

Constitution

Version 3.0

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Contents

Introduction	3
Objectives	3
Boundary.....	4
The Board.....	4
The Statutory Officers.....	5
Powers of the Corporation.....	6
Decision Making.....	7
Reporting	8
Committees.....	8
Audit and Risk Committee	9
Delegations	9
Amending the Constitution.....	9
Appendix A – Plan of the area of responsibility of the South Tees Development Corporation	10

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Introduction

1. The South Tees Development Corporation (“the Corporation”) is a Mayoral Development Corporation responsible for approximately 4,500 acres (1,820 hectares) of land to the south of the River Tees, in the Borough of Redcar and Cleveland.
2. The Corporation has been established pursuant to the powers devolved to the Tees Valley Mayor under the Tees Valley Combined Authority (Functions) Order 2017. This Constitution reflects this statutory framework, and constitutes a direction to the Corporation pursuant to s220 Localism Act 2011.
3. This Constitution takes effect from 1st August, when new statutory arrangements are enacted. Up to that point, the functions of the Corporation have been led by a Shadow Board, established by the Combined Authority and Government Ministers in May 2016. Transition arrangements shall be established to enable decisions made by the Shadow Board to be reflected in the policies and procedures of the Corporation at the point it takes effect; unless otherwise changed by this Constitution or a subsequent decision of the Board.

Objectives

4. The objectives of the Corporation are:
 - a. To further the economic development and regeneration of the South Tees area, so that it becomes a major contributor to the Tees Valley economy and the delivery of the Tees Valley’s Strategic Economic Plan;
 - b. To attract private sector investment and secure new, additional, good quality jobs, accessible to the people of the Tees Valley;
 - c. To transform and improve the working environment of the Corporation area, providing good quality, safe conditions for the workforce and wider community;
 - d. To contribute to the delivery of the UK Industrial Strategy, by supporting the growth of internationally competitive industries with access to global markets, taking a comprehensive approach to redevelopment at a scale that enables the realisation of an international-level investment opportunity.
5. In support of these core objectives, the Corporation will work collaboratively with the Tees Valley Combined Authority, Redcar and Cleveland Council, the SSI Task Force and other partners to contribute positively to local and Tees Valley-wide initiatives on skills, job opportunities for local people (including those directly and indirectly

affected by the closure of the steelworks), inward investment, transport, sustainable development, the natural environment, culture and tourism.

6. Arrangements for mutual cooperation and understanding will be set out between the Corporation, Combined Authority and Redcar and Cleveland Council; addressing the issues set out in paragraph 4 and any other relevant matters.
7. To support the achievement of its core objectives, the Corporation will develop, consult upon and maintain a Masterplan, setting out how its objectives will be secured by the development of land and infrastructure within its area of responsibility.

Boundary

8. The precise area covered by the Corporation (the “Site”) is shown at Appendix A.

The Board

9. The Chair, Vice-Chair and Board of the Corporation shall be appointed by the Combined Authority, following a proposal put to it by the Mayor.
10. The Board must include the Tees Valley Mayor, the Leader of Redcar and Cleveland Council (as the authority in which the site is located) and the Mayor of Middlesbrough (as the immediately adjacent authority). The Mayor may propose themselves as Chair of the Corporation.
11. Other Board members shall be appointed following an open and transparent process in accordance with best practice in public appointments. In making appointments, the Mayor and Combined Authority must have regard to the desirability of appointing a person who has experience of, and has shown some capacity in, a matter relevant to the carrying out of the Corporation’s functions. To ensure an effective transition upon creation of the Corporation, board members of the Shadow Corporation Board may be invited to put themselves forward for appointment to the new Board. Appointments shall initially be for a fixed period of no more than 3 years, with the subsequent appointments being for no more than 4 years, to align with the Mayor’s period of office.
12. There shall be a minimum of 6 and a maximum of 10 Board Members in total.
13. A Board member may resign by serving notice on the Mayor.
14. Any Board member may be removed by the Mayor, with the agreement of the Combined Authority, where there is due cause to do so in accordance with Schedule 21 Localism Act 2011.

