DPO. You must take all reasonable steps to destroy or erase personal data from our systems when it is no longer required, in line with the Data Retention and Deletion Policy and the Record Retention Schedule. This includes requiring relevant third parties to delete the data where appropriate.

If you believe you or someone else may have breached the Data Retention and Deletion Policy, report it immediately to your line manager. If you are not comfortable doing so, or do not believe it has been dealt with properly, raise it with the DPO or use the whistleblowing procedure. Prompt reporting helps the TVCA identify possible breaches and take appropriate corrective action.

Under Article 17 of the UK GDPR individuals have the right to have personal data erased. This is also known as the 'right to be forgotten'. The right only applies to data held at the time the request is received. It does not apply to data that may be created in the future. The right is not absolute and only applies in certain circumstances.

Individuals have the right to have their personal data erased if:

- the personal data is no longer necessary for the purpose which you originally collected or processed it for;
- you are relying on consent as your lawful basis for holding the data, and the individual withdraws their consent;
- you are relying on legitimate interests as your basis for processing, the individual objects to the processing of their data, and there is no overriding legitimate interest to continue this processing;
- you are processing the personal data for direct marketing purposes and the individual objects to that processing;
- you have processed the personal data unlawfully (i.e. in breach of the lawfulness requirement of the 1st principle);
- you have to do it to comply with a legal obligation; or
- you have processed the personal data to offer information society services to a child.

11. Security, Integrity and Confidentiality

Personal data must be secured by appropriate technical and organisational measures against unauthorised or unlawful processing, and against accidental loss, destruction or damage.

We will develop, implement and maintain safeguards that are appropriate to our size, operations, available resources, the volume of personal data we hold or process for others, and the risks involved. These safeguards may include encryption and pseudonymisation where appropriate. We will regularly review and test them to ensure our personal data processing remains secure. You are responsible for protecting the personal data we hold and must apply reasonable and appropriate measures to prevent unauthorised or unlawful processing, and accidental loss, damage or destruction. You must take particular care to protect special category data and criminal offence data from loss and from unauthorised access, use or disclosure.

You must follow all procedures and technologies we put in place to maintain the security of all personal data from the point of collection to the point of destruction. You may only transfer personal data to third-party service providers who agree to comply with the required policies and procedures and who agree to put adequate measures in place, as requested. Contracts with third-party service providers must include relevant data protection and data security clauses.

You must maintain data security by protecting the confidentiality, integrity and availability of the personal data, defined as follows:

- confidentiality: only people who have a need to know and are authorised to use the personal data can access it;
- integrity: personal data is accurate and suitable for the purpose for which it is processed; and
- availability: authorised users are able to access the personal data when they need it for authorised purposes.

You must comply with and not attempt to circumvent the administrative, physical and technical safeguards we implement and maintain in accordance with the UK data protection legislation and relevant standards to protect personal data.

12. Transfer Limitation

The UK data protection legislation restricts data transfers to countries outside the UK to ensure that the level of data protection afforded to individuals by the UK data protection legislation is not undermined. A transfer of personal data occurs when data originating in one country is transmitted, sent, viewed or accessed from another country.

You may only transfer personal data outside the UK if one of the following conditions applies:

- the UK has issued regulations confirming that the country to which we transfer the personal data ensures an adequate level of protection for the data subject's rights and freedoms;
- appropriate safeguards are in place;

- the data subject has provided explicit consent to the proposed transfer after being informed of any potential risks; or
- the transfer is necessary for one of the other reasons set out in the UK data protection legislation including;
    - the performance of a contract between us and the data subject;
    - reasons of public interest;
    - to establish, exercise or defend legal claims; and
    - to protect the vital interests of the data subject where the data subject is physically or legally incapable of giving consent.

You must have completed a risk assessment and have the express consent of the DPO/ SIRO/ Director before transferring personal data outside of the UK.

13. Accountability

The data controller must implement appropriate technical and organisational measures in an effective manner to ensure compliance with the data protection principles. The controller is responsible for, and must be able to demonstrate, compliance with the data protection principles.

The TVCA must have adequate resources and controls in place to ensure and to document data protection compliance including:

- appointing a suitably qualified DPO (where necessary) and an executive accountable for data protection;
- implementing privacy by design when processing personal data and completing data protection impact assessments ("DPIAs") where processing presents a high risk to rights and freedoms of data subjects;
- integrating data protection into internal documents including this Policy, related policies or privacy notices;
- regularly training the TVCA employees on the UK data protection legislation, this Policy, related policies and privacy notices, and data protection matters including, for example, a data subject's rights, consent, lawful basis, DPIA and personal data breaches. The TVCA must maintain a record of training attendance by the TVCA personnel; and
- regularly testing the privacy measures implemented and conducting periodic reviews and audits to assess compliance, including using results of testing to demonstrate compliance improvement effort.

To help us meet our accountability obligation, you should remember to:

- document your decision that the processing is necessary for you to perform a task in the public interest or exercise your official authority;
- identify the relevant task or authority and its basis in common law or statute; and
- include basic information about your purposes and lawful basis in your privacy notice.

14. Special Category Data

Special category data is personal data that needs more protection because it is sensitive.

The UK GDPR defines special category data as:

- personal data revealing racial or ethnic origin;
- personal data revealing political opinions;
- personal data revealing religious or philosophical beliefs;
- personal data revealing trade union membership;
- genetic data;
- biometric data (where used for identification purposes);
- data concerning health;
- data concerning a person's sex life; and
- data concerning a person's sexual orientation.

This does not include personal data about criminal allegations, proceedings or convictions, as separate rules apply.

When we process special category data, it is also necessary to identify a Schedule 1 Data Protection Act 2018 condition for the processing. In many cases you also need an appropriate policy document in to meet a UK Schedule 1 condition for processing. Please see further information on the ICO website here and speak to the DPO.

If we process using the vital interest lawful basis (i.e. processing is necessary to protect the vital interests of the data subject (such as to maintain the health and safety of employees)), we do not need to meet the additional condition set out by UK data protection legislation or an appropriate policy document.

15. Criminal Offence Data

Criminal offence data is personal data that needs more protection because it is sensitive.

The UK GDPR defines criminal offence data as:

- criminal convictions; and
- criminal offences.

When we process criminal offence data, as a public authority we do not need to identify a Schedule 1 Data Protection Act 2018 condition for the processing.

16. Roles and Responsibilities

The table below summarises the roles and responsibilities in relation to the Policy. It is important to note that the role of the DPO is to provide advice to the organisation and to encourage effective processes.

Roles	Responsibility
Senior Leadership Team	Accountable for ensuring: • adequate resource is available in the organisation to deal with the requirements of data protection and its procedures; • this Policy is implemented effectively and adhered to; and • all staff are appropriately trained.
Data Protection Officer	Responsible for: • providing advice to the organisation; • encouraging effective implementation of the policy and its procedures; and • ensuring the processes are updated in accordance with UK data protection legislation.
All staff	Must have an awareness of this Policy and act in accordance with the procedures.

17. Records

The UK data protection legislation requires us to keep full and accurate records of all our data processing activities.

Record of processing activities and privacy notices

In line with the UK data protection legislation, the TVCA has produced an internal record of processing activities and has used the information to produce and publish privacy notices, as appropriate. The TVCA must keep and maintain accurate records reflecting our processing including records of data subject's consents and procedures for obtaining consents.

These records should include, as a minimum:

- the name and contact details of the TVCA and the DPO; and
- clear descriptions of:
    - the personal data types;
    - the data subject types;
    - the processing activities;
    - the processing purposes;
    - the third-party recipients of the personal data;
    - the personal data storage locations;
    - the personal data transfers;
    - the personal data's retention period; and
    - the security measures in place.

If personal data is stored outside the UK, the location must be checked against countries recognised as providing adequate protection under UK data protection law. If it is not, the matter must be referred to the DPO, who will consider what data is involved, how sensitive it is, and the associated risks

The record of processing activities informs the risk register for the TVCA and is reviewed regularly. If any of your processing activities changes, you must inform the DPO who will update the record of processing activities accordingly.

Data protection impact assessments (DPIAs)

Organisations are required to implement privacy by design measures when processing personal data by implementing appropriate technical and organisational measures (like pseudonymisation) in an effective manner, to ensure compliance with the UK data protection principals. The TVCA must undertake DPIAs when undertaking any significant changes to the way it processes personal data or when it may be about to take on a new set of personal data. This ensures that it upholds the principles of 'privacy by design' and any new project considers and implements the principles of UK data protection legislation from the beginning. The approach should be proportionate and therefore the TVCA will carry out DPIAs as and when required.

Note that in some circumstances the change may be assessed as so significant that it requires the approval of the ICO. The DPO will co-ordinate such discussions.
You need to complete a data protection impact assessment (DPIA) for any type of processing which is likely to be high risk. You must therefore be aware of the risks of processing the special category data. Your DPIA must:

- describe the nature, scope, context and purposes of the processing;
- assess necessity, proportionality and compliance measures;
- identify and assess risks to individuals; and
- identify any additional measures to mitigate those risks.

To assess the level of risk, you must consider both the likelihood and the severity of any impact on individuals. High risk could result from either a high probability of some harm, or a lower possibility of serious harm.

The ICO requires you to complete a DPIA if you plan to:

- use innovative technology;
- use profiling or special category data to decide on access to services;
- profile individuals on a large scale;
- process biometric and/or genetic data;
- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with our privacy notice;
- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach.

You should also think carefully about doing a DPIA for any other processing that is large scale, involves profiling or monitoring, decides on access to services or opportunities, or involves sensitive data or vulnerable individuals.

If you're conducting high risk processing, you must contact Senior Leadership Team and the DPO and inform them of this high risk processing to ensure all relevant parties understand what high risk processing the TVCA are undertaking and to compile a fully complete DPIA fit for purpose in the event the ICO requests a copy as part of an investigation.

18. Training

We are required to ensure all TVCA employees have undergone adequate training to enable them to comply with UK data protection legislation. We must also regularly test our systems and processes to assess compliance.

You must complete all mandatory data privacy-related training, including periodic refresher training.

19. Automated Processing (including profiling) and Automated Decision-making

Generally, automated decision-making ("ADM") is prohibited when a decision has a legal or similar significant effect on an individual unless:

a) a data subject has explicitly consented;
b) the processing is authorised by law; or
c) the processing is necessary for the performance of or entering into a contract.

If certain types of special categories of personal data or criminal convictions data are being processed, then grounds b) and c) will not be allowed. However, the special categories of personal data and criminal convictions data can be processed where it is necessary (unless less intrusive means can be used) for substantial public interest like fraud prevention.

If a decision is to be based solely on automated processing (including profiling), then the data subject must be informed when you first communicate with them of their right to object. This right must be explicitly brought to their attention and presented clearly and separately from other information. Further, suitable measures must be put in place to safeguard the data subject's rights and freedoms and legitimate interests.

We must also inform the data subject of the logic involved in the decision making or profiling, the significance and the envisaged consequences, and give the data subject the right to request human intervention, express their point of view or challenge the decision.

A DPIA must be carried out before any automated processing (including profiling) or ADM activities are undertaken.

20. Promoting our work and services

We must be able to demonstrate that sending promotional messages to individuals is necessary for our task or function and proportionate to our aims. This doesn't mean that the processing must be absolutely essential but it must be more than just useful. It must be a proportionate way of achieving our task or function. We should consider whether we can reasonably achieve the same objective through means other than sending such communications directly to individuals. If the promotional message is necessary for your relevant function or task then it is not direct marketing.

Examples of messages which are promotional but may be necessary for delivering your tasks and functions could include those that promote:

- new public services;
- online portals;
- helplines; and
- guidance resources.

As long as these messages are necessary to perform underlying functions they will not be considered direct marketing.

It is likely that a promotional message will constitute direct marketing if we are unable to:

- identify a relevant task or function underlying the communication we want to send;
- demonstrate that sending promotional messages is necessary for your identified task of function.

Promotional messages likely to constitute direct marketing could include:

- fundraising; or
- advertising services offered on a quasi-commercial basis or for which there is a charge.

21. Direct marketing

As in other sectors, our marketing to individuals is subject to UK data protection legislation. However, most of the communications we send are unlikely to be direct marketing and therefore will not need to meet the specific marketing rules, because they are necessary to carry out our functions as a combined authority.

Individuals have the right to object to direct marketing where we rely on the public task lawful basis, unless we can show compelling legitimate grounds for continuing to send those messages.

Further guidance on direct marketing in the public sector is available on the ICO website here.

22. Sharing personal data

Generally, we are not allowed to share personal data with third parties unless certain safeguards and contractual arrangements have been put in place.

You may only share the personal data we hold with another employee, agent or representative of our group (which includes our entities) if the recipient has a job-related need to know the information and the transfer complies with any applicable cross-border transfer restrictions.

You may only share the personal data we hold with third parties, such as our service providers, if:

- they have a need to know the information for the purposes of providing the contracted services;
- sharing the personal data complies with the privacy notice provided to the data subject and, if required, the data subject's consent has been obtained;
- the third party has agreed to comply with the required data security standards, policies and procedures, and put adequate security measures in place;
- the transfer complies with any applicable cross-border transfer restrictions; and
- a fully executed written contract that contains UK data protection legislation-approved third party clauses has been obtained.

Depending on the circumstances for data sharing, you may be required to complete a data sharing agreement with the third party.

23. Data subject rights

Individuals have a number of rights under UK data protection legislation. The rights available in a particular case may depend on the lawful basis for the processing, the purpose for which the data is used, and any applicable exemptions. TVCA will explain the rights that apply to each processing activity in the relevant privacy notice and will handle rights requests in accordance with the law and our internal procedures.

- the right to be informed about how their personal data is collected and used;
- the right of access to their personal data;
- the right to rectification of inaccurate or incomplete personal data;
- the right to erasure, where the legal conditions are met;
- the right to restrict processing in certain circumstances;
- the right to data portability in certain circumstances;
- the right to object to processing in certain circumstances, including some uses based on public task or legitimate interests;
- rights in relation to automated decision-making, including profiling, where those provisions apply; and
- where processing is based on consent, the right to withdraw consent at any time.

TVCA will deal with data subject rights requests without undue delay and, where required by law, within one calendar month of receipt. That period may be extended where permitted by law, for example where a request is complex. Where we reasonably require proof of identity or clarification of the scope of a request in order to respond effectively, we may ask for that information and apply the relevant statutory time rules from the point the necessary information is received.

Subject access requests and other rights requests

Individuals may submit a subject access request or exercise any other data subject right by contacting the Data Protection Officer using the details below. When responding to a subject access request, TVCA will make reasonable and proportionate searches for the personal data and other information that must be provided under the law.

Data Protection Officer
Tees Valley Combined Authority
Teesside Airport Business Suite
Teesside International Airport
Darlington
DL2 1NJ

or

DPO@teesvalley-ca.gov.uk

Data protection complaints

Individuals may make a complaint to TVCA if they are concerned about how their personal data has been collected, used, shared, retained, secured or otherwise handled, or about how TVCA has dealt with a data subject rights request. Complaints may be made using the contact details above or through any other route made available by TVCA. TVCA will acknowledge receipt of a data protection complaint within 30 days of receiving it and, without undue delay, take appropriate steps to investigate and respond, including making appropriate enquiries, keeping the complainant informed as necessary, and communicating the outcome. Data protection complaints will be managed in accordance with TVCA's complaints process and any related internal procedures.

24. Breach management

UK data protection legislation requires us to have a documented process for managing personal data breaches. All breaches must be logged and, in some cases, reported to the ICO within 72 hours of the TVCA becoming aware of them. Having this process in place helps us understand the breach, limit any harm, gather evidence, resolve the issue and communicate appropriately.

Employees should notify the DPO immediately if a personal data breach has taken place.

25. Monitoring and review

This Policy will be reviewed annually and updated as needed to reflect changes in UK data protection legislation.

The legal team is accountable for this Policy, and the DPO is responsible for providing advice on it and keeping it up to date.

This Policy may be audited in line with the internal audit plan. Data protection activities across the TVCA may also be reviewed or audited at any time to check compliance with this Policy.

The TVCA must regularly review the systems and processes it controls to ensure compliance with this Policy and confirm that appropriate governance controls and resources are in place for the proper use and protection of personal data.

For more information contact
info@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk

@TeesValleyCA

Data Retention and Deletion Policy

Document Title:	TVCA Data Retention and Deletion Policy
Document Author:	Data Protection Officer
Senior Responsible Officer:	Monitoring Officer
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New Review Date:	May 2027

Contents

1. Introduction

Tees Valley Combined Authority (**TVCA**) must retain certain information for set periods to meet legal and financial requirements. We also keep data that is needed to operate effectively and to ensure information is available when required. However, data should not be kept indefinitely, as unnecessary retention increases risk and cost.

This Data Retention and Deletion Policy (the **Policy**) explains TVCA's requirements for retaining and disposing of data.

2. Scope of Policy

This Policy applies to all personal data that TVCA holds or controls, including special category data. It covers physical records, such as paper documents, contracts, notebooks, letters and invoices, as well as electronic records, including emails, digital documents, audio and video recordings, and CCTV footage.

It also applies to personal data processed by third parties on behalf of TVCA Group, such as cloud or off-site storage providers, and to TVCA personal data held by employees on personal devices. The Policy sets retention periods, review timescales, disposal requirements, and arrangements for identifying data that may need to be kept permanently.

The retention and disposal arrangements for non-personal data are captured in the Information Asset Register.

3. Policy Statement

Through this Policy and its data retention practices, TVCA aims to:

- comply with legal and regulatory requirements for retaining personal data;
- meet data protection obligations, including keeping personal data only for as long as necessary for the purpose for which it is processed (the storage limitation principle);
- handle, store and dispose of personal data responsibly and securely;
- create and retain personal data where needed to operate TVCA effectively, but not without a valid business reason;
- assign appropriate resources, roles and responsibilities for data retention;
- regularly remind employees of their responsibilities under this Policy; and

- monitor and audit compliance with this Policy and update it when required.

4. Roles and Responsibilities

Responsibility of all employees. TVCA aims to comply with the laws, rules and regulations that apply to the organisation and with recognised good compliance practice.

Data Protection Officer. TVCA's Data Protection Officer (**DPO**) advises on and monitors compliance with UK data protection legislation. The DPO is also responsible for maintaining and monitoring retention requirements for personal data and for ensuring compliance with this Policy in relation to personal data.

The DPO and the **Senior Leadership Team** will also ensure:

- a systematic and planned approach to records management from creation to disposal;
- compliance with statutory requirements, supported by guidance, training, monitoring and policy updates;
- awareness of the importance of records management and the need for responsibility and accountability at all levels;
- appropriate archiving of important records; and
- improved coordination of record storage and retrieval systems.

5. Types of data and data classifications

Disposable information. Disposable information is data that may be deleted at the user's discretion once it has served a temporary purpose, and personal data that may be safely destroyed because it is not a formal or official record under this Policy and the Record Retention Schedule. Examples include:

- unannotated duplicates of original documents;
- draft letters, memoranda, reports, worksheets and informal notes that do not record significant steps or decisions in preparing an official record;
- books, periodicals, manuals, training binders and other printed materials obtained from outside TVCA and kept mainly for reference;
- emails that are not formal or official records of matters listed in the Record Retention Schedule, which should be deleted as soon as practicable and no later than six months;
- duplicate emails, for example where only the final email in a chain needs to be kept because it contains the earlier responses, in line with the timescales above; and

- spam and junk mail, which should be deleted immediately.

Personal data. Personal data is information that identifies a living individual. UK data protection legislation requires TVCA to keep personal data only for as long as necessary for the purpose for which it is processed (the storage limitation principle).

6. Retention Periods

Formal or official records. Data that falls within a category in the Record Retention Schedule must be kept for the period stated in that Schedule. Records must not be kept beyond that period unless there is a valid reason, such as a requirement to preserve documents for contemplated litigation or another special circumstance. If you are unsure whether a record should be retained, contact the DPO.

Disposable information. The Record Retention Schedule does not set retention periods for disposable information. This type of personal data should be kept only for as long as it is needed for organisational purposes and then securely disposed of when it is no longer required.

Personal data. As noted above, UK data protection legislation requires personal data to be kept no longer than necessary for the purpose for which it is processed. Where personal data is included in the Record Retention Schedule, TVCA has considered the storage limitation principle alongside its need to retain that data.

7. Storage, back up and disposal of personal data

Storage. Personal data must be stored safely, securely and in a way that allows appropriate access.

Destruction. TVCA's DPO is responsible for identifying personal data that has reached the end of its retention period and for overseeing its destruction. Hard copy personal data should be shredded where possible. Destruction of electronic personal data must be coordinated with Xentrall.

Destruction of personal data must stop immediately if the DPO notifies staff that documents must be preserved for contemplated litigation (sometimes called a litigation hold). This may be required where TVCA is involved in a legal claim or official investigation. Destruction may resume only when the DPO lifts that requirement.

8. Where to go for advice and questions

Questions about the Policy. Any questions about this Policy or the retention periods that apply to you should be raised with the DPO.

9. Audit and Review

Audits. TVCA's DPO will periodically review this Policy and its procedures and may take external legal or audit advice where appropriate, to ensure compliance with relevant new or amended laws, regulations and guidance. TVCA will also monitor compliance with this Policy through regular audits.

Review. The DPO will review this Policy and its implementation at least annually or sooner if significant changes occur.

10. Record Retention Schedule.

TVCA sets retention and destruction schedules or procedures for specific categories of personal data as set out in the table below. This helps to ensure legal compliance, including with data protection obligations, and supports other aims such as protecting intellectual property and controlling costs.

Type of Data	Retention Period	Reason/Comments
Employee personal data		
Recruitment records including the following personal data: • first name; • surname; • date of birth; • gender; • email address; • home address; • telephone number(s); • bank account; • job title; • special category data;	6 months	Recruitment.

Type of Data	Retention Period	Reason/Comments
• criminal offence data; and • electronic files, candidate assessment forms.		
Employee payslips including the following personal data: • first name; • surname; • bank account; • NI number; and • Payroll number.	7 years.	Taxation and payroll.
Emergency contact details including the following personal data: • first name; • surname; • email address; and • telephone number(s).	7 years.	Staff administration.
Employee and contractor records including the following personal data: • first name; • surname; • title; • date of birth; • gender; • email address; • home address; • telephone number(s); • bank account; • job title; • NI number; • special category data; and • criminal offence data.	7 years.	Staff administration.
Managing internal claims and litigation matters including the following personal data: • first name; • surname; • email address; • phone number; and • trade union membership.	7 years.	To comply with TVCA's legal obligations.

Type of Data	Retention Period	Reason/Comments
Employee and contractor internal training including the following personal data: • first name; • surname; • email address; • job title; and • training profile.	7 years.	Staff administration.
Adult education records including the following personal data: • first name; • surname; • home address; and • ID number.	7 years.	To provide adult education through government run initiatives.
CCTV recordings capturing images of employees.	30 days.	To maintain the security of Teesside International Airport Limited's premises.
Customer/individual personal data		
To manage litigation matters relating to individuals outside the TVCA Group collecting: • first name; • surname; • email address; and • phone number.	7 years.	Necessary to comply with a legal obligation.
To invite businesses to provide us with their services (Invitation to Treat), offering tenders to successful applicants collecting and continue our relationship with the successful applicant collecting a business' direct contact: • first name; • surname; • work email address; • work phone number; • job title; and • employment CV.	For unsuccessful applicants: 3 months. Successful applicants and contract decisions: 7 to 10 years after the termination of the tender.	This may include, but is not limited to, arrangements we have in place with the following parties for the performance of a public task: • Department of Education; • Department of Transport; • Department for Levelling Up, Housing and Communities; • other Government departments; and • other Local Authorities.
To carry out the general administration of the TVCA Group collecting:	A minimum of 6 months but may extend to a year if required.	This includes, but is not limited to:

Type of Data	Retention Period	Reason/Comments
• first name; • surname; • email address; • postal address; and phone number.		• responding to enquiries; and • forwarding matters onto the relevant TVCA Group department.
To provide educational support to adults collecting; • first name; • surname; • date of birth; • postcode; • ID number; and • DBS documentation (if applicable).	7 years after the termination of the relevant agreement. DBS checks will be retained for 2 weeks.	This includes providing adult education through Government initiatives.
To contact businesses using direct contact details of staff members of those businesses collecting: • first name; • surname; • work email address; • bank details; • job title; and • employee number.	The duration of the relevant agreement 7 years after the Government initiative has ended (if applicable) or 8-10 years, or a period assigned to TVCA, after the allocation of a funding agreement..	To provide support to local businesses including but not limited to: • allocating funding in support of Government run initiatives; • providing consultancy and legal tenders; • providing business investment; • providing performance management for projects and programmes; • providing insurance and internal audits; and • general business support.
To run in-person events collecting: • first name; • surname; • email address; and • access requirements.	1 year.	To confirm how many individuals attend the events as well as ensuring the event caters for all access requirements.
To send out communications collecting: • first name; • surname; • email address; • phone number; and • job title.	Until the customer/individual unsubscribes or makes a request to stop receiving the communications.	The TVCA Group sends out a communication every 2 years to update preferences. The communications include, but is not limited to, the following:

Type of Data	Retention Period	Reason/Comments
		• to promote the TVCA Group's work and services; • to promote free events in the local area run but third party organisers; and • to send out surveys as part of a Government initiative.
To collect personal data through recruitment portals accessed by schools, colleges and businesses collecting contact details from these organisations: • first name; • surname; and • work email address.	7 years after the termination of the relevant agreement.	The TVCA Group circulates recruitment opportunities between local businesses, schools and colleges.
CCTV recordings capturing images of customers and individuals.	30 days.	To maintain the security of Teesside International Airport Limited's premises.
Collecting personal data through the use of cookies on our websites.	Please refer to the relevant cookie policy for these details.	

For more information contact
info@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk

@TeesValleyCA

TEES VALLEY

Access to Information Policy

Freedom of Information Act 2000 & Environmental Information Regulations 2004

Document Title:	TVCA Access to Information Policy
Document Author:	Data Protection Officer
Senior Responsible Officer:	Monitoring Officer
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Contents

1. Overview

This policy explains how Tees Valley Combined Authority (TVCA) manages requests for recorded information under the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR). It sets out our approach to openness, proactive publication, request handling, internal review and continuous improvement.

We are committed to transparency and to making information available unless there is a lawful reason to withhold it. We will respond to requests promptly, provide reasonable advice and assistance, and apply exemptions and exceptions carefully and consistently.

We will:

- make information available proactively through our publication scheme, website and disclosure log where appropriate.
- recognise and handle valid requests consistently across the organisation.
- issue clear responses, including reasons where information is withheld.
- keep appropriate records to support accountability and compliance.

This policy applies to all recorded information held by the TVCA, regardless of format, including emails, correspondence, reports, meeting papers, databases, audio or visual material, and information held on our behalf by contractors or service providers where it is held for our purposes.

Requests for environmental information are handled under the EIR. Environmental information is defined broadly in regulation 2 of the EIR and includes information about the state of the environment, emissions, land use, plans and measures affecting the environment, and related economic analyses and health impacts.

2. Roles and responsibilities

Monitoring Officer - will act as the 'qualified person' for the purposes of providing an opinion in respect of S.36 of the FOIA.

Head of Governance / Data Protection Officer – has overall accountability for compliance with access to information legislation, supported by legal and governance colleagues.

Information Governance Team – manages day-to-day request handling, advice and assistance, coordination of searches, drafting responses, maintaining records, supporting reviews and monitoring performance.

All staff – must recognise requests for information, preserve relevant records, carry out timely and proportionate searches when asked, and escalate requests, complaints or potential disclosure issues to the information governance team without delay.

Third parties acting on our behalf – where contracts involve information held for our purposes, contract managers must ensure appropriate cooperation, record retention and retrieval arrangements are in place.

3. Proactive publication

Publication Scheme

We have adopted the Information Commissioner's model publication scheme and publish information routinely through our website and other channels where appropriate. The aim is to make information easy to find and reduce the need for formal requests.

Information published routinely may include organisational information, governance documents, decision-making information, policies, performance information, procurement and contract information, financial information, and registers or disclosures required by law or good practice.

Information that isn't routinely published may be requested under the FOIA or EIR.

Disclosure log

We will publish responses to requests for information in a disclosure log on our website, where it is lawful and appropriate. Personal data, commercially sensitive information and other information that should not be disclosed will be removed before publication.

Before making a request, applicants should check our website, publication scheme and disclosure log in case the information is already available.

Where a previous response answers a request, we may direct the applicant to that published information within the disclosure log.

4. Making and handling requests

Requests for information can arrive by email, letter, online form, social media or other written channels. A request does not have to mention FOIA or EIR to be treated as one.

A valid FOIA request must be in writing, include the applicant's real name, provide an address for correspondence, and describe the information requested. Requests for environmental information under the EIR may be made verbally or in writing, although written requests are preferable for clarity and record-keeping.

Requests may be sent to:

Tees Valley Combined Authority
Teesside Airport Business Suite
Teesside International Airport
Darlington
DL2 1NJ

Email: FOI@teesvalley-ca.gov.uk

The Information Governance Team will undertake an initial assessment of the request and determine whether it should be dealt with under the FOIA or EIR. The team will also identify queries that are not formal information requests and refer them to the relevant service area for a routine response.

The requester will be sent an acknowledgement email confirming that their request has been received and that we are dealing with it under the FOIA or EIR.

We will confirm whether we hold the requested information and, where required, provide copies of that information as soon as possible and usually within 20 working days of the request being received. Under the EIR, the response time may be extended to up to 40 working days where the request is complex and voluminous; if so, we will notify the applicant within the initial 20 working day period.

If a request is unclear or too broad, we will offer reasonable advice and assistance to help the applicant refine it. Where clarification is needed to identify the information requested or if a fee is applicable, we will pause the 20-working day period until the clarification is provided or the fee is paid.

We may need to consult internal teams, partner organisations or third parties before responding, particularly where disclosure may affect their interests. Consultation will not be used to delay responses unnecessarily.

If for some unforeseen circumstances we are unable to provide a response within 20 working days, we will contact the requestor explaining the delay and providing a revised response deadline.

5. Refusing or withholding information

TVCA is committed to openness and transparency and will disclose information unless a relevant FOIA exemption or EIR exception applies, or the information is not held. Where information is withheld in full or in part, we will confirm whether we hold information relevant to the request unless the law allows us not to do so.

If we withhold the information, we will provide a written refusal notice confirming the legal basis for refusing to provide the information and explaining why the exemption or exception applies, including the public interest considerations where relevant.

Some FOIA exemptions and most EIR exceptions require a public interest test. Under FOIA, we may need additional time to consider the balance of the public interest and will notify the applicant where this applies. There is no time extension for considering the public interest in respect of EIR requests.

If we intend to withhold information under Section 36 of the FOIA, we must obtain the opinion of the 'qualified person' confirming that the exemption applies. For the purposed of this policy the qualified person is the Monitoring Officer.

6. Cost, burden and unreasonable requests

FOIA cost limit

Under FOIA, we may refuse a request if the cost of compliance would exceed the appropriate limit. For this authority, the current limit is £450, calculated in accordance with the Freedom of Information (Appropriate Limit and Fees) Regulations 2004 .

Where possible, we will help applicants narrow or refine requests so that information can be provided within the cost limit.

EIR manifestly unreasonable requests

Under the EIR, there is no fixed cost limit. However, a request may be refused if it is manifestly unreasonable, including because it would impose a disproportionate burden on the authority. We will apply this exception restrictively and with the presumption in favour of disclosure in mind.

Before refusing a request on cost or burden grounds, we will consider whether advice and assistance could help the applicant obtain the information in a more focused way.

Vexatious and repeated requests

Under FOIA, we may refuse vexatious requests and repeated requests where the statutory test is met. Under the EIR, the equivalent concept is usually addressed through the manifestly unreasonable exception.

Any decision to refuse a request on this basis will be evidence-based, proportionate and recorded appropriately.

We will not respond to requests that are designed to target, intimidate or harass any individual member or officer of TVCA.

7. Fees and format of disclosure

Information published through our publication scheme will usually be free of charge unless a fee is stated. For individual requests, we may charge permitted fees or disbursements, for example for printing, photocopying or postage, and under the EIR where charges are lawful and reasonable.

Where a fee or charge is payable, we will explain the basis for it and provide details of how to make the payment.

We will provide digital information in a commonly used electronic format. If an applicant requests information in an alternative or specific format, we will take reasonable steps to provide the information in the requested format where the law requires or where it is practicable to do so. However, we cannot commit to reformatting or converting large amounts of information.

Digital information will normally be sent by email to the requester, or by secure digital transfer if the file is very large. We will not send information via social media channels.

Hard copy information may be posted to the requester or collected in person.

In some cases, it may not be possible to provide the applicant with a copy of the information, but we may be able to provide them with the facilities to inspect or view the requested information. We will contact the applicant to explain the options available to them.

8. Internal review and complaints

If an applicant is dissatisfied with how a request has been handled, they may ask for an internal review. Requests for internal review should be made promptly and ideally within 40 working days of the response.

Requests for internal review should be sent to the Information Governance Team at the postal or email address above, clearly marked as a request for internal review. We will ensure that internal reviews are completed by someone who was not involved in the original decision, and will usually reply within 20 working days, or within 40 working days in exceptional circumstances.

If the applicant remains dissatisfied after the internal review, they may complain to the Information Commissioner's Office.

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
SK9 5AF

Telephone: 0303 123 1113

Website: ico.org.uk

9. Appendix 1: FOIA exemptions

The exemptions below are included as a practical summary only. Requests must always be assessed against the legislation and current ICO guidance.

Common FOIA exemptions relevant to this authority include:

- Section 21 – information reasonably accessible by other means.
- Section 22 – information intended for future publication.
- Section 36 – prejudice to the effective conduct of public affairs.
- Section 38 – health and safety.
- Section 39 – environmental information (handled under the EIR).
- Section 40 – personal information.
- Section 41 – information provided in confidence.
- Section 42 – legal professional privilege.
- Section 43 – commercial interests.
- Section 44 – prohibitions on disclosure.

10. Appendix 2: EIR exceptions

The exceptions below are included as a practical summary only. Requests must always be assessed against the legislation and current ICO guidance.

Most EIR exceptions are subject to the public interest test and the presumption in favour of disclosure.

The most relevant EIR exceptions to this authority are:

Regulation 12(4)(a) – information not held.
Regulation 12(4)(b) – manifestly unreasonable requests.
Regulation 12(4)(d) – unfinished documents or incomplete data.
Regulation 12(4)(e) – internal communications.
Regulation 12(5)(a) to (g) – adverse effect exceptions, including international relations, justice, intellectual property, confidentiality of proceedings, commercial confidentiality, interests of the information provider, and protection of the environment.
Regulation 13 – personal data.

For more information contact
info@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk

@TeesValleyCA

Subject Access Request Policy

Document Title:	TVCA Subject Access Request Policy
Document Author:	Data Protection Officer
Senior Responsible Officer:	Monitoring Officer
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Contents

1. INTRODUCTION

Individuals have a statutory right of access to information that Tees Valley Combined Authority (TVCA) holds about them, including how TVCA is processing their personal data, a copy of their personal data and the supplementary information required by data protection law. This policy explains how TVCA recognises, records, considers and responds to subject access requests under the UK GDPR, the Data Protection Act 2018 and the Data (Use and Access) Act 2025.

2. KEY DEFINITIONS

For the purposes of this policy, **personal data** means information relating to an identified or identifiable living individual; a **requester** is the person making the subject access request or someone authorised to act for them; a **third party** is any other individual whose information may appear in the material; and an **exemption** is a legal basis that may limit disclosure in whole or in part.

3. PURPOSE AND SCOPE

This policy applies to all subject access requests received by TVCA from residents, service users, employees, workers, former employees and other individuals whose personal data TVCA holds, whether the information is held electronically or in paper form.
When responding to a valid request, TVCA will provide the requester with a copy of their personal data and, where required, the following supplementary information:

- the purposes of the processing;
- the categories of personal data concerned;
- the recipients or categories of recipient to whom the personal data has been or will be disclosed;
- how long the personal data will be kept, or the criteria used to decide this;
- the right to request rectification or erasure, to restrict processing, and where applicable to object to processing;
- the right to complain to the Information Commissioner's Office (ICO);
- the source of the data, where it was not obtained from the requester;
- the existence of any automated decision-making, including profiling, and meaningful information about the logic involved and the likely consequences for the individual; and
- the safeguards applied where personal data is transferred outside the UK.

4. MAKING A SUBJECT ACCESS REQUEST

How to make a request

A subject access request does not need to use specific words or a particular form. A request can be made verbally or in writing, including by email, letter, online message or social media, and it can be made to any part of TVCA.

To help TVCA deal with requests more efficiently, they should be directed to the Data Protection Officer at:

Data Protection Officer
Tees Valley Combined Authority
Teesside Airport Business Suite,
Teesside International Airport,
Darlington,
DL2 1NJ

Email: DPO@teesvalley-ca.gov.uk

TVCA may ask for evidence of identity where this is reasonable and proportionate. If a third party makes a request on someone else's behalf, TVCA may ask for written authority or other evidence that the third party is entitled to act for the individual.

TVCA will only ask for the minimum identification information needed to confirm the requester's identity and protect personal data from unauthorised disclosure. Acceptable identification documents are listed at Appendix B.

Where TVCA already knows the requester's identity, it will not ask for more information than is necessary.

How TVCA handles a request

The Information Governance Team will record the request, acknowledge it where appropriate, assess whether any clarification is needed, and coordinate searches across relevant service areas.

TVCA will respond without undue delay and, in most cases, within one calendar month of receiving the request or, where necessary, the information needed to confirm identity.

If TVCA reasonably needs more information to locate the requested data, it may ask the requester to clarify the scope of the request. The time limit may be paused until that clarification is received.

TVCA may extend the time limit by up to a further two months where a request is complex or where the requester has made a number of requests. If an extension is needed, TVCA will tell the requester within the original one-month period and explain why.

Staff must recognise requests made in any format, including requests received through complaints, routine correspondence, telephone calls or social media, and pass them to the Information Governance Team without delay.

Relevant service areas must carry out reasonable and proportionate searches for the requester's personal data and return the results promptly to the Information Governance Team. The Information Governance Team will provide advice and guidance on how to undertake the search where needed.

The Information Governance Team will review the information identified, consider whether any exemptions apply, redact third-party or exempt information where necessary, and prepare the response.

TVCA will keep an appropriate record of the request, the searches carried out, the decision-making process and the response issued, in line with its retention arrangements.

How the response will be provided

TVCA will usually provide the response electronically via email, unless the requester asks for another format or method and it is reasonable and practical for TVCA to provide the information in that manner. Information will be provided securely and will not be sent through social media channels. If the requester is collecting information in person, they will need to show ID.

