



National Audit Office

The UK's independent public spending watchdog

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Reference FOI-EIR-1608

Date 19 May 2023

TEESVALLEY COMBINED AUTHORITY AUDIT

Thank you for your request of 20 April 2023. You have asked us to outline if any audits have been undertaken regarding Tees Valley Combined Authority, South Tees Development Corporation or Teesworks Ltd and requested that we provide you with copies of the audits. You have also asked us to handle your request in accordance with the terms of the Freedom of Information Act 2000 (FOIA).

I can confirm that we do not hold information in scope of your request. The National Audit Office (NAO) has not carried out an audit of the Tees Valley Combined Authority, South Tees Development Corporation nor Teesworks Ltd. As such the NAO has no audit reports to release.

It may help if I explain the role of the Comptroller and Audit General, the head of the National Audit Office (NAO) and that of the NAO in relation to local government bodies such as a combined authority and private bodies such as Teesworks Ltd. The NAO, which is independent of government, has three main functions. The first is to certify the accounts of central government departments and a wide range of other public sector bodies, and to express an opinion on those accounts.

The second is to carry out examinations into the economy, efficiency and effectiveness with which government departments and other public sector bodies have used their resources. The third is to maintain a Code of Audit Practice and issue guidance to external auditors of local public bodies including local authorities. However, the NAO does not perform the financial audit of local bodies, nor is it within its remit to undertake examinations of individual local bodies such as Tees Valley Combined Authority, the South Tees Development Corporation nor private companies such as Teesworks Ltd.

To provide you with some assistance you may wish to contact the Tees Valley Combined Authority or the South Tees Development Corporation directly seeking a copy of the latest audit report. Alternatively, you may wish to contact Mazars LLP, the appointed auditor, to seek a copy of the latest audit reports. The engagement lead is, who can be contacted on

I do not have any details of the auditor for Teesworks Ltd so you may wish to contact them directly [here](#).

Additionally, you may have seen press reports that refer to work carried out by the NAO in 2022. At the time, the NAO made enquiries into the central government funding – within the NAO's remit - for the Teesworks project. The NAO spoke to the local auditor, and the Cities and Local Growth Unit (CLGU) which is government's lead unit for this project and sits as a board observer on the South Tees Development Corporation. The NAO also reviewed the most recent (at the time) Memorandum of Understanding (MOU), business case and quarterly monitoring reports.

The MOU sets out the terms, principles and practices that will apply to the working relationship between the then Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Levelling Up, Housing and Communities (DLUHC) and the TVCA to redevelop the Teesworks site. The MOU we reviewed set out funding of £84.75m from BEIS and £41m from DLUHC for 2020-21 to 2022-23.

The BEIS funding is a combination of capital and revenue. The capital funding is for the demolition of existing structures and activities to make the site sufficiently safe to remove the Control of Major Accidents Hazards (COMAH) status. Whereas the revenue funding is for the ongoing day-to-day security and safety activities. The DLUHC funding is for 'normal' clean-up activities, for example the removal of historic structures and completion of appropriate access roads.

This government funding was 'seed funding' to bring the land up to 'normal' brownfield land status; effectively to bring the site up to a standard such that central government could pass control of the site over to TVCA for redevelopment. Furthermore, the quarterly monitoring reports indicated that the government funding had been used as intended.

I hope this response is helpful in explaining the NAO's role and remit and the work the NAO have undertaken by consulting the correct people and organisations involved in the Teesworks development.

Annex A sets out the steps you may take if you are not satisfied with the way we have handled your request under the FOIA.

Yours sincerely,

NAO FOI Team

Annex A

Statement of Policy

Our policy is to respond to requests made under the Freedom of Information Act 2000 as helpfully and promptly as possible, having regard to the principles set out in the Act. I therefore hope you are happy with the way we have handled your request. If you are not, then you should take the following steps.

In the first instance, within 40 working days, write to the National Audit Office Freedom of Information (FOI) Team at FOI.requests@nao.org.uk or by post to:

FOI Team, Green 2, National Audit Office, 157-197 Buckingham Palace Road, London, SW1W 9SP

The Head of FOI will arrange a review, which will be conducted by a senior member of staff who was not involved in decisions relating to your original request. Once the review has been completed, we will write informing you of the outcome. If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

<https://ico.org.uk/> or Information Commissioner's Office Wycliffe House Water Lane Wilmslow Cheshire SK9 5AF