15. The Chair of the Board may resign that appointment by serving notice on the Mayor, without resigning membership of the Board. Where the Mayor is the Chair of the Board, they may resign by informing the Combined Authority.
16. All decisions of the Corporation, unless otherwise delegated, shall be taken by the Board in accordance with the arrangements set out in this Constitution. The Board shall seek consensus on all matters, but where consensus cannot be achieved decisions shall be made by majority vote, with the Chair exercising a casting vote.
17. Subject to any direction given to it by the Combined Authority, the Corporation may decide on its own procedure, and the procedure of any of its committees or sub-committees.
18. The quorum shall be one-third of the members in office, rounded up in the event of an uneven number, to include at least two of the board members who are also Cabinet Members of the Combined Authority.
19. The following officers shall be appointed as Associate Members, with the right to participate fully in board discussions and to receive all papers, but not to vote:
 - The Managing Director of the Combined Authority;
 - The Chief Executive of Redcar and Cleveland Council; and
 - A senior representative of central government
20. The Corporation shall hold an Annual Meeting to consider any amendments to its procedures, to recommend any changes to this constitution to the Combined Authority, and to make appointments to committee roles.
21. The Combined Authority may set an allowance for Board members, following advice received from its Independent Remuneration Panel.

The Statutory Officers

22. The Corporation shall appoint a Chief Executive with overall responsibility for the Corporation's operations and staff, and to act as lead adviser to the Board.
23. The Finance Director of the Combined Authority (the "Finance Director") shall fulfil the role of Finance Director of the Corporation. The powers of the Finance Director are set out in this Constitution and Statute. The Finance Director shall oversee the interface between the financial responsibilities of the Combined Authority and the Corporation, to ensure the financial integrity of both organisations.

24. Further to s7 of the Tees Valley Combined Authority (Functions) Order 2017, the designation and reports of the Monitoring Officer to the Combined Authority (the “Monitoring Officer”) shall apply as if the Corporation were a committee to the Combined Authority.

Powers of the Corporation

25. Subject to Legislation, this Constitution and any other directions made by the Combined Authority, the Corporation may do anything it considers appropriate for the purposes of securing the regeneration of its area, or for purposes incidental to that objective.

26. The Corporation has a number of specific powers from the Localism Act, as set out below in this section. All of the powers are subject to the overriding objectives set out in paragraph 3, and the provisions of this constitution, and are summarised as:

- a. Powers in relation to infrastructure
 - i. This includes the power to provide, or facilitate the provision of infrastructure.

- b. Powers in relation to land
 - i. The power to regenerate or develop land.
 - ii. To bring about the more effective use of land.
 - iii. To provide buildings or other land.
 - iv. To acquire, hold, improve, manage, reclaim, repair or dispose of land, buildings, plant, machinery, equipment or other property.
 - v. To carry out building or other operations, including demolishing buildings.

- c. Powers to acquire land
 - i. To acquire land in its area or elsewhere, in accordance with the provisions of the Localism Act 2011.

- d. Powers in relation to acquired land
 - i. To override easements
 - ii. To extinguish public rights of way (with the consent of the Secretary of State)

- e. Powers in relation to businesses and companies
 - i. To carry on any business.
 - ii. To form or acquire interests in any business or company.

- f. Financial assistance powers

- i. To provide financial assistance to any person.
 - ii. This may be given in any form, including grants, loans, guarantees, investments, or the incurring of expenditure for the benefit of the person assisted.
- g. Powers in relation to discretionary relief from non-domestic rates
 - i. To determine the amount of discretionary rate relief from non-domestic rates (i.e. business rates).

27. Redcar & Cleveland Borough Council shall continue to be the billing and collecting authority for non-domestic rates, with the Council retaining business rate revenue, except in respect of areas of the Site which are designated as Enterprise Zones where the revenue is received by the Combined Authority.

Decision Making

28. The Board shall be responsible for identifying any decision or issue which may result in a significant risk of:

- a. A financial liability; or
- b. A statutory liability; or
- c. An environmental or criminal liability

to the Combined Authority or to any or all of its Constituent Authorities (“a Referral Decision”), and shall refer such decisions or issues to the Combined Authority for agreement before such liabilities arise, and prior to the implementation of any such decision.