Responses will be concise, intelligible and accessible. Where appropriate, TVCA will consider reasonable adjustments and alternative formats, such as large print, audio or braille.

5. LIMITS AND EXEMPTIONS

TVCA may refuse a request in whole or in part where an exemption applies, where the request is manifestly unfounded or excessive, or where disclosure would adversely affect the rights and freedoms of others.

- Each request will be assessed on its own facts.
- TVCA will apply a high threshold before relying on the "manifestly unfounded or excessive" provisions.
- Any refusal or restriction must be supported by clear reasons and evidence.

A request may be manifestly unfounded where there is clear evidence that it is not a genuine exercise of the right of access, for example where it is used primarily to harass or disrupt. A request may be excessive where it is clearly unreasonable in the particular circumstances, taking account of factors such as overlap with previous requests and whether enough time has passed for the information to have changed.

Appendix A summarises some of the exemptions that may limit the right of access. Exemptions must be considered on a case-by-case basis.

If TVCA refuses a request in whole or in part, it will tell the requester:

- why the request has been refused or restricted, unless the law allows TVCA not to do so;
- their right to complain to the Information Commissioner's Office; and
- their right to seek a remedy through the courts.

6. COMPLAINTS

If a requester is unhappy with how TVCA has handled their subject access request, they should complain to the Data Protection Officer in writing to:

Data Protection Officer
Tees Valley Combined Authority
Teesside Airport Business Suite,
Teesside International Airport,
Darlington,
DL2 1NJ

Email: DPO@teesvalley-ca.gov.uk

The requester should explain what they believe has gone wrong, for example if information has been withheld or the response has not been provided within the time limit. TVCA will acknowledge complaints within 30 days, investigate and provide a substantive response without undue delay. We will keep the requester informed where further enquiries are needed.

If a requester remains dissatisfied with the response, they may complain to the Information Commissioner's Office.

7. TRAINING, MONITORING AND AUDIT

All TVCA staff must complete data protection and information security training and understand how to recognise and escalate subject access requests. Compliance with this policy, response times, complaints themes and learning points will be monitored by the

Information Governance Team and reported to the Audit and Governance Committee quarterly.

8. POLICY REVIEW

This policy will be reviewed periodically and updated to reflect changes in legislation, ICO guidance and TVCA practice.

APPENDIX A: EXEMPTIONS

The Data Protection Act 2018 and the UK GDPR include a number of exemptions and restrictions that may limit the right of access in particular circumstances.

TVCA will consider any exemption on a case-by-case basis, will not apply exemptions routinely, and will document the reasons for any decision to withhold or redact information.

The categories of exemption most applicable to TVCA are:

- crime and taxation information, where disclosure would be likely to prejudice those purposes;
- information protected by legal professional privilege;
- information whose disclosure is restricted by another enactment or a court order;
- confidential references given by TVCA or received by TVCA for employment, training or similar purposes;
- personal data relating to another person, where disclosure would be unreasonable without their consent;
- management information, negotiations with the requester, regulatory, legal or safeguarding information, where the relevant legal test is met; and
- any other exemption or restriction that applies to the particular facts of the request.

APPENDIX B: IDENTITY EVIDENCE

TVCA will only ask for identity evidence where this is reasonable and proportionate. Where identity is already known, or can be confirmed by other means, further documents should not be requested.

If identity evidence is needed, TVCA will normally ask for enough information to confirm the requester's name, current address and, where relevant, authority to act for another person. Copies are usually sufficient.

If a request is made on behalf of another person, TVCA may also ask for written authority, a power of attorney, parental responsibility evidence or other proof that the requester is entitled to act for them.

Examples of acceptable identity evidence include:

- a current passport;
- a current photocard driving licence;
- a birth or adoption certificate, where photo identification is not available;
- a recent utility bill, council tax bill, bank statement or similar document showing the current address; and
- where footage or images are requested, evidence reasonably capable of confirming the requester's appearance.

TVCA may ask for one or more of these documents, depending on the circumstances and the level of assurance reasonably required.

For more information contact
info@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk

@TeesValleyCA

THE TEES VALLEY COMBINED AUTHORITY GROUP – STAFF PRIVACY NOTICE

1. What is the purpose of this document?

The Tees Valley Combined Authority Group (**TVCA Group**) is committed to protecting the privacy and security of your personal information.

This privacy notice describes how we collect and use personal information about you during and after your working relationship with us, in accordance with the UK General Data Protection Regulation (**UK GDPR**).

It applies to all staff who work at TVCA Group regardless of their role. This notice applies to current and former employees, workers, contractors and job applicants. This notice does not form part of any contract of employment or other contract to provide services. We may update this notice at any time.

The TVCA Group is a "data controller". This means that we are responsible for deciding how we hold and use personal information about you. We are required under data protection legislation to notify you of the information contained in this privacy notice.

It is important that you read this notice, together with any other privacy notice we may provide on specific occasions when we are collecting or processing personal information about you, so that you are aware of how and why we are using such information.

2. Who we are

For the purposes of this policy the TVCA Group is made up of the following legal entities:
Tees Valley Combined Authority ("**TVCA**");

- South Tees Development Corporation ("**STDC**");
- Hartlepool Development Corporation ("**HDC**
- Middlesbrough Development Corporation ("**MDC**");

This privacy notice is issued on behalf of the TVCA Group so when we mention "**TVCA Group**", "**we**", "**us**" or "**our**" in this privacy notice, we are referring to the relevant entity in the TVCA Group responsible for processing your personal data. If you have any queries in respect of which entity is the relevant entity, please contact the Data Protection Officer (DPO) using the contact details below.

3. Data protection principles

We will comply with data protection law. This says that the personal information we hold about you must be:

- Used lawfully, fairly and in a transparent way.
- Collected only for valid purposes that we have clearly explained to you and not used in any way that is incompatible with those purposes.
- Relevant to the purposes we have told you about and limited only to those purposes.
- Accurate and kept up to date.
- Kept only as long as necessary for the purposes we have told you about.
- Kept securely.

4. The kind of information we hold about you

Personal data, or personal information, means any information about an individual from which that person can be identified. It does not include data where the identity has been removed (anonymous data).

There are "special categories" of more sensitive personal data which require a higher level of protection (explained in more detail below).

We will collect, store, and use the following categories of personal information about you:

- personal contact details such as name, title, addresses, telephone numbers, and personal email addresses;
- date of birth and place of birth;
- gender;
- marital status and dependants;
- next of kin and emergency contact information;
- national insurance number;
- bank account details, payroll records and tax status information;
- salary, annual leave, pension and benefits information;
- start date;
- location of employment or workplace;
- copy of driving licence (if relevant to your role);
- recruitment information (including copies of right to work documentation, references and other information included in a CV or cover letter or as part of the application process);
- employment records (including job titles, work history, working hours, training records and professional memberships (if relevant to your role));
- compensation history;
- performance and appraisal information, including any accident reports;
- disciplinary and grievance information;
- CCTV footage and other information obtained through electronic means such as swipecard records. Please see our CCTV policy for further information;
- information about your use of our information and communications systems;
- photographs.

We may also collect, store and use the following "special categories" of more sensitive personal information:

- information about your race or ethnicity, religious beliefs and sexual orientation;
- trade union membership;
- information about your health, including any medical condition, health and sickness records;
- genetic information and biometric data; and
- information about criminal convictions and offences.

5. How is your personal information collected?

We collect personal information about employees, workers, contactors and job applicants through the application and recruitment process, either directly from you (as a candidate) or from an employment agency or background check provider such as the Disclosure and Barring Service. We may sometimes collect additional information from third parties including former employers, LinkedIn, credit reference agencies or other background check agencies such as recruitment agents.

We will collect additional personal information in the course of job-related activities throughout the period of you working for us.

6. How will we use information about you?

We will only use your personal information when the law allows us to. We must identify at least one lawful basis under Article 6 of the UK GDPR for each processing activity, and where we process special category data or criminal offence data we must also identify an additional condition under data protection law.

The table below explains the main ways in which we use your personal information and the lawful basis we usually rely on. More than one lawful basis may apply to the same activity depending on the circumstances.

Where special category data or criminal offence data is involved, the Article 6 lawful basis set out below applies alongside an additional condition described in sections 10 to 13 of this notice.

7. Situations in which we will use your personal information

We need the categories of information listed above for a range of employment, workforce administration and public authority purposes. The table below sets out the main processing activities and the lawful basis we usually rely on.

Purpose	Examples of personal data used	Usual Article 6 lawful basis
Recruitment and selection	Application forms, CVs, references, interview notes, right to work documents, qualifications	Contract (to take steps at your request before entering into a contract) and legal obligation where checks are required by law
Right to work, identity and employment checks	Identity documents, immigration status information, qualifications, DBS information where relevant	Legal obligation and, where relevant to our statutory functions, public task
Issuing contracts and administering the working relationship	Contact details, job title, working hours, start date, contractual terms	Contract and, where relevant to our statutory functions as a public authority, public task
Payroll, tax, pension and benefits administration	Bank details, payroll records, tax status, salary, pension and benefits information	Contract and legal obligation
Workforce management and business administration	Employment records, organisational data, contact details, work history, accounting and audit records	Public task and legal obligation, and contract where processing is necessary to administer the employment relationship
Performance management, appraisals, promotion and salary review	Performance records, appraisal notes, training records, compensation history	Contract, public task and, in limited cases outside our official public tasks, legitimate interests
Training, professional development and maintaining competence records	Training records, qualifications, professional memberships	Contract, legal obligation and public task
Disciplinary, grievance, investigation and legal claims handling	Complaint records, witness statements, correspondence, investigation material	Legal obligation, public task and where necessary for legal claims
Health, safety, absence management and fitness for work	Absence records, accident reports, occupational health information, health and sickness records	Legal obligation, contract and public task
Equality monitoring	Race or ethnicity, religion, sexual orientation, gender identity or other equality information you choose to provide	Public task and legal obligation
Security, access control, CCTV and protecting our premises, systems and information	CCTV footage, swipecard records, IT usage information, ID card details, photographs	Public task, legal obligation and, in limited cases outside our official public tasks, legitimate interests

Fraud prevention, network security and misuse investigations	System logs, access records, device and network information, investigation material	Public task, legal obligation and, in limited cases outside our official public tasks, legitimate interests
Ending the working relationship and post-employment administration	Leaver records, final payments, references, pension and benefit records	Contract, legal obligation and public task

The lawful basis that applies to a particular activity will depend on the purpose and context. Where we rely on public task, this is because the processing is necessary for our functions, powers or duties as a public authority. Where we rely on legal obligation, this is because the processing is necessary for compliance with a legal requirement. Where we rely on contract, this is because the processing is necessary to enter into or perform the employment contract.

8. If you fail to provide personal information

If you fail to provide certain information when requested, we may not be able to perform your employment contract (e.g. we may not be able to pay you), or we may be prevented from complying with our legal obligations (such as to ensure the health and safety of our workers).

If you are concerned about sharing personal information, please contact your line manager, HR or the Data Protection Officer to discuss your concerns.

9. Change of purpose

We will only use your personal information for the purposes for which we collected it, unless we reasonably consider that we need to use it for another reason and that reason is compatible with the original purpose. If we need to use your personal information for an unrelated purpose, we will notify you and we will explain the legal basis which allows us to do so.

10. How we use particularly sensitive personal information

Special category personal data requires additional protection. When we process this type of information, we will identify both an Article 6 lawful basis and an additional condition under Article 9 of the UK GDPR and, where required, Schedule 1 of the Data Protection Act 2018.

Some common reasons include:

- where processing is necessary for carrying out obligations or exercising rights in the field of employment, social security or social protection law;
- where processing is necessary for reasons of substantial public interest, such as equal opportunities monitoring, and is carried out with appropriate safeguards;
- where processing is necessary for the assessment of working capacity, occupational health or health management;

- where processing is necessary for the establishment, exercise or defence of legal claims; and
- in limited circumstances, where you have given explicit consent or where another condition under data protection law applies.

Less commonly, we may process this type of information where it is needed in relation to legal claims or where it is needed to protect your interests (or someone else's interests) and you are not capable of giving your consent, or where you have already made the information public. We may also process such information about members or former members in the course of legitimate business activities with the appropriate safeguards.

11. Our obligations as an employer

We will use your particularly sensitive personal information in the following ways:

- we will use information relating to absence, which may include sickness absence or family related leaves, to comply with employment and other laws;
- we will use information about your physical or mental health, or disability status, to ensure your health and safety in the workplace and to assess your fitness to work, to provide appropriate workplace adjustments (e.g. when an employee is pregnant or disabled) to monitor and manage sickness absence and to administer benefits;
- if we reasonably believe that you or another person are at risk of harm and the processing is necessary to protect you or them from physical, mental or emotional harm or to protect physical, mental or emotional well-being; and
- we will use information about your race or national or ethnic origin, religious beliefs, sexual orientation and gender identity to ensure meaningful equal opportunity monitoring and reporting.

12. Do we need your consent?

We do not need your consent if we use special categories of your personal information to carry out our legal obligations or exercise specific rights in the field of employment law. However, in limited circumstances, we may approach you for your written consent to allow us to process certain particularly sensitive data. If we do so, we will provide you with full details of the information that we would like and the reason we need it, so that you can carefully consider whether you wish to consent. You should be aware that it is not a condition of your employment contract with us that you agree to any request for consent from us. However, it may put us in a position of having to make a decision about your employment without the full picture/information.

13. Information about criminal convictions

We will only process information relating to criminal convictions and offences where the law allows us to do so. Where we do so, we will identify an Article 6 lawful basis and an additional condition under the Data Protection Act 2018. This will usually be because the processing is necessary for employment purposes, safeguarding, preventing unlawful acts, or for establishing, exercising or defending legal claims, depending on the role and circumstances.

Less commonly, we may use information relating to criminal convictions where it is necessary in relation to legal claims, where it is necessary to protect your interests (or someone else's interests) and you are not capable of giving your consent, or where you have already made the information public.

We will only collect information about criminal convictions if it is appropriate given the nature of the role and where we are legally able to do so. Where appropriate, we will collect information about criminal convictions as part of the recruitment process or we may be notified of such information directly by you in the course of you working for us.

14. Automated decision making

We do not envisage that any decisions will be taken about you using automated means, however we will notify you in writing if this position changes.

15. Data sharing

We may have to share your data with third parties, including third-party service providers and other entities in the group.

We require third parties to respect the security of your data and to treat it in accordance with the law.

We will not normally transfer your personal information outside the UK but if we do, you can expect a similar degree of protection in respect of your personal information.

Why might you share my personal information with third parties?
We will share your personal information with third parties where required by law, where it is necessary to administer the working relationship with you or where we are otherwise required under a public duty to do so.

Which third-party service providers process my personal information?
"Third parties" includes third-party service providers (including contractors and designated agents) and other entities within our group. The following activities are carried out by third-party service providers:

- payroll;
- pension administration;
- benefits provision and administration;
- IT services;
- training; and
- human resources management.
- The following third-party service providers process personal information about you for the following purposes:
- payroll is processed by Xentrall;

- pension administration is processed by the Local Government Pension Scheme and Aviva;
- training is processed by iHASCO services; and
- Human resources management is processed by Citrus.

How secure is my information with third-party service providers?

All our third-party service providers are required to take appropriate security measures to protect your personal information in line with our policies. We do not allow our third-party service providers to use your personal data for their own purposes. We only permit them to process your personal data for specified purposes and in accordance with our instructions.

What about other third parties?

We may share your personal information with other third parties, for example in the context of the possible sale or restructuring of the business. We may also need to share your personal information with a regulator or to otherwise comply with the law.

16. Data security

We have put in place measures to protect the security of your information, including asking our employees to comply with the Data Protection Policy. Full details of these measures are available upon request.

Third parties will only process your personal information on our instructions and where they have agreed to treat the information confidentially and to keep it secure.

We have put in place appropriate security measures to prevent your personal information from being accidentally lost, used or accessed in an unauthorised way, altered or disclosed. In addition, we limit access to your personal information to those employees, agents, contractors and other third parties who have a business need to know. They will only process your personal information on our instructions and they are subject to a duty of confidentiality.

We have put in place procedures to deal with any suspected data security breach and will notify you and any applicable regulator of a suspected breach where we are legally required to do so.

17. Data Retention

We will only retain your personal information for as long as necessary to fulfil the purposes we collected it for, including for the purposes of satisfying any legal, accounting, or reporting requirements. Details of retention periods for different aspects of your personal information are available in our Data Retention and Deletion Policy.

Generally speaking, we retain payroll and all other employment information for six years from the termination of your employment. However, to determine the appropriate retention period for personal data, we consider the amount, nature, and sensitivity of the personal data, the potential risk of harm from unauthorised use or disclosure of your personal data, the purposes for which we process your personal data and whether we can achieve those purposes through other means, and the applicable legal requirements.

In some circumstances we may anonymise your personal information so that it can no longer be associated with you, in which case we may use such information without further notice to you. Once you are no longer an employee, worker or contractor of the company we will retain and securely destroy your personal information in accordance with the applicable laws and regulations.

18. Rights of access, correction, erasure, and restriction

Your duty to inform us of changes

It is important that the personal information we hold about you is accurate and current. Please keep us informed if your personal information changes during your working relationship with us.

Your rights in connection with personal information

Under certain circumstances, by law you have the right to:

- request access to your personal information (commonly known as a "data subject access request"). This enables you to receive a copy of the personal information we hold about you and to check that we are lawfully processing it;
- request correction of the personal information that we hold about you. This enables you to have any incomplete or inaccurate information we hold about you corrected;
- request erasure of your personal information. This enables you to ask us to delete or remove personal information where there is no good reason for us continuing to process it. You also have the right to ask us to delete or remove your personal information where you have exercised your right to object to processing (see below);
- object to processing of your personal information where we are relying on a legitimate interest (or those of a third party) other than the performance of our tasks as a public authority and there is something about your particular situation which makes you want to object to processing on this ground. You also have the right to object where we are processing your personal information for direct marketing purposes;
- request the restriction of processing of your personal information. This enables you to ask us to suspend the processing of personal information about you, for example if you want us to establish its accuracy or the reason for processing it;
- request the transfer of your personal information to another party.

If you want to review, verify, correct or request erasure of your personal information, object to the processing of your personal data, or request that we transfer a copy of your personal information to another party, please contact the DPO at DPO@teesvalley-ca.gov.uk.

No fee usually required

You will not have to pay a fee to access your personal information (or to exercise any of the other rights). However, we may charge a reasonable fee if your request for access is clearly unfounded or excessive. Alternatively, we may refuse to comply with the request in such circumstances.

What we may need from you
We may need to request specific information from you to help us confirm your identity and ensure your right to access the information (or to exercise any of your other rights). This is another appropriate security measure to ensure that personal information is not disclosed to any person who has no right to receive it.

Right to withdraw consent
In the limited circumstances where you may have provided your consent to the collection, processing and transfer of your personal information for a specific purpose, you have the right to withdraw your consent for that specific processing at any time. To withdraw your consent, please contact the DPO at DPO@teesvalley-ca.gov.uk. Once we have received notification that you have withdrawn your consent, we will no longer process your information for the purpose or purposes you originally agreed to, unless we have another legitimate basis for doing so in law.

19. Freedom of Information

Information can also be requested via a Freedom of Information ("FOI") request. We have adopted the model Publication Scheme, that commits the TVCA Group to making certain types of information available to the public as part of its normal business activities. This information is available on the TVCA website.

20. Data Protection Officer

We have appointed a DPO to oversee compliance with this privacy notice. If you have any questions about this privacy notice or how we handle your personal information, please contact the DPO at DPO@teesvalley-ca.gov.uk. You have the right to make a complaint at any time to the Information Commissioner's Office (ICO), the UK supervisory authority for data protection issues.

21. Changes to this privacy notice

We reserve the right to update this privacy notice at any time, and we will provide you with a new privacy notice when we make any substantial updates. We may also notify you in other ways from time to time about the processing of your personal information.

If you have any questions about this privacy notice, please contact the DPO at DPO@teesvalley-ca.gov.uk

CCTV Policy

Document Title:	TVCAG CCTV Policy
Document Author:	Data Protection Officer
Senior Responsible Officer:	Director of Operations
Document Status:	Draft
Document Authorised Date:	
Version Number:	0.1
New Review Date:	May 2027

Contents

1. Introduction

Welcome to the Tees Valley Combined Authority's ("**TVCA**") CCTV policy.
TVCA respects your privacy and is committed to protecting your personal data. This CCTV policy will inform you as to how we look after your personal data when you are captured on our CCTV surveillance systems.

2. Who we are

TVCA is a combined authority covering the local authority areas of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees. We are a statutory body and you can contact us as follows:

- Post: Tees Valley Combined Authority, Teesside Airport Business Suite, Teesside International Airport, Darlington, DL2 1NJ
- Email: info@teesvalley-ca.gov.uk
- Data Protection Officer ("**DPO**"): DPO@teesvalley-ca.gov.uk

TVCA's registered office is at Teesside Airport Business Suite, Teesside International Airport, Darlington, DL2 1NJ.

We have appointed a DPO who is responsible for overseeing questions in relation to this CCTV policy. If you have any questions about this CCTV policy, including any requests to exercise your legal rights, please contact the DPO using the details set out above.

For the majority of the information that we hold, TVCA acts as the "controller", i.e. we process information on behalf of its employees and other individuals and decide how best to process store and keep that information secure. We are registered with the ICO and our registration certificate reference is Z4969253.

Further details can be accessed at www.ico.org.uk.

3. Policy statement

We believe that CCTV and other surveillance systems have a legitimate role to play in helping to maintain a safe and secure environment for all our staff and visitors. However, we recognise that this may raise concerns about the effect on individuals and their privacy. This CCTV policy is intended to address such concerns. Images recorded by surveillance systems are personal data which must be processed in accordance with UK data protection legislation. We are committed to complying with our legal obligations and ensuring that the legal rights of staff, relating to their personal data, are recognised and respected.

This CCTV policy is intended to assist staff in complying with their own legal obligations when working with personal data. In certain circumstances, misuse of information generated by CCTV or other surveillance systems could constitute a criminal offence.

4. Definitions

For the purposes of this CCTV policy, the following terms have the following meanings:

CCTV: means fixed and domed cameras designed to capture and record images of individuals and property.

Data: is information which is stored electronically, or in certain paper-based filing systems. In respect of CCTV, this generally means video images. It may also include static pictures such as printed screen shots.

Data subjects: means all living individuals about whom we hold personal information as a result of the operation of our CCTV (or other surveillance systems).

Personal data: means data relating to a living individual who can be identified from that data (or other data in our possession). This will include video images of identifiable individuals.

Data controllers: are the people who, or organisations which, determine the manner in which any personal data is processed. They are responsible for establishing practices and policies to ensure compliance with the law. We are the data controller of all personal data used in our business for our own commercial purposes.

Data users: are those of our employees whose work involves processing personal data. This will include those whose duties are to operate CCTV cameras and other surveillance systems to record, monitor, store, retrieve and delete images. Data users must protect the data they handle in accordance with this policy and our data protection policy.

Data processors: are any person or organisation that is not a data user (or other employee of a data controller) that processes data on our behalf and in accordance with our instructions (for example, a supplier which handles data on our behalf).

Processing: is any activity which involves the use of data. It includes obtaining, recording or holding data, or carrying out any operation on the data including organising, amending, retrieving, using, disclosing or destroying it. Processing also includes transferring personal data to third parties.

Surveillance systems: means any devices or systems designed to monitor or record images of individuals or information relating to individuals. The term includes CCTV systems as well as any technology that may be introduced in the future such as automatic number plate recognition (ANPR), body worn cameras, unmanned aerial systems and any other systems that capture information of identifiable individuals or information relating to identifiable individuals.

UK data protection legislation: means all applicable data protection and privacy legislation in force from time to time in the UK including UK GDPR; the Data Protection Act 2018 (DPA 2018) (and regulations made thereunder); and the Privacy and Electronic Communications Regulations 2003 (SI 2003 No. 2426) as amended; and all other legislation and regulatory requirements in force from time to time which apply to a party relating to the use of personal data (including, without limitation, the privacy of electronic communications; and the guidance and codes of practice issued by the Information Commissioner or other relevant data protection or supervisory authority and applicable to a party.

5. About this policy

We currently use CCTV cameras to view and record individuals on and around our sites. This CCTV policy outlines why we use CCTV, how we will use CCTV and how we will process data recorded by CCTV cameras to ensure we are compliant with UK data protection legislation and best practice. For information on how to make a subject access request in respect of personal data created by CCTV, please contact the DPO using the contact details in clause 2.1.

We recognise that information that we hold about individuals is subject to the UK data protection legislation. We are committed to complying with all our legal obligations under the UK GDPR. The images of individuals recorded by CCTV cameras in the workplace are personal data and therefore subject to the UK GDPR. We are a data controller and we have registered our use of CCTV with the Information Commissioner. We also seek to comply with best practice suggestions from the Information Commissioner's Office (“**ICO**”).

This CCTV policy covers all employees, directors, officers, consultants, contractors, freelancers, volunteers, interns, casual workers, zero hours workers, agency workers and visiting members of the public.

This CCTV policy is non-contractual and does not form part of the terms and conditions of any employment or other contract. We may amend this CCTV policy at any time. The

CCTV policy will be regularly reviewed to ensure that it meets legal requirements, relevant guidance published by the ICO and industry standards.

A breach of this CCTV policy may, in appropriate circumstances, be treated as a disciplinary matter. Following investigation, a breach of this CCTV policy may be regarded as misconduct leading to disciplinary action, up to and including dismissal.

Where we use third party contractors to manage CCTV at any of the entities' sites, appropriate contractual arrangements will be put in place to replicate the provisions within this policy

6. Personnel responsible

The Senior Leadership Team and DPO have overall responsibility for ensuring compliance with relevant legislation and the effective operation of this CCTV policy. Day-to-day management responsibility for deciding what information is recorded, how it will be used and to whom it may be disclosed has been delegated to the Senior Leadership Team and DPO. Day-to-day operational responsibility for CCTV cameras and the storage of data recorded is the responsibility of the Business Support Team.

The TVCA Cabinet is responsible for approving any revisions to this policy. The DPO has responsibility for undertaking an annual review of the policy and has the delegated authority to make minor amendments to the policy arising from changes in operating procedures.

7. Reasons for the use of CCTV

We currently use CCTV as outlined below. We believe that such use is necessary for legitimate purposes, including:

- to maintain the security of our buildings and assets, staff and others;
- to prevent crime and protect buildings and assets from damage, disruption, vandalism and other crime;
- for the personal safety of staff, visitors and other members of the public and to act as a deterrent against crime;
- to support law enforcement bodies in the prevention, detection and prosecution of crime;
- to assist in day-to-day management, including ensuring the health and safety of staff and others;
- to assist in the effective resolution of disputes which arise during disciplinary or grievance proceedings; and

- to assist in the defence of any civil litigation, including employment tribunal proceedings.

This list is not exhaustive, and other purposes may be or become relevant. In any event, we will update this CCTV policy to capture other legitimate purposes before we carry out the processing.

8. Monitoring

CCTV monitors the exterior of the buildings, including the main entrance and secondary exits. CCTV records for 24 hours a day and this data is continuously recorded.

Camera locations are chosen to minimise viewing of spaces not relevant to the legitimate purpose of the monitoring. CCTV cameras will not focus on private homes, gardens or other areas of private property.

Surveillance systems will not be used to record sound.

Live monitoring of images will not be used unless requested by law enforcement agencies. Staff using surveillance systems will be given appropriate training to ensure they understand and observe the legal requirements related to the processing of relevant data. Access to the CCTV footage will be limited to particular staff members and we will retain an access log with details of who has accessed the images, when and for what purpose.

9. How we will operate any CCTV

Where CCTV cameras are placed in the workplace, we will ensure that signs are displayed at the entrance of the surveillance zone to alert individuals that their image may be recorded. Such signs will contain details of the organisation operating the system, the purpose for using the surveillance system and who to contact for further information, where these things are not obvious to those being monitored.
Live feeds from CCTV cameras will only be monitored where this is reasonably necessary, for example to protect health and safety or for the prevention and detection of crime.

We will ensure that live feeds from cameras and recorded images are only viewed by approved members of staff whose role requires them to have access to such data. This may include HR staff involved with disciplinary or grievance matters. Recorded images will only be viewed in designated, secure offices.

10. Use of data gathered by CCTV

In order to ensure that the rights of individuals recorded by the CCTV system are protected, we will ensure that data gathered from CCTV cameras is stored in a way that maintains its integrity and security. This may include encrypting the data, where it is possible to do so.

Given the large amount of data generated by surveillance systems, we may store video footage using a cloud computing system. We will take all reasonable steps to ensure that any cloud service provider maintains the security of our information, in accordance with industry standards.

We may engage data processors to process data on our behalf. We will ensure reasonable contractual safeguards are in place to protect the security and integrity of the data.

11. Retention and erasure of data gathered by CCTV

Data recorded by the CCTV system will be stored digitally on network video records and sent remotely to a call centre including, but not limited to, DVX and DVL. Data from CCTV cameras will not be retained indefinitely but will be permanently deleted once there is no reason to retain the recorded information. Exactly how long images will be retained for will vary according to the purpose for which they are being recorded. For example, where images are being recorded for crime prevention purposes, data will be kept long enough only for incidents to come to light. In all other cases, recorded images will be kept for no longer than 30 days. These arrangements are recorded in the data retention and deletion log.

At the end of their useful life, all images stored in whatever format will be erased permanently and securely. Any physical matter such as tapes or discs will be disposed of as confidential waste. Any still photographs and hard copy prints will be disposed of as confidential waste.

12. Use of additional surveillance systems

Prior to introducing any new surveillance system, including placing a new ANPR or CCTV camera in any workplace location, we will carefully consider if they are appropriate by carrying out a legitimate interest assessment (“**LIA**”).

An LIA is intended to assist us in deciding whether new surveillance cameras are necessary and proportionate in the circumstances and whether they should be used at all or whether any limitations should be placed on their use.

Any LIA will consider the nature of the problem that we are seeking to address at that time and whether the surveillance camera is likely to be an effective solution, or whether a better solution exists. In particular, we will consider the effect a surveillance camera will have on individuals and therefore whether our interests override the interests of the individuals captured on the surveillance camera.

No surveillance cameras will be placed in areas where there is an expectation of privacy (for example, in changing rooms) unless, in very exceptional circumstances, it is judged by us to be necessary to deal with very serious concerns.

13. Covert monitoring

We will never engage in covert monitoring or surveillance (that is, where individuals are unaware that the monitoring or surveillance is taking place) unless, in highly exceptional circumstances, there are reasonable grounds to suspect that criminal activity or extremely serious malpractice is taking place and, after suitable consideration, we reasonably believe there is no less intrusive way to tackle the issue.

In the unlikely event that covert monitoring is considered to be justified, it will only be carried out in accordance with the Regulation of Investigatory Powers Act 2000 (RIPA) and with the express authorisation of the Senior Leadership Team and DPO. The decision to carry out covert monitoring will be fully documented and will set out how the decision to use covert means was reached and by whom. The risk of intrusion on innocent workers will always be a primary consideration in reaching any such decision.

Only limited numbers of people will be involved in any covert monitoring.

Covert monitoring will only be carried out for a limited and reasonable period of time consistent with the objectives of making the recording and will only relate to the specific suspected illegal or unauthorised activity.

14. Ongoing review of CCTV use

We will review the continued use of existing workplace CCTV cameras at least annually, whenever there is a significant change in how the cameras are used, or when UK data protection legislation changes, to ensure their use remains necessary, appropriate, and justified.

15. Requests for disclosure

We may share data with other entities in TVCA where we consider that this is reasonably necessary for any of the legitimate purposes set out above in paragraph 7.1.

No images from our CCTV cameras will be disclosed to any other third party, without express permission being given by the Senior Leadership Team and DPO. Data will not normally be released unless satisfactory evidence that it is required for legal proceedings or under a court order has been produced.

In other appropriate circumstances, we may allow law enforcement agencies to view or remove CCTV footage where this is required in the detection or prosecution of crime. We will maintain a record of all disclosures of CCTV footage.

Images from CCTV will not usually be posted online or disclosed to the media, and only where there is a strong public interest in doing so. For example, the prevention of crime or to protect health and safety.

16. Subject access requests

Data subjects may make a request for disclosure of their personal data and this may include CCTV images (**"subject access request"**). A subject access request is subject to the statutory conditions in place at the time of the request and should be made in writing to the DPO.

We will usually provide the footage free of charge and within one calendar month of the request. In order for us to locate relevant footage, any requests for copies of recorded CCTV images must include the date and time of the recording, the location where the footage was captured and, if necessary, information identifying the individual.

In most cases, we must provide the data subject with a copy of the footage. If this is not possible, we can provide the data subject with the opportunity to view the footage but only with their agreement.

We reserve the right to obscure images of third parties when disclosing CCTV data as part of a subject access request, where we consider it necessary to do so. If we are unable to obscure images of third parties we may have to refuse the request for the footage.

Footage will not be provided if doing so would put an ongoing criminal investigation at risk.

We may refuse requests that are manifestly excessive, for example a request for footage from multiple cameras over a long time period with no legitimate reason.

You should refer to the Subject Access Request procedure or the DPO for further guidance.

17. Complaints

If any member of staff has questions about this CCTV policy or any concerns about our use of CCTV, then they should speak to the DPO in the first instance. Where this is not appropriate or matters cannot be resolved informally, employees should use our formal grievance procedure.

If a member of the public wishes to complain about our use of CCTV, they should use the formal complaints procedure or write to the DPO at DPO@teesvalley-ca.gov.uk. Complaints about processing and storage of personal data must be acknowledged within 30 days and responded to without undue delay.

For more information contact
info@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk

@TeesValleyCA

Cabinet

Tees Valley Combined Authority

Date			31 July 2026
Agenda Item			7
Report Title			Anti-Fraud, Bribery and Corruption and Anti-Money Laundering Policies and RIPA Surveillance Protocol
Accountable Cabinet Member			
Accountable Chief Officer			Jeanette McGarry – Interim Chief Legal and Monitoring Officer
Accountable Employee			Jeanette McGarry – Interim Chief Legal and Monitoring Officer
Report considered by			Audit & Governance Committee and a draft version of this report was circulated in advance of an Informal Cabinet meeting on the 17 July 2026.
Key Decision		No	
Public Report	Yes		The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
Voting arrangements			In accordance with the Constitution.

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**APPROVE** the following corporate policies: • Anti-Fraud, Bribery and Corruption Policy • Anti-Money Laundering Policy • RIPA Surveillance Protocol
B	**NOTE** the comments made by the TVCA Audit and Governance Committee

C	**DELEGATE** 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.

Purpose

This report presents a number of revised corporate policies to the Cabinet for approval.

Executive Summary

This report seeks Cabinet approval for revised corporate policies covering Anti-Fraud, Bribery and Corruption, Anti-Money Laundering, and the RIPA Surveillance Protocol. The policies have been reviewed to ensure they reflect current legislation, statutory guidance and sector best practice, including requirements arising from the Economic Crime and Corporate Transparency Act 2023 and relevant CIPFA guidance.

The revised Anti-Fraud, Bribery and Corruption Policy strengthens the Authority's fraud prevention, detection, reporting and response arrangements, including clearer responsibilities for officers, Internal Audit and the Audit and Governance Committee. It also responds to recommendations arising from the May 2026 Fraud Maturity Assessment and introduces improved reporting to support ongoing assurance.

The Anti-Money Laundering Policy consolidates the Authority's arrangements into a single policy document, designates the Director of Finance and Resources as the Money Laundering Reporting Officer, and provides clear guidance for members and staff on reporting concerns.

The RIPA Surveillance Protocol establishes a formal framework for any future use of investigatory powers, including authorisation requirements and supporting templates.

The policies were considered by the Audit and Governance Committee on 30 June 2026, which recommended them to Cabinet for approval. Approval will support the Authority's wider governance improvement work, strengthen the control environment and provide clearer expectations for staff and members, with implementation managed through existing budgets, staffing arrangements and organisational development activity.

Background

1. The authority must regularly review and update its corporate policies to ensure compliance with current legislation, statutory guidance and sector best practice. While Tees Valley Combined Authority (TVCA) already had the majority of these policies in place, several were overdue for review, and some were missing.

Fraud Policies Review

2. Anti-Fraud, Bribery and Corruption Policy

This policy has been updated to reflect the legislative changes enacted by the Economic Crime and Corporate Transparency Act 2023 and current best practice. Specific reference has also been included to the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local Government in 2015, which sets out the key principals that public authorities should follow to ensure the effective stewardship of public funds.

The responsibilities of the Head of Internal Audit have been clarified in the policy and the role of the Audit & Governance Committee in relation to anti-fraud arrangements has been strengthened. The quarterly governance metrics report to the committee will now also include data on any fraud reports.

In May 2026, internal audit completed a piece of work for TVCA entitled “Fraud Maturity Assessment”. This resulted in several recommendations, some of which are directly relevant to the revised policy. The table below demonstrates how these recommendations have been addressed:

Recommendation	**Response**
At next review, the Financial Regulations be expanded to include reference to the key requirements of the Failure to Prevent Fraud Offence (or Economic and Corporate Crime Transparency Act - ECCTA).	A paragraph about the offence created by the ECCTA and how TVCA will respond has been added to the anti-fraud policy
At next review, the Audit and Governance Committee terms of Reference expanded to include more reference to the Committee’s fraud risk oversight responsibilities.	The anti-fraud policy sets out the role of the A&G committee which will mirror the adjustment to the committee’s terms of reference.
At next review, the Anti-Fraud & Corruption Policy be updated to include: • A paragraph referencing the Economic Crime and Corporate Transparency Act 2023 and the new Failure to Prevent Fraud offence. • The six principles should be referenced and the Authority’s commitment to comply with these. • A statement that specifies how staff are deemed aware of this Policy.	All elements have been included in the revised policy.

Recommendation	Response
• Reporting requirements to the Audit and Governance Committee. • Specify who is the officer / post with overall responsibility for (top level) fraud awareness activities, etc.	
Implement a formal Fraud Response Plan to ensure that any allegations or suspicion of fraud are addressed promptly and appropriately.	A response section is included in the revised policy.
Integrate fraud messaging into existing policies and procedures and including a brief statement addressing fraud rationalisation and the potential consequences of committing fraud.	This has been incorporated into the anti-fraud policy and will be added to other policies and procedures as they are reviewed.
The Authority Audit and Governance Committee agenda include a standing agenda items dedicated for reportable incidents of fraud or whistleblowing, and also to include periodic updates on any new requirements, risks, prevention activities or mitigation actions taken, etc.	Reporting and monitoring arrangements are set out in the policy, including quarterly reporting to the Audit & Governance Committee.

