TEES VALLEY

Public Questions for Cabinet on 31st July 2026

	Question:	Answer:
Item 8. South Tees Development Corporation Loan Agreements		
1.	The report allows repayments to be “reduced” or “paused” where STDC experiences “financial difficulty”. Under what objective financial criteria would repayments be suspended, who decides that, and what safeguards exist to ensure that temporary repayment pauses do not become long-term deferrals at the expense of TVCA taxpayers ?	The Arlingclose report demonstrates that the loans are repayable over the remaining business rates retention period. The loan agreements will be drafted in accordance with this report and will be reviewed annually. 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 to Cabinet as part of the quarterly reporting mechanism. The sweep mechanism will be designed to recover any deferred payments as quickly as possible.
2.	“As at 31 March 2026, £235m has been advanced in this respect. No repayments have been made or repayment plan in place.” What is the intended mechanism for recovering this debt?	The report and appendix describe the mechanism. The annual repayment profile is set out in the appendix which recovers those sums during the remaining life of the business rate retention agreement – 19 years.
3.	“STDC also has received £20 million up to March 2026 from BP.” What was the purpose of this payment?	This question has been rejected in accordance with the public participation protocol. The reference relates to information regarding South Tees Development Corporation and not Tees Valley Combined Authority.

		The information is available in the Q4 Draft Revenue and Capital Outrun Report 2025/26 presented to the STDC Board on 30 July 2026 STDC-JULY-2026-PUBLIC-Agenda-and-Papers.pdf
4	Cabinet is asked to approve the proposal that future loan facilities to support STDC's capital programme may be approved under Section 73 delegated authority. Does this delegated authority apply only to STDC borrowing or does it also apply to any future TVCA borrowing required to fund these loan facilities?	The delegation only applies to future loans within the £350m loan facility to STDC previously agreed by Cabinet. TVCA borrowing is set out in the Treasury Management Strategy approved annually by Cabinet
5	Under the current arrangements the Section 73 officer acts as the statutory finance officer for both TVCA and STDC. Under this proposal the same officer would authorise borrowing and lending across both organisations. The previous interim Section 73 officer wrote to the Monitoring Officer very early on in her tenure to outline the conflict of interest arising from this dual role. How will this conflict of interest be managed when exercising Section 73 delegated authority for future borrowing and lending decisions affecting both TVCA and STDC?	To be clear TVCA Cabinet approved the borrowing facility and are being asked to consider the recommendations in this report. The STDC Board will also need to consider the proposal and approve. Furthermore, Cabinet approve the Annual Treasury Management Strategy and receive a Treasury Management outturn report at the end of the financial year. This provides Cabinet with complete oversight. The proposal also requires quarterly reporting to Cabinet. The s73 officer role will operate within the delegations set out in the report.

	How will the Cabinet retain oversight of borrowing & lending decisions taken under this delegation?	
6	Arlingclose report states that: *“This report has been produced using disclosures and data provided by Tees Valley Combined Authority and Arlingclose can make no assurances as to the accuracy of third-party information.”* Considering the information that they were given, Arlingclose concluded that full repayment is feasible if 84.6% of expected income materialises. What specific information or evidence was provided to Arlingclose that enabled them to reach this 84.6% conclusion? Have cabinet members had sufficient oversight of this information to conclude the 84.6% scenario was robust enabling them to safely approve?	The STDC Medium Term Financial Plan income projections were provided to Arlingclose. The business rates forecast is prudently based only on current contractual commitments as detailed in the report.
Item 11 Delegated Decisions		
7	“This decision commits £7,069,069 in additional CRSTS to the Darlington Station Project”	Emerging cost pressures were highlighted to Cabinet in the Transport Investment Programme Update report of December 2025 (https://teesvalley-ca.gov.uk/about/wp-content/uploads/sites/2/2025/12/TVCA-Cabinet-Agenda-Papers-12-December-2025.pdf) page 99,

	Why wasn't this substantial increase in the budget for the Darlington Station Project brought to the Cabinet for approval?	paragraphs 3.9 – 3.10 and were subsequently refined as the project headed towards completion of the rail elements of the project and progressed the design and development of the highways work to the gateways. In terms of formal process Darlington Station is a named project and Town Centre Accessibility is a named programme agreed by Cabinet as part of the CRSTS Programme. The original Business Case for the Darlington Station project (including the station connectivity gateways) had been produced and assessed in accordance with the TVCA assurance framework at the time. The project change request was agreed in accordance with the current TVCA assurance framework. Additionally, as referenced in the delegated decision form, Cabinet on 20th March 2026 (Minute No. TVCA 88/25) AGREED 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.