29. The Statutory Officers shall advise the Board when a Referral Decision may be required, and their advice shall be communicated to the Board before any such decisions are taken. In the event that the Statutory Officers conclude that a Board decision or other event gives rise to a Referral Decision they shall, in the absence of such a referral by the Board, and in consultation with the Managing Director of the Combined Authority, refer that decision to the Combined Authority for consideration. In these circumstances, the decision will not be implemented until ratified by the Combined Authority. Where there is a requirement for an urgent decision, the Combined Authority will not unreasonably delay ratification.

30. Where the Audit and Risk Committee identifies a significant risk under paragraph 28, it shall recommend to the Board that in their view this gives rise to a Referral Decision.

31. The Combined Authority may give the Corporation general or specific directions or guidance in relation to the exercise of any of the Corporations functions. The Corporation must comply with any directions given by the Combined Authority that

are in force (s220 Localism Act 2011), and must have regard to any guidance issued (s219 Localism Act 2011).

32. A decision by the Corporation to exercise powers in relation to discretionary relief from non-domestic rates which has a significant adverse financial impact upon Redcar & Cleveland Borough Council must also be approved by Leader of Redcar & Cleveland Borough Council. The Leader of the Council may, or may be required by their Council to, refer such decisions for agreement by the Council as a whole.
33. Officers working for the Corporation shall maintain a register of significant risks which may lead to or constitute a Referral Decision in accordance with clause 28 and notify the Finance Director at the earliest opportunity of changes to the risk profile of the Corporation which could have a material effect on the Corporation's or Combined Authority's liabilities.
34. The Combined Authority has a Strategic Economic Plan which is supported by Redcar and Cleveland Borough Council's Regeneration Masterplan (2010) and Growth Strategy (2015). The Corporation shall work within the context of these strategies to grow and diversify the local economy, and to develop specific plans for the Site which complement the existing business and industrial base.
35. The Corporation shall ensure that any new facilities it facilitates do not unduly jeopardise the viability of existing retail business, health, education or training facilities across the wider Tees Valley.

Reporting

36. As soon as reasonably practicable after the end of each financial year, the Corporation must prepare an annual report on how it has exercised its functions during the year, including a copy of its audited statement of accounts for that year, and send that report to the Combined Authority's Cabinet, Overview and Scrutiny Committee and Audit and Governance Committee. The "financial year" shall mean a period of 12 months ending with 31st March.
37. The Corporation's officers shall respond promptly to requests from the Finance Director, and follow any advice and actions required in a timely manner. The Corporation shall make available any financial information reasonably requested from the Combined Authority, or from Finance Directors of the Combined Authority's constituent councils.

Committees

38. The Corporation may establish committees and sub-committees of the Board.

39. A committee may, with agreement of the Board, include persons who are not members of the Corporation.
40. The Board must approve the Terms of Reference of any such committee or sub-committee.

Audit and Risk Committee

41. The Corporation shall establish an Audit & Risk Committee. The Mayor, with agreement of the Combined Authority, shall appoint an independent Chair of the Audit and Risk Committee who is not also a member of the Corporation's Board. The Combined Authority's Audit and Governance Committee shall appoint one of its members to be a member of the Corporation's Audit and Risk Committee. The other members of the Audit and Risk Committee shall be appointed by the Board.

Delegations

42. The Corporation may delegate any of its functions to any of its members, committees or staff.
43. A committee of the Corporation may delegate any function conferred on it to any member of the Corporation, any sub-committee of the committee, or any of the Corporation's staff.
44. The Corporation shall establish:
 - a. A Scheme of Delegation to include appropriate financial limits;
 - b. Procurement Policy which accord with the Public Contract Regulations 2015;
 - c. Financial Procedure Rules including provision for setting an annual budget;
 - d. A code of conduct together with a register of interests;
 - e. Provisions relating to the resolution of conflict of interests;
 - f. Access to information procedure rules.

Amending the Constitution

45. This Constitution is a living document and shall be amended as the Corporation progresses. Authority is delegated to the Monitoring Officer of the Combined Authority, in consultation with the Chief Executive of the Corporation and the Managing Director of the Combined Authority, to make amendments to the Constitution in order to reflect organisational or legislative changes, or to make any minor textual or grammatical corrections. Any other changes shall be agreed by the Combined Authority's Cabinet.

Appendix A – Plan of the area of responsibility of the South Tees Development Corporation

A larger scale plan of the boundary is available at www.teesvalley-ca.gov.uk/stdc





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