Further, the Audit and Governance Committee requested the following amendments to the Anti-Fraud, Bribery and Corruption Policy: One spelling change from ‘Vie’ to ‘View’. And an adjustment to the definition of fraud. The wording on page 4 of the policy, has been adjusted , accordingly.

3. <u>Anti-Money Laundering Policy</u>

The anti-money laundering arrangements have now been drawn into a single policy document which complements the Anti-Fraud, Bribery and Corruption Policy and the operational arrangements contained in the Financial Regulations and Contract Procedure Rules. The policy designates the S73 Officer: The Director of Finance and Resources as the Money Laundering Reporting Officer (MLRO) and gives clear direction to members and staff on the way to report any suspicion or knowledge of money laundering.

Further work will be undertaken to ensure high levels of staff awareness, particularly in the Finance and Procurement teams and to embed the policy with financial operating procedures.

4. RIPA Surveillance Protocol

TVCA did not previously have an adopted Regulation of Investigatory Powers Act (RIPA) policy or protocol as it has not needed to deploy those powers. However, it is good practice to have a protocol in place with named authorising officers should the authority ever need to carry out surveillance, either for its own purposes or acting on the instructions of a law enforcement agency.

This protocol sets out the approach that will be taken to surveillance activity by the organisation including the restrictions on how it can be used and what authority must be obtained before surveillance can commence. The protocol is supplemented by template authorisation forms which are included in the appendices to the protocol.

5. All policies have been reformatted, reworded to aid understanding and checked for legislative compliance and consistency with other TVCA policies and procedures.

Partnership & Engagement

6. These policies were considered by the Audit and Governance Committee on 30 June 2026. The committee resolved to recommend the policies to the Cabinet for approval. Comments made by the Committee have been incorporated into the versions of the policies presented to the cabinet.

Appendices

7. Appendix A – Anti-Fraud, Bribery and Corruption Policy
Appendix B - Anti-Money Laundering Policy
Appendix C - RIPA Surveillance Protocol

Cabinet is requested to consider the following identified implications:	
Financial Implications	
8.	There are no significant direct financial implications arising from the approval of these revised policies. Implementation and ongoing administration of the policies, registers and templates will be managed within existing budgets and staffing establishments.

The revised Anti-Fraud, Bribery and Corruption Policy, Anti-Money Laundering Policy and RIPA Protocol strengthen the Authority's control environment and support the effective stewardship of public funds.

Any training, awareness raising and policy implementation activities will be delivered through existing organisational development and governance arrangements. Should any future system enhancements or specialist support be required to support compliance, these will be considered through the Authority's normal budget-setting and approval processes.

Overall, the proposals are expected to deliver stronger governance and risk management arrangements without creating any material additional budget pressures.

Legal Implications

9. The attached policies will ensure that TVCA is compliant with legislation and guidance including:

- Economic Crime and Corporate Transparency Act 2023
- The CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in
- Local Government in 2015
- Regulation of Investigatory Powers Act (RIPA) 2000
- Proceeds of Crime Act (POCA)2002
- Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017

Equality & Diversity Implications

10. There are no equality and diversity implications of adopting these policies.

Other Significant Implications
(Tick other implications provided and provide detail in box below)

Risk	X	Assurance Framework		Procurement	X
Improvement	X	Environment		HR & IT	X

Risk

11. There is a risk of significant financial and reputational damage and criminal proceedings if fraud or money laundering occurred at TVCA or if TVCA failed to prevent fraud occurring. However, the inherent risk of this is low and the residual risk is lower still by having the mitigations of the policies and staff awareness in place.

Procurement

12. The Contract Procedure Rules contain interdependencies with these policies. The Anti Fraud and Anti-Money Laundering policies are particularly relevant to colleagues in

	finance and procurement and will need to be considered as part of any revisions to operating procedures in these teams.
	Improvement
13.	The recommendations within this report directly support the delivery of a number of actions within the Organisational Improvement Plan, including the review of both governance and finance processes and procedures and ensuring a sustainable and high-performing finance function. The revised corporate policies strengthen the Authority's governance and control environment and support effective financial management and decision-making. The proposed revisions also support the maintenance of a robust finance function by reinforcing financial governance, risk management and regulatory compliance – helping to ensure that appropriate controls are in place to prevent, detect and respond to fraud, corruption and other financial risks.
	HR & IT
14.	These policies have direct implications for staff, particularly in relation to the Staff Privacy Notice and the requirement to comply with the information governance framework. We will work with HR and Communications to make sure staff understand the changes, what they mean in practice and the support available to help implement them. We will also continue to monitor completion of mandatory training.

Anti-Fraud, Bribery and Corruption Policy

Document Title:	TVCA Anti-Fraud, Bribery and Corruption Policy
Document Author:	Monitoring Officer
Senior Responsible Officer:	Director of Finance and Resources
Document Status:	Draft
Document Authorised Date:	
Version Number:	0.1
New Review Date:	May 2027

1. Introduction

Tees Valley Combined Authority (TVCA) is committed to preventing fraud, bribery and corruption. This helps ensure that public funds are used for their intended purposes. Where fraud, bribery or corruption is identified, TVCA will consider appropriate disciplinary, regulatory, civil and criminal action and, where possible, seek to recover any losses.

This policy applies to all projects administered by the Authority.

2. Purpose

The purpose of this policy is to:

- Improve awareness and understanding of the risks of fraud, bribery and corruption across TVCA.
- Promote a culture where fraud, bribery and corruption are understood to be unacceptable and staff feel able to raise concerns.
- Set out the Authority’s responsibilities for deterring, preventing, detecting, reporting and investigating fraud, bribery and corruption.
- Ensure appropriate sanctions are considered following an investigation, which may include internal disciplinary action, civil recovery and/or criminal prosecution.
- Demonstrate how the organisation complies with the CIPFA best practice guidance Managing the Risk of Fraud and Corruption in Local Government (2015).

3. Scope

This policy applies to everyone working for, with, or on behalf of TVCA. This includes Board, Executive and Non-Executive Members, employees, consultants, contractors, suppliers, service users, trainees, secondees, home-workers, casual and agency staff, interns, students, agents, sponsors, volunteers, funded organisations, partner organisations and any other internal or external stakeholders with a business relationship with TVCA. These groups are collectively referred to as “staff” in this policy.

This policy should be read alongside TVCA’s supporting procedures, controls and related policies, including the Whistleblowing Policy, Code of Conduct, Gifts and Hospitality arrangements, Procurement Policy, Anti-Money Laundering Policy, disciplinary procedures and financial procedure rules.

Any breach of this policy, or failure to comply with related procedures, may lead to investigation and appropriate disciplinary, contractual, civil or criminal action.

4. Policy Particulars

The Authority is responsible for protecting the public funds entrusted to it. Fraud against public funds is unacceptable. The Authority is committed to reducing the risk of fraud, corruption and misappropriation by raising awareness, defining responsibilities clearly, maintaining robust reporting routes and supporting an effective anti-fraud approach.

Given the Authority's functions and the low levels of fraud detected nationally in comparable areas, the current risk of fraud to the Authority is considered low. This assessment should be kept under review.

This policy covers employee-related fraud, procurement fraud, grant fraud, false accounting, cyber-enabled fraud, conflicts of interest, gifts and hospitality risks, supplier due diligence, bribery, corruption and wider economic crime risks affecting public funds.

Fraud can cause financial loss, damage services, harm the Authority's reputation and reduce public confidence in public bodies.

The Authority will not tolerate impropriety by employees, members or third-party organisations. Following an investigation, the Authority will consider appropriate sanctions, which may include disciplinary action, civil recovery and/or criminal prosecution.

5. Definitions

FRAUD

The Fraud Act 2006 came into force on 15 January 2007 and applies in England, Wales and Northern Ireland.

Fraud involves dishonestly making a false representation, failing to disclose information, or abusing a position, with the intention of making a gain or causing a loss. The gain or loss does not need to occur for fraud to have taken place. There must be knowledge that the representation was untrue or misleading.

Fraud by failing to disclose information – failing to disclose information when there is a legal duty to do so.

Fraud by abuse of position – occupying a position in which you are expected to safeguard, or not to act against, the financial interests of another person or organisation, and abusing that position.

Other fraud-related offences include possessing, making or supplying articles for use in fraud.

For the purposes of this policy, actions that could be seen to constitute fraud include, but are not limited to:

- Any dishonest or deceptive act;
- Making fraudulent statements, for example falsifying timesheets, travel and subsistence claims, sickness absence records or special leave records;
- Theft, destruction of property or data, or misappropriation of funds;
- Impropriety in the handling and reporting of money or financial transactions;
- Subletting;
- Profiteering because of inside knowledge of the company's activities;
- Disclosing confidential information;
- Obtaining goods, money or services by deception;
- Intimidation or exploitation;
- False accounting/invoicing and / or the destruction, removal or inappropriate use of records;
- Serious misuse of IT or communications systems.

BRIBERY AND CORRUPTION

Bribery and corruption involve offering, promising, giving, requesting, agreeing to receive or accepting a payment or other benefit to influence someone to act improperly or to gain an improper advantage.

Offences of bribing another person:

Under the Bribery Act 2010, a person (P) is guilty of an offence if either of the following applies:

- P offers, promises or gives a financial or other advantage to another person, and P intends the advantage to induce a person to perform improperly a relevant function or activity, or to reward a person for improper performance of such a function or activity.
- P offers, promises or gives a financial or other advantage to another person, and P knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.

Offences relating to being bribed:

Under the Bribery Act 2010, a person (R) is guilty of an offence if any of the following applies:

- R requests, agrees to receive or accepts a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly (whether by R or another person).
- R requests, agrees to receive or accepts a financial or other advantage, and the request, agreement or acceptance itself constitutes improper performance of a relevant function or activity.
- R requests, agrees to receive or accepts a financial or other advantage as a reward for the improper performance (whether by R or another person) of a relevant function or activity.
- In anticipation of or in consequence of R requesting, agreeing to receive or accepting a financial or other advantage, a relevant function or activity is performed improperly by R or by another person at R's request or with R's assent or acquiescence.

Failure of a commercial organisation to prevent bribery (Section 7 of the Bribery Act 2010):

- A relevant commercial organisation (e.g. TVCA) is guilty of an offence under this section if a person associated with the organisation bribes another person intending to obtain or retain business for the organisation, or to obtain or retain advantage in the conduct of business for the organisation.

However, it is a defence for the organisation to prove that it had adequate procedures in place designed to prevent persons associated with the organisation from undertaking such conduct.

The Economic Crime and Corporate Transparency Act 2023 introduced a corporate offence of failure to prevent fraud for large organisations. Where applicable, an organisation may be liable if an employee, agent, subsidiary or other associated person commits a specified fraud offence intending to benefit the organisation, or in certain circumstances a person to whom services are provided on its behalf, unless the organisation can show that it had reasonable fraud prevention procedures in place. TVCA will assess whether it is within scope of this offence and will apply the principles of reasonable fraud prevention procedures as good practice.

6. Responsibilities within the organisation

Everyone has a role in identifying and managing fraud, bribery and corruption risks in their area of work. This section explains the responsibilities of key individuals and groups within TVCA.

The Chief Executive must ensure adequate policies and procedures are in place to protect the organisation.

The Audit and Governance Committee is responsible for seeking assurance that TVCA has adequate arrangements in place to counter fraud, bribery and corruption.

The Group Director of Finance and Resources, as Section 73 Officer, has overall responsibility for the funds entrusted to the organisation.

The Group Director of Finance and Resources prepares and maintains financial procedures and systems. These apply separation of duties and internal checks to support effective financial control.

The Group Director of Finance and Resources will co-ordinate any suspected cases of fraud, bribery and corruption.

Following initial enquiries, the Group Director of Finance and Resources will inform appropriate senior managers of suspected fraud, bribery or corruption where necessary. This includes cases involving significant loss, serious control weaknesses or potential adverse publicity.

The Group Director of Finance and Resources will consult Human Resources (HR) where a member of staff may need to be interviewed or considered for disciplinary action.

The Group Director of Finance and Resources will not conduct any disciplinary investigation. Where appropriate, HR may arrange a separate investigation under the relevant HR procedure.

The **Head of Internal Audit** has a responsibility, under the Public Sector Internal Audit Standards, to review the organisation's arrangements for managing the risk of fraud, bribery and corruption, and evaluate their effectiveness in preventing and detecting fraud, bribery and corruption.

The role of Internal Audit in respect of fraud, bribery and corruption is to:

- Prepare and maintain a suite of relevant Counter-Fraud policies for the organisation;

- Promote an anti-fraud culture by raising awareness of fraud issues amongst officers and members;
- Facilitate the identification of fraud risks and the subsequent management of these through service delivery areas;
- Undertake proactive audit work to prevent and detect fraud, including the review of anti-fraud controls in each audit review (where relevant); and
- Undertake the investigation of fraud perpetrated against the organisation or emanating from within the organisation, where this is deemed appropriate, including the subsequent reporting of findings, conclusions and recommendations to senior management.

The **external auditor** has a responsibility, as part of their statutory duties, to ensure that the organisation has adequate arrangements in place for the prevention and detection of fraud, bribery and corruption.

Human Resources (HR) will liaise with managers from the outset where an employee is suspected of involvement in fraud, bribery or corruption. HR will advise on employment law, disciplinary procedures, complaints procedures and related process matters. Where external agencies are involved, HR will work with them as needed to support a coordinated approach.

HR will carry out appropriate pre-employment checks for all employees, including temporary, fixed-term and permanent employees. Checks may include identity, right to work in the UK, qualifications, professional memberships, references, employment history and, where relevant, DBS and health checks. Any discrepancies will be referred to the Chief Executive.

Managers are responsible for ensuring that policies, procedures and processes in their area are followed and kept under review. This includes carrying out risk assessments and managing identified risks.

Managers must ensure that staff understand fraud, bribery and corruption risks and the importance of protecting the organisation. Managers are also responsible for addressing non-compliance with policies and procedures through the appropriate process.

Any instance of actual or suspected fraud, bribery or corruption brought to the attention of a manager should be reported to the Group Director of Finance and Resources immediately, unless that officer is implicated, in which case the matter should be raised in accordance with the Whistleblowing Policy. Managers must not investigate suspected financial crimes themselves.

All staff must comply with TVCA policies and procedures and apply good practice to help prevent fraud, bribery and corruption. This includes areas such as procurement, expenses and ethical business conduct.

Employees who are involved in, or manage, internal control systems should receive appropriate training and support to carry out their responsibilities.

Employees are expected to act in accordance with the standards laid down by their professional institutes, where applicable, and have a personal responsibility to ensure that they are familiar with them.

Employees have a duty to protect the organisation's assets, including information, goodwill and property. In addition to acting with honesty and integrity, employees should always:

- avoid acting in any way that might cause others to allege or suspect them of dishonesty;
- behave in a way that would not give cause for others to doubt that TVCA employees deal fairly and impartially with official matters; and
- be alert to the possibility that others might be attempting to deceive.

All employees have a duty to ensure that public funds are safeguarded, whether they are involved with cash or payment systems, receipts or dealing with contractors or suppliers.

Depending on the circumstances, fraud and bribery may be treated as gross misconduct and may lead to summary dismissal. No disciplinary action will be taken before an investigation and disciplinary hearing have taken place. Disciplinary action may be taken alongside criminal proceedings where appropriate.

Employees must not request, receive or accept a bribe, or imply that they would consider doing so. This means employees must not accept, or agree to accept, a financial or other advantage from any former, current or future client, business partner, contractor, supplier or other person as an incentive or reward for acting improperly.

Standing Orders and Standing Financial Instructions require all staff and Non-Executive Directors to act in line with good practice. All TVCA staff and Non-Executive Directors must declare and register any interests that may conflict with TVCA's interests.

Any employee who suspects fraud, bribery or corruption should report it in line with the Whistleblowing Policy.

All employees will be asked to confirm that they are aware of this policy and the provisions contained within in it as part of the annual appraisal process.

The Head of Information Security (or equivalent) will contact the Group Director of Finance and Resources immediately in all cases where there is suspicion that IT is being used for fraudulent purposes. This includes inappropriate internet, intranet, email, telephone or mobile device use and any offence under the Computer Misuse Act 1990. Human Resources will be informed if there is a suspicion that an employee is involved.

7. External Parties

Organisations undertaking work on behalf of TVCA are expected to maintain strong anti-fraud, anti-bribery and anti-corruption arrangements, with adequate controls in place when handling public funds, delivering services or dealing with customers on behalf of TVCA. Contractors, sub-contractors, suppliers and other third parties acting for or on behalf of TVCA are responsible, through tendering and contractual arrangements, for complying with all relevant legal and contractual requirements, including the Bribery Act 2010, fraud prevention requirements, procurement requirements, conflicts of interest provisions, due diligence obligations and information security requirements.

8. External Communications

Employees, agency staff, contractors, suppliers and other individuals must not speak to the press, media or any third party about suspected fraud, bribery or corruption. Doing so may seriously damage an investigation or any later action. Anyone who wishes to raise a concern should discuss it with the Director of Finance and Resources.

9. Managing the risk of bribery, fraud and corruption

CIPFA Code of Practice

CIPFA published the *Code of Practice on Managing the Risk of Fraud and Corruption in Local Government* in 2015. The Code is not mandatory, but it represents best practice, and compliance with the principles set out in the Code enables the organisation to demonstrate effective financial stewardship of public funds.

The principles are:

- Acknowledge the responsibility for countering fraud and corruption;

- Identify the fraud and corruption risks;
- Develop an appropriate counter fraud and corruption strategy;
- Provide resources to implement the strategy; and
- Take action in response to fraud and corruption.

The Head of Internal Audit undertakes a periodic self-assessment against the requirements of the Code of Practice. The outcomes of these assessments are presented to the Audit, Risk and Governance Board and Audit and Governance Committee, and any actions arising will be monitored through these fora. This process ensures that the implementation of this Policy is subject to regular monitoring, that the success of the Policy can be measured and that actions are clearly defined, with target dates of implementation and clear intended outcomes.

In demonstrating how the organisation meets the requirements of the Code of Practice, the key elements of the internal control framework are set out in the paragraphs that follow.

Detection

The Authority will use all lawful, proportionate and cost-effective means to detect fraud, corruption and bribery, including working with other organisations in national data matching schemes, such as the National Fraud Initiative, and with relevant public bodies where appropriate. Any information sharing will be carried out lawfully and in accordance with data protection requirements.

The risk-based Internal Audit Plan will ensure that areas with a risk of fraud, bribery or corruption are reviewed periodically and proportionately, with priority given to higher-risk areas.

All stakeholders are expected to report suspected fraud, bribery or corruption promptly.

Prevention

There are a number of key requirements to support the prevention of fraud, corruption and bribery:

- Management is responsible for establishing and maintaining adequate internal controls to prevent fraud.
- The Senior Management Team is responsible for assessing the effectiveness of internal control systems in relation to fraud, corruption and bribery.

- Internal Audit coverage should be sufficient to provide annual assurance to the Authority's Audit and Governance Committee and support managers by assessing controls in relation to the prevention of fraud, bribery and corruption.
- Staff awareness, training and communication will support effective controls, evidence preservation, prompt reporting and the prevention of fraud, bribery and corruption.

Response

Any instances of fraud, bribery or corruption will be dealt with through the following mechanisms:

- All instances of fraud must be reported to Internal Audit so they can support annual returns and provide evidence for the Annual Governance Statement.
- Investigations will be carried out by the most appropriate team. Fraud involving employees will be investigated under the Authority's disciplinary procedures by a nominated Investigation Manager, with support from Internal Audit where needed.
- The Authority will comply with applicable legislation and guidance, including the Regulation of Investigatory Powers Act 2000 where relevant, the Proceeds of Crime Act 2002, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 where applicable, data protection legislation and any related lawful information-sharing requirements.
- Any decision to involve the Police in an investigation of fraud will be taken by the Group Director of Finance and Resources in consultation with the Chief Executive and the Monitoring Officer, unless one of those officers is implicated, in which case the Whistleblowing Policy escalation route will apply.
- The Director of Finance and Resources will notify the insurance team of any cases of fraud which may result in an insurance claim.

The outcome of any investigation will be reported as appropriate so that systems, controls and procedures can be reviewed, lessons can be learned, evidence can be preserved and further incidents can be deterred.

The Authority will ensure that the investigation process is not misused. Malicious allegations by officers or members may be dealt with as a disciplinary matter.

Sanctions and recovery of proceeds may include action under the Proceeds of Crime Act 2002, civil law, disciplinary procedures, contractual remedies or pension-related recovery routes where applicable.

10. Sanctions and Redress

This section explains the sanctions that may be applied and the redress that may be sought against individuals who commit fraud, bribery or corruption against TVCA. It should be read alongside TVCA's Disciplinary Policy and procedure.

The organisation may apply the following types of sanction:

- Civil – civil action may be taken to recover money and/or assets obtained through fraud, including interest and costs.
- Criminal – TVCA may work with the Police and the Crown Prosecution Service to bring a case to court. If found guilty, an offender may receive a fine, community order, imprisonment and a criminal record.
- Disciplinary – disciplinary procedures may be started where an employee is suspected of involvement in fraud or other illegal activity.

TVCA will seek financial redress wherever possible to recover losses from fraud, bribery or corruption. Redress may include confiscation under the Proceeds of Crime Act 2002, compensation orders, civil repayment orders or a local agreement between TVCA and the offender. Recovered funds will be returned to TVCA for their intended use.

11. Reporting a suspicion of bribery, fraud or corruption

If any person has concerns about fraud, bribery or corruption, they must inform the Group Director of Finance and Resources immediately, unless that officer is implicated, in which case they should follow the Whistleblowing Policy procedures. If the Chief Executive or Monitoring Officer is implicated, the Whistleblowing Policy escalation route should also be followed. The individual should not contact the Police unless it is an emergency or there is an immediate risk of harm, loss or destruction of evidence.

All reports of fraud, bribery and corruption will be taken seriously and investigated proportionately. The Group Director of Finance and Resources will make sufficient enquiries to establish whether there is any foundation to the suspicion that has been raised, unless that officer is implicated. If allegations are found to be malicious, they may be considered for further investigation to establish their source.

TVCA wants employees to feel confident that they can report suspicions of fraud, bribery or corruption without fear of reprisal. TVCA's Whistleblowing Policy should be read alongside this policy.

The Public Interest Disclosure Act 1998 protects workers who make a qualifying disclosure when they reasonably believe it is in the public interest to do so.

12. Policy Framework

The policy framework supporting the prevention of fraud, bribery and corruption includes:

- Code of Conduct, including Gifts and Hospitality, declarations of interest, confidential reporting and whistleblowing arrangements, and complaints procedures.
- Anti-Money Laundering Policy.
- RIPA Surveillance Protocol.
- Procurement Policy and supplier due diligence arrangements.
- Financial Procedure Rules.
- ICT and information security policies.
- Robust internal control systems, processes, segregation of duties and reliable record keeping.
- Effective Internal Audit and risk management arrangements.
- Effective recruitment, pre-employment checking and declaration processes.
- Disciplinary Policy and procedures.
- Induction, training, awareness raising and periodic review.

13. Process for monitoring compliance and effectiveness

The Audit and Governance Committee will receive a quarterly report on how this policy has been applied, including monitoring information about reported fraud or potential fraud (where such reporting would not detrimentally impact an ongoing investigation). Internal and External Audit may also review this area as part of its wider assessment of the effectiveness of TVCA's control environment.

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For more information contact
info@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk

@TeesValleyCA

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Anti-Money Laundering Policy

Document Title:	TVCA Anti-Money Laundering Policy
Document Author:	Monitoring Officer
Senior Responsible Officer:	Director of Finance and Resources
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Contents

1. Purpose

This policy sets out Tees Valley Combined Authority's approach to preventing, identifying and reporting money laundering and terrorist financing risks. It explains the responsibilities of Members, Directors, employees and the Money Laundering Reporting Officer, and provides clear procedures for due diligence, internal reporting, escalation to the National Crime Agency and secure record keeping.

2. Policy Statement

Tees Valley Combined Authority (TVCA) is committed to conducting its business with integrity and to maintaining proportionate controls to prevent money laundering, terrorist financing and related financial crime. TVCA will apply a risk-based approach and will act in accordance with the principles and requirements of relevant UK legislation and guidance, including:

- Proceeds of Crime Act 2002;
- Terrorism Act 2000;
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended;
- Criminal Finances Act 2017; and
- relevant guidance issued by competent authorities, including the National Crime Agency, HM Treasury, HMRC, the Financial Conduct Authority and applicable professional bodies.

TVCA will monitor changes in legislation, regulation and guidance, including proposed amendments to the anti-money laundering framework, and will update this policy where required.

TVCA will maintain proportionate arrangements to identify and manage money laundering risks in services where risk may arise, including finance, procurement, treasury management, estates, grant funding, audit, legal, company formation or support activity, and any area handling significant payments or unusual transactions.

TVCA will ensure that Members, Directors and employees who may encounter money laundering risks are made aware of this policy, understand their personal obligations, and receive proportionate training and guidance.

TVCA expects Members, Directors and employees to report promptly any knowledge, suspicion or reasonable grounds for suspicion of money laundering or terrorist financing. Reports must be made confidentially to the MLRO and must not be discussed with any person who may be involved.

TVCA will co-operate appropriately with law enforcement, regulators and other competent authorities while protecting confidentiality, legal privilege and the integrity of any investigation.

3. Scope

This policy applies to all TVCA Members, Directors, employees, agency workers, consultants, contractors and any other person acting on behalf of TVCA. It applies to all services and activities where money laundering, terrorist financing or the handling of criminal property could arise, whether the activity is regulated or non-regulated.

The policy should be read alongside TVCA's anti-fraud, bribery and corruption, whistleblowing, procurement, financial regulations, data protection, information security and records management arrangements.

4. Policy Evaluation

This policy will be reviewed at least every two years, or sooner where there are significant changes in legislation, guidance, organisational structure, risk profile or control arrangements. The S.73 Officer will oversee review and implementation, with assurance provided through the Audit and Governance Committee and formal approval by Cabinet where required.

5. Responsibilities

The **S.73 Officer** will act as TVCA's **Money Laundering Reporting Officer (MLRO)**. The MLRO is responsible for receiving internal disclosures, assessing whether a Suspicious Activity Report should be submitted to the National Crime Agency, maintaining confidential records, advising on due diligence, and monitoring the effectiveness of this policy.

Contact details for the Money Laundering Reporting Officer:

Jo Moore – Director of Finance and Resources
Jo.moore@teesvalley-ca.gov.uk

Directors and Heads of Service are responsible for ensuring that relevant teams understand and apply this policy, complete proportionate due diligence, maintain appropriate records, escalate concerns promptly and operate effective controls within their service areas.

All Members, Directors, employees and persons acting on behalf of TVCA are responsible for remaining alert to warning signs, reporting concerns without delay, following MLRO instructions, avoiding tipping off and maintaining confidentiality.

6. Anti-Money Laundering Procedures

Introduction

Money laundering, terrorist financing and the handling of criminal property can expose individuals and the organisation to criminal liability, regulatory action, financial loss and reputational harm.

As a public body, TVCA is not generally expected to be a primary target for money laundering. However, its functions, funding streams, financial transactions, procurement activity, grant administration, treasury activity and interactions with third parties mean that risks may still arise.

TVCA will therefore adopt proportionate, risk-based controls to prevent the organisation from being used to launder criminal property or facilitate terrorist financing.

These procedures support TVCA's wider counter-fraud and governance framework by setting out practical steps for identifying risk, completing due diligence, reporting concerns, responding to MLRO decisions and retaining records securely.

Employees who are members of professional bodies, including accountants, solicitors and auditors, must also comply with any professional obligations and guidance that apply to them. Where professional guidance appears to conflict with this policy, advice should be sought from the MLRO before action is taken.

What is Money Laundering?

Money laundering is the process by which criminal property is concealed, converted, transferred, used or integrated into apparently legitimate activity. Criminal property can include money, assets, goods, rights or any benefit derived from criminal conduct.

Money laundering offences may arise even where the value is low, the transaction appears routine, or where the underlying criminal conduct took place elsewhere. The obligation to report is based on knowledge, suspicion or reasonable grounds for suspicion, not on a minimum financial threshold.

In practice, a concern may arise where a person or organisation seeks to transact with TVCA using funds or assets that may be linked to fraud, bribery, corruption, tax evasion, theft, sanctions breaches, terrorist financing or other criminal activity.

What laws exist to control Money Laundering?

The principal UK legislation relevant to this policy includes the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Criminal Finances Act 2017 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer)

Regulations 2017, as amended. These laws place obligations on organisations and individuals to identify, prevent and report money laundering and terrorist financing risks.

The main money laundering offences under the Proceeds of Crime Act 2002 include:

- concealing, disguising, converting, transferring or removing criminal property;
- entering into or becoming concerned in an arrangement that facilitates the acquisition, retention, use or control of criminal property by another person;
- acquiring, using or possessing criminal property; and
- making a disclosure likely to prejudice an investigation or otherwise tipping off a person who is or may be under suspicion.

Additional offences may arise where a person fails to disclose knowledge or suspicion in circumstances where a duty to report applies, or where they disclose information in a way that may prejudice an investigation.

- failure to disclose: where a person has knowledge, suspicion or reasonable grounds for suspicion and does not report the matter promptly through the required route; and
- tipping off: where a person informs, alerts or otherwise acts in a way that may prejudice an investigation or warn the subject of a report.

Money laundering offences may be committed by TVCA, by individuals acting on behalf of TVCA, or by third parties involved in TVCA activity.

What are TVCA's obligations?

Where TVCA undertakes activity that falls within or is similar to regulated activity, it will apply proportionate anti-money laundering controls. These include risk assessment, customer due diligence, enhanced due diligence where risk is higher, ongoing monitoring, reporting procedures, record keeping and staff awareness.

TVCA will maintain arrangements to:

- appoint an MLRO to receive and assess internal disclosures;
- identify and assess money laundering and terrorist financing risks within relevant activities;
- complete proportionate due diligence before entering higher-risk relationships or transactions;
- apply enhanced due diligence where risk factors require it, including politically exposed persons, unusual transactions, complex ownership structures, high-risk jurisdictions or transactions without apparent economic purpose;
- maintain confidential reporting and escalation procedures;
- retain records securely for the required period; and
- provide proportionate training and awareness for relevant Members, Directors and employees.

Most TVCA activity is not expected to fall within the regulated sector. However, money laundering risks may arise in areas such as treasury management, finance and accounting, audit, procurement, estates, grant funding, company-related support, investments and high-value or unusual transactions.

Where TVCA enters into a higher-risk relationship or transaction with a third party, due diligence should be completed before the relationship or transaction proceeds. Enhanced due diligence must be considered where the transaction is unusually large, complex, urgent, lacks an obvious economic purpose, involves opaque ownership, involves a politically exposed person, or otherwise presents higher risk.

In those cases where the client is another public or statutory body the risk assessment indicates that no further due diligence about the status of the client is needed.

Where the third party is not a public or statutory body, or where a politically exposed person, complex ownership structure or other higher-risk factor is identified, due diligence must be formally recorded and retained.

What are the implications for TVCA or the individual?

Every Member, Director and employee must remain alert to possible money laundering or terrorist financing and must report concerns promptly. Individuals should not investigate beyond what is necessary to understand and report the concern and must not take any step that could alert the person involved.

Failure to disclose a reportable suspicion, tipping off, dealing with criminal property or proceeding with a prohibited act without appropriate authority can result in criminal prosecution, disciplinary action, regulatory consequences and serious reputational damage.

There is no minimum value below which suspicion can be ignored. The key issue is whether the facts give rise to knowledge, suspicion or reasonable grounds for suspicion.

Penalties for money laundering offences can include imprisonment, unlimited fines and confiscation of criminal property. Regulatory penalties and disciplinary sanctions may also apply where controls are inadequate or procedures are not followed.

Civil penalties for non-compliance with the Money Laundering Regulations may include fines, restrictions and other supervisory action by the relevant supervisory authority.

How can money laundering be spotted?

Money laundering indicators vary by activity and context. The presence of one indicator does not automatically mean money laundering is taking place, but it should prompt further consideration and, where appropriate, a confidential report to the MLRO.

Examples of possible indicators include:

- transactions with no apparent lawful, commercial or economic purpose;
- requests that are unusual for the person, organisation, service area or type of transaction;
- unexplained urgency, secrecy, complexity or reluctance to provide information;
- payments from, or refunds to, third parties with no clear connection to the transaction;
- large cash payments, overpayments or repeated payments followed by refund requests;
- use of offshore structures, complex ownership arrangements or high-risk jurisdictions without clear justification;
- inconsistencies in identity, ownership, source of funds or authority to act;
- transactions involving politically exposed persons or close associates where risk is not adequately explained or mitigated;
- attempts to avoid due diligence, split transactions or bypass controls; and
- any behaviour that causes a reasonable concern that funds or assets may be linked to criminal conduct or terrorist financing.

What is the Client Identification procedure?

Customer or third-party due diligence should be completed before TVCA enters into higher-risk relationships or transactions, and whenever there is suspicion of money laundering or terrorist financing, doubt about identity information, a significant change in circumstances, or another risk-based reason to refresh checks.

Due diligence should be proportionate to the risk and may include identifying and verifying the person or organisation, confirming authority to act, understanding the purpose and nature of the relationship or transaction, identifying beneficial ownership where relevant, and considering source of funds or source of wealth where risk is higher.

TVCA should avoid accepting large cash payments. Cash payments exceeding £2,500 must not be accepted without referral to a senior manager and, where appropriate, advice from the MLRO.

Where a cash payment, overpayment or refund request appears unusual or suspicious, the transaction must be paused where possible and the concern reported to the MLRO without alerting the person involved.

If more than £2,500 is offered in cash, the person offering it should be advised that TVCA does not normally accept large cash payments and that the matter must be referred internally before the transaction can proceed.

For individuals, evidence may include a passport, photo driving licence or other reliable government-issued identity document, supported by recent evidence of address such as:

- utility bill, excluding mobile phone bills;
- bank, building society or mortgage statement;
- credit card statement; or
- pension, benefit or other official document showing name and address.

Where photo identification is not available, advice should be sought from the MLRO on suitable alternative verification before the transaction proceeds.

For companies, TVCA should verify the organisation's existence, registered details, directors, beneficial ownership or persons with significant control where relevant, and the authority of any representative acting on the company's behalf. Care should be taken where there are recent changes in directors, ownership, registered office or trading pattern.

For sole traders, partnerships, charities, trusts or other organisations, TVCA should verify the individuals involved, their authority to act and the organisation's structure, purpose and relationship to the proposed transaction.

Where there is uncertainty about the appropriate level of due diligence, the service area must seek guidance from the MLRO before proceeding.

Records of due diligence, supporting evidence, risk assessments, decisions and relevant transaction information must be retained securely for at least five years after the end of the relationship or completion of the transaction, unless a longer retention period is required by law or TVCA's records management arrangements.

Due diligence records and any money laundering concerns must be stored securely and access must be restricted to those with a legitimate need to know. Internal disclosure records must be held confidentially by the MLRO.

What should I do or not do if I suspect a case of Money Laundering?

Any Member, Director or employee who knows, suspects or has reasonable grounds to suspect money laundering or terrorist financing must report the concern to the MLRO as soon as possible, using the Money Laundering Report Form at Appendix 1. Reports should be made promptly, normally on the same working day, and must not be delayed while further enquiries are made.

Where an employee is concerned that proceeding with a transaction may involve dealing with criminal property or otherwise committing a prohibited act, the report must clearly state whether a decision is required before the transaction proceeds and identify any operational deadline.

Concerns raised by members of the public, suppliers, partners or other third parties must also be reported to the MLRO where they suggest possible criminal activity, money laundering or terrorist financing involving a TVCA relationship, transaction or service.

Once a report has been made, the employee must follow the MLRO's instructions. The employee must not undertake their own investigation, contact the person involved for further explanation, proceed with a transaction contrary to MLRO instruction, or share the report with anyone who does not have a legitimate need to know.

No Member, Director or employee must disclose, suggest or imply to the person involved, or to any unauthorised person, that a money laundering concern has been raised, a report has been made, or an investigation may take place. Doing so may constitute tipping off and may be a criminal offence.

No reference to an internal report, SAR or MLRO assessment should be placed on a client, supplier, grant or transaction file that may be accessible to the subject of the concern. The MLRO will maintain confidential records separately.

What will the Money Laundering Reporting Officer do with a disclosure?

On receipt of an internal disclosure, the MLRO will record the date and time received, acknowledge receipt where appropriate, consider whether any immediate action is required and advise the reporting employee of any restrictions on further activity or communication.

The MLRO will assess the disclosure and any relevant information available to TVCA to determine whether there is knowledge, suspicion or reasonable grounds for suspicion of money laundering or terrorist financing. Any enquiries must be proportionate and conducted in a way that avoids tipping off. Relevant information may include:

- the purpose, value, timing and pattern of the transaction;
- the length, nature and risk profile of the relationship;
- linked transactions, repeated payments, overpayments or refund requests;
- identity, beneficial ownership and authority evidence held by TVCA;
- source of funds or source of wealth information where available; and
- any relevant legal, procurement, finance, audit or service area information.

The MLRO may ask the reporting employee or relevant service area for further factual information, provided this can be done without alerting the person involved or prejudicing any investigation.

After assessment, the MLRO will decide whether:

- there is knowledge, suspicion or reasonable grounds for suspicion of money laundering or terrorist financing;
- a Suspicious Activity Report should be submitted to the National Crime Agency;
- a defence against money laundering or other consent is required before a transaction proceeds;

- the transaction or relationship should be paused, declined, terminated or allowed to continue; and
- any additional internal control, record keeping, legal or governance action is required.

Where the MLRO concludes that a SAR is required, the report must be submitted to the National Crime Agency as soon as practicable. The MLRO must ensure that the SAR is accurate, concise and includes the reasons for suspicion, relevant subject details, transaction information and any request for a defence against money laundering where needed.

Where the MLRO decides not to submit a SAR, or considers there is a reasonable excuse for non-disclosure, the reasons must be documented clearly and retained confidentially. The MLRO must also record any decision on whether the relevant transaction may proceed.

Where legal professional privilege or other legal sensitivity may apply, the MLRO must seek advice from the Monitoring Officer and any other appropriate legal adviser before deciding whether disclosure to the National Crime Agency is required.

7. Training, awareness and monitoring

TVCA will provide proportionate training and awareness to Members, Directors and employees whose roles may expose them to money laundering or terrorist financing risks. Training should cover warning signs, due diligence requirements, internal reporting, confidentiality, tipping off and the role of the MLRO.

Service areas should review local processes to ensure that relevant risks are identified, controls are operating effectively, due diligence is retained and concerns are escalated promptly.

The MLRO will monitor disclosures, themes, training needs and control issues and will provide assurance reporting through appropriate governance routes while maintaining the confidentiality of individual reports.

