



Tees Valley Combined Authority Cabinet Decision Record

Cabinet Meeting Date:

31st July 2026

Decision Details

South Tees Development Corporation Loan Agreements

Decision Status:	Recommendation Approved
Is Key decision:	Yes
Call in deadline:	Midnight on 11/08/2026
Decision in effect from:	12/08/2026
Publication Date:	03/08/2026
Date of Decision:	31/07/2026
Decided at Meeting of:	Cabinet

Purpose:

Cabinet received a report from the Chief Executive seeking approval to formalise the loan arrangements between Tees Valley Combined Authority (TVCA) and South Tees Development Corporation (STDC) and to delegate authority to finalise and execute the associated loan agreements within the financial and governance parameters set out in the report.

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

The recommendations were supported by independent financial modelling advice from the TVCA treasury advisers (Arlingclose), including reconciliation of the £421m loan position and stress-test outputs on key downside scenarios. The delegation is subject to the final agreements remaining materially consistent with the repayment principles, affordability safeguards and governance controls set out in this report.

Decision:

Councillor Evans tabled proposed amendments to recommendation E and recommendation F within the report.

Councillor Alec Brown seconded the proposal.

Cabinet members voted unanimously to agree the proposed amendments.

RESOLVED that Cabinet :-

- **Noted** that Tees Valley Combined Authority (TVCA) has advanced funding to South Tees Development Corporation (STDC) totalling circa £421 million as at 31 March 2026;

- **Noted** that TVCA has obtained independent financial modelling advice from its treasury advisers (Arlingclose), including stress-test outputs on key downside scenarios. This advice provides confidence that under the current MTFP assumptions and with the proposed repayment mechanism, STDC's debt is sustainable and it can afford to repay its debt in full within the remaining period of the business rates retention arrangements, while maintaining financial resilience, even within a stressed scenario;
- **Approved** the formalisation of loan agreements governing all existing loans advanced by TVCA to STDC on the basis set out in this report and recommended by Arlingclose. This provides a bespoke payment mechanism to ensure the repayment of all loans to STDC that are due to be repaid by the end of the business rates retention agreement in 2046, and includes future loans envisaged in the STDC MTFP;
- **Noted** the loan agreements will include a review mechanism, requiring TVCA and STDC to review the repayment profile, affordability assumptions, cashflow position, reserves position and relevant income forecasts at least once each financial year;
- **Delegated** authority to the Director of Finance & Resources (Section 73 Officer), in consultation with the Monitoring Officer, Chief Executive and Cabinet Portfolio Holder for Finance, Organisational Improvement and Business Growth, to finalise and execute the detailed terms of the loan agreements, provided that the final agreements are materially consistent with the repayment principles, interest methodology, monitoring arrangements, early warning triggers, information rights, lender protections and affordability safeguards set out in this report. If the agreement terms, either within the original agreement or through any subsequent review, extend beyond the loan repayment period set out in this report, or if the financial impact upon TVCA differs from that outlined in this report, the matter will be referred back to TVCA Cabinet for approval
- **Delegated** authority to the Director of Finance & Resources (Section 73 Officer), in consultation with the Monitoring Officer, Chief Executive and Cabinet Portfolio Holder for Finance, Organisational Improvement and Business Growth, to approve future loan advances, within the already approved £350million loan facility, to STDC subject to compliance with the agreed loan framework set out in this report, confirmation of affordability, an updated cashflow assessment, and consistency with the TVCA on-lending policy once approved. TVCA Cabinet will be provided with an update setting out the full details and terms of each loan advance.

Alternative options considered:

No other alternative options were presented.



Accompanying Documents:

TVCA Cabinet agenda and papers

Declarations of Interest:

Member:	Declaration
Mayor Ben Houchen (Chairperson)	No declarations made.
Councillor Lisa Evans	No declarations made.
Councillor Graham Harrison	No declarations made.
Councillor Alec Brown	Non-pecuniary interest declared
Mayor Chris Cooke	No declarations made.

Contact Officer for Decision:

Name of Contact Officer: Tom Bryant

Post Title: Chief Executive

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Decision Details

Business Tees Valley Programme

Decision Status:	Recommendation Approved
Is Key decision:	Yes
Call in deadline:	Midnight on 11/08/2026
Decision in effect from:	12/08/2026
Publication Date:	03/08/2026
Date of Decision:	31/07/2026
Decided at Meeting of:	Cabinet

Purpose:

Cabinet received a report from the Director of Business Solutions which sought approval for Business Tees Valley: a single, integrated business growth system for entrepreneurs, existing businesses and high-growth firms across the Tees Valley. The programme builds on the strategic framework approved by Cabinet in June 2025 and aligns business support, access to finance and Investment Zone activity with the Tees Valley Local Growth Plan. Cabinet approval was sought for the proposed programme, funding allocations and delivery approach pending completion and appraisal of a Full Business Case. Approval was also sought for programme governance and delegation arrangements. Cabinet were also provided an update on programme development and market engagement activity.

Decision:

RESOLVED that Cabinet :-

- **APPROVED** the Business Tees Valley programme and associated funding allocations, subject to final due diligence of the Business Case in accordance with the Assurance Framework;
- **AGREED TO DELEGATE** approval of the Full Business Case to the Combined Authority's Statutory Officers in accordance with the current Assurance Framework, and in addition, consultation with the Accountable Cabinet Portfolio Leads for Business Growth and Investment;
- **AGREED TO DEVELOP AND ENTER INTO AN INTER-AUTHORITY AGREEMENT** with Tees Valley local authority partners to enable consistent delivery of the Business Tees Valley model, including the sharing of resources, data and procurement opportunities where this supports effective programme delivery;
- **AGREED TO DELEGATE** authority to the Director of Business Solutions to take all decisions to manage and deliver the programme within the strategic framework and budgets agreed by Cabinet, in consultation with the Accountable Cabinet Portfolio Leads for Business Growth and Investment. Any projects within the programme above the value of £5m will come back to Cabinet for approval, this will be required for the Tees Valley Co-Investment Fund;



- **AGREED** to receive a quarterly report on progress in delivering the Business Tees Valley Programme including any variances approved through the delegation.

Alternative options considered:

No other alternative options were presented.

Accompanying Documents:

TVCA Cabinet agenda and papers

Declarations of Interest:

Member:	Declaration
Mayor Ben Houchen (Chairperson)	No declarations made.
Councillor Lisa Evans	No declarations made.
Councillor Graham Harrison	No declarations made.
Councillor Alec Brown	No declarations made.
Mayor Chris Cooke	No declarations made.

Contact Officer for Decision:

Name of Contact Officer: Sarah Walker

Post Title: Director of Business Solutions

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Decision Details

BROWNFIELD HOUSING FUND ROUND 4

Decision Status:	Recommendation Approved
Is Key decision:	Yes
Call in deadline:	Midnight on 11/08/2026
Decision in effect from:	12/08/2026
Publication Date:	03/08/2026
Date of Decision:	31/07/2026
Decided at Meeting of:	Cabinet

Purpose:

Cabinet received a report from the Director of Infrastructure which provided an overview of the Brownfield Housing Fund (BHF) Round 4 funding opportunity which is to be received from the Ministry of Housing, Communities and Local Government (MHCLG).

The report sought approval to the concept of the BHF Round 4 Programme in principle as a named programme with a confirmed allocation of £33.3m (£32.6m capital and £0.7m revenue).

It sought approval to develop a BHF Round 4 Programme Business Case which will be presented to Cabinet at a future meeting.

It also sought 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.

The report also sought 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.

Decision:

RESOLVED that Cabinet:-

- **AGREED** in principle to the concept of the Brownfield Housing Fund Round 4 as a named programme with a confirmed allocation of £33.3m;
- **AGREED** to the development of a programme level business case which will come to a future meeting for approval;

- **AGREED** to proposed process to develop the BHF Round 4 Programme including process of identifying eligible capital projects to go into the Tees Valley Investment Pipeline;
- **AGREED** 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.

Alternative options considered:

No other alternative options were presented.

Accompanying Documents:

TVCA Cabinet agenda and papers

Declarations of Interest:

Member:	Declaration
Mayor Ben Houchen (Chairperson)	No declarations made.
Councillor Lisa Evans	No declarations made.
Councillor Graham Harrison	No declarations made.
Councillor Alec Brown	No declarations made.
Mayor Chris Cooke	No declarations made.

Contact Officer for Decision:

Name of Contact Officer: Jonathan Spruce

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