8. Appendix 1: Money Laundering Report Form

This form should be completed by any Member, Director or employee who knows or suspects, or has reasonable grounds to know or suspect, that money laundering or terrorist financing may be taking place. The completed form must be sent promptly and confidentially to the Money Laundering Reporting Officer (MLRO): Jo Moore, Director of Finance and Resources – jo.moore@teesvalley-ca.gov.uk. Do not discuss the content of this report with any person who may be involved, as this may constitute tipping off.

Part A: To be completed by the employee making the disclosure

Name of employee:	
Job title and service area:	
Contact telephone number:	
Date report completed:	
Is the matter urgent?	Yes / No
Is consent required to proceed with a transaction?	Yes / No. If yes, state deadline:

Part B: Details of the suspected money laundering activity

Name of person or organisation involved:	
Address or contact details, if known:	
Nature of relationship with TVCA:	
Date and time concern arose:	
Describe the activity, transaction or behaviour causing concern:	
Reasons for suspicion:	

Value, timing and method of any transaction, if known:	
Documents or evidence available:	

Part C: Declaration by employee

I confirm that the information provided in this report is true and accurate to the best of my knowledge and that I have not discussed this matter with any person who may be involved in the suspected activity.

Signed:	
Date:	

TEES VALLEY

Surveillance Protocol and Guidance for Officers Undertaking Surveillance

(Regulation of Investigatory Powers Act)

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Contents

1. Purpose

This Protocol provides a framework for the conduct of covert surveillance by the Tees Valley Combined Authority (TVCA) in a manner that will ensure all legal obligations are met, particularly in relation to the Regulation of Investigatory Powers Act 2000 (RIPA).

The legal basis for processing any data gathered via surveillance arises from the employee's contract of employment and surveillance will only be undertaken when TVCA believes that it is necessary in the public interest to protect funds and assets or in the investigation of possible criminal activity.

2. Definitions

Surveillance is defined as including:

- The targeted observation or listening to individual persons, their movements, their conversations or their other activities; or
- The recording of anything observed or listened to in the course of surveillance; and
- Surveillance by or with the assistance of a surveillance device.

Surveillance should not be confused with routine employee monitoring in the day-to-day course of business which TVCA undertakes having due regard to the Officer Code of Conduct.

Monitoring is a routine and non-targeted management function that can be used for reasons such as establishing that quality of work meets required standards; safe working practices are being followed; and / or policies are being complied with. It generally involves reviewing pre-existing recorded, captured or reported material.

Surveillance will only be undertaken in response to a specific allegation or concern, which would typically relate to a suspicion of fraud, irregularity or non-compliance with policy or procedure. Any enquiries of this nature will be undertaken in accordance with the Investigation Protocol and in compliance with the Guidance for Officers Undertaking Surveillance (see section 6).

3. Policy Statement

TVCA supports the objectives of the Human Rights Act (HRA) 1998, the Data Protection Act 2018 and the General Data Protection Regulations, the Regulation of Investigatory Powers Act (RIPA) 2000, the Protection of Freedoms Act 2012 and the Employee Practices Code.

Please refer to the legislation at www.legislation.gov.uk for the full details of the provisions of the relevant Acts of Parliament.

The following guiding principles shall form the basis of any covert surveillance activity undertaken by TVCA:

- Covert surveillance shall only be undertaken where it is deemed necessary to achieve the desired aims;
- Covert surveillance shall only be undertaken where it is considered proportionate to do so;
- Covert surveillance shall only be undertaken in a manner that it is proportionate;
- Adequate regard shall be had to individuals' rights and freedoms, including those who are not the target of the covert surveillance;
- All authorisations to carry out covert surveillance shall be granted by designated Authorising Officers specified in section 6 of this protocol; and
- Any member of staff who is subject to disciplinary action as a result of covert surveillance has the right to view the original copies of authorisation forms and appropriate related documentation.

4. Scope

The protocol applies to all employees.

5. Responsibilities

The **Chief Executive** and all **Directors** will fulfil the role of Authorising Officers.

The **Head of Governance** is responsible for deploying this Protocol across TVCA.

The **Monitoring Officer** is responsible for oversight; ensuring that the use of surveillance by TVCA is consistent with the Surveillance Protocol.

The **Head of People** is responsible for ensuring that surveillance undertaken to facilitate disciplinary investigations is carried out in accordance with internal policies and procedures.

Officers involved in any part of the surveillance process are responsible for ensuring that this Protocol is complied with.

6. Guidance for Officers Undertaking Surveillance

Regulation of Investigatory Powers Act (RIPA) and the Human Rights Act (HRA)

TVCA is not detailed as a relevant public authority within the Regulation of Investigatory Powers Act (RIPA). Even so, when undertaking surveillance, TVCA will follow the best practice principles contained in RIPA and all surveillance will be subject to a formal authorisation process before it is undertaken to consider necessity and proportionality.

It is the responsibility of all public bodies to comply fully with the requirements of the Human Rights Act (HRA). In respect of surveillance work the following human rights principles must be complied with:

- the proposed action must be lawful;
- the proposed action must be proportionate;
- the proposed action must be necessary (having considered alternatives); and
- the proposed action must be non-discriminatory.

Types of Surveillance

Covert Surveillance

Surveillance is covert if, it is carried out in a manner that is calculated to ensure that the person(s) who are subject to surveillance are unaware that it is or may be taking place. Covert surveillance can be undertaken in two ways:

- Directed surveillance; and
- Intrusive surveillance - which may make use of Covert Human Intelligence Sources (CHIS).

Directed Surveillance

Surveillance is directed if it is undertaken:

- for the purpose of a specific investigation or specific operation in such a manner as is likely to result in the obtaining of private information about a person (whether or not that person is specifically targeted for purposes of an investigation);
- is covert;
- is not intrusive surveillance (see definition below - officers / those acting on TVCA's behalf must not carry out any intrusive surveillance); and
- is not carried out in an immediate response to events, e.g. spotting something suspicious and continuing to observe it.

The key issue in directed surveillance is the targeting of an individual; which is likely to result in the acquiring of private information. This includes any information relating to private and family life, home and correspondence, and includes activities of a professional or business nature. The fact that covert surveillance occurs in a public place or on business premises does not mean that it cannot result in the obtaining of private information about a person. Prolonged surveillance targeted on a single person will undoubtedly result in the obtaining of private information about him/her and others that he/she comes into contact, or associates with.

Similarly, although overt CCTV cameras do not normally require authorisation, if the camera is tasked for a specific purpose, which involves prolonged surveillance on a particular person, authorisation will be required. The way a person runs his/her business may also reveal information about his or her private life and the private lives of others. There are separate protocols to observe in respect of CCTV.

Intrusive Surveillance

Intrusive Surveillance can only be carried out by the police and other law enforcement agencies.

Surveillance is intrusive if it:
is covert;

- is carried out in relation to anything taking place on any residential premises or in any private vehicle (or on certain premises where legal consultations with professional legal advisors are taking place); and
- involves the presence of an individual in the premises or in the vehicle or is carried out by a surveillance device in the premises / vehicle, e.g. cameras, sound recording device etc.

However, surveillance carried out in relation to residential premises by use of a device, e.g., a camera, which is not in or on the premises is not intrusive (although it will be directed) unless it is of the same quality of information as would be obtained if the equipment was in the premises / vehicle.

Use of a Covert Human Intelligence Source (CHIS)

A person is a covert human intelligence source (CHIS) if he / she establishes or maintains a personal or other relationship with a person for the covert purpose of using the relationship to obtain information.

In circumstances where members of the public volunteer information to TVCA as a good citizen or contact a hotline set up to receive information this does not constitute a CHIS.

Employees must not ask members of the public who volunteer information to gather further information on its behalf, as this may result in forming a relationship with the subject and therefore becoming a CHIS.

It is most unlikely that it would ever be appropriate for TVCA to utilise a CHIS. If there is a reasonable belief that a CHIS is necessary, an Application for Directed Surveillance should not be made. The Monitoring Officer and Head Governance should be contacted to discuss how the investigation should be continued.

Social Media

In some investigations, social media sites can form a useful source of intelligence. Usually, a review of open-source sites will not require authorisation. However, if reviews are carried out in respect of the same individual with some regularity, this may amount to directed surveillance and authorisation should be obtained.

If it is necessary and proportionate for TVCA to breach privacy controls, covertly (e.g., by becoming an account holder's "friend" using a false identity), to conduct an investigation, then a directed surveillance authorisation will be required.

Surveillance of social media should never involve more than merely reading a site's contents.

Application for Directed Surveillance

The use of directed surveillance must be documented and authorised by a designated Authorising officer prior to any surveillance taking place.

Authorising officers are:
- Chief Executive;
- Directors

If the directed surveillance is of an employee, the Head of People must be consulted prior to an application being submitted.

Applications must include a unique reference number that will be provided on request by the Monitoring Officer.

An application for authorisation of directed surveillance must be made in writing using the application form (Appendix A) and must detail:
- the grounds on which the action is necessary;
- an account of the investigation / operation;

- the action to be authorised (i.e., observation / following, and reference to any premises / vehicles involved and whether private / public, residential / business); the duration of the surveillance;
- full description of the work to be carried out (including locations of areas from which observations are to be conducted e.g. street names etc. and whether photography equipment or binoculars are to be used);
- the person(s) to be subject to the action;
- the information which is sought from the action;
- the potential for collateral intrusion and a plan to minimise this potential (i.e. the potential impact on other people not involved in the action);
- why the action is proportionate to what it seeks to achieve (there must be a clear indication of what alternative methods were considered for obtaining the information required and why these were rejected). It may be useful to state that this is the only way the evidence can be gathered; and
- the likelihood of acquiring any confidential / religious material (medical records, financial records, legal documents, communications subject to legal privilege etc.).

Surveillance activity must be proportionate to the offence under investigation. For example, suspected theft from the workplace may merit surveillance at work but not at the person's home. The length of the investigation also needs to be proportionate.

In assessing whether or not the proposed surveillance is proportionate, consideration should be given to other appropriate means of gathering the information. The least intrusive method would be considered proportionate by a court.

Account must be taken of the risk of intrusion into the privacy of persons other than the specified subject of the surveillance (collateral intrusion). Measures must be taken wherever practicable to avoid or minimise collateral intrusion and the matter may be an aspect of determining proportionality.

Confidential information consists of communications subject to legal privilege, communications between a Member of Parliament and another person on constituency matters, confidential personal information i.e., information relating to the physical or mental health or spiritual counselling of a person (whether living or dead) who can be identified from it, or confidential journalistic material.

If there is a reasonable belief that surveillance would result in the acquisition of confidential information an Application for Directed Surveillance should not be made. The Monitoring Officer should be contacted to discuss how the investigation should be continued.

Where surveillance is reactive (i.e. an immediate response to an immediate situation) oral permission for the surveillance must be sought from an Authorising Officer and this must be documented within 3 days of the surveillance commencing.

The Authorising Officer must consider whether the proposed surveillance is lawful, proportionate, necessary and non-discriminatory. If the proposed surveillance cannot be embraced within these criteria it should not be undertaken.

Time Limits

An authorisation for directed surveillance (applications or renewals) cannot exceed one month from the date on which it takes effect. The duration applied for should be a realistic estimate of how long it will take to obtain the information which is sought from the action.

Reviews

Reviews of directed surveillance should be undertaken following any significant occurrence or within two weeks of the authorisation commencing. Details of the review should be recorded on the review form (Appendix B).

Renewal

If surveillance is necessary beyond the initial authorised period, a renewal application form (Appendix C) must be submitted to an authorised officer.

Cancellation

If the conditions for surveillance being carried out are no longer satisfied, and the authorisation period has not ended, a cancellation form (Appendix D) must be completed and all those involved in the surveillance should receive notification of the cancellation, which must be confirmed in writing at the earliest opportunity.

Records

Copies of all applications, reviews, renewals and cancellations will be held by the Monitoring Officer.

When an investigation has been completed all records / logs maintained by the investigating officer(s) in respect of surveillance activity should be delivered to the Monitoring Officer.

All application, review, renewal and cancellation forms and surveillance records will be kept for six years from the end of the authorisation period and then destroyed.

Monitoring and Review

The Monitoring Officer will review the authorisations held on the central file on an annual basis to ensure that the use of surveillance is consistent with the Surveillance Policy and that applications, renewals and cancellations are being correctly completed.

Record Keeping

Any surveillance should have a dedicated log-sheet for officer's use. The log-sheet should be kept in chronological order detailing who is on the surveillance, where it is and what happens. Where notes cannot be written up at the time of surveillance, this should be completed as soon as possible afterwards.

All alterations in the log sheet should be crossed through and initialled and then the corrected material written to the side in the normal manner. Correction fluid should not be used at any time. Completion of the log should ensure that no empty lines are left where additional information could be added later. These logs could be used in the event of criminal prosecution and should be kept correctly, signed as true statements, and held securely at all times.

In all cases there is a duty of care to those surveilled. All details and approvals must be kept strictly confidential. The privacy of individuals must not be put at risk and unnecessary information should not be documented, i.e. if the observed person was incidentally observed in a private context such as an extra-marital affair.

Where photographs or videos are taken, a photographic log needs to be maintained. Technology is available to alter photographs, and the logs are important to prove that the integrity of original material has been maintained.

APPENDIX A – Application for Directed Surveillance

APPENDIX B – Review of Directed Surveillance

APPENDIX C – Application for Renewal of Director Serveillance

Appendix D – Cancellation of Directed Surveillance

For more information contact
info@teesvalley-ca.gov.uk
www.teesvalley-ca.gov.uk

@TeesValleyCA

Cabinet

Tees Valley Combined Authority

Date			31 July 2026
Agenda Item			8
Report Title			**South Tees Development Corporation Loan Agreements**
Accountable Cabinet Member			**Mayor Chris Cooke** Portfolio Holder Finance, Organisational Improvement and Business Growth
Accountable Chief Officer			**Tom Bryant** Chief Executive **Alan Layton** Interim Deputy Director of Finance & Resources
Accountable Employee			**Alan Layton** Interim Deputy Director of Finance & Resources
Report considered by			Pre-Cabinet process. There have been several briefings with informal Cabinet, most recently on the 17 and 23 July 2026.
Key Decision	Yes **X**	No	Key Decision means a decision, which is likely to: a) 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 b) significant in terms of its effects on persons living or working in an area comprising two or more local authority areas in the Combined Authority's area.
Public Report	Yes **X**	No	The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
Voting arrangements			In accordance with the Constitution.

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**Note** that Tees Valley Combined Authority (TVCA) has advanced funding to South Tees Development Corporation (STDC) totalling circa £421 million as at 31 March 2026.
B	**Note** 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.
C	**Approve** 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.
D	**Note** 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.
E	**Delegate** 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.
F	**Delegate** 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.

Purpose

1. The purpose of this report is to seek Cabinet 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 this report.

2. The report sets out the proposed repayment principles, monitoring arrangements and controls for existing advances and future borrowing within the approved £350m loan facility to STDC.

3. The recommendations are 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.

Background to lending

4. This report seeks approval to formalise historic and future loan arrangements between Tees Valley Combined Authority ("TVCA") and South Tees Development Corporation ("STDC").

5. The original business case, approved by government, was predicated on an agreement with government whereby business rates generated over a 25-year period (with 19 years remaining) are retained locally to fund the cost of upfront borrowing. The level of borrowing is consistent with the original business case agreed by government. The model relied on upfront public sector investment to acquire, remediate and service the site, with repayment supported over time through income generated by retained business rates within the Special Economic Area and associated project-specific income streams.

6. Since its establishment, TVCA has advanced funding to STDC to facilitate the acquisition, remediation and redevelopment of the former SSI steelworks site, now known as Teesworks, and to deliver associated infrastructure projects.

7. At 31 March 2026, the cumulative value of loans advanced by TVCA to STDC amounted to circa £421m, broadly for four different purposes. Formal loan agreements have not previously been completed for the borrowing arrangements, but interest terms were informally agreed with both parties. These interest arrangements have been reflected now in prior years' accounts and in both parties' Medium Term Financial Plans approved by their respective governing bodies in March 2026.

8. The £421m position has been reconciled through the Arlingclose work and reflects the aggregate outstanding position across the loan categories set out in this report. This

reconciled position provides the financial baseline for the proposed loan agreements and the repayment modelling for consideration by Cabinet.

9. In terms of repayment of the principal, two of the loan types have been subject to an informal annuity-based repayment schedule with final cash payments being made in July 2026 for any prior year principal repayments required. However, this informal repayment arrangement has not been subject to a formal agreement. The other two loan types have not been subject to a principal repayment plan, either informally or formally.

10. Formalising the loan agreements will strengthen governance, accounting clarity and financial risk management for both organisations. The proposed agreements will document repayment obligations, interest arrangements, monitoring requirements, information rights, default provisions and lender protections.

11. There are four loan types that have been advanced. The first loan type was for the acquisition of the SSI site, for which £46.5m was advanced between 31 March 2019 and 31 March 2022 and for which an annuity repayment schedule has been put in place. As this loan was advanced prior to Cabinet approval of the £350m facility then this loan is not deemed to form part of the £350m loan facility.

12. The second loan type is for the construction of the Quay for which £112m was advanced by the UK Infrastructure Bank (UKIB) to TVCA to on-lend to STDC. This has been subject to principal repayments from STDC, mirroring the same principal repayments that TVCA make to UKIB. Again, no formal loan agreement between TVCA and STDC has been put in place.

13. Officers have also reviewed the Quay Operating Agreement in response to questions raised through the pre-Cabinet process. Recovery in any individual year is subject to an Annual Cap; however, the agreement includes a carry-forward mechanism under which unrecovered amounts can be recovered in subsequent years through an uplift to the Annual Cap, supporting recovery across the life of the agreement.

14. The third loan type has been advanced for general site enabling works for costs directly incurred by STDC on site preparation and infrastructure. As at 31 March 2026, £235m has been advanced in this respect. No repayments have been made or repayment plan in place.

15. The fourth type of loan is for private sector forward funding agreement works where the costs are the responsibility of the private sector counterparty, but STDC has carried out the works on its behalf. As at 31 March 2026, TVCA had advanced £27m in this respect. The main difference between this loan type and the general site enabling works is that STDC will be reimbursed by the private sector counterparty, with the loan providing a temporary funding source for STDC. At 31 March 2026, STDC had received £20m back from one private sector counterparty with a further £7m to be repaid by the end of July 2026.

16. The differentiation between the different types of loans is important in consideration of the principal repayments that STDC can afford to make. Whilst in practice, loans will be repaid from available revenue resources and capital receipts, it is important for Cabinet to understand any risks associated with STDC's ability to meet repayments.

17. For both the site acquisition loan (type 1) and General Site enabling works loan (type 3) repayments, it was envisaged that these would be repaid from business rates income streams. For the Quay loan (type 2), repayments are closely linked to income payable to STDC under the Quay Operating Agreement, with annual payments structured to mirror the interest and principal repayments made by TVCA to UKIB. While the Operating Agreement does not provide for a guaranteed minimum payment in every individual year, it contains protections which support full recovery over the life of the agreement. In particular, the Annual Cap mechanism allows unrecovered sums to be carried forward and recovered in subsequent years through an uplift to the cap, providing a contractual route to catch up any shortfall from earlier years.

18. As no loan repayments had been made, both organisations' MTFPs in March 2026 assumed an annuity-based repayment schedule commencing in 2026/27 to end co-terminus with the end of the business rates retention agreement. These repayment terms have now been incorporated into the proposed loan agreements. The updated modelling reflects the full value of sums advanced by TVCA to STDC, including the £27m private sector forward funding receipts, and applies those resources within the overall repayment framework. Any requirement for a materially different treatment of those receipts, including immediate full repayment outside the modelled profile, would require revised affordability modelling and may undermine the sustainability of the proposed repayment framework.

19. As part of the work to support the proposed loan agreements, STDC has undertaken work to restate its prior year financial statements and confirm its opening revenue and capital reserves position. This work is relevant to TVCA because the opening reserves position forms part of the affordability assessment underpinning the proposed repayment framework. The updated position indicates an improvement to STDC's opening revenue reserves position. This remains subject to STDC's own governance and audit processes, and TVCA will seek confirmation that the relevant STDC governance and audit processes, including appropriate Board oversight, have been completed before the loan agreements are finalised.

STDC Income Profile

20. The income profile is underpinned by a strong and increasingly mature occupier base, with revenues supported by operational assets, committed investment, high-quality counterparties, government-backed support mechanisms and long-term contractual arrangements. These investments provide a robust foundation for the future business rates base and associated commercial income streams.

<u>SeAH Wind</u>

21. SeAH is now operational on site, representing a £1.2billion investment supported by the South Korean Government, UK Export Finance, and a parent company guarantee. This represents a significant strategic commitment from both the public and private sectors and provides a strong foundation for the associated business rates contribution and wider economic activity generated from the site.

Steel River Quay

22. Steel River Quay is also operational. The asset benefits from secure demand from the offshore wind sector, supported by the UK Government's offshore wind deployment ambitions and the wider transition to renewable energy. This provides confidence in the long-term utilisation of the asset and its contribution to the wider commercial and business rates income profile.

Net Zero Teesside (NZT)

23. NZT is under construction and represents a c.£4billion investment. The project benefits from substantial sponsor strength through BP and Equinor, alongside government-backed Contract for Difference support and the wider policy commitment to carbon capture, utilisation, and storage (CCUS). As one of the UK's leading industrial decarbonisation projects, it represents a transformational investment in the region's future economic base and provides a significant foundation for future income growth.

Tees Valley Energy Recovery Facility (TVERF)

24. The TVERF is under construction and represents a c.£2billion investment. The facility is supported by long-term contractual arrangements with multiple local authorities, with Viridor acting as operator under a long-term public-private partnership structure. The project provides secure, long-term operational activity and further strengthens the diversity and resilience of the future business rates contribution.

25. Taken collectively, these investments provide a diversified and resilient foundation for the retained income assumptions. The future business rates and commercial income profile is not reliant on speculative development or a single occupier, but is supported by operational assets, committed capital investment, infrastructure projects already progressing through delivery, credible institutional and government-backed counterparties, and the wider fiscal benefits associated with the Teesside Freeport.

26. These characteristics provide confidence that the retained income assumptions are underpinned by real, committed economic activity across a maturing industrial estate, providing a strong basis for the long-term financial sustainability of STDC.

Quay income

27. The quay facility benefits from a long-term operating agreement under which income may be received from the quay operator and utilised to support debt repayment obligations. Although income is not guaranteed in any individual year, the agreement

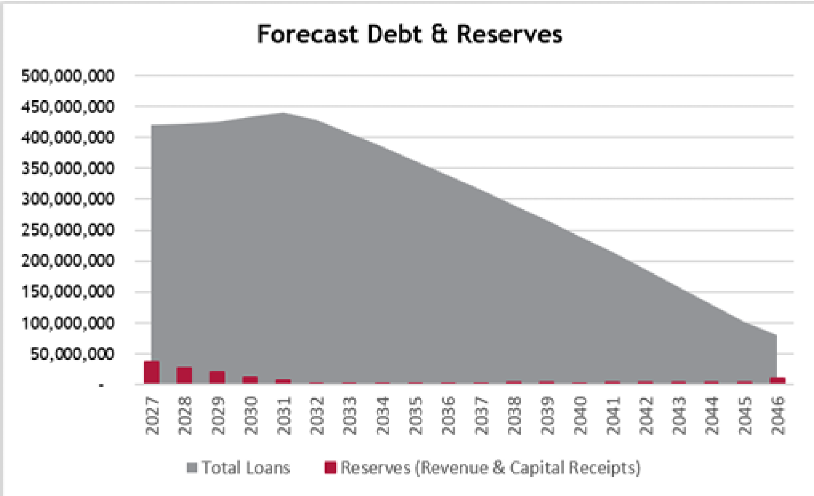
includes a carry-forward mechanism under which unrecovered amounts can be reflected through future uplift to the Annual Cap, supporting recovery across the life of the agreement.

28. Quay income has been assessed against the capacity and operating assumptions underpinning the commercial agreement. Capacity is primarily determined by berth availability, cargo type, vessel scheduling and operational requirements rather than a fixed tonnage limit. Based on the information reviewed by officers, there is sufficient assurance for TVCA's lending purposes that the quay has practical capacity to support the tonnage and income assumptions required to meet the commercial operating agreement terms.

Independent Financial Modelling Advice

29. The Authority's treasury advisors (Arlingclose) have undertaken independent financial modelling to evidence that with the right repayment profile STDC's debt is sustainable and it can afford to repay its debt in full under the current MTFP (see report at **Appendix A**). This report has looked at the range of payment profile options available; straight line repayment; annuity repayment; and bespoke. These options were assessed against the STDC MTFP. The report recommends a bespoke repayment approach via a standard surplus sweep mechanism. The recommended approach seeks to ensure that TVCA's debt is repaid as quickly as possible, and that STDC has an affordable MTFP with a prudent level of reserves, providing flexibility for STDC to use surpluses from improved performance for additional debt repayment.

30. The recommended option incorporates a mixed use of capital receipts, predominantly the £27m repaid by private sector counterparties, and revenue resources by way of a voluntary revenue provision (VRP), based on projected annual surpluses. This is covered in more detail in the report at **Appendix A**. The graph below taken from the Arlingclose report illustrates the debt repayment profile that the recommended approach delivers.



31. The Arlingclose work provides confidence that, under the current MTFP assumptions and with the proposed repayment mechanism, STDC can repay the relevant TVCA loans within the remaining period of the business rates retention arrangements, while maintaining financial resilience, even within a stressed scenario. This confidence is conditional on delivery of forecast income, active monitoring of the repayment profile and the inclusion of mechanisms to reduce or pause annual repayments where payment would otherwise create financial difficulty for STDC together with the ability to overpay when excess resources are available.

Stress Testing

32. The retained income assumptions are considered prudent and robust and have been previously validated by Knight Frank. However, officers consider it appropriate to undertake further stress testing to provide confidence to Cabinet.

33. The Arlingclose report therefore includes stress testing of key downside scenarios, relating to delayed timing and reduced quantum of income. Assuming an aggressive repayment schedule, the stress test shows that STDC could still afford to repay all of its debt even if only 84.6% of its current expected income materialises. The report therefore provides Cabinet with a clear basis to approve the formalisation of the loan agreements and delegate finalisation of the detailed terms to the Section 73 Officer in consultation with the Monitoring Officer, Chief Executive and Cabinet Portfolio Holder for Finance, Organisational Improvement and Business Growth.

Recommended Approach

34. Cabinet is asked to approve the recommended approach as set out in the Arlingclose report at **Appendix A**. This is on the basis that the Arlingclose work provides confidence that, under the current MTFP assumptions and with the proposed repayment mechanism, STDC can repay the relevant TVCA loans, including the future

loans envisaged in the STDC MTFP for which there is sufficient headroom in the £350m agreed loan facility, within the remaining period of the business rates retention arrangements, while maintaining financial resilience.

35. Furthermore, 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. The review will enable the Section 73 Officer to assess whether the repayment schedule remains affordable and aligned with the agreed repayment principles, and whether any adjustment, suspension or acceleration of repayments are required. Any changes will be reported through the appropriate governance.

36. The repayment framework is therefore designed to balance TVCA's fiduciary responsibility to recover funding advanced to STDC with the need to protect STDC's ability to continue delivering the regeneration programme. It provides a structured and monitored route to repayment that accelerates recovery when financial performance is stronger and allows appropriate flexibility where cashflow is constrained.

Conclusions

37. The proposed arrangements provide a transparent and structured framework for the repayment of the STDC loan portfolio. The key financial risks are understood, have been tested through the updated treasury modelling and will be managed through formal loan terms, annual review, regular reporting and defined escalation routes.

38. The Arlingclose independent advice demonstrates that, under the current MTFP assumptions and proposed repayment framework, the site acquisition, general site enabling works and forward funding loans can be repaid within the remaining period of the business rates retention agreement, even within a stressed scenario.

39. From a Section 73 Officer perspective, the recommendations transition TVCA and STDC from historic informal arrangements to a documented, monitored and enforceable loan framework. 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.

40. The Quay loan follows a separate repayment profile aligned to TVCA's underlying borrowing from UKIB. The updated modelling and officer review of the Operating Agreement provide sufficient assurance that the Quay repayment assumptions are reasonable, subject to continued monitoring and annual review.

Partnership & Engagement

41. There have been several briefings with informal Cabinet, most recently on the 17 and 23 July 2026.

42. STDC will be required to complete its own governance process in relation to the proposed loan terms. TVCA will seek confirmation that the relevant STDC Board approvals have been obtained before the loan agreements are executed.

Appendices

Appendix A – Arlingclose – South Tees Development Corporation – Debt Repayment Project Report

Cabinet is requested to consider the following identified implications:					
Financial Implications					
43. The financial implications are considered throughout the report.					
Legal Implications					
44. The Combined Authority has powers to provide loans and other financial assistance, subject to Cabinet approval. It is noted that this report seeks to formalise those financial advances already provided.					
45. The implementation of formal agreements will provide legal certainty regarding: • Repayment obligations; • Interest arrangements; • Events of default; • Information rights; • Monitoring requirements; and • Lender protections.					
Equality & Diversity Implications					
46. The recommendations in the report are not considered to impact on any of the protected characteristics.					
Other Significant Implications (Tick other implications provided and provide detail in box below)					
Risk	X	Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	
Risk					
47. To support effective oversight and assurance, the Authority has strengthened its risk management framework aligned to best practice and HM Treasury Orange Book guidance. The risks from a TVCA perspective will be closely monitored and reported					

as appropriate through to Cabinet as part of the regular quarterly reporting on STDC financial performance. A summary of the key risks is provided below:

Risk	Suggested mitigation
Business rates income delayed or lower than forecast	Quarterly monitoring against the MTFP, sensitivity analysis, annual review and reporting mechanism within the loan agreements, repayment review mechanism and escalation to Cabinet.
Quay income below assumed level	Separate monitoring of Quay income, annual reassessment of Quay repayment affordability, review of the Annual Cap carry-forward mechanism, and distinction from business rates-backed loans.
Repayment profile becomes unaffordable	Ability to reduce, pause or accelerate repayments subject to defined triggers, the annual review mechanism, S73 Officer review and Cabinet reporting.
Absence of historic documentation	Formal execution of comprehensive agreements, lender protections and legal review.
Future advances increase exposure	Future advances subject to approved capital programme, affordability assessment, compliance with on-lending policy (to be developed) and S73 Officer approval.
Reputational risk	The business case, approved by government was predicated on an agreement with government whereby business rates generated over a 25-year period (with 19 years remaining) are retained locally to fund the cost of upfront borrowing. The level of borrowing is consistent with the original business case agreed by government and is now being formalised and appropriately governed.

Improvement

48. Given TVCA's role as lender, Cabinet should receive appropriate reporting on STDC's financial performance insofar as it affects repayment affordability, compliance with the loan agreements and TVCA's financial exposure. The loan agreements will include requirements for financial performance reporting by STDC to TVCA, which will then be reported to Cabinet on a quarterly basis.

49. There is a commitment to develop a TVCA on-lending policy that will govern any future lending. This policy will form a key strand of the financial improvement work and will be reported to Cabinet for approval in September 2026.

50. Furthermore, TVCA is transitioning to a Continuous Improvement Strategy and continued improvements in relation to the finance function will be a key component of this strategy.

Arlingclose Ltd:

Independent treasury management services

South Tees Development Corporation - Debt Repayment Project

Tees Valley Combined Authority

July 2026

The Clement Rooms
217 Strand, London WC2R 1AT
Tel +44(0)8448 808 200
www.arlingclose.com

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Contents

South Tees Development Corporation – Debt Repayment Project

1.0 Introduction & Background

1.1 The South Tees Development Corporation (STDC) is a Mayoral Development Corporation, controlled by Tees Valley Combined Authority (TVCA).

1.2 At the end of the 2026 financial year, STDC owed TVCA £420.6m, spread across eight separate loan facilities, advanced for various redevelopment projects.

1.3 When the loans were advanced to STDC, loan documentation and agreements were light touch and informal, reflecting the fact that both organisations were members of the same group. As such, no formal repayment mechanism was laid out for most of the loans.

1.4 As part of a recent wider review of STDC, it has been decided to formalise the loan agreements, with STDC and TVCA intending to agree a clear repayment mechanism.

1.5 STDC's current Medium Term Financial Plan does not include any provision within its budget to set aside money from the revenue budget to repay debt, although cashflow projections do include repayment of principal for the Quay redevelopment loan and the IP loan. There is currently no explicit plan for repaying all the funds advanced to STDC by TVCA.

1.6 The Medium Term Financial Plan does however include a budget to service the interest costs associated with the debt, as well as the interest costs associated with loan facilities to fund the next three years of capital expenditure.

1.7 STDC receives the majority of its income from a business rate retention agreement which ends in 2046, as well as the interest on funding advanced to a partner in the Quay Project.

1.8 With the exception of the Quay loan, the loans currently have no agreed repayment schedule between lender and borrower. Two other loans, the NZT1 and NZT2 originally had proposed repayment plans in place, but principal repayments were not made due to concerns around affordability.

1.9 As a Mayoral Development Corporation, STDC is not required to follow the English Minimum Revenue Provision Guidance. This gives it more flexibility when designing a debt repayment policy than it would if it were required to follow the English Guidance.

1.10 STDC and TVCA are undertaking a project to agree a clear method of repayment to be built into new loan agreements, with an associated debt repayment policy to generate the cash to fund the repayments.

1.11 Arlingclose has been engaged to model a debt repayment approach and associated STDC policy that will repay the loans to TVCA over a period commensurate with STDC's current funding streams, specifically the remaining 19 years of the business rates retention agreement, which will be affordable by STDC.

1.12 Please note that legal and tax considerations are outside the scope of this report. Arlingclose recommends TVCA and STDC engage specialist advice on these areas before agreeing any change in policy and repayment profile.

1.13 This report has been produced with figures provided to us by the TVCA and STDC finance teams, Arlingclose received STDC's Medium term Financial Plan model, and reserves information.

1.14 Arlingclose is TVCA's retained treasury management advisor.

2.0 Current Medium Term Financial Plan

2.1 At the end of the 2025/26 financial year, STDC had the following loans outstanding, all provided by TVCA:

- TVCA Investment Programme – £46.8m – 3.5% – annuity repayment profile
- G1 - £79.4m – 4% - no repayment profile
- G2 - £73.6m – 4.67% - no repayment profile
- HLP - £6.8m – 4.63% - no repayment profile
- NZT1 - £14.3m – 5% - repayment suspended
- NZT2 - £12.3m – 4.75% - repayment suspended
- New Loans 2025 - £47.1m – 5% - no repayment profile
- New Loans 2026 - £27.7m – 5% - no repayment profile
- Quay Loan - £112.3m – 1.99% - annuity repayment profile

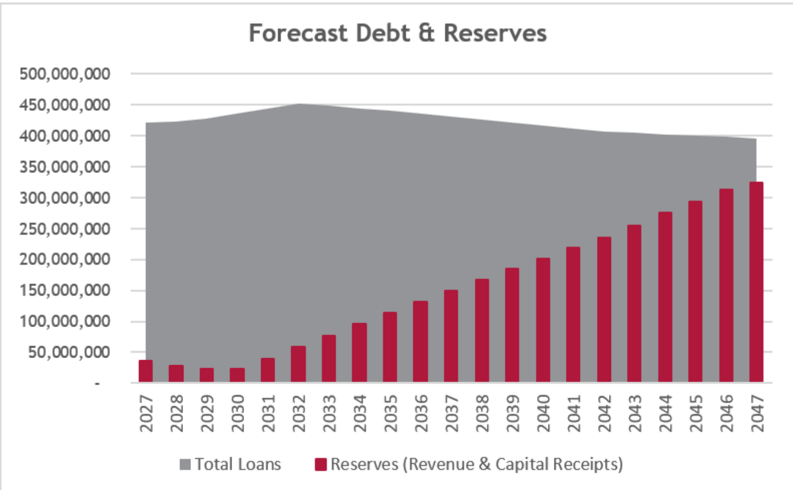
2.2 In addition, STDC's current capital programme has £53.5m of further capital expenditure funded by borrowing over the next five years.

2.3 Arlingclose has been informed by TVCA finance staff that STDC currently has £15.9m of revenue reserves. STDC also has received £20.0m up to March 2026 from BP.

2.4 Please note Arlingclose has produced this work based on information provided, specifically the Medium term Financial Plan model, and reserves information.

2.5 Arlingclose has recalculated elements of STDC's current long-term projections. We have assumed that new debt will attract an interest rate of 5% and not assumed any steps or interest free periods. TVCA and STDC are currently undertaking a programme of identifying revenue and capital reserves split. As both can be used for debt repayment, Arlingclose have not distinguished between the two.

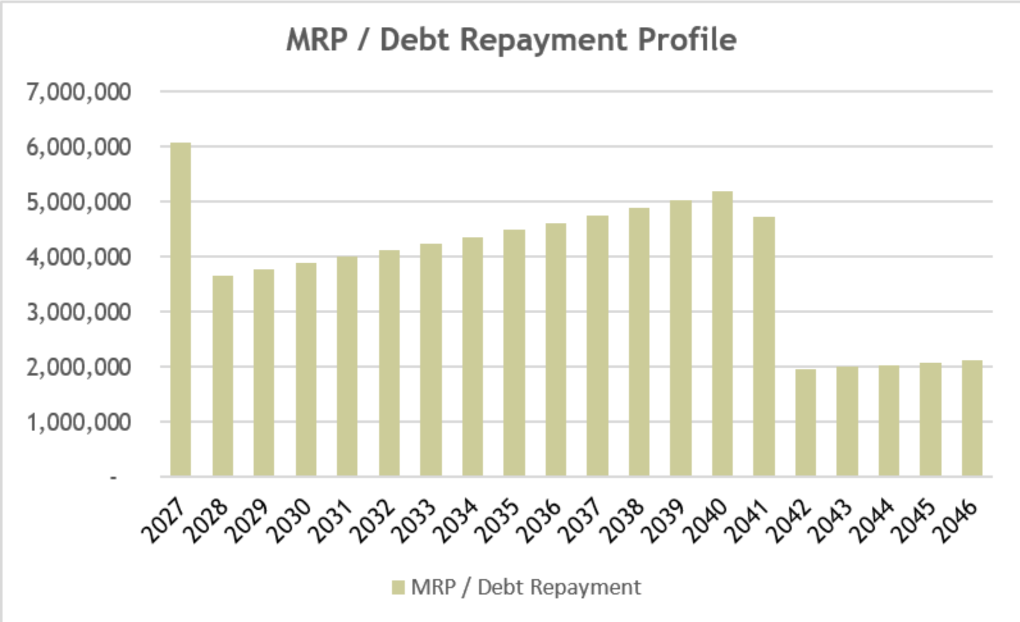
2.6 The recalculations forecast total debt will peak at £438.0m in 2032, before falling to £410.3m by 2046 thanks to the planned repayments on the Quay loan:



2.7 Conversely, as no debt repayment provision is being budgeted for, the projected reserves position including both revenue reserves and capital receipts is robust. These show an increase from £15.9m of revenue reserves at the end of the 2026 financial year, to £322.8m in 2046 when the business rates retention agreement is planned to end.

2.8 With only the Quay and IP loans with any planned repayments, planned revenue provision/debt repayment is extremely low. In the 2026/27 year payments are £6m, including the catch up payments for the IP loan. These then fall to between £3.5m and £5m, before falling to around £2m once the IP loan is repaid.

2.9 The Quay loan repayments are matched to the underlying loan that TVCA received from the National Wealth Fund (then UK Infrastructure bank) to fund the loan to STDC. The graph below shows the Quay and IP loans only:



2.10 Unsurprisingly, with no material debt repayment planned, Arlingclose's modelling shows that interest costs of all loans will rise to £16.9m and stay over £16m for the MTFP period:

Year	Interest Costs
2027	15,881,784
2028	16,096,241
2029	16,419,941
2030	16,923,531
2031	17,424,747
2032	17,923,503
2033	17,803,727
2034	17,680,239
2035	17,552,918
2036	17,421,640
2037	17,286,277
2038	17,146,695
2039	17,002,758
2040	16,854,324
2041	16,701,245
2042	16,564,309
2043	16,525,314
2044	16,485,539
2045	16,444,969
2046	16,403,587

2.11 As total outstanding debt is greater than total forecast reserves, the current MTFP gives the impression that STDC will not be able to repay its loans in full to TVCA at the end of the Business Rates retention period.

2.12 However, the current modelling has over £327m of interest costs included in the revenue projections. As the MTFP was agreed on the understanding that a revenue provision for the repayment of debt would be put in place to fund an agreed debt repayment schedule, and a new approach which lowers interest costs via repayment and redirects interest cost savings to debt repayment, covered below, will allow a fully repaid debt portfolio.

2.13 The analysis demonstrates that a bullet repayment approach (where all outstanding principle is repaid at the end of the business rates retention period) may not be feasible, unless STDC undertook an aggressive treasury investment strategy with its reserves to generate a return that would cover the £67m gap.

2.14 An aggressive treasury investment strategy however would come with significantly enhanced credit and other treasury risks.

3.0 Recommended Repayment Profile

3.1 Using the current reserves position and the MTFP documents provided by STDC and TVCA, Arlingclose has modelled an approach for the TVCA loans and a revenue debt repayment provision policy to match the agreed repayments.

3.2 Arlingclose's analysis assumes that TVCA allows STDC to retain the £20m of capital receipts, and this is used in early years to fund the repayment of debt. Although the £20m being repaid up front was considered in the modelling, as faster repayment means lower total interest costs, this was discounted to enable STDC to retain its financial resilience.

3.3 Column F below shows the total recommended annual debt repayments from STDC to TVCA. It is important to note that the Quay loan, which is currently matched to the National Wealth Fund Loan taken out by TVCA continues to have its repayments linked to those of TVCA.

3.4 For individual loans repayment, see Appendix A.

A	B	c	D	E	F
Year	Reserves GF	Retained Capital Receipts	Total Resources	Opening Total Loans	Total Repayment
2027	- 15,938,000	- 20,000,000	- 35,938,000	420,620,794	6,963,272
2028	- 13,773,819	- 13,036,728	- 26,810,547	421,763,585	4,596,296
2029	- 10,776,024	- 8,440,433	- 19,216,457	425,762,378	4,747,685
2030	- 7,506,474	- 3,692,748	- 11,199,222	433,272,952	4,904,553
2031	- 7,211,005		- 7,211,005	440,646,646	23,925,096
2032	- 2,500,624		- 2,500,624	429,020,288	21,633,591
2033	- 2,499,927		- 2,499,927	407,386,697	22,410,214
2034	- 2,183,338		- 2,183,338	384,976,483	22,591,225
2035	- 2,342,566		- 2,342,566	362,385,258	23,137,875
2036	- 2,500,126		- 2,500,126	339,247,382	23,973,426
2037	- 2,409,168		- 2,409,168	315,273,957	24,175,149
2038	- 2,682,762		- 2,682,762	291,098,808	25,219,441
2039	- 2,586,705		- 2,586,705	265,879,368	25,813,587
2040	- 2,500,847		- 2,500,847	240,065,780	26,326,251
2041	- 2,598,166		- 2,598,166	213,739,530	27,159,623
2042	- 2,586,610		- 2,586,610	186,579,907	28,015,979
2043	- 2,585,535		- 2,585,535	158,563,928	28,780,238
2044	- 2,591,169		- 2,591,169	129,783,690	29,023,409
2045	- 2,815,213		- 2,815,213	100,760,281	21,697,531
2046	- 10,079,857		- 10,079,857	79,062,750	2,121,075

3.5 This analysis assumes that STDC meets the income targets in the MTFP. To prevent STDC from getting into financial difficulty if there are periods of underperformance, Arlingclose suggests that the scheduled repayments are able to be reduced or paused if payment would cause financial difficulties to STDC.

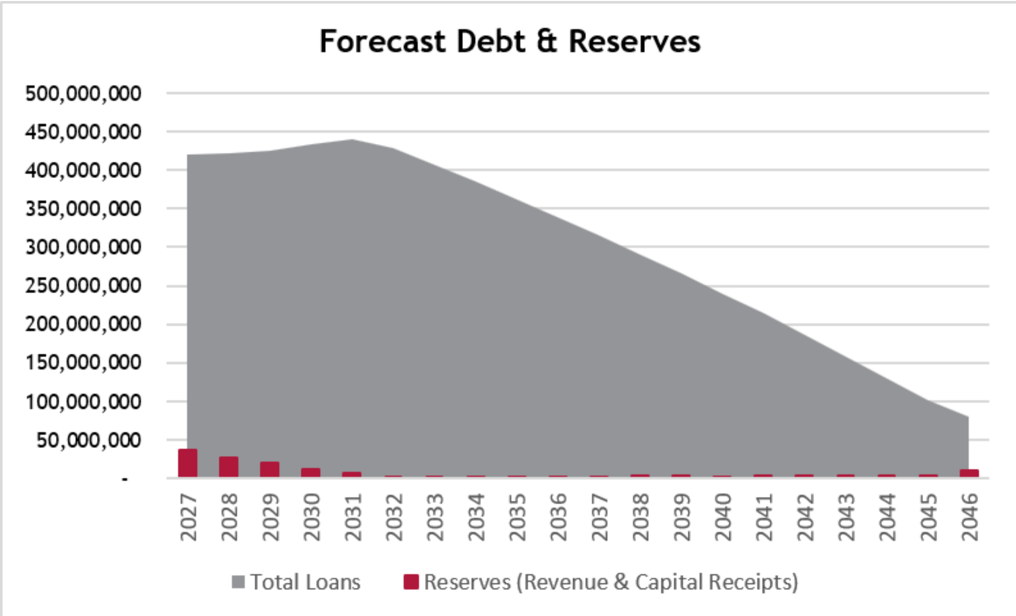
3.6 There are a number of ways to agree this, but the simplest is likely a sweep agreement. These payments can be subject to a cap, with any surpluses over a certain level being retained. The subsidiary, in this case STDC, has the option of making over payments whenever it wishes without penalty.

3.7 This has several significant advantages in general, and for STDC and TVCA specifically. Firstly, it means that TVCA are repaid as quickly as possible as all surpluses over an agreed level are paid over to it. Any unexpected improvements in STDC's financial position will lead to an immediate repayment to TVCA.

3.8 It also ensures STDC will never go into a negative reserve position or be unable to make agreed payments, as all payments are contingent on an overall positive cashflow. Although STDC could in principle increase spend as to lower cashflow, in practice it cannot enter into new projects without the agreement of TVCA, so this will act as a natural break.

3.9 This approach is not outlined in the English MRP guidance. However, as STDC is not required to follow the MRP guidance this is not a regulatory issue, though it would be best practice to fully explain in both documentation and to auditors why this approach has been chosen.

3.10 Based on the current MTFP, the interest cost savings of this approach would be significant, meaning that debt repayment could be accelerated:



3.11 Arlingclose's recommendation for the repayment profile is therefore:

- TVCA Investment Programme – £46.8m – 3.5% – 16 year annuity repayment profile
- G1 - £79.4m – 4% - bespoke profile, see appendix 1
- G2 - £73.6m – 4.67% - bespoke profile, see appendix 1
- HLP - £6.8m – 4.63% - bespoke profile, see appendix 1
- NZT1 - £14.3m – 5% - 19 year annuity repayment profile
- NZT2 - £12.3m – 4.75% - 19 year annuity repayment profile
- New Loans 2025 - £47.1m – 5% - bespoke profile, see appendix 1
- New Loans 2026 - £27.7m – 5% - bespoke profile, see appendix 1

* Quay Loan - £112.3m – 1.99% - annuity repayment profile, matched to TVCA NWF funding

3.12 This approach also significantly reduces interest costs, though the benefit is used to accelerate debt repayment:

Year	Interest Costs
2027	15,853,909
2028	16,025,283
2029	16,303,795
2030	16,759,990
2031	17,211,494
2032	16,903,791
2033	16,073,407
2034	15,145,558
2035	14,211,074
2036	13,255,332
2037	12,266,781
2038	11,270,778
2039	10,220,221
2040	9,098,214
2041	7,890,029
2042	6,643,133
2043	5,357,444
2044	3,980,771
2045	2,593,245
2046	1,573,349

Stress Testing

3.13 Arlingclose has also stress tested the income assumptions for the debt repayments.

3.14 Assuming an aggressive repayment schedule once the business rates retention begins to flow, which would reduce the interest costs quickly, STDC could still afford to repay all of its debt even if only 84.6% of its current expected income materialises:

Year	Total Resources	Opening Total Loans	Total	Total Repayment
2027	- 35,938,000	420,620,794	2,164,181	6,963,272
2028	- 26,810,547	421,657,522	2,997,795	4,596,296
2029	- 19,216,457	425,061,227	3,269,550	4,747,685
2030	- 11,199,222	432,313,542	- 784,709	9,284,709
2031	- 2,699,222	435,028,833	- 16,267,754	16,267,754
2032	- 2,699,222	418,761,079	- 18,433,269	18,433,269
2033	- 2,699,222	400,327,810	- 18,927,891	18,927,891
2034	- 2,699,222	381,399,919	- 19,602,615	19,602,615
2035	- 2,699,222	361,797,304	- 20,182,912	20,182,912
2036	- 2,699,222	341,614,392	- 20,801,193	20,801,193
2037	- 2,699,222	320,813,199	- 21,406,072	21,406,072
2038	- 2,699,222	299,407,127	- 22,102,843	22,102,843
2039	- 2,699,222	277,304,284	- 22,747,586	22,747,586
2040	- 2,699,222	254,556,698	- 23,479,736	23,479,736
2041	- 2,699,222	231,076,962	- 24,248,363	24,248,363
2042	- 2,699,222	206,828,599	- 25,142,289	25,142,289
2043	- 2,699,222	181,686,310	- 25,959,617	25,959,617
2044	- 2,699,222	155,726,693	- 26,463,442	26,463,442
2045	- 2,699,222	129,263,251	- 26,228,782	26,228,782
2046	- 2,699,222	103,034,469	- 26,093,469	26,093,469
2047	- 2,699,222	76,941,000		

3.15 The results are particularly sensitive to the timing of business rates and Quay-related income, the availability of the £20 million capital receipts and the cost of future borrowing. The repayment profile should therefore be reviewed annually against the latest MTFP and revised where there are material changes in these assumptions

4.0 Conclusions

4.1 This report and associated modelling has demonstrated, with the right repayment profile STDC's debt is sustainable and it can afford to repay its debt in full, under the current MTFP, and that the loan repayments are affordable within a stressed scenario.

4.2 Introducing a clear repayment mechanism will provide TVCA with a route to recovering the funds advanced to STDC. This should also reduce long-term interest costs, which are currently significant.

4.3 Arlingclose recommends that TVCA and STDC agree the suggested debt repayment profile, structured with the ability to reduce payments if required. A standard mechanism for this would be a surplus sweep.

4.4 This should be supported by clear loan documentation, an agreed definition of surplus, an appropriate minimum working capital or reserves threshold, and a regular review process to ensure the repayment mechanism remains aligned with STDC's financial position and TVCA's objectives.

4.5 Standard annuity and straight-line repayment approaches provide structured and predictable repayment profiles, and are consistent with common public and private sector and loan repayment.

4.6 However, as demonstrated in appendix B and C, both approaches create material affordability challenges in the early years and result in negative reserve positions under the modelling. In Arlingclose's view, this makes either approach difficult to justify as the primary repayment mechanism without further changes to STDC's wider financial plan.

4.7 A bespoke mechanism provides the strongest overall balance between affordability and debt reduction. It allows STDC to make repayments when cash is available, avoids the need to budget for fixed repayments that cannot be supported by the forecast revenue position.

4.8 Importantly, a surplus sweep will not cause STDC to move into a negative reserve position. It also enables TVCA to benefit directly from any improvement in STDC's financial performance, as STDC would have the option to use surpluses for debt repayment.

4.9 Arlingclose recommends TVCA and STDC consider the legal and tax implications for any approach put in place. Subject to this, Arlingclose's view is that a cash sweep, potentially combined with the existing annuity profile for the Quay Loan, provides the most practical and financially sustainable route to reducing STDC's debt to TVCA while avoiding an unrealistic call on STDC's early-year resources.

4.10 Arlingclose welcomes the opportunity to discuss the contents of this report with officers and elected representatives of TVCA.

Arlingclose Ltd
July 2026

5.0 Appendix A - Detailed Loan schedules

TVCA IP			
3.50%	O/B	Repayment	Interest
2027	46,865,383	4,624,907	1,640,288
2028	42,240,476	2,185,729	1,478,417
2029	40,054,747	2,262,230	1,401,916
2030	37,792,518	2,341,408	1,322,738
2031	35,451,110	2,423,357	1,240,789
2032	33,027,753	2,508,174	1,155,971
2033	30,519,578	2,595,961	1,068,185
2034	27,923,618	2,686,819	977,327
2035	25,236,799	2,780,858	883,288
2036	22,455,941	2,878,188	785,958
2037	19,577,753	2,978,924	685,221
2038	16,598,829	3,083,187	580,959
2039	13,515,642	3,191,098	473,047
2040	10,324,543	3,302,787	361,359
2041	7,021,757	3,418,384	245,761
2042	3,603,372	3,603,372	126,118

G1			
4.00%	O/B	Repayment	Interest
2027	79,450,094		3,178,004
2028	79,450,094		3,178,004
2029	79,450,094		3,178,004
2030	79,450,094		3,178,004
2031	79,450,094	18,857,981	3,178,004
2032	60,592,112	16,398,000	2,423,684
2033	44,194,112	7,000,000	1,767,764
2034	37,194,112	7,000,000	1,487,764
2035	30,194,112	7,359,000	1,207,764
2036	22,835,112	8,000,000	913,404
2037	14,835,112	8,000,000	593,404
2038	6,835,112	6,835,112	273,404

G2			
4.67%	O/B	Repayment	Interest
2027	73,593,327		3,436,808
2028	73,593,327		3,436,808
2029	73,593,327		3,436,808
2030	73,593,327		3,436,808
2031	73,593,327		3,436,808
2032	73,593,327		3,436,808
2033	73,593,327	10,000,000	3,436,808
2034	63,593,327	10,000,000	2,969,808
2035	53,593,327	10,000,000	2,502,808
2036	43,593,327	10,000,000	2,035,808
2037	33,593,327	10,000,000	1,568,808
2038	23,593,327	12,000,000	1,101,808
2039	11,593,327	11,593,327	541,408

HLP			
4.63%	O/B	Repayment	Interest
2027	6,800,000		314,840
2028	6,800,000		314,840
2029	6,800,000		314,840
2030	6,800,000		314,840
2031	6,800,000		314,840
2032	6,800,000		314,840
2033	6,800,000		314,840
2034	6,800,000		314,840
2035	6,800,000		314,840
2036	6,800,000		314,840
2037	6,800,000		314,840
2038	6,800,000		314,840
2039	6,800,000	6,800,000	314,840

NZT1			
5.00%	O/B	Repayment	Interest
2027	14,295,753	468,115	714,788
2028	13,827,638	491,520	691,382
2029	13,336,118	516,096	666,806
2030	12,820,022	541,901	641,001
2031	12,278,121	568,996	613,906
2032	11,709,124	597,446	585,456
2033	11,111,678	627,318	555,584
2034	10,484,360	658,684	524,218
2035	9,825,676	691,618	491,284
2036	9,134,057	726,199	456,703
2037	8,407,858	762,509	420,393
2038	7,645,349	800,635	382,267
2039	6,844,714	840,667	342,236
2040	6,004,047	882,700	300,202
2041	5,121,348	926,835	256,067
2042	4,194,513	973,177	209,726
2043	3,221,336	1,021,835	161,067
2044	2,199,501	1,072,927	109,975
2045	1,126,574	1,126,574	56,329

NZT2			
4.75%	O/B	Repayment	Interest
2027	12,340,823	414,252	586,189
2028	11,926,571	433,929	566,512
2029	11,492,641	454,541	545,900
2030	11,038,100	476,132	524,310
2031	10,561,968	498,748	501,693
2032	10,063,220	522,439	478,003
2033	9,540,781	547,254	453,187
2034	8,993,527	573,249	427,193
2035	8,420,278	600,478	399,963
2036	7,819,799	629,001	371,440
2037	7,190,798	658,879	341,563
2038	6,531,919	690,175	310,266
2039	5,841,744	722,959	277,483
2040	5,118,785	757,299	243,142
2041	4,361,486	793,271	207,171
2042	3,568,215	830,951	169,490
2043	2,737,264	870,422	130,020
2044	1,866,842	911,767	88,675
2045	955,076	955,076	45,366

New Loans 2025			
5.00%	O/B	Repayment	Interest
2027	47,167,926		2,358,396
2028	47,167,926		2,358,396
2029	47,167,926		2,358,396
2030	47,167,926		2,358,396
2031	47,167,926		2,358,396
2032	47,167,926		2,358,396
2033	47,167,926		2,358,396
2034	47,167,926		2,358,396
2035	47,167,926		2,358,396
2036	47,167,926		2,358,396
2037	47,167,926		2,358,396
2038	47,167,926		2,358,396
2039	47,167,926	819,000	2,358,396
2040	46,348,926	19,500,000	2,317,446
2041	26,848,926	20,100,000	1,342,446
2042	6,748,926	6,748,926	337,446

New Loans 2026			
5.00%	O/B	Repayment	Interest
2027	27,789,239		1,389,462
2028	27,789,239		1,389,462
2029	27,789,239		1,389,462
2030	27,789,239		1,389,462
2031	27,789,239		1,389,462
2032	27,789,239		1,389,462
2033	27,789,239		1,389,462
2034	27,789,239		1,389,462
2035	27,789,239		1,389,462
2036	27,789,239		1,389,462
2037	27,789,239		1,389,462
2038	27,789,239		1,389,462
2039	27,789,239		1,389,462
2040	27,789,239		1,389,462
2041	27,789,239		1,389,462
2042	27,789,239	13,900,000	1,389,462
2043	13,889,239	13,889,239	694,462

New Cap Ex				
5.00%	O/B	New Spend	Repayment	Interest
2027		- 8,106,063		-
2028	8,106,063	- 8,595,089		405,303
2029	16,701,152	- 12,258,258		835,058
2030	28,959,410	- 12,278,248		1,447,970
2031	41,237,657	- 12,298,737		2,061,883
2032	53,536,395			2,676,820
2033	53,536,395			2,676,820
2034	53,536,395			2,676,820
2035	53,536,395			2,676,820
2036	53,536,395			2,676,820
2037	53,536,395			2,676,820
2038	53,536,395			2,676,820
2039	53,536,395			2,676,820
2040	53,536,395			2,676,820
2041	53,536,395			2,676,820
2042	53,536,395			2,676,820
2043	53,536,395		11,000,000	2,676,820
2044	42,536,395		25,000,000	2,126,820
2045	17,536,395		17,536,395	876,820

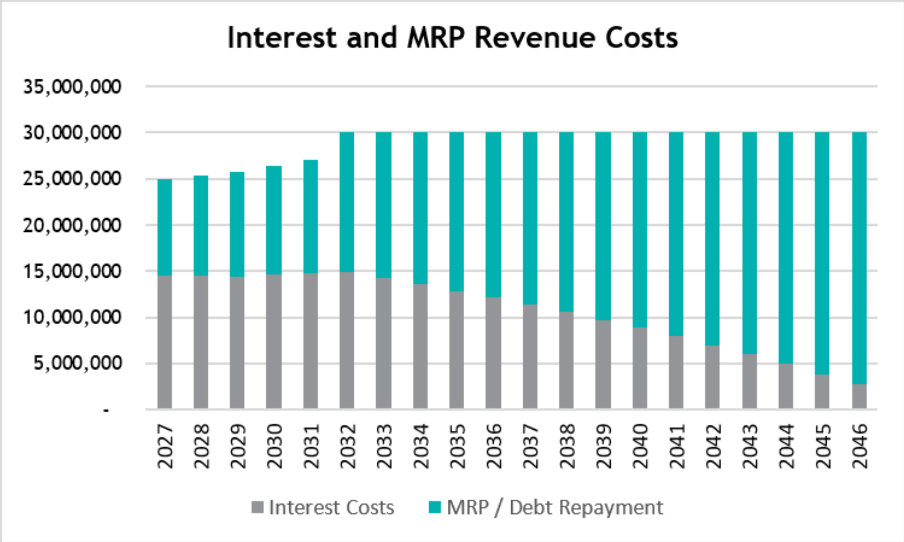
Quay			
1.99%	O/B	Repayment	Interest
2027	112,318,249	1,455,998	2,235,133
2028	110,862,251	1,485,117	2,206,159
2029	109,377,134	1,514,818	2,176,605
2030	107,862,317	1,545,112	2,146,460
2031	106,317,204	1,576,013	2,115,712
2032	104,741,191	1,607,532	2,084,350
2033	103,133,660	1,639,681	2,052,360
2034	101,493,979	1,672,473	2,019,730
2035	99,821,506	1,705,921	1,986,448
2036	98,115,586	1,740,037	1,952,500
2037	96,375,548	1,774,836	1,917,873
2038	94,600,712	1,810,331	1,882,554
2039	92,790,381	1,846,536	1,846,529
2040	90,943,845	1,883,465	1,809,783
2041	89,060,380	1,921,132	1,772,302
2042	87,139,248	1,959,553	1,734,071
2043	85,179,695	1,998,742	1,695,076
2044	83,180,952	2,038,715	1,655,301
2045	81,142,237	2,079,487	1,614,731
2046	79,062,750	2,121,075	1,573,349
2047	76,941,675	2,163,494	1,531,139
2048	74,778,181	2,206,762	1,488,086
2049	72,571,419	2,250,895	1,444,171
2050	70,320,524	2,295,911	1,399,378
2051	68,024,613	2,341,827	1,353,690
2052	65,682,786	2,388,661	1,307,087
2053	63,294,125	2,436,432	1,259,553
2054	60,857,694	2,485,158	1,211,068

6.0 Appendix B - Rejected Approach - Annuity Repayment Approach

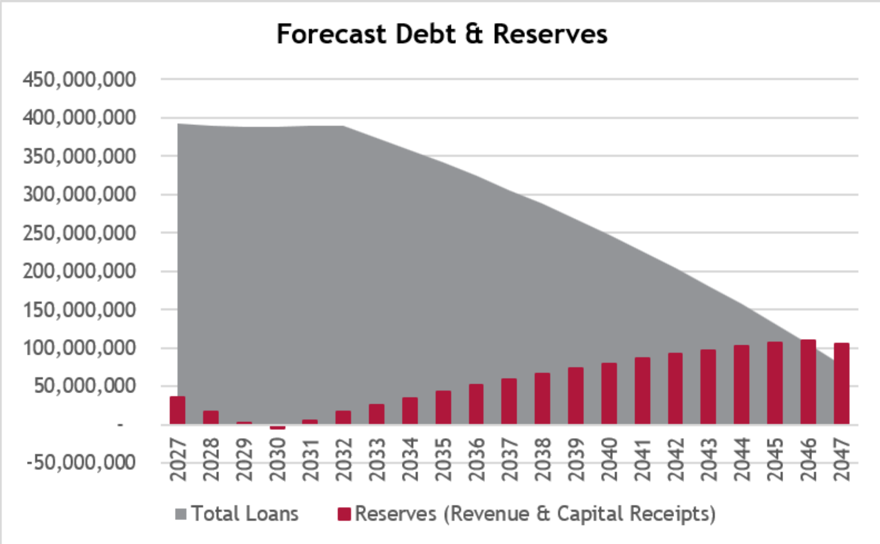
5.1 The first approach modelled was for STDC and TVCA to agree an annuity repayment profile for the outstanding and future loan facilities, and for STDC to put in place a matching revenue provision policy to fund the repayments.

5.2 Although STDC is not required to follow the English MRP Guidance, this is a standard approach described by the guidance. It is also a common repayment profile for loans in both the public and private sectors.

5.3 This has a benefit of a constant charge to revenue for the loans, as the principal repayments increase over time, while the interest charge decreases, meaning the overall charge stays broadly constant, assuming the interest rate used for the revenue provision calculation is the same as the interest rate on the loans:



5.4 However, this has the drawback of being unaffordable in the early years. Although debt levels stabilise as MRP is roughly equal to new loans drawn for capital spend, the revenue budget cannot afford the early years MRP charges, meaning reserves go negative in early years before recovering from 2033 onwards:



5.5 Although there is no legal or accounting reason that STDC cannot have negative reserves, it is unlikely that this would be reputationally desirable for either TVCA or STDC. There is guidance on reserve levels for public sector organisations that TVCA and STDC will wish to follow, given significant external scrutiny of TVCA , negative reserves are likely to lead to further engagement from external parties.

5.6 Though this is likely to make a simple annuity approach not viable, it does lead to significantly lower interest costs:

Year	Interest Costs
2027	14,457,036
2028	14,441,660
2029	14,432,868
2030	14,588,581
2031	14,725,820
2032	14,843,752
2033	14,201,471
2034	13,530,823
2035	12,830,522
2036	12,099,218
2037	11,335,501
2038	10,537,895
2039	9,704,856
2040	8,834,768
2041	7,925,940
2042	6,976,602
2043	5,984,904
2044	4,948,908
2045	3,866,586
2046	2,735,816

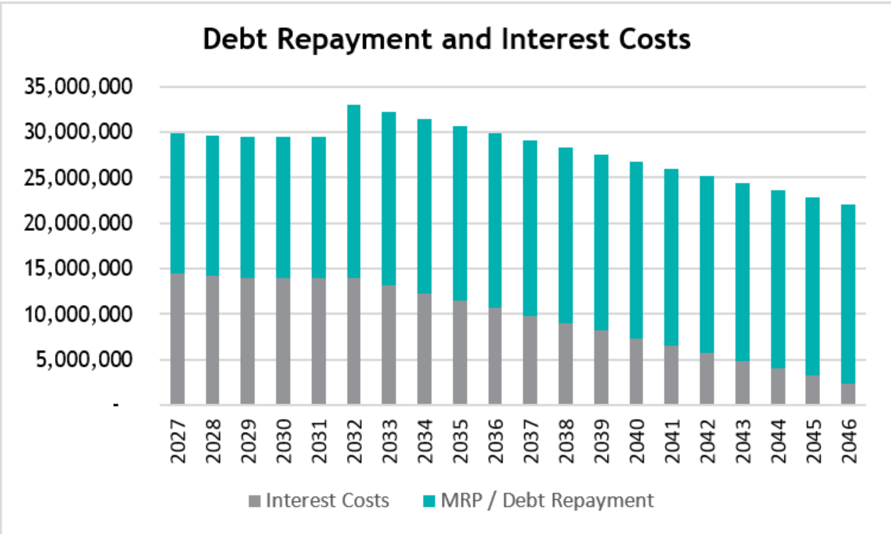
7.0 Appendix C – Rejected Approach – Straight Line Repayment Approach

6.1 The second approach is for STDC to put in place a straight line repayment profile for its loans and the associated MRP required to fund the repayments. The straight line approach involves making equal payments of principal each year.

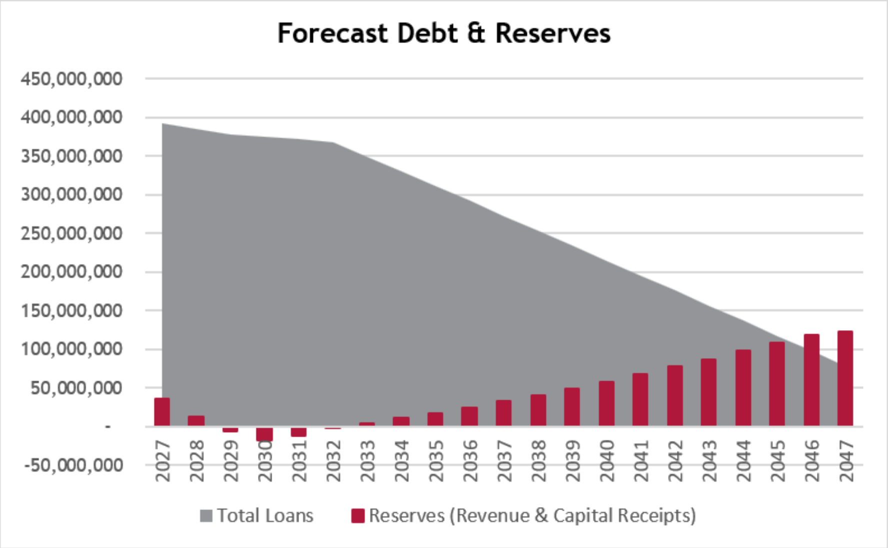
6.2 As with the annuity approach, an equal instalment of principal is a standard approach recommended by the English MRP guidance and also a common repayment profile for loans in both the public and private sectors.

6.3 Please note this modelling assumes that the Quay loan remains on an annuity approach, as this matches the TVCA's loan repayments to the National Wealth Fund, and is in line with current cashflow assumptions.

6.4 In contrast to the annuity approach, as repayments are equalised, the total charge to revenue begins higher and then falls over time as repayments are static but interest costs fall:



6.5 As with the annuity approach, this also is unaffordable in the early years. Although debt levels fall as MRP is higher than new loans drawn for capital spend, the revenue budget cannot afford the early years' MRP charges, meaning reserves initially become negative before recovering from 2036 onwards:



6.6 This negative reserves position has the same concerns as with the annuity method.

6.7 Though this is likely to make the straight line approach also not viable, it again leads to lower interest costs:

Year	Interest Costs
2027	14,457,036
2028	14,223,431
2029	14,013,699
2030	13,986,533
2031	13,959,765
2032	13,933,406
2033	13,113,028
2034	12,292,010
2035	11,470,340
2036	10,648,005
2037	9,824,990
2038	9,001,283
2039	8,176,869
2040	7,351,735
2041	6,525,867
2042	5,699,248
2043	4,871,865
2044	4,043,702
2045	3,214,744
2046	2,384,974

Cabinet

Tees Valley Combined Authority

Date and Time	31 July 2026		
Agenda Item	9		
Report Title	Business Tees Valley Programme		
Accountable Cabinet Member	**Mayor Chris Cooke**, Portfolio Holder for Business Growth		
Accountable Chief Officer	**Sarah Walker,** Director of Business Solutions		
Accountable Employee	**Charlie Kemp,** Interim Head of Business Solutions		
Report considered by	Pre-Cabinet Process		
Key Decision	**Yes** **X**	No	a. It is "likely to result in the Combined Authority or the Mayor incurring significant expenditure of more than £500,000, or making significant savings, having regard to the Combined Authority's budget for the service or function to which the decision relates" (paragraph 18.3(a) of the TVCA Constitution). b. It is significant in terms of its effects on persons living or working in an area comprising two or more local authority areas in the Combined Authority's area.
Public Report	**Yes** **X**	No	The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
Voting arrangements	Cabinet will work to progress decisions via consensus, if a vote is required then it is by simple majority.		

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**APPROVE** the Business Tees Valley programme and associated funding allocations, subject to final due diligence of the Business Case in accordance with the Assurance Framework.
B	**AGREE 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.
C	**AGREE 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.
D	**AGREE 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.
E	**AGREE** to receive a quarterly report on progress in delivering the Business Tees Valley Programme including any variances approved through the delegation.

TEES VALLEY

Purpose

The purpose of this report is to:

a) Present the detailed Business Tees Valley model and delivery approach.
b) Seek approval for the proposed programme, funding allocations and delivery approach pending completion and appraisal of a Full Business Case.
c) Seek approval for programme governance and delegation arrangements.
d) Provide an update on programme development and market engagement activity.

Executive Summary

1. This report seeks Cabinet approval for Business Tees Valley: a single, integrated business growth system for entrepreneurs, existing businesses and high-growth firms across the Tees Valley.

2. 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.

3. Business Tees Valley will replace fragmented support arrangements with one customer journey and three levels of intervention: Universal support available to all businesses; Targeted support for shared business needs and opportunities; and Recruited support for businesses with significant growth potential.

4. Support will be organised around three pathways: **Start**, for entrepreneurs and early-stage businesses; **Strengthen**, for existing businesses seeking to improve resilience, productivity and competitiveness; and **Scale**, for ambitious businesses seeking accelerated growth, investment and market expansion.

5. A Tees Valley Co-Investment Fund will be developed alongside the programme to improve access to finance. Detailed Fund design, investment strategy, governance and delivery arrangements will return to Cabinet for approval through a separate business case.

6. The programme brings together Local Growth Fund, Investment Zone, ERDF Legacy, SSI Legacy, Growth Grant, Growth Hub and Made Smarter funding into a four-year programme with an estimated total value of £81.8m, subject to final business case approval and confirmation of outstanding funding assumptions.

7. The preferred option is forecast to support more than 3,000 businesses, assist 659 businesses with financial support, support 722 potential entrepreneurs, create 136 new enterprises, generate around 2,700 net additional FTE jobs and deliver approximately £194m additional GVA.

Final activity, financial allocations, outputs and delivery arrangements remain subject to completion and appraisal of the Full Business Case and procurement of delivery partners.

Detail

Strategic Case

Journey to Date

8. Business Tees Valley has been developed over an extended period following previous Cabinet decisions relating to business growth, Local Growth Plan development, Investment Zone implementation and the future shape of the Tees Valley business support ecosystem.

9. The programme has been informed by:
   a) Evaluation of previous Growth Hub and UKSPF business support provision.
   b) Development of the Tees Valley Local Growth Plan.
   c) Development of the Tees Valley Investment Pipeline.
   d) Engagement with businesses and business representative organisations.
   e) Engagement with the Department for Business and Trade (DBT).
   f) Collaboration with local authority partners, universities and delivery organisations.
   g) Market engagement with potential delivery partners.

10. The resulting model represents an ambitious transition from a collection of individual programmes towards a single integrated business growth system.

Why Intervention is Required

11. The Tees Valley Local Growth Plan identifies significant opportunities for future economic growth, building upon the region's strengths in Advanced Manufacturing, Clean Energy, Life Sciences, Digital & Creative industries and the employment scale of the wider Foundational Economy. The Plan sets out an ambition for Tees Valley to become a region where businesses and entrepreneurs are supported to be as competitive, innovative and productive as possible, whilst creating the conditions for long-term prosperity and inclusive growth.

12. Whilst Tees Valley possesses nationally significant assets, strategic sectors and investment opportunities, a number of structural challenges continue to constrain economic performance. Evidence gathered through the development of the Local Growth Plan and the Business Case which this Report covers, identifies lower levels of business density than comparable areas, a limited pipeline of scaling businesses, persistent productivity challenges, barriers to accessing finance and uneven business growth performance across sectors and places. These factors restrict the ability of businesses to fully realise growth opportunities and limit wider economic impact.

13. The Local Growth Plan also highlights the importance of stimulating higher levels of entrepreneurship, innovation adoption, commercialisation, business investment and competitiveness if Tees Valley is to maximise the benefits arising from significant public and private sector investment taking place across the region. Achieving these ambitions requires a business support system capable of responding to businesses at different stages of development whilst also supporting the growth of priority sectors and strategic growth clusters

14. In recent years, business support has been delivered through a range of local, regional and national programmes. Whilst many of these interventions are effective individually, businesses frequently encounter multiple entry points, inconsistent customer journeys and varying levels of support. This can make the support landscape difficult to navigate and reduce the ability to coordinate investment around shared economic objectives.

15. The ending of UK Shared Prosperity Fund business support activity, combined with the introduction of the Government's Local Growth Fund and other emerging investment opportunities, creates a timely opportunity to establish a more coherent and sustainable long-term model. Business Tees Valley has therefore been designed to provide an integrated business growth system capable of supporting entrepreneurs, existing businesses and high-growth firms through a consistent customer journey, whilst aligning investment with the priorities of the Local Growth Plan, Investment Zone and wider economic growth ambitions.

From Approved Framework to Delivery Model

16. In June 2025 Cabinet approved the principles of a new Tees Valley business support framework following a review of existing provision, performance and evaluation evidence from UKSPF activity, engagement with businesses and partners, and consideration of emerging national Growth Hub reforms. The approved framework responded to consistent evidence that the business support landscape was fragmented, difficult to navigate and characterised by multiple entry points, overlapping programmes and inconsistent customer experiences

17. The approved framework established a number of core design principles which continue to underpin the development of Business Tees Valley. These included:
    a) Creating a single, integrated business growth system for Tees Valley.
    b) Supporting both the region's priority growth sectors and the wider everyday economy.
    c) Providing support that is simple, pragmatic and valuable to businesses.
    d) Combining universal access with more targeted and intensive interventions where these offer the greatest economic impact.
    e) Embedding data, evaluation and continuous improvement.
    f) Aligning investment with the ambitions of the Local Growth Plan and emerging national policy

18. Cabinet also approved a three-tier business support framework, consisting of:

    a) **Universal support** available to all businesses.

    b) **Targeted support** organised around shared business characteristics, challenges and opportunities.

    c) **Recruited support** focused on businesses with the highest potential for growth, innovation, productivity improvement or job creation.

19. The framework was intentionally designed to be scalable and flexible, allowing future funding streams and programmes to be delivered through a consistent structure

rather than creating additional stand-alone interventions. Cabinet also noted that further work would be undertaken to develop the detailed operating model, customer journey, delivery arrangements and future programme architecture.

20. This report, therefore, seeks approval for the next phase by translating the approved framework into a detailed delivery model, investment programme and commissioning approach capable of delivering the ambitions of the Local Growth Plan.

Relationship with the Investment Zone

21. Business Tees Valley and the Tees Valley Investment Zone perform complementary but distinct functions.

22. The Investment Zone provides targeted investment focused on accelerating the growth of the Tees Valley's Digital and Creative cluster, supporting delivery of the National Industrial Strategy, the Tees Valley Local Growth Plan and the ambitions agreed through the Investment Zone programme with Government. The programme has secured £80 million of investment across its first five-year phase and is structured around interventions relating to business growth, innovation, infrastructure, planning, place and community safety.

23. Within the Investment Zone budget, £29.2m has been allocated for Business Support which can be deployed across the whole of the Tees Valley, of which £15.2m is revenue and £14m is capital.

24. A further £2.2m from the allocated £11.6m Research and Innovation pillar (of which £9.4m is enabling a Teesside University-led Research & Innovation programme) is identified to support Intellectual Property (IP) development through the Investment Zone.

25. TVCA Cabinet approved the Vision and Missions for the Investment Zone in December 2025, providing the strategic lens through which all Investment Zone investments should be considered:

Vision: *Tees Valley is a UK powerhouse for world-class digital and creative enterprise, innovation and content where creativity sparks, industries scale and ideas go global. By uniting talent, business and research, we drive growth, fuel exports and build thriving places where communities, enterprise and opportunity flourish.*	
Mission 1	**Become the UK's leading region for starting, scaling and sustaining innovative digital tech and creative businesses.** *Strengthen the regional business base with targeted support, finance and infrastructure that enable entrepreneurs and SMEs to thrive and attract new investors to the region.*
Mission 2	**Establish Tees Valley as an engine room of creative production.** *Expand the region's capacity in screen, music, games, immersive and*

	digital content production, turning Tees Valley into a recognised hub for world-class creation and collaboration.
Mission 3	**Grow a world-class base for applying digital and creative technologies to solve real-world challenges.** *Harness innovation and cross-sector partnerships to develop products and services that respond to socioeconomic issues, such as health and wellbeing, education, community cohesion, sustainability and public-service delivery. By connecting research, business and civic partners, this mission ensures innovation directly benefits people and places, driving inclusive growth alongside productivity gains.*

26. Business Tees Valley provides the wider business growth infrastructure for the whole Tees Valley economy, supporting businesses across all sectors – including the other Local Growth Plan priority sectors of Advanced Manufacturing, Modern Industrial Technology and the Foundational Economy. As detailed elsewhere in this report, it is designed to operate as the region's overarching business growth system, providing a consistent framework through which business support, access to finance, innovation support and future economic growth programmes can be delivered.

27. The relationship between the two programmes is therefore one of integration rather than duplication. Business Tees Valley provides the common customer journey, delivery architecture and growth support framework through which many Investment Zone business support interventions will be delivered, whilst the Investment Zone provides additional investment targeted at the specific opportunities and growth potential of the Digital and Creative sectors.

28. This approach ensures that businesses experience a simpler and more coherent support landscape whilst enabling TVCA to align Local Growth Fund, Investment Zone and future business growth investment within a single operating model. It also provides greater flexibility to adapt to future funding opportunities and changes in economic priorities without creating additional stand-alone programmes.

Business Tees Valley Model

From Programmes to a Business Growth System

29. Business Tees Valley moves Tees Valley from a series of separate business support programmes with individual objectives, eligibility criteria, delivery arrangements and short-term timescale and outputs to one integrated system, with a single customer journey and common operating framework.

30. The model integrates current and future funding streams, including Local Growth Fund, Investment Zone activity, access to finance initiatives and wider business support funding, without creating additional stand-alone programmes.

31. This enables support to be designed around business need, while giving TVCA the flexibility to commission, test, scale or retire interventions in response to evidence, demand and economic priorities.

An Outcomes-Led Approach

32. The proposed model represents a deliberate shift towards an outcomes-led approach to business growth. In the past, many business support programmes have focused on delivering contractual outputs linked to specific funding requirements. Whilst outputs remain important for programme monitoring and accountability purposes, Business Tees Valley has been designed around the longer-term economic outcomes that will enable the realisation of the Local Growth Plan.

33. The primary aim of the model is not simply to maximise participation in individual programmes, but to support measurable improvements in business performance and economic growth.

34. The intended outcomes include:
    a) Increased business density
    b) Improved business survival and resilience
    c) Increased productivity and competitiveness
    d) Increased innovation adoption and commercialisation
    e) Increased levels of private sector and angel investment
    f) Growth of priority sectors and clusters
    g) Increased business turnover and market expansion
    h) Increased employment and progression opportunities
    i) A stronger and more diversified regional economy

35. The programme contributes directly to the aspirations and outcomes set out in the Tees Valley Local Growth Plan. Progress will be monitored through the emerging Tees Valley Outcomes Framework, including measures relating to business density, productivity, employment, investment, trade and economic output, using the baseline indicators established within the Local Growth Plan.

36. The full Programme Business Case demonstrates how these outcomes contribute directly to the ambitions set out within the Local Growth Plan and provides a framework through which the impact of investment can be measured and evaluated over time.

A Market-Led and Responsive Model

37. A key objective of Business Tees Valley is to create a system that can respond quickly to changing business needs, economic opportunities and market conditions.

38. The business support framework approved by Cabinet in June 2025 was intentionally designed to remain constant whilst allowing the content of individual interventions to evolve over time. This provides the flexibility to respond to:
    a) Changes in business demand.
    b) Emerging sector opportunities.

c) Industrial Strategy priorities.
d) Local Growth Plan priorities.
e) Technological change.
f) Workforce challenges.
g) Economic shocks and market disruption.
h) New funding opportunities.

39. This approach enables TVCA and its delivery partners to avoid repeatedly redesigning the entire business support architecture whenever funding, policy or economic circumstances change.

40. Instead, Business Tees Valley provides a stable framework through which new interventions can be commissioned, tested, expanded, refined or retired in response to evidence and market demand.

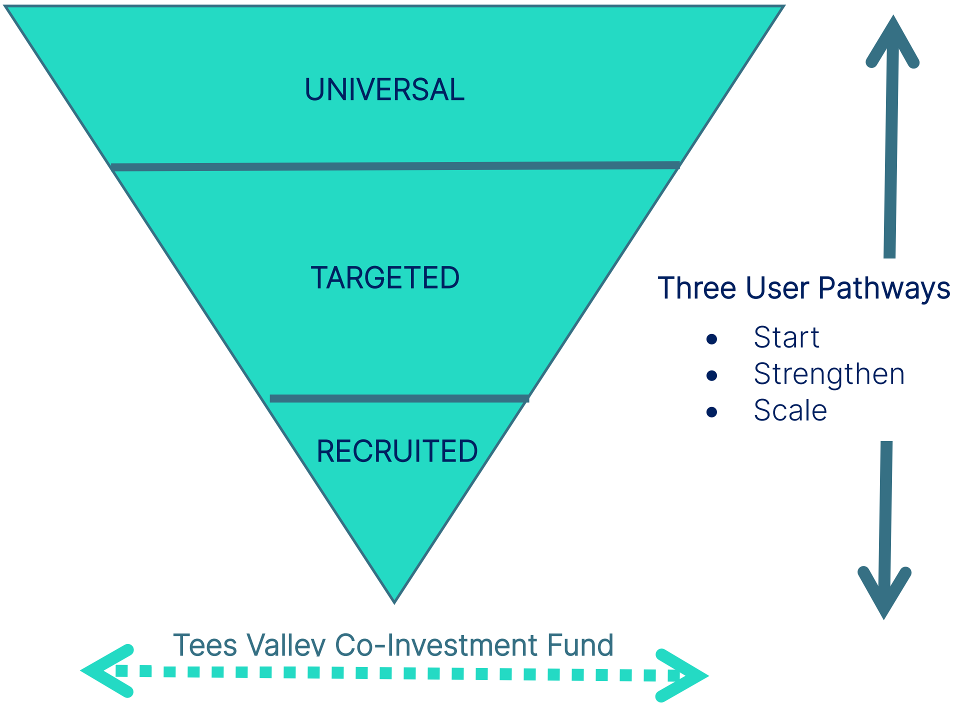
41. This will create a more agile, evidence-led and customer-focused system whilst improving the ability to target public investment where it can generate the greatest return.

Delivering the Right Intervention at the Right Time

42. Business Tees Valley is designed to ensure businesses receive the most appropriate level of intervention based on their needs, ambitions and stage of development.

43. Rather than uniformly offering the same support to every business, resources are targeted proportionately, enabling support to reach a broad range of businesses whilst providing more intensive interventions where the potential economic impact is greatest.

44. The diagram shows the three tiers of business support and the three business pathways which underpin the Business Tees Valley model.



Tier 1: Universal Support (ready to mobilise)

45. Delivered primarily through a new digital platform, the Universal offer provides a consistently available entry point for all businesses and entrepreneurs. It is designed to maximise reach across the Tees Valley business base whilst creating a simpler and more accessible customer experience.

46. It is intended to provide:
    a) Information, advice and guidance (digital & in person)
    b) AI-enabled diagnostics and self-assessment
    c) Digital resources, toolkits and learning content
    d) Signposting and brokerage
    e) Referral into specialist support
    f) Networking, events and engagement opportunities

47. Content on the platform will evolve and update regularly to drive repeat visitation. This will include announcements of live and forthcoming procurement opportunities, new market insights, responses to economic shifts, articles from guest business leaders etc.

Tier 2: Targeted Support (ready to mobilise)

48. The Targeted offer is designed around groups of businesses that share characteristics, challenges, barriers or growth opportunities.

49. This enables interventions to be delivered at scale whilst responding to identified business needs.

50. Largely delivered on a one-to-many basis, examples of activity could include:

    a) Founder and start-up cohorts, bringing together entrepreneurs to develop business ideas, build networks and access practical guidance on establishing a business.

    b) Innovation sprints and product development programmes for businesses seeking to develop, test or commercialise new products, services or processes.

    c) Export readiness programmes supporting businesses to understand international markets, develop export plans and prepare for trading overseas.

    d) Digital adoption programmes helping businesses identify and implement technologies that improve efficiency, customer engagement and productivity.

    e) Leadership and management development programmes to strengthen business capability, resilience and growth planning.

    f) Peer networks and growth programmes for underrepresented entrepreneurs, including female founders, ethnic minority business leaders and other groups facing specific barriers to growth.

g) **Sector-specific supply chain and cluster development programmes** aligned to Tees Valley's priority sectors, including clean energy, advanced manufacturing, digital and creative industries, and life sciences.

h) **Investment readiness programmes** helping businesses understand funding options, strengthen investment propositions and prepare for future access to finance.

Tier 3: Recruited Support (ready to mobilise)

51. The Recruited offer is focused on businesses with significant potential to contribute to economic growth, innovation, productivity improvement and job creation.

52. This approach reflects the principle that deeper investment should be directed towards businesses where there is the greatest opportunity to generate economic impact and long-term return on public investment.

53. The Recruited offer therefore provides more intensive, resource-focused interventions including:

    a) **Strategic account management** providing dedicated support for businesses with significant growth potential, helping them navigate opportunities relating to talent, innovation, property, supply chains and investment.

    b) **Incubator programmes** supporting high-potential start-ups and entrepreneurs to develop investable business models, access specialist expertise and accelerate early-stage growth.

    c) **Growth Accelerator and Scale-Up programmes** helping ambitious businesses overcome barriers to growth, increase productivity, create jobs and expand into new markets.

    d) **Investment readiness support** enabling businesses to develop credible investment propositions, engage with investors and access appropriate sources of finance, including the future Co-Investment Fund.

    e) **Internationalisation and export support** helping businesses identify and enter new international markets, build export capability and access global opportunities.

Three Business Pathways (ready to mobilise)

54. **Start:** Supporting entrepreneurs, founders, pre-start and early-stage businesses to establish sustainable enterprises, develop viable business models and access appropriate support and finance.

55. **Strengthen:** Supporting existing businesses to improve resilience, productivity, leadership capability, workforce development, competitiveness and operational performance.

56. **Scale:** Supporting ambitious businesses with significant growth potential to accelerate expansion, attract investment, access new markets and create high-value employment.

57. The pathways are not intended to operate as separate programmes. Businesses will move between them as their needs evolve, creating a more flexible and responsive customer journey.

Tees Valley Co-Investment Fund (to be developed and subject to separate business case)

58. A new Tees Valley Co-Investment Fund is proposed which will run alongside the Business Tees Valley delivery model. The Fund will create a coordinated approach to business finance generating a return wherever possible and is expected to incorporate:
    a) Growth grants (recoverable grants where appropriate).
    b) Loan products.
    c) Investment products.
    d) Co-investment opportunities.
    e) Other finance models identified through detailed design work.

59. Businesses seeking finance support will be expected to demonstrate a credible business plan and evidence of need.

60. Businesses accessing the wider Business Tees Valley programme will be supported to develop investment-ready propositions and credible growth plans.

61. The programme will seek to ensure businesses are directed toward the most appropriate form of finance based upon:
    a) Business maturity.
    b) Nature of the funding requirement.
    c) Growth ambitions.
    d) Financial readiness.
    e) Risk profile.

62. TVCA will work with regional stakeholders to understand gaps in the current finance landscape and consider options for the both the design and delivery of the fund.

63. The detailed Fund design, investment strategy, governance arrangements and delivery route will come back to a future Cabinet meeting for approval.

64. In the meantime, the wider Business Tees Valley model can be mobilised. It is not considered that the absence of immediate grant funding creates a significant risk to businesses at this stage because:
    a) The business finance landscape has changed significantly following the withdrawal of European Structural and Investment Funds, with businesses increasingly accessing a wider range of commercial, institutional and Government-backed finance products.

b) In recent years, business support and finance provision has often been fragmented, short-term and driven by programme-specific outputs rather than longer-term business outcomes and economic impact.

c) Tees Valley has historically had a comparatively limited range of locally accessible business finance products, which has contributed to a strong reliance on grant funding and reduced awareness of alternative funding routes including loans, equity investment and co-investment opportunities.

d) We know from experience that many businesses require support to develop viable growth plans, strengthen business capability and become investment ready before accessing finance. Mobilising these elements first supports the development of a stronger investment pipeline and helps transition the business support ecosystem away from a predominantly grant-led approach towards a broader range of sustainable finance options.

e) Developing the Co-Investment Fund separately provides the opportunity to undertake detailed market engagement, assess gaps in existing provision and design a sustainable finance offer that complements, rather than duplicates, existing regional and national finance products.

f) As a result, the proposed approach allows Business Tees Valley to begin delivering economic benefits immediately whilst ensuring that future financial support is developed on a robust evidence base and provides the greatest possible long-term value for businesses and public investment.

Delivering Strategic Priorities Through Business Tees Valley

65. Business Tees Valley will provide the delivery platform for Investment Zone business support, enabling Digital and Creative businesses to access the same Universal, Targeted and Recruited customer journey as the wider economy, while allowing Investment Zone funding to support sector-specific interventions aligned to the agreed missions. This avoids duplication, creates a clearer route into support and enables future sector and cluster activity to be commissioned through one operating model.

66. In addition to the above, resource has been ringfenced to enable wider strategic and enabling activity for priority sectors or for priority outcomes as outlined in the Local Growth Plan.

67. This includes provision for the continued development of the Cultural Industries and Visitor Economy, previously enabled through the £20.5m Growth Programme for the Creative & Visitor Economies. Whilst businesses in these sectors will access the same Business Tees Valley system as businesses in any other sector, other enabling activities are required to support the continued development of the clusters. This includes a strategic commission to develop a model for collective audience development across cultural venues and festivals. It may also include sponsorship of events and festivals, match-funding for other partners' strategic bids etc.

68. More broadly, these ringfenced strategic funds could enable membership of key network organisations / sector bodies, feasibility studies or other discrete pieces of work which will enable development of key sectors.

Delivery Options Appraisal

69. A comprehensive options appraisal was undertaken in the Business Case to determine the most effective approach to addressing the challenges relating to business density, enterprise formation, business growth, productivity and business investment across the Tees Valley. A longlist of twelve delivery options was considered, reflecting varying levels of intervention, intensity, customer reach, business support functionality and access to finance.

70. The longlist of options considered ranged from a continuation of existing arrangements (Option 7, below) through to highly targeted interventions focused on specific business cohorts, as well as digital-only, grant-led and significantly expanded delivery models. These options were assessed against the programme's critical success factors, including strategic fit, affordability, achievability, proactive engagement, value for money and the ability to deliver sustainable economic impact.

71. The appraisal demonstrated that a number of fundamentally different approaches could be taken to supporting business growth. The table below, summarises the longlist and the associated assessment.

Option	Description	Strengths	Limitations	Overall Assessment
1. Do Nothing	Continue without Business Tees Valley intervention.	No additional cost.	Does not address business density, productivity, scale-up or awareness challenges.	Not recommended.
2. Full Business Tees Valley Model	Universal, Targeted and Recruited support delivered through a single integrated system.	Highest strategic fit, strongest customer journey, greatest economic impact, highest NPSV.	Most complex delivery model.	**Preferred Option.**
3. Reduced Scale Business Tees Valley	Retains model but with reduced capacity, provision and reach.	Lower cost whilst preserving core architecture.	Reduced reach, outcomes and economic impact.	Viable but lower impact. Not recommended.
4. Expanded Business Tees Valley	Larger-scale version of the model with increased delivery capacity.	Potentially higher reach and impact.	Affordability concerns, unproven demand, increased delivery risk.	Not recommended.
5. Universal Tier Only	Single front door, information, diagnostics and signposting.	Broad reach and accessibility.	Limited ability to drive productivity, growth, investment or scale-up outcomes.	Insufficient on its own. Not recommended.

6. Universal Plus Grants	Universal support combined with grant funding.	Supports investment activity and business engagement.	Lacks structured growth support; higher deadweight risk.	Limited strategic impact. Not recommended.
7. Targeted Support Plus Grants	Cohort-based and account-managed support with grant funding.	Strong productivity and business improvement focus.	Reduced reach and limited engagement with underserved firms.	Current offer. Ad hoc and fragmented. Not recommended.
8. Recruited Support Plus Grants	Intensive support for high-growth businesses only.	High impact per business supported.	Limited business reach and weak pipeline development.	Too narrow in scope. Not recommended.
9. Universal and Targeted Only	Broad engagement and structured support without intensive scale-up interventions.	Strong reach and productivity improvement.	Reduced support for businesses with highest growth potential.	Moderate strategic fit. Not recommended.
10. Targeted and Recruited Only	Medium and high-intensity support without universal access.	Strong business-level impacts.	Weak reach, inclusion and pipeline generation.	Not recommended.
11. Digital Only	Online platform, diagnostics and signposting only.	Lowest delivery cost and scalable reach.	Limited behavioural change, implementation support and economic impact.	Not recommended.
12. Full Model Without Investor Matching	Business Tees Valley excluding investor relations and investment matching activity.	Retains most elements of the model.	Weaker conversion into finance and investment.	Inferior to preferred option. Not recommended.

Shortlisted Options: The longlist was assessed against the following critical success factors to identify the shortlist for value-for-money assessment.

Assessment Criterion	Summary
Achievability	Deliverable within timescales, budgets and compliance requirements through effective partnership working, a coordinated delivery model, and a simplified business support system that makes it easier for businesses to access the right support at the right time.
Affordability	Affordable within available funding and focused on continuous improvement and value for money.

Proactive Community Engagement	Actively reaches deprived and underrepresented groups, increases awareness of support, and addresses barriers to entrepreneurship.
Strategic Fit	Supports Tees Valley's economic priorities, delivering growth, jobs, productivity and business creation in line with the Local Growth Plan.
Sustainable Impact	Creates long-term business benefits, avoids displacement, and helps businesses access finance and private investment.

Preferred Option: Integrated Business Tees Valley System

72. The appraisal demonstrated that no single intervention in isolation was capable of addressing the breadth of challenges identified through the Business Case evidence base. Universal-only approaches improved awareness and access but lacked the mechanisms required to drive significant economic impact. More targeted models generated stronger business-level outcomes but failed to achieve sufficient reach, inclusivity and pipeline development. High-growth-only models delivered deeper intervention but were unable to address broader structural challenges relating to business density, enterprise formation and productivity.

73. The preferred Business Tees Valley model was therefore selected because it combines the strengths of these approaches within a single framework. It provides broad-based access to support whilst enabling resources to be targeted towards those businesses and opportunities capable of generating the greatest economic return.

74. As described previously in this report, this combines:
    a) A single front door for businesses.
    b) Universal access and engagement.
    c) Targeted support organised around business needs, opportunities and barriers.
    d) Intensive recruited support for businesses with significant growth potential.
    e) Structured progression pathways through Start, Strengthen and Scale.
    f) Integrated access to finance, investment and specialist support.
    g) A shared customer journey and performance framework.

75. The assessment concluded that this option offers the strongest balance between reach and impact. It enables support to be accessible across the wider economy whilst allowing resources to be concentrated on those businesses and opportunities capable of generating the greatest economic return. It also provides the flexibility to respond to changing economic conditions, evolving business demand and future funding opportunities without requiring fundamental redesign of the support system.

76. The model was also found to generate the highest Net Present Social Value (£120m), a Benefit-Cost Ratio of 2.6:1 and the strongest overall alignment with the Local Growth Plan, Investment Zone and wider business growth objectives, whilst

delivering the greatest opportunity to create a coherent and sustainable business growth ecosystem for the Tees Valley.

Economic Case

Investment Rationale

77. Business Tees Valley has been designed to address the structural challenges identified through the Local Growth Plan and Business Case evidence base, including low business density, a limited scale-up pipeline, persistent productivity gaps and barriers to business investment. The programme seeks to address these challenges through a coordinated business growth system which combines broad business engagement with targeted and intensive support where there is the greatest opportunity to generate economic impact.

78. The Economic Case demonstrates that the preferred option delivers the strongest strategic fit and value for money when compared with alternative delivery models. It combines reach across the wider business base with the ability to direct additional resource and specialist support towards businesses with the greatest growth potential, creating a balanced approach capable of supporting both the everyday economy and priority growth sectors.

79. The preferred model also provides the flexibility to respond to changing market conditions, emerging sector opportunities and future funding streams whilst maintaining a consistent business support architecture and customer experience.

Funding Sources

80. Business Tees Valley has been designed to bring together multiple funding streams within a single business growth system, creating a more coherent and efficient model for supporting businesses across the Tees Valley. Rather than establishing separate delivery arrangements for individual programmes, the model provides a common framework through which a range of local, national and legacy funding sources can be deployed in a coordinated manner.

Funding Source	Status	Amount (£m)	% of Total
Local Growth Fund	Confirmed	33.5	41.0%
Investment Zone	Confirmed	29.2	35.7%
ERDF Legacy	Ringfenced for Tees Valley Subject to Business Case to NEA2F	13.0	16.0%
SSI Legacy	Confirmed	2.8	3.4%
Growth Grant (TVCA Investment Plan)	Confirmed	2.0	2.3%
Growth Hub (DBT)	Confirmed	0.8	1.0%
Growth Hub (DBT)	Unconfirmed	0.3	0.4%
Made Smarter (DBT)	Confirmed	0.18	0.2%
Total		**81.8**	**100%**

Funding Assumptions

81. The programme profile has been developed using confirmed funding allocations wherever possible. Local Growth Fund allocations are secured for the period 2026/27 to 2029/30, whilst Investment Zone funding is currently secured for the period 2026/27 to 2028/29. Growth Hub funding is secured until March 2029 and the financial model assumes continuation into 2029/30. SSI Legacy reserves have been confirmed and are assumed to be deployable through the Business Tees Valley model. Made Smarter funding has been profiled across 2027/28 and 2028/29 in line with current programme assumptions.

82. The only unconfirmed funding within the model relates to a final year of Growth Hub funding, representing less than 0.5% of total programme costs and the ERDF Legacy (16%) which is ringfenced for Tees Valley but subject to approval by North East Access to Finance through a robust business case.

83. **Background to the ERDF legacy:** Over the last 20 years, over £400m has been invested as equity and loan finance in over 2,000 local SMEs. North East Access to Finance (NEA2F) is the steward of the financial returns generated by those investments. Working with local stakeholders and government departments, these returns are invested in new local SME investment funds as ‘legacy’.

84. Investing alongside other public and private investors, some of the key projects supported from ‘legacy’ returns in other areas are:

    - *The North East Fund – established in 2019 to provide venture capital and loans in the North East Combined Authority Area, managed by experienced regional fund managers. Legacy funding of £29m. See www.northeastfund.org*
    - *The North East Fund Successor Fund – in partnership with the North East Combined Authority, new fund established in 2025 to continue the work done by the North East Fund in recent years, and to complement the Northern Powerhouse Fund. Legacy contribution of £34.5m.*
    - *In the Tees Valley, the Digital City project received legacy funding of £1.2m for a project commencing 1 August 2019 until 31 July 2023.*
    - *Finance for Business North East – £4m legacy into an extension of this older fund covering the North East and Tees Valley. £160m invested in total. More on Finance for Business North East https://www.nea2f.co.uk/finance-for-business-north-east/ .*
    - *When TVCA made the decision to be part of the first Northern Powerhouse Fund as opposed to the proposed North East region wide fund, £1.4m of Single Programme attributable legacy was paid by NEA2F to the British Business Bank as a contribution towards their central fund operating costs.*

85. NEA2F holds legacy on behalf of the original grant funders of the funds referenced in paragraph 89. ERDF attributable legacies are held by NEA2F on behalf of MHCLG and Single Programme legacies on behalf of DBT/British Business Bank. NEA2F can

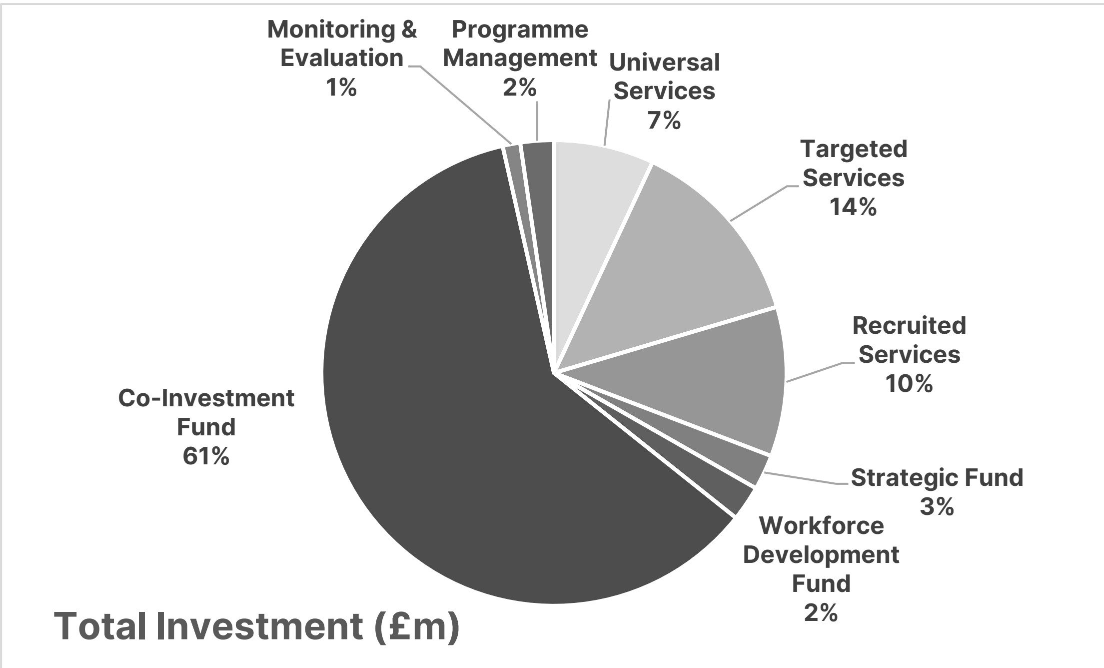
only deploy legacy when those Government Departments have formally directed them to do so. They liaise with those departments on our behalf to seek their approval.

86. Legacy is public money and should be treated in accordance with state aid/subsidy control and procurement rules. Their priority use is on financial instruments and only where there is no demonstrable need for a financial instrument could a case be made to utilise legacy in a wider project, however the focus should remain on helping local SMEs to access finance.

Programme Investment Profile

87. The model allocates investment across a combination of business support tiers and strategic investment mechanisms.

Investment Area	Capital (£m)	Revenue (£m)	Total (£m)
Universal Services	0	5.7	5.7
Targeted Services	0	11.0	11.0
Recruited Services	0	8.5	8.5
Strategic Fund	0	2.0	2.0
Workforce Development Fund	0	2.0	2.0
Co-Investment Fund	32.9	16.8	49.7
Monitoring & Evaluation	0	1.0	1.0
Programme Management	0	1.9	1.9
Total	**32.9**	**48.9**	**81.8**



88. Whilst Universal, Targeted and Recruited support represent the core delivery architecture, the model has been designed to operate as a broader economic growth platform rather than solely a business support programme. Funding has therefore been allocated to a number of complementary investment mechanisms which support wider economic growth objectives.

89. **Strategic Fund:** The Strategic Fund provides flexibility to support sector development initiatives, cultural industries activity, events and event sponsorship, place-based economic initiatives, cluster development and emerging opportunities which contribute to the wider objectives of the Local Growth Plan. The fund is intended to ensure the Combined Authority can respond to strategic opportunities which may not fit within conventional business support programmes but are capable of generating wider economic benefits.

90. **Workforce Development Fund:** A dedicated Workforce Development Fund has been included to strengthen links between business growth and workforce development activity. This will support workforce planning, leadership and management development, sector workforce initiatives and interventions designed to address skills and talent barriers to growth, whilst ensuring alignment with wider skills and employability programmes. This should not be considered isolation as there are many programmes being delivered that support workforce development such as:
    - Youth Trailblazer
    - Careers Enterprise Company
    - Connect to Work
    - Adult Skills Fund

91. **Co-Investment Fund:** The Co-Investment Fund represents the largest component of the investment profile and will provide access to grants, loans, equity and co-investment mechanisms designed to unlock business growth and private sector investment. Subject to approval of individual business cases, the fund is expected to support Growth Grants, access to finance activity, Digital and Creative sector investment, screen industry development, games development, intellectual property development, investment in business accommodation and other strategic investment opportunities.

Investment Zone Integration

92. Investment Zone funding contributes to the Business Tees Valley model in two ways. Firstly, it supports shared business growth infrastructure which enables Digital and Creative businesses to access support through the Universal, Targeted and Recruited tiers. Secondly, it provides dedicated funding for Investment Zone-specific interventions aligned to the three agreed missions

Outputs and Outcomes

93. The outputs and outcomes set out in this report are derived from the Programme Logic Model, which links programme investment and activity to forecast business, economic and productivity impacts. A summary Logic Model is attached at Appendix 1.

94. Forecast outputs have been developed through the Programme Business Case using a combination of historic Tees Valley programme performance data, UKSPF delivery evidence, business demand analysis, benchmarked conversion rates and econometric evidence relating to business support impacts. Forecasts have been adjusted to account for factors including delivery risk, deadweight, displacement and sustainability in accordance with HM Treasury Green Book principles.

95. The preferred option is forecast to deliver:

Measure	Forecast
Businesses receiving non-financial support	3,295
Businesses receiving financial support	659
Potential entrepreneurs supported	722
New enterprises created	136
Businesses adopting new or improved digital technologies	823
Businesses demonstrating improved business practice	987
Businesses improving productivity	870
Net additional FTE jobs	2,687

96. These outputs are expected to contribute directly towards the programme's four core outcomes:
   a) Increased business density
   b) Increased employment
   c) Increased economic growth
   d) Improved productivity performance

97. The Full Business Case forecasts that the preferred options will generate approximately:
   a) £194 million additional Gross Value Added (GVA)
   b) A Benefit Cost Ratio (BCR) of 2.6:1
   c) A Net Present Social Value (NSPV) of £120m.

98. Sensitivity testing undertaken as part of the appraisal indicates that the preferred option continues to demonstrate positive economic returns under both central and downside scenarios. Under the central scenario, the programme is forecast to generate a Benefit-Cost Ratio (BCR) of 2.6:1 and a Net Present Social Value (NPSV) of £120m. Under the downside scenario, assuming only 50% of forecast benefits are realised, the programme continues to demonstrate positive value for money with a BCR of 1.3:1 and an NSPV of £23m. This provides confidence that the programme represents a robust and value-for-money investment proposition.

99. Alongside the quantified economic impacts, the programme is expected to deliver a range of wider benefits including:
   - Increased entrepreneurial activity and business formation.
   - Improved business resilience and survival rates.
   - Greater adoption of innovation and digital technologies.
   - Increased investment readiness and access to finance.

- Stronger priority sectors and business clusters.
- Increased levels of private sector investment.
- Improved competitiveness and export capability.
- A more productive, resilient and diversified regional economy.

100. Taken together, these benefits demonstrate how Business Tees Valley will contribute to delivery of the Local Growth Plan and support long-term economic growth across the Tees Valley.

Commercial Case

Delivery Approach

101. Business Tees Valley will be delivered through a hybrid model which combines strategic leadership and coordination by TVCA, working in partnership with Tees Valley Local Authority Business Support teams, with specialist expertise drawn from external partners ensuring the public and private sector are brought together where they add most value to the model.

102. This approach enables TVCA to retain strategic control, neutrality and accountability whilst accessing specialist capabilities and delivery capacity from the market.

103. The Combined Authority will act as the system integrator, responsible for programme leadership, performance management, customer journey design, partnership coordination and oversight of programme outcomes. This reflects the primary objective of Business Tees Valley to create a single, integrated business growth system, replacing a fragmented landscape of individual programmes and delivery routes. Retaining this role within TVCA ensures strategic alignment with the Local Growth Plan and Investment Zone, provides a neutral point of coordination across local authorities and delivery partners, and enables consistent performance management across all interventions. A single front door customer journey will ensure businesses experience a consistent and accessible route into support, regardless of which intervention or delivery partner they ultimately engage with

104. Delivery activity will be commissioned through a combination of in-house provision, specialist delivery partners and, subject to further cabinet approval independent fund management arrangements for financial support products. This approach reflects lessons learned from previous programmes and supports a clear separation between business support, appraisal and funding decisions.

105. A joint officer Task and Finish Group, comprising senior representatives from TVCA and the five local authorities, will be established to consider options for, and finalise, the operating model required for Business Tees Valley to function as a single, integrated regional business support system. The group will also be responsible for developing the Inter-Authority Agreement for Cabinet approval.

106. Its remit will include agreeing the deployment of staff resources; establishing consistent account management, referral and customer engagement processes; implementing common training standards to ensure quality and consistency across

the Tees Valley; and defining clear roles and responsibilities between TVCA, local authority teams and commissioned delivery partners.

107. The group will also ensure that appropriate data-sharing arrangements are established to support a seamless customer journey, regional performance management, effective referrals and consistent reporting across the region. In addition, it will develop mechanisms to coordinate and promote business opportunities generated through TVCA and local authorities in their roles as anchor institutions, including procurement pipelines, ensuring businesses can access these opportunities through a coherent and clearly communicated Business Tees Valley offer.

Procurement Strategy

108. An open procurement exercise is currently underway for the digital platform which will underpin the Business Tees Valley model and provide the foundation for the Universal Offer. Significant market engagement has been undertaken to inform the procurement approach, with strong levels of market interest demonstrated through the procurement process.

109. Previous commissioning of business support programmes in Tees Valley has been undertaken through an ‘Open Call’ grant funding arrangement. For this model TVCA will procure specialist delivery partners to support delivery of targeted and recruited interventions. The proposed commissioning model is intended to create a flexible and responsive delivery ecosystem capable of evolving alongside changing business needs and economic priorities.

110. A framework approach will be used to secure delivery partners with the capacity and specialist expertise required across the programme. The approach will encourage consortium bids where this strengthens delivery, improves local reach or brings complementary expertise together. Contracting arrangements will include clear outcomes, performance measures and escalation routes, recognising that TVCA will retain responsibility for overall demand generation and programme performance while delivery partners will be accountable for the quality, timeliness and impact of their commissioned activity.

111. A separate procurement exercise is anticipated for the future design and delivery of the Tees Valley Co-Investment Fund. Detailed arrangements relating to the Fund will be brought forward through a separate Cabinet decision.

112. The proposed commercial model has been designed to:
   a) Maximise flexibility and responsiveness
   b) Maintain competitive tension within the market
   c) Secure specialist expertise and innovation
   d) Ensure compliance with procurement and subsidy control requirements
   e) Support robust performance management
   f) Deliver value for money throughout the programme lifecycle

113. The commercial approach also supports the programme's objective of creating a market-led and adaptive business growth system capable of responding to changing business demand and economic conditions over time.

Next Steps

114. The table below sets out the key actions and milestones which will be delivered in the coming months.

Action	Outcome	Date	Dependency
Appoint platform developer	Platform provider contracted	July 2026	Cabinet approval on 31 July for development to continue beyond UKSPF (End September).
Launch Procurement for Provider Framework	Appointment of specialist service providers	August 2026	Cabinet approval on 31 July. Awards only to be made once Business Case approved.
Business Case appraisal complete	Appraised business case	August 2026	
Procurement of partner to develop content for platform	Content provider contracted	August 2026	Appointment of platform developer.
Resource planning and mobilisation between TVCA and LA partners through Task & Finish Group.	Programme and Account Management Resource in place	August – October 2026	Ability to assign resource across LA’s and TVCA to support programme delivery.
Digital Platform Launch	Minimal Viable Product developed and launched	November 2026	Appointment of platform developer and content provider.
Appointment and onboarding of Framework Providers	Specialist providers in place and mobilised.	November 2026 – January 2027	Cabinet approval 31 July and Business Case approved
First business support cohorts commence	Businesses engaging in service delivery	January 2027	Resource planning, procurement of platform, content and provider framework.

Background

111. Business Tees Valley has been developed in response to previous Cabinet decisions on business growth, the Local Growth Plan, the Investment Zone and the future shape of the Tees Valley business support ecosystem.

112. In June 2025, Cabinet approved the principles of a new Tees Valley business support framework following review of existing provision, performance and evaluation evidence from UKSPF activity, engagement with businesses and partners, and consideration of emerging national Growth Hub reforms.

113. That framework responded to consistent evidence that the business support landscape was fragmented, difficult to navigate and characterised by multiple entry points, overlapping programmes and inconsistent customer experiences. Cabinet approved the move towards a single, integrated business growth system structured around three levels of intervention: Universal, Targeted and Recruited support.

114. Since that decision, further work has been undertaken to translate the approved framework into a detailed delivery model, customer journey, investment programme and commissioning approach. This has been informed by evaluation of previous Growth Hub and UKSPF business support provision, development of the Local Growth Plan and Investment Pipeline, engagement with local authority partners, universities, business representative organisations, the Department for Business and Trade and potential delivery partners.

115. The development of Business Tees Valley has also been shaped by the ending of UK Shared Prosperity Fund business support activity, the introduction of the Government's Local Growth Fund and the opportunity to align future business support, access to finance and Investment Zone activity through one operating model.

116. The Investment Zone provides targeted investment for the Digital and Creative cluster, while Business Tees Valley provides the wider business growth infrastructure for the whole Tees Valley economy. The proposed approach integrates these programmes so that businesses access a simpler and more coherent support offer, while Investment Zone funding can be deployed through sector-specific interventions aligned to the agreed missions.

117. A comprehensive options appraisal has been completed through the Business Case. Twelve options were considered, ranging from doing nothing and digital-only provision through to grant-led, targeted, recruited and expanded delivery models. The appraisal concluded that the full integrated Business Tees Valley model provides the strongest balance of reach, economic impact, strategic fit, affordability and flexibility.

118. The preferred model brings together Universal, Targeted and Recruited support with the Start, Strengthen and Scale pathways, enabling entrepreneurs, existing businesses and high-growth firms to access the right support at the right time. It also provides a platform through which current and future funding streams can be

	commissioned, tested, scaled or retired in response to evidence, demand and economic priorities.
119.	This report therefore asks Cabinet to approve the Business Tees Valley programme and associated funding allocations, subject to completion and appraisal of the Full Business Case under the Assurance Framework, and to agree the proposed delegation, delivery and reporting arrangements.

Partnership & Engagement

120.	The development of Business Tees Valley has been informed by engagement with businesses, local authority partners, universities, business representative organisations, delivery organisations, the Department for Business and Trade and potential market suppliers.
121.	This engagement has helped test the proposed model, identify delivery requirements and confirm the need for a simpler and more coherent business support journey.
122.	Local authority business support teams have been involved in shaping the proposed delivery approach, including the role of the single front door, business diagnostics, referral routes, demand generation, local business engagement and the balance between TVCA-led coordination, local delivery capacity and specialist commissioned support.
123.	Business and partner feedback has consistently highlighted the importance of reducing fragmentation, improving visibility of available support, making the customer journey easier to navigate and ensuring that support is responsive to the needs of entrepreneurs, established businesses and high-growth firms across all parts of the Tees Valley.
124.	Market engagement has also been undertaken to inform the commercial approach, including the procurement of the digital platform and future commissioning of specialist delivery partners. This has helped assess market capacity, supplier interest, delivery models, technical requirements and the scope for consortium-based approaches where these strengthen local reach or bring complementary expertise together.
125.	Further engagement will continue through mobilisation and delivery. This will include continued work with local authorities, delivery partners, businesses, sector bodies, universities and Government departments to refine interventions, monitor demand, avoid duplication and ensure the programme remains aligned to the Local Growth Plan, Investment Zone and wider economic priorities.
126.	Communication activity will be required to support programme launch and implementation. This will include clear messaging for businesses on the new Business Tees Valley offer, referral routes and available support; engagement with partners and intermediaries so they can direct businesses into the programme; and

ongoing communications through events, digital channels, partner networks and business-facing campaigns.

Appendices

Appendix 1:	Programme Logic Model
Appendix 2: Appendix 3:	Summary of Investment Areas and Activity Business Tees Valley Customer Journey

Cabinet is requested to consider the following identified implications:

Financial Implications

The proposed Business Tees Valley programme represents a total investment of £81.8 million, bringing together a number of existing and new funding streams into a single business growth system rather than creating separate programmes.

Funding Source	Status	£m
Local Growth Fund	Confirmed	£33.50
Investment Zone	Confirmed	£29.20
ERDF Legacy Funding	Subject to NEA2F approval	£13.00
SSI Legacy	Confirmed	£2.80
Growth Grant (TVCA Investment Plan)	Confirmed	£2.00
Growth Hub Funding (DBT)	Confirmed	£0.80
Growth Hub Funding (DBT)	Unconfirmed	£0.30
Made Smarter	Confirmed	£0.18
	Total	**£81.80**

Staffing and Resource Implications

Department for Business and Trade (DBT) Growth Hub funding will continue to support the core business growth staffing function within this programme.

Additional staff resources required to deliver the wider Business Tees Valley model will be funded through approved programme budgets and commissioned project expenditure. This approach enables staffing costs to be aligned directly to programme delivery and funded activities, whilst minimising the requirement for additional core organisational resources.

Funding Risks
The financial model is largely based on confirmed resources. However:

- £13.0m (16%) ERDF legacy funding remains subject to approval through North East Access to Finance (NEA2F).

- £0.3m Growth Hub funding for the final year is not yet confirmed.
- Together, unconfirmed funding accounts for approximately 16.4% of the total programme value.

The report notes that the ERDF legacy funding is ringfenced for Tees Valley and that a business case will be submitted to secure approval.

Separate Cabinet approval will be required for the detailed design of the proposed Co-Investment Fund.

Legal Implications

The programme involves public expenditure and multiple funding streams. Delivery will be subject to compliance with TVCA's Constitution, Assurance Framework, Subsidy Control Act 2022, Procurement Act 2023, TVCA's grant funding conditions, UK GDPR and other applicable legislation. TVCA's legal team will draft all funding arrangements and support the drafting of procurement, grant, funding, investment and delivery documentation in order to protect the Public Purse and minimise risk. It should be noted that the proposed Tees- Vally Co-Investment Fund and any other over £5million, will be subject to a separate governance approval process before implementation as detailed above.

Robust arrangements will be established in relation to subsidy control, procurement compliance, delegated authority, data protection and audit requirements.

Equality & Diversity Implications

Business Tees Valley has been designed to be accessible, inclusive and responsive to the needs of all businesses and entrepreneurs across the Tees Valley. In developing the programme, the Combined Authority has undertaken targeted engagement with business leaders from groups with protected characteristics, including dedicated roundtables with female business leaders, ethnic minority business leaders and business leaders with access needs. These sessions were promoted through Tees Valley business networks and communications channels and supplemented by direct invitations to ensure a diverse range of perspectives informed programme development.

The feedback received has informed the design of the Business Tees Valley model and reinforced the importance of embedding accessibility and inclusion throughout the customer journey rather than as stand-alone interventions. As a result, accessibility and inclusion requirements will be incorporated into programme design, commissioning and performance management arrangements. Delivery partners will be expected to meet defined standards relating to accessibility, inclusion and customer experience, and the Combined Authority will continue to seek specialist advice and user feedback as the programme develops.

The Combined Authority is also exploring a consistent training and development approach for organisations delivering support through the Business Tees Valley system, helping to ensure businesses and entrepreneurs receive a high-quality, inclusive experience regardless of the delivery partner they engage with. Business Tees Valley aims to reflect the diversity of the Tees Valley economy and ensure that opportunities to start, strengthen and scale a business are open and accessible to all.

Other Significant Implications
(Tick other implications provided and provide detail in box below)

Risk	X	Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

Risk

The principal risks relate to programme assurance, funding, delivery capacity, procurement, compliance, demand generation, digital implementation and future Co-Investment Fund design. These risks will be managed through the Full Business Case, the Combined Authority's Assurance Framework, procurement controls, programme governance, contract management and quarterly reporting to Cabinet.

a) **Assurance and approval risk:** programme activity and expenditure remain subject to completion, appraisal and approval of the Full Business Case in accordance with the Assurance Framework. No activity requiring Full Business Case approval will commence until the appropriate assurance process has been completed.
b) **Funding risk:** most funding sources are confirmed, but elements of the programme remain subject to final confirmation, including ERDF Legacy funding approval and continuation of Growth Hub funding assumptions. The programme will be managed within approved allocations and adjusted if funding assumptions change.
c) **Delivery and capacity risk:** the integrated model is more complex than previous business support arrangements and will require coordinated delivery across TVCA, local authorities and commissioned partners. This will be mitigated through clear roles, mobilisation planning, performance management and escalation arrangements.
d) **Procurement and market risk:** delivery depends on successful procurement of the digital platform, specialist delivery partners and future fund management arrangements. Procurement activity will be undertaken in accordance with applicable rules and will include appropriate market engagement, evaluation, contract controls and performance measures.
e) **Demand and impact risk:** benefits depend on businesses engaging with the programme and progressing through the right level of support. The single front door, communications activity, local authority engagement, partner referrals and ongoing monitoring will be used to manage demand and adjust interventions in response to evidence.

f) **Compliance risk:** delivery will need to comply with subsidy control, procurement, grant funding, data protection and funding conditions. These requirements will be built into programme design, partner agreements, funding agreements and decision-making processes.
g) **Digital and operational risk:** the Universal Offer relies on an effective digital platform, diagnostics and customer journey. This will be mitigated through procurement specification, implementation planning, testing, data governance and ongoing user feedback.
h) **Co-Investment Fund risk:** the Fund is the largest proposed investment area and will require detailed design, governance, investment strategy and delivery arrangements. These will be brought back to Cabinet through a separate business case before implementation.

A programme risk register will be maintained and reviewed through programme governance. Material risks, mitigations and any approved variances will be reported through quarterly Cabinet updates.

Improvement

The recommendations within this report make a significant contribution to the delivery of the TVCA Organisational Improvement Plan, particularly within the themes of **Partnerships, Governance, Use of Resources and Continuous Improvement**.

Business Tees Valley has been developed through collaborative strategic planning with the constituent local authorities and key stakeholders, directly supporting the Improvement Plan's ambition to strengthen partnership working, shared ownership of priorities and meaningful engagement in policy development and delivery.

The proposed operating model will establish formal mechanisms for joint working between TVCA and local authority partners, including a joint Task and Finish Group, an Inter-Authority Agreement, shared resource arrangements, common operating procedures and coordinated performance management. This will ensure expertise and capacity across the Tees Valley are utilised more effectively, reducing duplication and maximising public value.

The programme also supports governance improvements through the introduction of clear decision-making, accountability and reporting arrangements, supported by consistent data-sharing, performance monitoring and quarterly reporting to Cabinet. The development of a single regional business support system will provide greater transparency, stronger oversight of outcomes and a more evidence-led approach to commissioning and investment decisions.

By aligning multiple funding streams within a single operating framework, Business Tees Valley will improve the use of resources, support value for money and create a more coordinated and sustainable approach to business growth. The programme's emphasis on monitoring, evaluation and continuous improvement further supports

TVCA's commitment to organisational learning, performance management and long-term service improvement.

Collectively, the programme demonstrates how TVCA and its constituent local authorities can work together to deliver shared regional priorities through stronger governance, effective partnership working and better utilisation of public resources.

TEES VALLEY

Appendix 1: Business Tees Valley Logic Model

Inputs (Monitor)

- LGF Capital £19m
- LGF Revenue £15m
- Growth Grant £2m
- Made Smarter £0.18m
- SSI Legacy £2.8m
- IZ Capital £14m
- IZ Revenue £17.1m
- Growth Hub £0.984m

Activities (Monitor) / Outputs (Monitor)

IZ Business Support

- Investment concierge service
- 450 businesses attending events (number of businesses funded to attend as delegates to conferences outside of TV)
- 10 events/participatory programmes
- 2,000 businesses attending events within TV
- 4 angel investors/venture capitalist investors engaged
- 50 businesses receiving financial support
- 5 angel investors/venture capitalist investor networking events
- 250 businesses attending networking events
- 300 businesses receiving financial support
- 288 businesses receiving non-financial support, for example, expert advice
- 15 people supported into internships
- 225 businesses undertaking digital road mapping sessions
- 225 apprenticeships
- 6,737 m2 of commercial buildings developed or improved
- 3 commercial sites developed

Growth Hub

- Increased business engagement
- Light Touch Business support (up to 1 hour)
- Medium Intensity Business Support (1-12 hours)
- High Intensity Business Support (over 12 hours)
- Business referred to various programmes (such as mentoring, skills or training, export, finance/funding etc)
- Attendance at Growth Hub organised events

Made Smarter

- 132 engagements with businesses, where the minimum levels of data are collected
- Enquiries & Early Engagements
- 69 digital road mapping sessions delivered
- Workshop attendance
- 51 intensive supports delivered to businesses (= 10hrs or more)
- Digital Diagnostic & Roadmap complete
- 51 funded projects delivered
- Grant applications
- 63 Leadership and Management training places filled
- 12 Digital Internships placed

Local Growth Fund

- £3.2m co-funding committed to and spent on projects - private and public
- 659 enterprises or organisations receiving financial support
- 722 potential entrepreneurs supported
- 3,295 enterprises or organisations receiving non-financial support
- 9 networking events and participatory programmes
- 3,042m2 additional floorspace unlocked because of intervention

Outcomes (Monitor & Evaluate)

- All people and businesses can access support easily and consistently
- Structural barriers to growth (skills, finance, productivity) are addressed in a systematic and sustained way
- Improved perception of Tees Valley
- Increased Foreign Direct Investment
- Boost productivity in FEA
- Increased real earnings for high and low skills workers within the FEA
- Increased internationally competitiveness of companies within the cluster
- Internationally demanded new technologies
- New jobs safeguarded and created
- Business start ups
- Increased digital adoption by firms
- Improved practice of businesses
- Stronger, more competitive regional clusters — sectoral clustering (key sectors defined locally)
- Stronger, more competitive regional clusters — sectoral clustering (key sectors defined locally)
- Improved business productivity
- Improved business resilience
- Improved utilities and energy upgrades - commercial space
- £3.4k additional T/O per employee for businesses receiving intensive assistance
- £288k additional T/O per employee for businesses receiving intensive assistance

Impact (Evaluation)

- Increase Tees Valley GVA by £194 million
- Create 2,687 additional jobs
- 136 new additional enterprises created
- Contribution to growing Tees Valley firm level productivity

Appendix 2: Summary of Investment Areas and Activity

The table below summarises the proposed investment areas within the Business Tees Valley programme and the main activity expected to be delivered under each area.

Investment Area	Indicative Allocation (£m)	% of Total	Summary of Activity
Universal Services	5.7	7.0%	Single front door, information, advice and guidance, AI-enabled diagnostics, digital resources and toolkits, signposting, brokerage, referrals into specialist support, networking and engagement activity.
Targeted Services	11.0	13.4%	Cohort-based and one-to-many support including founder and start-up cohorts, innovation sprints, product development, export readiness, digital adoption, leadership and management development, peer networks, sector supply chain and cluster activity, and investment readiness support.
Recruited Services	8.5	10.4%	Intensive support for businesses with significant growth potential, including strategic account management, incubator programmes, growth accelerator and scale-up support, investment readiness, investor engagement and internationalisation support.
Strategic Fund	2.0	2.4%	Flexible funding for sector development initiatives, cultural industries activity, events and event sponsorship, place-based economic initiatives, cluster development and emerging opportunities aligned to the Local Growth Plan.
Workforce Development Fund	2.0	2.4%	Workforce planning, leadership and management development, sector workforce initiatives and activity to address skills and talent barriers to growth, aligned with wider skills and employability programmes.
Co-Investment Fund	49.7	60.8%	Access to finance mechanisms including growth grants, recoverable grants where appropriate, loans, equity and co-investment, alongside activity to support Digital and Creative investment, screen and games development, intellectual property development, business accommodation and other strategic investment opportunities.
Monitoring & Evaluation	1.0	1.2%	Programme monitoring, data collection, performance reporting, outcomes tracking, evaluation activity and learning to support continuous improvement and demonstrate economic impact.
Programme Management	1.9	2.3%	Programme leadership, governance, mobilisation, commissioning, contract management, customer journey oversight, partnership coordination, performance management and quarterly reporting.
Total	**81.8**	**100%**	**Integrated programme investment across business support, access to finance, strategic growth activity, workforce development, evaluation and programme management.**

Appendix 3: Business Tees Valley Customer Journey

The diagram below sets out the proposed customer journey for Business Tees Valley, showing how entrepreneurs and businesses enter through a single front door, are diagnosed and triaged, and are then routed to the right pathway, level of support and finance option.

Business Tees Valley: Customer Journey					
1. Engage	**2. Single front door**	**3. Diagnose & triage**	**4. Select pathway**	**5. Deliver support**	**6. Review outcomes**
Entrepreneurs and businesses enter through campaigns, partner referrals, local authority engagement, events or direct enquiry.	A consistent access point provides information, advice, guidance, digital tools and referral routes.	Needs, stage of development, growth ambition, barriers, readiness, sector and finance requirements are assessed.	**Start**: entrepreneurs and early-stage firms. **Strengthen**: existing businesses improving resilience and productivity. **Scale**: high-growth firms seeking investment and markets.	**Universal**: advice, diagnostics, toolkits and signposting. **Targeted**: cohorts, programmes and specialist activity. **Recruited**: intensive account management and scale-up support. **Finance**: investment readiness and Co-Investment Fund route where appropriate.	Progress is reviewed against business outcomes including productivity, innovation, investment, jobs, GVA and business resilience.
Dynamic journey: businesses can move between pathways and support tiers as needs change, with data and feedback used to refine commissioning, referrals and future support.					

Interaction with national programmes: Business Tees Valley will act as the local front door and brokerage route into relevant national support, ensuring businesses are directed to the best available local, regional or UK-wide offer rather than duplicating provision.

Customer journey point	Business Tees Valley role	National programme interface	Benefit for businesses
Front door and triage	Identify business needs, eligibility, stage of development and preferred support route through a consistent local diagnostic.	Signpost or refer into relevant UK-wide information, advisory and finance services, including DBT business support routes and other Government-backed support.	Businesses receive one clear local route into support, with national programmes used where they are the best fit.
Specialist support	Broker businesses into targeted or recruited local activity and align specialist commissions with gaps in existing provision.	Coordinate with programmes such as Innovate UK Business Growth, Made Smarter, export support, intellectual property support and sector-specific national initiatives.	Businesses can access national expertise without losing the local account management, follow-up and place-based coordination.
Finance and investment	Assess finance readiness, strengthen business plans and route businesses to the most appropriate finance option.	Align the Co-Investment Fund with national finance routes such as British Business Bank products, Growth Guarantee Scheme, Start Up Loans and UK Export Finance where relevant.	Finance support complements rather than competes with national products and helps businesses identify the right mix of grant, loan, equity or guarantee-backed finance.
Ongoing coordination	Use data, partner feedback and account management intelligence to identify gaps, overlaps and future commissioning priorities.	Maintain working relationships with Government departments, national agencies and programme providers to support referral quality, policy alignment and future funding opportunities.	The Tees Valley offer remains coherent as national policy and funding change, with businesses receiving a joined-up experience.

Operating principle: Business Tees Valley will not recreate national provision. It will simplify navigation, provide local diagnosis and follow-up, broker businesses into the right programme, and use evidence of demand to shape future local commissioning where national provision does not meet Tees Valley business needs.

Cabinet

Tees Valley Combined Authority

Date			31 July 2026
Agenda Item			10
Report Title			**Brownfield Housing Fund Round 4**
Accountable Cabinet Member			**Cllr Graham Harrison** Portfolio Holder
Accountable Chief Officer			**Jonathan Spruce** TVCA Director of Infrastructure
Accountable Employee			**Elaine Fryett** TVCA Interim Head of Investment Development
Report considered by			A draft version of this report was circulated in advance of an Informal Cabinet meeting on the 17 July 2026.
Key Decision	Yes X	No	This is a Key Decision on the basis that it is “likely to result in the Combined Authority or the Mayor incurring significant expenditure of more than £500,000, or making significant savings, having regard to the Combined Authority’s budget for the service or function to which the decision relates” (paragraph 18.3(a) of the TVCA Constitution)
Public Report	Yes X	No	The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.
Voting arrangements			In accordance with the Constitution.

Recommendation(s)

The Combined Authority Cabinet is recommended to:

A	**AGREE** in principle to the concept of the Brownfield Housing Fund Round 4 as a named programme with a confirmed allocation of £33.3m.
B	**AGREE** to the development of a programme level business case which will come to a future meeting for approval.

C	**AGREE** 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.
D	**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.

Purpose

The purpose of this report is:

a. To provide 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).
b. Seek 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).
c. Seek approval to develop a BHF Round 4 Programme Business Case, which will come to Cabinet for approval at a future meeting.
d. Seek approval to 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.
e. Seek approval to 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.

Background

1. Brownfield sites can be challenging to develop due to contamination, infrastructure constraints and other abnormal costs. The Brownfield Housing Fund (BHF) is a public land-enabling programme devolved to Mayoral Strategic Authorities (MSAs) to support remediation and enabling works that unlock residential development which might otherwise stall or remain undeveloped. The fund is devolved to TVCA and is managed in line with our current assurance framework. In Tees Valley, the fund helps accelerate housing delivery, supports wider regeneration and makes effective use of previously developed land in line with local priorities.

2. TVCA has previously been allocated £32.9m BHF through three rounds which is delivering more than 1,500 new homes across multiple brownfield sites across Tees Valley. A fourth round of BHF was announced for Tees Valley in April 2026, which aims to unlock a further 1,085 homes with £33.3m of funding over four years.

Executive Summary

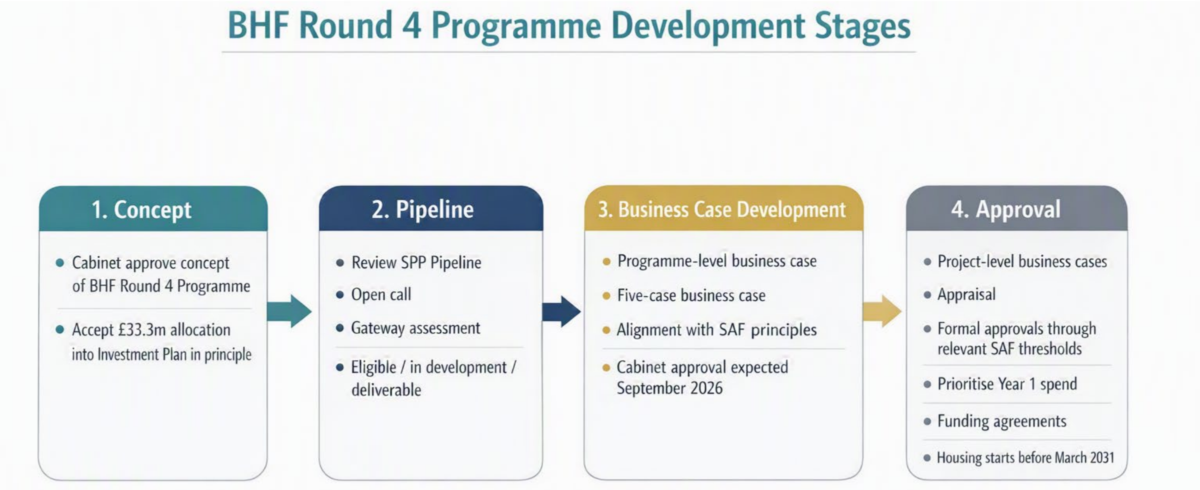
3. A Memorandum of Understanding (MoU) is expected to be received from MHCLG shortly. The funding profile for the BHF Round 4 programme is as follows:

Table 1: BHF Round 4 financial profile (millions)

Year	2026/27	2027/28	Y2028/29	2029/30	TOTAL
CDEL	£15.7	£3.5	£3.5	£9.9	£32.6
RDEL	£0.7	£0	£0	£0	£0.7
				TOTAL	£33.3

4. The BHF Round 4 Programme is being developed in accordance with TVCA's existing assurance framework, while also ensuring the approach is consistent and puts into practice key principles from the emerging Single Assurance Framework (SAF) from the outset. This provides an early opportunity to demonstrate the future SAF in practice, by taking an in-year funding opportunity through a staged and proportionate assurance process.

5. The Programme will be developed as follows:
    a. Stage 1: Concept - TVCA is seeking Cabinet approval through this report to the concept of the BHF Round 4 programme in principle as a named programme with a provisional allocation of £33.3m.
    b. Stage 2: Pipeline - TVCA will initially identify potential brownfield projects from the emerging Strategic Place Partnership Pipeline, which has been developed by Local Authority partners in partnership with Homes England. To ensure all potential opportunities are captured, TVCA will then invite further proposals from local partners, stakeholders and delivery organisations through an open call. All potential projects will be subject to a gateway assessment to determine eligibility, strategic fit and deliverability. Eligible projects will subsequently be added to the Tees Valley Investment Pipeline for further development and consideration.
    c. Stage 3: Business Case Development - to ensure alignment with the decision thresholds and key principles from the emerging SAF, a programme-level business case will be brought back to a future Cabinet meeting, currently expected in September 2026, for formal consideration and decision.
    d. Stage 4: Approval - the Tees Valley Investment Pipeline will provide a portfolio of eligible projects that are either in development or are investment ready. For investment ready projects, TVCA will work with applicants to bring forward proportionate project level business cases, including appraisal, and secure formal approvals through the relevant SAF thresholds, initially prioritising those that contribute to the required 2026/27 funding profile.



6. TVCA proposes as part of this paper, to utilise revenue funding in Year 1 to develop the programme as set out above – including staffing, marketing & communications, project development capacity, project business case development and technical appraisal support.

7. The main alternatives would be to decline the funding. This is not recommended, as it would limit TVCA's ability to unlock brownfield housing delivery which supports the delivery of the Local Growth Plan. It also creates uncertainty for potential applicants and increases the risk of losing substantial funding for the region by failing to meet the MHCLG funding profile which could result in reputational damage.

Progress to Date

Stage 1: Concept

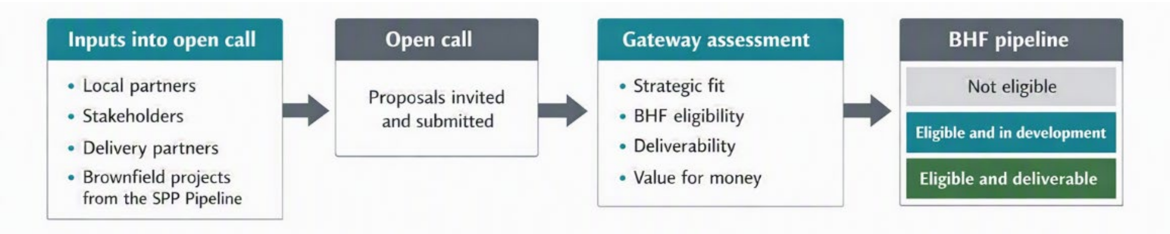
8. BHF Round 4 represents an in-year funding opportunity arising from a new government initiative that aligns strongly with regional priorities as set out in the Tees Valley Local Growth Plan (LGP) and responds to an identified local need. Specifically, BHF Round 4 will help deliver the ambitions of the LGP by accelerating the delivery of strategic housing and regeneration sites across the region. The LGP identifies housing and commercial development as a shared priority with central government – in recognition of it being one of the most significant opportunities and constraints to economic growth which would most benefit from central-regional collaboration, as determined using robust evidence - to support economic growth, attract and retain talent, increase business density and create thriving places. Through bringing forward brownfield sites and unlocking stalled development opportunities, the programme will support the LGP's commitments to ensure everyone shares in opportunity, people are proud to live, work and belong, and businesses start, grow, invest and lead. It will also complement the delivery of the emerging Strategic Place Partnership Strategy and wider Local Growth Plan investment priorities by using public funding to unlock private sector investment and support long-term regional prosperity.

9. Through this report, TVCA is seeking Cabinet approval to this concept of the BHF Round 4 in principle as a named programme with a provisional allocation of £33.3m. Given the scale and strategic significance of the programme, a comprehensive programme business case will subsequently be developed and brought back to a future Cabinet meeting, currently anticipated in September 2026, for formal approval in line with the decision thresholds and key principles set out within the emerging SAF. This timing coincides with the anticipated consideration by Cabinet of the SAF, SPP Strategy and SPP Pipeline. While these documents are not yet formally adopted, the development of the BHF Round 4 programme will be informed by their emerging principles and priorities from the outset. This proactive approach will future proof the programme, ensure strong strategic alignment and support a coordinated approach to investment planning and delivery.

Stage 2: Pipeline development

10. As the process for identifying eligible capital projects to be added to the Tees Valley Investment Pipeline needs to launch before the programme level business case is adopted, TVCA seeks Cabinet approval through this paper to the following process:
    a. Review the emerging SPP Pipeline and identify and relevant projects/sites that are eligible for BHF and proactively work with relevant partners to bring these projects forward as part of the Tees Valley Investment Pipeline.
    b. Launch an open call in early August 2026 to capture potential projects outside the SPP pipeline. This will be published on its website and through partner networks and will clearly state gateway assessment criteria and timescales.
    c. Partners, stakeholders, and delivery organisations invited to submit proposals that meet the requirements of BHF.
    d. Submissions reviewed against published gateway criteria which will test strategic fit, BHF eligibility, deliverability and value for money.
    e. Proposals will be assessed and grouped as follows:
        - Not eligible – these projects are not put into the Tees Valley Investment Pipeline. Applicants are provided with feedback so that it is clear why eligibility criteria were not met.
        - Eligible and in development - these projects will meet the BHF eligibility criteria but will not yet satisfy all project maturity requirements. Examples may include schemes where land assembly is ongoing, planning consent has not yet been secured, funding packages are still being assembled, or other regulatory and delivery dependencies remain outstanding. These projects will be added to the Tees Valley Investment Pipeline and TVCA will work with applicants, Local Authorities and other relevant partners to support their development and progression towards delivery. Subject to the availability of revenue funding, and competing programme priorities, targeted support may be provided to help provide additional capacity to accelerate the development of strategically important projects and bring them to an investable and deliverable stage more quickly.

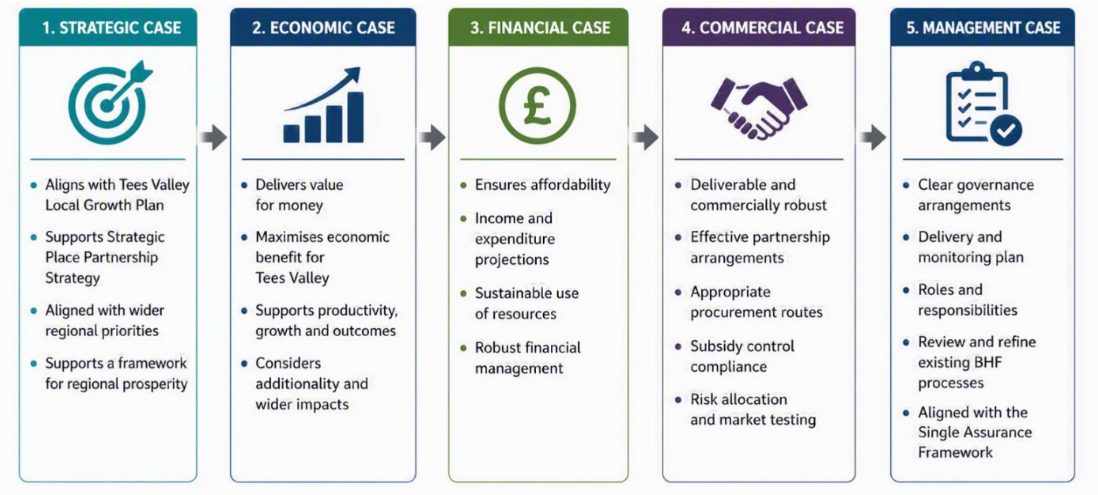
- Eligible and deliverable – these projects meet both the eligibility and maturity criteria to allow them to bring forward full proposals for funding and move into stage 4.



Future stages

Stage 3: Programme business case

11. To ensure alignment with the decision thresholds and key principles from the emerging SAF, a programme-level business case will be brought back to a future Cabinet meeting for formal consideration and decision. This will include:
    a. Strategic case: to ensure that BHF Round 4 aligns with the Tees Valley Local Growth Plan, Strategic Place Partnership Strategy and wider regional priorities, supporting the delivery of a clear framework for regional prosperity.
    b. Economic case: to ensure that it delivers value for money and maximum benefit for Tees Valley.
    c. Financial case: to ensure affordability, sustainability and appropriate management of programme resources through robust income and expenditure projections.
    d. Commercial case: to ensure the programme is deliverable and commercially robust, with appropriate partnership arrangements, procurement routes and subsidy control compliance in place.
    e. Management case: to ensure clear governance, delivery and monitoring arrangements are established. This will include reviewing and refining existing BHF processes to ensure programme management and decision-making are aligned with the emerging Single Assurance Framework.



Stage 4: Project approvals

12. For projects that meet the required criteria and are considered deliverable, a proportionate business case will be developed and appraised before progressing through the formal decision-making process. This will be undertaken in accordance with the assurance framework, including the relevant SAF thresholds, prior to any formal allocation of funding being approved. In the first instance, priority will be given to projects that support delivery of the Year 1 capital expenditure target. Further detail on this process will be set out within the programme-level business case (Stage 3).

RDEL

13. TVCA has been awarded £0.7m of RDEL funding for 2026/27 to support eligible costs associated with delivering the BHF Round 4 Programme as set out above. This funding should be planned and used within 2026/27, although any underspend may be carried forward subject to the grant conditions.

14. TVCA proposes through this paper to utilise this RDEL for staffing, marketing and communications, project development capacity, business case development (including workshops) and technical appraisal support – some of which will be procured. This expenditure is critical to allow TVCA to develop a pipeline of eligible capital projects within the time restraints of Year 1 funding allocation.

Milestones and next steps

15. Key next steps and associated milestones are as follows:

Table 2: Milestones

Milestone	Indicative target
Cabinet approves in principle the concept of the BHF Round 4 Programme	July 2026
Investment Pipeline development through assessment of SPP Pipeline and wider open call	August 2026
External support for gateway assessments and business case workshops in place	August 2026
Cabinet approves BHF Programme level Business Case	September 2026
External support for project level business cases and technical appraisal in place	September 2026
Project-level decisions made for eligible and deliverable projects	January 2026 onwards
Grant Funding Agreements in place	March 2026 onwards
Housing starts to commence	Before March 2031

Partnership & Engagement

16. Key partners and stakeholders, including members of the SPP Task & Finish Group and the Tees Valley Housing Group, have been informed of the forthcoming funding opportunity and will be invited to contribute to the development of the programme level business case. TVCA has been working closely with Homes England and the SPP Task & Finish Group to develop an emerging Tees Valley housing pipeline. Brownfield projects from the SPP Pipeline will form an explicit input into the BHF Round 4 open call, alongside wider proposals from local partners, stakeholders and delivery partners.

17. A Communications Plan for BHF Round 4 is currently being developed and will form part of this Business Case. Ahead of its formal approval, proactive communications and engagement activity will be undertaken to raise awareness of the funding opportunity amongst key stakeholders and partners, including local authorities, and to support the development of a strong project pipeline. This activity will ensure that stakeholders are aware of the funding opportunity, understand the eligibility and assessment requirements, and are informed of the process and timescales for submitting proposals for consideration and potential inclusion within the Investment Pipeline.

Cabinet is requested to consider the following identified implications:	
Financial Implications	
18.	The Brownfield Housing Fund (BHF) Round 4 allocation provides £33.3 million of funding from the Ministry of Housing, Communities and Local Government,

	comprising £32.6 million capital funding (CDEL) and £0.7 million revenue funding (RDEL) over the period 2026/27 to 2029/30.
19.	Subject to execution of the Memorandum of Understanding with MHCLG and approval by cabinet, the funding will be incorporated into TVCA's approved capital and revenue programmes. The programme will be managed in accordance with the Authority's financial regulations, assurance framework and grant conditions.
20.	The £32.6 million capital allocation will be used to support eligible brownfield remediation and enabling projects that unlock housing delivery across the Tees Valley. Funding allocations to individual projects will be subject to separate appraisal, approval and business case requirements before any commitment of funding is made.
21.	The £0.7 million revenue allocation is proposed to be used to support the development and delivery of the programme, including programme management and staffing, communications and stakeholder engagement activity, project development support, business case preparation, gateway assessments and technical appraisal. Utilisation of this funding will reduce the need to draw upon existing TVCA resources to establish and implement the programme. Failure to utilise the funding in accordance with the agreed profile and grant conditions could result in funding being reprofiled, reduced or clawed back by Government.
Legal Implications	
22.	Legal will need to review the MOU from MHCLG as soon as it is received. As with previous MOUs received from MHCLG, whilst containing various terms and conditions, it may specifically state that it is not legally enforceable, however TVCA should still aim to comply with the intentions of the Secretary of State set out therein.
23.	Any proposed onward grants to any grant recipient, especially where that grant recipient may be an Enterprise operating in the marketplace will need to be assessed to ensure compliance with the Subsidy Control Act 2022.
24.	Any procurement of consultants or contractors undertaken by TVCA will need to comply with the Procurement Act 2023.
Equality & Diversity Implications	
25.	No impact on groups of people with protected characteristics. The Programme level business case and subsequent project business cases will include the development of full EQUIA assessments.
Other Significant Implications (Tick other implications provided and provide detail in box below)	

Risk	X	Assurance Framework		Procurement	
Improvement	X	Environment		HR & IT	

26. **Risk Assessment**
The key risks relate to delivery timescales, the development of a sufficient pipeline of eligible projects, compliance with MHCLG grant conditions, and the ability to contract the required level of capital and revenue funding within 2026/27. These risks are heightened by the need to progress a programme-level business case, launch the gateway process, appraise project-level business cases and complete funding agreements within a compressed timeframe. Ongoing risk management will be embedded throughout programme mobilisation and delivery, with risks actively identified, assessed, monitored and escalated through the agreed governance arrangements.

27. The main risks and mitigations are:

- Delivery risk: Projects may not be sufficiently developed to meet the required appraisal, approval and contracting milestones. This will be mitigated through early market engagement, clear applicant guidance, business case workshops and close monitoring of the Tees Valley Investment Pipeline. Progress will be reviewed regularly against agreed milestones, with emerging delivery issues escalated promptly for management action.
- Funding and compliance risk: Failure to meet MHCLG conditions or annual funding profiles could affect TVCA's ability to draw down or retain funding. This will be mitigated through programme-level governance, regular monitoring against the funding profile and alignment with the TVCA assurance framework. Compliance requirements will be tracked throughout delivery to provide assurance that funding conditions remain understood, evidenced and met.
- Pipeline risk: The programme launch may not generate enough eligible or deliverable schemes to meet the programme outcomes. This will be mitigated by developing a Communications Plan to promote the opportunity widely and engage local authorities and partners.
- Appraisal and assurance risk: Project business cases may require additional development before approval. This will be mitigated by providing revenue-funded business case support, technical appraisal capacity and early feedback to applicants. Assurance checkpoints will be maintained so that appraisal findings, conditions and required improvements are recorded and monitored through to resolution.
- Contracting risk: Delays in legal agreements or applicant approvals could affect the ability to commit funds by the required deadline. This will be mitigated through early preparation of grant funding agreements, clear applicant requirements and regular escalation through programme governance. Contracting progress will be monitored as part of routine programme reporting, with barriers identified early and escalated where decisions or additional support are required.

28.	Overall, the risks are considered manageable, provided the programme is mobilised quickly, governance arrangements are confirmed, and progress is monitored closely against the milestones set out in this report. Continued assurance will be maintained through routine risk review, performance monitoring, controls, issue escalation and evidence-based reporting to the relevant programme governance forums. This will ensure that risks remain visible, mitigations remain effective, and any changes to risk exposure are addressed in a timely and proportionate manner.
29.	**Improvement** The process to develop the BHF Round 4 Programme proposes a combination of the identification of schemes from the emerging Strategic Place Partnership Pipeline and an Expression of Interest. This supports our commitment to implement a collaborative approach to long-term priority setting and planning as set out in the Organisational Improvement Plan.

Cabinet

Tees Valley Combined Authority

<table>
<tr><td colspan="3">Date</td><td colspan="3">31 July 2026</td></tr>
<tr><td colspan="3">Agenda Item</td><td colspan="3">11</td></tr>
<tr><td colspan="3">Report Title</td><td colspan="3">Delegated Decisions</td></tr>
<tr><td colspan="3">Accountable Cabinet Member</td><td colspan="3">Mayor Ben Houchen
Chair of the Cabinet</td></tr>
<tr><td colspan="3">Accountable Chief Officer</td><td colspan="3">Jeanette McGarry
Interim Monitoring Officer</td></tr>
<tr><td colspan="3">Accountable Employee</td><td colspan="3">Jeanette McGarry
Interim Monitoring Officer</td></tr>
<tr><td colspan="3">Report considered by</td><td colspan="3">Pre-Cabinet process

A draft version of this report was circulated in advance and discussed at informal Cabinet on the 17 July 2026.</td></tr>
<tr><td colspan="3">Key Decision</td><td>Yes</td><td>No
X</td><td>This item has been determined not to be a key decision.</td></tr>
<tr><td>Public Report</td><td>Yes
X</td><td>No</td><td colspan="3">The Combined Authority is committed to transparency and accountability. Accordingly, reports and associated documentation will ordinarily be published and made publicly accessible.</td></tr>
<tr><td colspan="3">Voting arrangements</td><td colspan="3">Not applicable</td></tr>
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<table>
<tr><td colspan="2">Recommendation(s)

The Combined Authority Cabinet is recommended to:</td></tr>
<tr><td>A</td><td>NOTE: The delegated decisions made since Cabinet last met on 26 June 2026.</td></tr>
</table>

1. Purpose

1.1 The purpose of this report is to provide Cabinet with detail of all the Delegated Decisions made since Cabinet last met on 26 June 2026.

2. Executive Summary

2.1 At each meeting, Cabinet receives a report confirming the Delegated and Urgent Decisions taken since Cabinet last met.

2.2 Since the date of its last meeting on 26 June 2026, four Delegated Decisions have been taken.

2.3 Since the date of its last meeting on 26 June 2026, no Urgent Decisions have been taken.

3. Delegated Decisions

3.1 Delegated Decision **CF14-2026** below has been taken in line with the Tees Valley Combined Authority Assurance Framework, as agreed by Cabinet on 13 March 2020, and the Tees Valley Combined Authority Investment Plan One year on Update, as agreed by Cabinet on 31 January 2020.

A decision was taken to approve the business case and commit funds for an investment of £1m in CRSTS investment to deliver the Active Travel Hubs & Cycle Shelters Project. The project will fund of up to £200k to each of the five local authorities, via Grant Funding Agreement, to allow them to install an initial phase of safe, secure, weather protected cycle parking facilities in up to ten strategic locations within Tees Valley town centres. The cycle shelters will be designed to meet a specification so that the user experience across the Tees Valley is the same.

A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at **Appendix 1.**

3.2 Delegated Decision **CF03-2026** below has been taken in line with the Tees Valley Combined Authority Assurance Framework, as agreed by Cabinet on 13 March 2020, and the Tees Valley Combined Authority Investment Plan One year on Update, as agreed by Cabinet on 31 January 2020.

A decision was taken to make changes to the project costs for the Woodland Road Phase 2 scheme, previously approved. The total project costs have not increased, as the increase in some costs could be managed internally, therefore it was not deemed necessary to update the appraisal or further consult with TVMG however to ensure a clear and transparent audit trail, and adherence to the Assurance Framework the following actions have been taken:

- The business case has been updated and signed by the Director of Infrastructure, and
- an Assurance File Note has been produced, providing full details of all changes and subsequent impacts. This has been reviewed and signed by TVCA's Finance, Appraisal and Transport teams.

A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at **Appendix 2.**

3.3 Delegated Decision **CF13-2026** below has been taken in line with the Tees Valley Combined Authority Assurance Framework, as agreed by Cabinet on 13 March 2020, and the Tees Valley Combined Authority Investment Plan One year on Update, as agreed by Cabinet on 31 January 2020.

A decision was taken to accept a Project Change Request which sought additional CRSTS funding to complete the Darlington Station Project.

A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at **Appendix 3.**

3.4 Delegated Decision **CF09-2026** below has been taken in line with the Tees Valley Combined Authority Assurance Framework, as agreed by Cabinet on 13 March 2020, and the Tees Valley Combined Authority Investment Plan One year on Update, as agreed by Cabinet on 31 January 2020.

A decision was taken to enter the Princeton Garden Scheme into the Brownfield Housing Fund Programme.

A copy of the Delegated Decision form, recording the action taken by those officers to whom delegated authority was given, is attached at **Appendix 4.**

4.	**Partnership & Engagement**
4.1	A draft version of this report was circulated in advance, and discussed with Informal Cabinet on the 12 June 2026.
5.	**Appendices**
5.1	Appendix 1 – Delegated Decision CF14-2026 Appendix 2 – Delegated Decision CF03-2026 Appendix 3 – Delegated Decision CF13-2026 Appendix 4 – Delegated Decision CF09-2026

Cabinet is requested to consider the following identified implications:

6.	**Financial Implications**
6.1	There are no direct financial implications arising from the recommendation in this report.
7.	**Legal Implications**
7.1	There are no direct legal implications arising from the recommendation in this report.
8.	**Equality & Diversity Implications**
8.1	TVCA considers the potential impact on groups of people with protected characteristics in the development of all policy, programmes and all are subject to Equality Impact Assessments during the development phase.

Other Significant Implications
(Tick other implications provided and provide detail in box below)

Risk		Assurance Framework		Procurement	
Improvement	**x**	**Environment**	**x**	HR & IT	

9	**Improvement**
9.1	The transparency and publication of delegated decisions demonstrate TVCA's commitment to transparency, openness, compliance and Good Governance. This approach is embedded within the organisation. **CF14-2026** A decision was taken to approve the business case and commit funds for an investment of £1m in CRSTS investment to deliver the Active Travel Hubs & Cycle Shelters Project. The project will fund of up to £200k to each of the five local authorities, via Grant Funding Agreement, to allow them to install an initial phase of safe, secure, weather protected cycle parking facilities in up to ten strategic locations within Tees Valley town centres. This will greatly enhance and encourage cycling across the Region. **CF03-2026** A decision was taken to make changes to the project costs for the Woodland Road Phase 2 scheme, previously approved. The total project costs have not increased, as the increase in some costs could be managed internally, therefore it was not deemed necessary to update the appraisal or further consult with TVMG. However, to ensure a clear and transparent audit trail, and adherence to the Assurance Framework the following actions have been taken and are now demonstrably embedded: • The business case has been updated and signed by the Director of Infrastructure, and

	• an Assurance File Note has been produced, providing full details of all changes and subsequent impacts. This has been reviewed and signed by TVCA's Finance, Appraisal and Transport teams. **CF13-2026** A decision was taken to accept a Project Change Request which sought additional CRSTS funding to complete the Darlington Station Project. This marks the delivery and completion of a significant regeneration project bringing greater connectivity and investment to the Region. **CF09-2026** A decision was taken to enter the Princeton Garden Scheme into the Brownfield Housing Fund Programme.
10	**Environment**
	CF14-2026 The CRSTS investment will deliver the Active Travel Hubs & Cycle Shelters Project with funding available to each of the five local authorities. This work should encourage and enable greater cycling across the Tees Valley Region, encouraging greener and healthier, active forms of travel. **CF13-2026** A decision was taken to accept a Project Change Request which sought additional CRSTS funding to complete the Darlington Station Project, enabling greater connectivity and opportunities to travel by rail. **CF09-2026** A decision was taken to enter the Princeton Garden Scheme into the Brownfield Housing Fund Programme.

DELEGATED DECISION TO APPROVE BUSINESS CASE & COMMIT FUNDS

This form should be used to record decisions taken under delegated decision arrangements by the Chief Executive, Mayor and Cabinet Portfolio member. Delegated decisions are possible only where the following criteria are met:

1. Any commitment of funds have already been assigned by Cabinet for that purpose within the Investment Plan;
2. The proposal reflects an established Combined Authority policy position and does not raise novel or contentious issues which require debate with the full Cabinet. (In order to assure this, discussions would generally have taken place through the appropriate officer forum); and
3. The proposal has been through the established Combined Authority Assurance Framework, as agreed with central government.

OFFICER: Victoria Robinson, Appraisal Officer	DATE DECISION TAKEN: 29th May 2026
DECISION NO: CF14-2026	DELEGATION POWER AND PAGE OF CONSTITUTION: DfT and TVCA have agreed the CRSTS Delivery Programme as set out in letters between the two organisations and the CRSTS MoU. The agreed delivery programme is publicly available: City Region Sustainable Transport Settlements: confirmed delivery plans and funding allocations - GOV.UK (www.gov.uk). Investments in the delivery plan are subject to TVCA's agreed Assurance Framework. Revised TVCA Assurance Framework agreed by Cabinet on 27th September 2024 (Minute No. TVCA 20/2024).

TEES VALLEY

DETAILS OF DECISION:

Funding Overview

To secure City Region Sustainable Transport Settlement ("CRSTS") funding TVCA was required to submit a Programme Business Case outlining its proposed programme of investment. In April 2022, the Secretary of State for Transport confirmed to the Tees Valley Mayor an allocation of £310 million to TVCA. In July 2022, the agreed delivery plan was confirmed and published.

The CRSTS Programme aims to boost growth and productivity by investing in infrastructure, improving standards, and reducing carbon emissions through transportation decarbonisation.

Proposal

A business Case has been submitted by TVCA Transport Team seeking up to £1m in CRSTS investment to deliver the Active Travel Hubs & Cycle Shelters Project ("The Project").

The project seeks to make funding of up to £200k available to each of the five local authorities, via Grant Funding Agreement, to allow them to install an initial phase of safe, secure, weather protected cycle parking facilities in up to ten strategic locations within Tees Valley town centres. The cycle shelters will be designed to meet a specification so that the user experience across the Tees Valley is the same.

The local authorities will be responsible for managing the delivery of the installation and will provide or procure the required expertise. They are also responsible, upon completion of the installation, for ensuring the facilities are operational for the duration of the project.

The specific outputs for each individual local authority are yet to be determined however a high-level logic model for the overall project has been provided, which details the outputs forecast to be achieved by 30th September 2027, as detailed below:

Output Description	To be achieved
Number of new secure cycle parking spaces	Up to a maximum of 300 (up to 60 per local authority)
Number of locations in which cycle shelters are to be installed	Up to 10 (up to 2 per local authority)

FINANCIAL IMPLICATIONS:

This decision will:

- commit £1m from the Active Travel Pillar of the CRSTS Programme, and
- enable TVCA to enter into Grant Funding Agreements with each of the five local authorities up to a maximum value of £200,000 per/LA.

EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

The CRSTS Delivery Programme was agreed between the Department for Transport and TVCA and accepted into the Investment Programme on 26th January 2022.

IS THIS A KEY DECISION?

No

RELEVANT CABINET POLICY FRAMEWORK:

One of the six growth generating themes in the Strategic Economic Plan (SEP) is Transport & Infrastructure. The SEP details the desire to boost economic growth in the Tees Valley by providing key investments in transport infrastructure. This includes facilitating local, regional, national and international road and rail connectivity through collaborative investment in physical infrastructure projects.

The Strategic Transport Plan (STP) has been agreed by Cabinet and sets out the investment priorities.

The CRSTS Programme includes 6 investment packages:

- Cycling and Walking
- Rail
- Bus
- Decarbonisation
- Digital
- Accessing Opportunity

PROCESS OF PARTNER CONSULTATION:

The Investment Plan for Tees Valley 2019-2029 was signed off in January 2019, with the one-year on update signed off in January 2020. The Plan sets out the strategic investment in programmes and initial transformational capital priorities that will deliver a significant economic impact, benefitting residents and businesses across the Tees Valley. The plan was developed in collaboration with the five Local Authorities. An overarching assurance framework is in place which outlines the governance requirements of implementing the plan.

HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:

In line with the Combined Authority' Assurance Framework projects proposed for funding from this allocation are subject to the development of a business case and its subsequent appraisal. An appraisal of the business case has been completed, which presents reasoned justification for support.

Final sign off for individual projects is delegated to the Combined Authority Chief Executive (in consultation with Tees Valley Management Group), the Section 73 Officer and Monitoring Officer.

Consultation with Tees Valley Management Group has been undertaken, with no issues raised

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

As part of the business case development a range of delivery options were assessed against value for money, risk, and deliverability considerations. A preferred option was selected and progressed on the understanding that the approach offered an affordable and deliverable solution.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

None

SIGNATURE:	SIGNATURE:	SIGNATURE:
Tom Bryant.	Jessica McCormey	J Moore.
CHIEF EXECUTIVE	MONITORING OFFICER	FINANCE DIRECTOR
DATE: 17/6/26	DATE: 17/6/26	DATE: 18/6/26

All sections below are for Governance Team use only DATE REPORTED TO MANAGEMENT GROUP:
KEY DECISION ~~YES~~ NO *If Yes circulate to Overview & Scrutiny Committee within 2 working days* DATE CIRCULATED: N/A OFFICER NAME:
DEADLINE DATE FOR CALL IN BY OVERVIEW & SCRUTINY COMMITTEE (5 days from the date Committee notified of the decision):
DATE FUNDS CAN BE RELEASED:

Once fully complete and signed off please return to the Governance Team.

DELEGATED DECISION TO APPROVE BUSINESS CASE & COMMIT FUNDS

This form should be used to record decisions taken under delegated decision arrangements by the Chief Executive, Mayor and Cabinet Portfolio member. Delegated decisions are possible only where the following criteria are met:

1. Any commitment of funds have already been assigned by Cabinet for that purpose within the Investment Plan;
2. The proposal reflects an established Combined Authority policy position and does not raise novel or contentious issues which require debate with the full Cabinet. (In order to assure this, discussions would generally have taken place through the appropriate officer forum); and
3. The proposal has been through the established Combined Authority Assurance Framework, as agreed with central government.

OFFICER: Victoria Robinson, Appraisal Officer	DATE DECISION TAKEN: 22nd June 2026
DECISION NO: CF03-2026	DELEGATION POWER AND PAGE OF CONSTITUTION: Section 3.33 Specific Grant of the revised TVCA Assurance Framework agreed by Cabinet on 27th September 2024 (Minute No. TVCA 20/2024).

DETAILS OF DECISION: The Project: Woodland Road Phase 2 (PROJ-2569) This scheme will provide infrastructure for pedestrians and cyclists along Woodland Road between Hollyhurst Road and Deneside Road. It will complement the existing phase 1 scheme that runs from Skinnergate to Hollyhurst Road and together they will provide a continuous link between Cockerton and Darlington Town Centre. Works carried out on Woodland Road will see stepped segregated cycle infrastructure introduced that will tie into existing infrastructure that was introduced as part of Phase 1 of the corridor heading towards the town centre. The step will be formed by a low kerb, the same as the already constructed section. Pierremont Crescent will benefit from a narrowed pedestrian crossing point in line with the main throughfare matching all other priority crossings. The scheme will introduce a traffic signalised crossing west of the Pierremont Road and Pierremont Crescent junction. This involves relocating a bus stop. There will also be improvements to the existing signalised crossing near to Tennis Dene, to enable cyclists to safely cross Woodland Road, and the route proposes to utilise the off-road route through Tennis Dene to Deneside Road. The capital works are to be delivered by Darlington Borough Council (DBC), with a forecast programme of starting works on site in August 2026 and completion of works in November 2027. The Decision: A Business Case has been produced for the whole scheme, totalling £3,041,354.74 to develop and to deliver, including design and development fees, full construction costs, contract and project management, and subsequent monitoring/evaluation. In line with the requirements of the Assurance Framework, an appraisal of the business case was completed in February 2026, which found the business case to present reasoned justification for support. Consultation with Tees Valley Management Group was then undertaken in March 2026, with no issues being raised. Following appraisal and TVMG consultation there has been some changes to project costs due to inflation relating to ongoing issues in the Middle East. As the total project costs have not increased, as the increase in some costs could be managed internally, it was not deemed necessary to update the appraisal or further consult with TVMG however to ensure a clear and transparent audit trail, and adherence to the Assurance Framework the following actions have been taken: • The business case has been updated and signed by the Director of Infrastructure, and • an Assurance File Note has been produced, providing full details of all changes and subsequent impacts. This has been reviewed and signed by TVCA's Finance, Appraisal and Transport teams. As per the agreed delegation arrangements, final sign off is now sought from the TVCA Chief Executive, Interim Section 73 Officer and Interim Monitoring Officer. This decision will enable TVCA to enter into a Grant Funding Agreement with Darlington Borough Council to deliver the project.
FINANCIAL IMPLICATIONS: TVCA has already approved advance funding totalling £636,436.96 to Darlington Borough Council for this scheme utilising CRSTS Revenue: • £226,978.96 - design and development (AF04-2024) • £322,189.00 - diversion of utilities (AF16-2024) • £87,269.00 - additional design costs - currently awaiting approval. The remaining costs totalling £2,404,917.78 consist of: • £2,330,123.83 - to be a construction contract with Darlington Borough Council;

- £47,905.43 - to cover WSP design and development work, as well as NEC contract management costs – both already procured by TVCA;
- £26,888.52 - to cover TVCA costs of monitoring / evaluation.

It was originally intended that the project would utilise a mix of tranche three from Active Travel England Fund (ATF3) and City Region Sustainable Transport Settlement (CRSTS1) funding. It was identified within the CRSTS programme with a small allocation to match against the ATF resources, however as ATF funding has become more flexible, the project will now be 100% funded by ATF3.

This funding has already been awarded by Active Travel England to TVCA for this project and needs to be expended. (The CRSTS programme has been revised accordingly and the allocation intended for this scheme has now been allocated to other Active Travel schemes).

As such this DDR approves the total project cost of £3,041,354.74 from ATF 3 and an appropriate mechanism will be utilised internally by TVCA Finance to ensure that the previously approved CRSTS revenue funding will be capitalised as ATF3.

No match funding is required.

EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

City Region Sustainable Transport Settlement (CRSTS1) funding:
The CRSTS Delivery Programme was agreed between the Department for Transport and TVCA and accepted into the Investment Programme on 26th January 2022. The Woodland Road Phase 2 scheme was identified within the CRSTS programme.

Active Travel Fund resources:
TVCA submitted an initial bid to Department for Transport for the Active Travel Fund Tranche 3 programme and a grant funding letter was received on 18th March 2022, awarding £1,283,200 to Woodland Road Phase 2.

TVCA then submitted change controls to Active Travel England for additional funding for the scheme and the following was confirmed:
- £521,875 on 22nd March 2023
- £1,236,279 on 15th January 2026

As a result, £3,041,354 of ATF3 funding has been awarded by ATE specifically to the Woodland Road 2 project, therefore TVCA Cabinet agreement to allocate funding was not required.

IS THIS A KEY DECISION?

No.

RELEVANT CABINET POLICY FRAMEWORK:

One of the six growth generating themes in the Strategic Economic Plan (SEP) is Transport & Infrastructure. The SEP details the desire to boost economic growth in the Tees Valley by providing key investments in transport infrastructure. This includes facilitating local, regional, national and international road and rail connectivity through collaborative investment in physical infrastructure projects.

The Strategic Transport Plan 2020-20230 (STP) has been agreed by Cabinet and sets out the investment priorities, which include improving the transport system for local people and businesses ensuring integration between different transport modes, and improving our walking and cycling networks.

PROCESS OF PARTNER CONSULTATION:

Darlington Borough Council undertook a month-long public consultation regarding the proposals in January 2022 via their website and two events, resulting in 72% of respondents fully or partially supporting the proposals.

The Police were consulted and have no objections in principle. Darlington Action on Disability were consulted, particularly on bus stop arrangements and the new crossing. The bus operators do not support the introduction of the proposed infrastructure, and their preference would be for bus lanes, however the scheme objective and funding allocation is to improve active travel as it is an identified LCWIP corridor. The scheme will have no detrimental effect on buses and there are other proposed projects along this corridor, that will bring benefits to bus services and users, that are currently being designed and developed by TVCA and Darlington Borough Council e.g. bus corridor improvements at Cockerton Roundabout and Greenbank Road / Portland Place. The scheme is supported by Active Travel England, and the design has passed their 3-stage Design Review Panel process. Relevant stakeholder groups and frontages have been contacted during the statutory Traffic Regulation Orders advertisement period by Darlington Borough Council.
HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION: Active Travel England have confirmed approval of ATF3 funding required by this scheme. A Business Case has been produced for the whole scheme, and in line with the requirements of the Assurance Framework, an appraisal of the business case has been completed, which presents reasoned justification for support. Consultation with Tees Valley Management Group has been undertaken, with no issues being raised. As detailed in "Details of Decision" an Assurance File Note has been produced to record the subsequent change to the split of project costs and ensure adherence to the Assurance Framework, and this has been reviewed and signed by TVCA's Finance, Appraisal and Transport teams. As per the agreed delegation arrangements, final sign off is now sought from the TVCA Chief Executive, Section 73 Officer and Monitoring Officer.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED: The overall strategy is to link Darlington Town Centre with various nodes along the A68. Therefore the 'corridor line' is fixed and connects to the previously implemented Phase 1 extents. There is a lack of alternative routes from the Phase 1 extents connecting to the Town Centre. The funding allocation has helped determine the extents of the scheme proposed to be delivered in this phase. The design proposals have been generated considering best practice design guidance - LTN1/20, in segregating cyclists from pedestrians and vehicles, and providing dedicated space for respective highway users. 'Stepped' segregated provision has been selected, rather than light segregation where cyclists would be at the same vertical level as vehicles. This is also consistent with the previously implemented Phase 1 design. The design has been influenced by holding design review panel workshops with Active Travel England, with other design options not favoured by ATE, as the funder of the scheme. Regarding construction, the chosen option is to deliver the works via Darlington Borough Council's Highway Operations. Selection of this option is fully detailed within the Business Case, and reasons include: • DBC show a close comparison in pricing to external private sector contractor, reflecting a cost comparison undertaken; • Following the installation of Phase 1, DBC have prior knowledge of likely traffic management and phasing, to act as early contractor involvement and help inform the design and construction management plan.
ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

TEES VALLEY

<table>
<tr><td colspan="3">None.</td></tr>
<tr><td>SIGNATURE:

CHIEF EXECUTIVE

DATE: 10 July 2026</td><td>SIGNATURE:

MONITORING OFFICER

DATE: 10 July 2026</td><td>SIGNATURE:

FINANCE DIRECTOR

DATE: 10 July 2026</td></tr>
<tr><td colspan="3">All sections below are for Governance Team use only

DATE REPORTED TO MANAGEMENT GROUP:</td></tr>
<tr><td colspan="3">KEY DECISION ~~YES~~ NO

If Yes circulate to Overview & Scrutiny Committee within 2 working days

DATE CIRCULATED: OFFICER NAME:</td></tr>
<tr><td colspan="3">DEADLINE DATE FOR CALL IN BY OVERVIEW & SCRUTINY COMMITTEE (5 days from the date Committee notified of the decision):</td></tr>
<tr><td colspan="3">DATE FUNDS CAN BE RELEASED:</td></tr>
</table>

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DELEGATED DECISION TO APPROVE BUSINESS CASE & COMMIT FUNDS

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1. Any commitment of funds have already been assigned by Cabinet for that purpose within the Investment Plan;
2. The proposal reflects an established Combined Authority policy position and does not raise novel or contentious issues which require debate with the full Cabinet. (In order to assure this, discussions would generally have taken place through the appropriate officer forum); and
3. The proposal has been through the established Combined Authority Assurance Framework, as agreed with central government.

OFFICER: Victoria Robinson, Appraisal Officer	DATE DECISION TAKEN: 09th June 2026
DECISION NO: CF13-2026	DELEGATION POWER AND PAGE OF CONSTITUTION: Revised TVCA Assurance Framework agreed by Cabinet on 27th September 2024 (Minute No. TVCA 20/2024)

DETAILS OF DECISION: <u>Background:</u> The Darlington Station project was identified as a priority in the Tees Valley Devolution Agreement 2015, and the Government also recognised that it was one of several essential transport projects required to facilitate growth. In partnership with Network Rail and LNER, the Darlington Station project aims to deliver transformation to the station area and will provide modern, pedestrian friendly travel interchanges for the town and wider region An allocation of funding of up to £25 million towards the Darlington Station project was agreed at the TVCA Cabinet meeting on the 30th of November 2018 and confirmed as part of the agreement to the Tees Valley Investment Plan on the 24th of January 2019. A business case came forward, seeking approval to the expenditure by TVCA of a maximum sum of £34.4m for the Darlington Station project (comprising the £25 million allocated within the Investment Plan, supplemented by £9.4 million from the CRSTS rail programme). Following business case submission and appraisal the Darlington Station project allocation of £34.4m was approved under delegation as per DDR Decision Number: CF14-2022. <u>Update:</u> A Project Change Request (PCR) has now been submitted by TVCA Transport Team seeking additional CRSTS funding to complete the Darlington Station Project, including ensuring good quality walking, wheeling, cycling and bus links to create a joined-up transport offer and in line with the principles of Better Connected: An Integrated National Transport Strategy published by government earlier this year. The overall project has been impacted by a combination of cost overruns associated with changes from the early estimates, as well as late scope/requirement changes and scope gaps resulting from the misaligned maturity of the Network Rail and TVCA led designs, exacerbated by cost overruns associated with the Network Rail scope meaning that anticipated transfers of risk allowances between each party hasn't proved viable. The additional funding therefore mitigates risk and strengthens the delivery of the Darlington Station redevelopment programme, ensuring the scheme is delivered effectively and in a way that maximises the outputs and impacts, both locally and nationally, and ensures that a multi-modal approach is adopted creating an integrated transport asset. TVCA's contribution to the Darlington Station Project remains less than a third of the total project costs and in line with the increase in costs, RNEP and Network Rails contribution has also increased proportionally.
FINANCIAL IMPLICATIONS: This decision commits £7,069,069 in additional CRSTS to the Darlington Station Project as follows: • £2,820,508 – CRSTS Rail Investment Pillar – this funding is for additional work to deliver the rail aspects of the project and mainly relates to additional costs related to the highway works to the eastern gateway which need to be delivered as part of the planning permission • £4,248,561 – CRSTS Town Centre Accessibility Pillar – this funding is to deliver improvements to the western gateway and mainly relates to additional costs related to improvements to the walking, wheeling, cycling and bus infrastructure Increasing TVCA's allocation for the Darlington Station from £34,400,000 to £41,469,069. This increase can be accommodated within the management of the CRSTS programme.
EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING: The initial £25 million funding to develop the Darlington Station project was allocated within the Investment Plan and signed off on the 24th of January 2019 Cabinet meeting and allocated subject to satisfactory business case on 31st January 2020.

TEES VALLEY

This has been augmented subsequently by the Secretary of State's award of funding of 1st April 2022 under the City Region Sustainable Transport Settlement (CRSTS) programme. It was a DfT decision on the projects to be included in the CRSTS programme.
IS THIS A KEY DECISION? Local Transport Delivery Plan approved by Cabinet on 20th March 2026 (Minute No. TVCA 88/25) <u>AGREED</u> to delegate authority to the Director of Infrastructure to take all decisions required to manage the remainder of the City Region Sustainable Transport Settlement (CRSTS) programme to ensure that the requirements of the Memorandum of Understanding between the Department for Transport and TVCA are met. Decision taken by Jonathan Spruce on 19th May 2026 to approve additional allocation of an additional £2,820,508 from the rail investment pillar to deliver the multi-storey car park and eastern gateway improvements and £4,248,561 to deliver the western gateway improvements. This means that the decisions was for an additional £7,069,069 CRSTS in total to mitigate delivery risk and ensure the full benefits of the Darlington Station Redevelopment and its connectivity and integration into the wider transport network, to encourage the use of public transport are realised.
RELEVANT CABINET POLICY FRAMEWORK: One of the six growth generating themes in the Strategic Economic Plan (SEP) is Transport & Infrastructure. The SEP details the desire to boost economic growth in the Tees Valley by providing key investments in transport infrastructure. This includes facilitating local, regional, national and international road and rail connectivity through collaborative investment in physical infrastructure projects. The Strategic Transport Plan (STP) has been agreed by Cabinet and sets out the investment priorities. The CRSTS Programme includes 6 investment packages: • Cycling and Walking • Rail • Bus • Decarbonisation • Digital • Accessing Opportunity
PROCESS OF PARTNER CONSULTATION: The Investment Plan for Tees Valley 2019-2029 was signed off in January 2019, with the one-year on update signed off in January 2020. The Plan sets out the strategic investment in programmes and initial transformational capital priorities that will deliver a significant economic impact, benefitting residents and businesses across the Tees Valley. The plan was developed in collaboration with the five Local Authorities. An overarching assurance framework is in place which outlines the governance requirements of implementing the plan.
HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION: A comprehensive review of the Darlington Station project has been undertaken. As a result of this and to ensure the programme can maximise its impact a comprehensive Project Change Request (PCR) was submitted by TVCA Transport Team along with a detailed executive summary requesting an extension on project delivery and spend and an increase in TVCA costs. An appraisal was undertaken by the TVCA Performance, Risk and Assurance Team, which recommended that the proposed change be approved, following review from TVCA Finance. The PCR was approved through sign off by S73 following review by the Performance, Risk and Assurance Manager, Head of Transport & Infrastructure and the Director of Infrastructure.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

As part of the original business case development a range of delivery options were assessed against value for money, risk and deliverability considerations. A preferred option was selected and progressed on the understanding that the approach offered the best solution in terms of value for money and affordability whilst providing full access to the station platforms.
ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS: None

SIGNATURE: Tom Bryant CHIEF EXECUTIVE DATE: 25 June 2026	SIGNATURE: [signature] MONITORING OFFICER DATE: 25 June 2026	SIGNATUR: [signature] FINANCE DIRECTOR DATE: 25 June 2026

All sections below are for Governance Team use only DATE REPORTED TO MANAGEMENT GROUP:
KEY DECISION ~~YES~~ NO *If Yes circulate to Overview & Scrutiny Committee within 2 working days* DATE CIRCULATED: OFFICER NAME:
DEADLINE DATE FOR CALL IN BY OVERVIEW & SCRUTINY COMMITTEE (5 days from the date Committee notified of the decision):
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DELEGATED DECISION TO APPROVE BUSINESS CASE & COMMIT FUNDS

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3. The proposal has been through the established Combined Authority Assurance Framework, as agreed with central government.

OFFICER:	DATE DECISION TAKEN:
Sally Cowley, Appraisal Manager	12th June 2026
DECISION NO:	**DELEGATION POWER AND PAGE OF CONSTITUTION:**
CF09-2026	Cabinet 27th September 2024 – Decision No: TVCA 20/2024 (Tees Valley Review including Assurance Framework). TVCA Assurance Framework, Section 3.33, page 19 – Specific Grants. TVCA Constitution - Part 5, page 89 – 10 External Funding/Grants.

DETAILS OF DECISION:

In July 2020, MHCLG confirmed an allocation of £19.3m (Phase 1) to TVCA to support the development and delivery of at least 1,000 homes on brownfield sites in Tees Valley over the Parliamentary term 2020-2025. The scheme is referred to as the Brownfield Housing Fund ('BHF'). Additional allocations of £7.4m (Phase 2) and £6.12m (Phase 3) have been made to TVCA bringing the total funding to £32.92m in total.

The fund is devolved to TVCA and has been accepted within the Investment Plan as a 'Specific Named Programme', with final prioritisation of schemes devolved to the Tees Valley Mayor.

All schemes are subject to the development and appraisal of a Green Book compliant business case in line with the TVCA Assurance Framework and to be eligible for Round 3 funding will need to:
- be identified on the relevant LA Brownfield Land Register and within an approved Local Plan (or an agreed plan with MHCLG for getting a Local Plan in place)
- evidence market failure and why public intervention is required
- have a BCR >1 and represent VFM, demonstrating wider economic benefits and
- defray all BHF grant and start construction of new homes by 31 March 2029

An eligible business case for the Princeton Gardens scheme has come forward seeking entry into the programme with a request of £2.3m from the total £6.12m Phase 3 funding available.

The proposal accords with the principles set by Government for the funds which have been carried forward into the programme, namely:
- it being used to bring forward housing on brownfield land that has evidenced market failure.
- the scheme must be start on site by 31 March 2029.
- the scheme must present good value for money and be Green Book compliant with a BCR floor of 1.
- the Council has an up-to-date Local Plan in place.
- it demonstrated alignment with other economic investment funding to contribute to wider regeneration activities; and
- it demonstrates wider economic benefits.

Following successful appraisal in line with the Assurance Framework the business case is recommended for support.

FINANCIAL IMPLICATIONS:

Brownfield Housing Funding is allocated annually over the six years as shown in the table below, and is subject to satisfactory performance and delivery of the previous year's funds:

BHF Allocation (£million)	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**TOTAL**
	4.70	8.00	6.35	5.00	2.75	6.12	**32.92**
Expenditure							
Approved Schemes	1.7	11.1	7.63	2.58	15.18	0	**38.19**
Decommitted Funds					10.2		**10.2**
Princeton Gardens						2.3	**2.3**
TOTAL	**1.7**	**11.1**	**7.63**	**2.58**	**4.98**	**2.3**	**30.29**

The programme is also subject to quarterly monitoring returns to DHLUC and an annual report on performance and delivery.

As accountable body, TVCA carries the risk of clawback on the grounds of ineligible expenditure from DHLUC. Savills have been appointed to prepare individual business cases and have reviewed all proposed costs to ensure they are reasonable and eligible activity. This has also been confirmed for the Princeton Gardens Scheme through the appraisal process. Risk of financial underperformance has also been assessed and will be conditioned at funding agreement stage for project sponsors to carry this risk.

The total allocation of BHF for the Princeton Gardens project is £2,300,386.32 which is forecast to be drawn down across the current financial year.

EXISTING CABINET DECISION WHICH ASSIGNED THE NECESSARY FUNDING:

TVCA Cabinet 20th March 2026 – Decision No: TVCA 86/25 (Brownfield Housing Phase 3):

- Cabinet approved the commitment of £2.3m for the Princeton Garden Scheme in Stockton, subject to successful appraisal of the full Business Case in line with BHF funding conditions and in accordance with the TVCA Assurance Framework.

IS THIS A KEY DECISION?

The Brownfield Housing Fund Phase 3 report was recorded as a Key Decision at TVCA Cabinet (20th March 2026).

This decision relates to the signing off the business case for funding which has been awarded to TVCA for a specific purpose which has been accepted into the Investment Plan under the Place theme.

RELEVANT CABINET POLICY FRAMEWORK:

The Strategic Economic Plan (SEP) recognises the importance of place in creating vibrant, attractive and sustainable places. Ensuring a high-quality environment where people and business thrive is a critical enabler of the SEP and the Local Industry Strategy (LIS). A key aim is to *"accelerate the supply of good quality homes across the whole housing market, revitalise our town centre and urban core bring forward surplus public and blighted brownfield land for redevelopment and strengthen our commercial property offer".*

Development of the Princeton Gardens Scheme supports the delivery of the SEP aim in remediating and unlocking brownfield land for residential development, increasing the supply of affordable homes, and complimenting wider regeneration of Stockton.

In general, investment to enable the redevelopment of brownfield sites will contribute to meeting local housing needs and enable local population growth through increasing deliveries of net additional units. This directly responds to opportunities identified within the SEP. The development of the Princeton Gardens Scheme will add 117, high-quality 2–5-bedroom family homes, thereby increasing Stockton's housing supply. These will be delivered as zero bills homes, eliminating household energy bills and setting a new benchmark for low carbon affordable living.

TEES VALLEY

The delivery of new residential development will also directly support employment and economic activity in the construction sector and its supply chain and will indirectly contribute to wider GVA and jobs growth through increases in the number of economically active households. This type of development serves to provide the right homes in the right areas which are necessary to achieve the population growth on which the productivity and workforce aims of the SEP depend.

<u>PROCESS OF PARTNER CONSULTATION:</u>

An Expression of Interest (EOI) invitation was sent out to Local Authority partners in December 2025, which closed on 7th January 2026. Two EOIs were received which were assessed against pre-determine criteria that was agreed with Tees Vally Management Group (TVMG) in December 2025. Reports were considered by TVMG at the January and February 2026 meetings, provided a summary of the assessment process and a recommendation shortlist for both projects to the next stage of assessment.

<u>HOW THE ASSURANCE PROCESS WILL BE APPLIED TO THE DECISION:</u>

- Following the EOI process and Cabinet approval of Phase 3 investment, shortlisted projects were invited to submit a full business case.
- Savills were appointed to undertake due diligence and appraisal work in line with BHF requirements.
- Following receipt of the Savills due diligence report, TVCA PRA team appraised the business case in line with the requirements of the TVCA Assurance Framework.
- The outcome of the appraisal process was a recommendation to support.

This delegated decision form provides a record of business case approval and will release associated BHF Phase 3 funds for project delivery.

<u>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:</u>

Not applicable, as this was one of two EOIs received.

ACTUAL OR PERCEIVED CONFLICT OF INTEREST BY ANY OF THE DECISION-MAKERS:

None.

SIGNATURE:	SIGNATURE:	SIGNATURE:
CHIEF EXECUTIVE	MONITORING OFFICER	FINANCE DIRECTOR
DATE: 15 July 2026	DATE: 15 July 2026	DATE: 15 July 2026

All sections below are for Governance Team use only

DATE REPORTED TO MANAGEMENT GROUP:

KEY DECISION ~~YES~~ NO

If Yes circulate to Overview & Scrutiny Committee within 2 working days

DATE CIRCULATED: OFFICER NAME:

DEADLINE DATE FOR CALL IN BY OVERVIEW & SCRUTINY COMMITTEE (5 days from the date Committee notified of the decision):
DATE FUNDS CAN BE RELEASED:

Once fully complete and signed off please return to the Governance Team.