

AGENDA ITEM 3**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET****24TH JULY 2020****REPORT OF THE CHIEF EXECUTIVE****ANNUAL MEETING GOVERNANCE AND APPOINTMENTS****SUMMARY**

This report details a number of items for agreement and confirmation by the Combined Authority Cabinet at its Annual General Meeting (AGM).

RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. agrees the appointments as set out at Appendix 1;
- ii. agrees the members' allowances scheme for 2020-21 at Appendix 2;
- iii. confirms changes to Combined Authority governance procedure as recommended by Internal Auditors.

DETAIL

1. There are a number of items of business that the Combined Authority Cabinet is required to confirm at the AGM, and these are set out below.

Appointments

2. The Cabinet is recommended to agree a number of appointments to its statutory committees for the municipal year 2020-21. The appointments schedule at Appendix 1 details nominations to the statutory committees. It also details the proposed make-up of non-statutory/advisory Board appointments, external appointments and statutory officers.
3. In summary, appointments are being made to the following statutory Committees:
 - **Deputy Mayor** – under our Constitution, the role of Deputy Mayor circulates annually amongst the Council Leaders. In line with this rotation, Cllr Mary Lanigan, Leader of Redcar & Cleveland Borough Council, is nominated as the Deputy Mayor for the 2020-21 municipal year.

- **Cabinet** – the Cabinet is the decision-making body for the Combined Authority. The Mayor chairs the Cabinet, made up of the five Constituent Authority Leaders, and the Chair of the LEP as a non-voting member.
- **Overview and Scrutiny Committee** – this statutory committee reviews the policies and operations of the Combined Authority, ensuring effective democratic scrutiny of decisions. Members have been appointed by each of the Constituent Authorities, on the basis of political balance as set out in the constitution. In line with a proposed constitutional amendment, these nominations include substitute members.
- **Transport Committee** – this statutory committee reviews transport strategy and policies of the Combined Authority and makes recommendations to Cabinet. Members are drawn from the executive member with transport responsibilities from each Constituent Authority, plus a private sector LEP member to be determined.
- **Audit and Governance Committee** – this statutory committee assures sound governance and financial management of the Combined Authority. Members have been appointed from each constituent authority, on the basis of political balance, plus 3 independent members.

Other non-statutory/advisory groups:

- **Land Commission** – The Land Commission was established in May 2017 to review opportunities for brownfield & publicly owned land. Following extensive work, proposals were put forward to government for additional funding powers. However, despite engagement at both officer and political level, disappointingly Government were clear that current policy was not to offer further devolution in this area. The policy position is being kept under review and as required, a meeting of the Land Commission will be convened.
- **Education, Employment and Skills Partnership Board** – this board brings together partners to provide strategic oversight on policies improving educational outcomes, enhancing skills and helping people into work.
- **Culture and Tourism Thematic Partnership Board** - this board brings together partners working to improve the Tees Valley's cultural offer and to boost visitor numbers.
- **Local Enterprise Partnership Industrial Collaboration Board** – building on the work of the previous Innovation Taskforce, this group will ensure effective partnership working between business, higher education and research institutes, to shape and validate the strategic case for innovation activity in Tees Valley, provide leadership across the Tees Valley innovation ecosystem and inform the development, monitoring and implementation of innovation spend and activity.

- **Transport Advisory Group** – this group brings together officers and partners with responsibilities for the Tees Valley’s transport infrastructure.
- **Tees Valley Business Steering Group** - the group oversees the Tees Valley’s business growth services.

Local Enterprise Partnership Membership

4. The Local Enterprise Partnership (LEP) is the Tees Valley’s principal forum for collaboration between the regional public and private sectors. LEPs exist across England as part of a national network, but uniquely in the Tees Valley this partnership is strengthened by its integration within the decision-making structures of the Combined Authority, with LEP members also Associate Members of the Tees Valley Combined Authority Cabinet.
5. The LEP Board membership also includes a representative from the Tees Valley Further Education (FE) sector and a Business Representative Organisations Observer, with the respective representatives confirmed annually.
6. The FE College Principals have requested that the period of office for the Further Education Representative be extended to two years in order to maximise the involvement of the incumbent representative. If Cabinet confirms the necessary constitutional amendment Zoe Lewis, Principal of Middlesbrough College, will remain as Further Education representative for the coming academic year.
7. As detailed in Article 50 of the Combined Authority Constitution, private sector LEP members serve two-year terms of office, extendable for two years. At the previous Annual General Meeting Cabinet agreed to extend the term of office of the following members, initially appointed in May 2017, by an additional year with the intention of a recruitment process for new private sector members – including a Chair – being completed by the 2020 Combined Authority Annual General Meeting:
 - Paul Booth;
 - Jerry Hopkinson;
 - Mike Matthews;
 - Angela Howey;
 - Siobhan McArdle;
 - Graham Robb;
 - David Soley;
 - Nigel Perry.
8. This recruitment process commenced in December 2019. In light of the COVID-19 outbreak however the LEP Board agreed at its meeting of April 14th 2020 to postpone this process until practicable, with the eight members due to step down at this AGM agreeing to remain in post until the recruitment process can be completed. This recruitment will be informed by Cabinet’s decision in September 2018 to secure more diverse membership of the LEP by 2020.

Appointments to External Bodies

9. The appointment schedule also proposes Tees Valley representation on a small number of external bodies; including Transport for the North, European Structural Investment Fund sub-committee (constituted by the government as managing authority for European Union funding), the Local Government Association and the Key Cities network.

Officer Groups

10. The Combined Authority supports a range of officer groups which ensure coordination between the authority and its constituent councils. The arrangements for officer coordination are continually reviewed to ensure that effective communication and close partnership arrangements are maintained between officers on all aspects of the Combined Authority's responsibilities.

Statutory Officers

11. It is proposed that Andrew Nixon of Redcar and Cleveland Council continues to fulfil the role of Monitoring Officer for the time being. The workload and complexity of this role has changed over the last two years as the Combined Authority has grown and so it is intended to bring this role in house in the coming year.
12. The Cabinet is recommended to formally agree the appointments as presented in Appendix 1.
13. Under our constitution, members of the Overview and Scrutiny Committee and the Audit and Governance Committee are invited to propose their own Chairs and Vice-Chairs. Recommendations for these appointments will therefore be brought to a future Cabinet for confirmation, following committee meetings.

Members Allowances Scheme

14. Members' travel and subsistence allowances for the year 2020-21 are detailed in Appendix 2.

Internal Audit Recommendations

15. The Combined Authority commissioned an Internal Auditor to provide independent assurance that our risk management, governance and internal control processes are operating effectively. As part of this process, our Internal Auditors have proposed a number of alterations to the Combined Authority governance process.
16. Auditors have recommended that the Combined Authority Declaration of Interest process is amended to include an escalation process when members fail to submit a Declaration of Interest within 28 days of taking office. An amended Declaration of Interest procedure can be found at Appendix 3.
17. Auditors also recommended that the Authority update its Risk Management Framework, its structured process for identifying potential threats to organisational delivery and strategy for eliminating or minimising the impact of these risks. The updated Framework is now in place.

18. Auditors also recommended that the Authority identify a Cabinet member with “sufficient experience and skills relating to GDPR”. LEP Board Member and Associate Cabinet Member Angela Howey has been identified as possessing these skills and has agreed to take on this role for the remainder of her term of office.

FINANCIAL IMPLICATIONS

19. Support for the governance of the 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

20. The report relates to the Constitution of the Combined Authority which sets out the appropriate statutory framework. The Constitution came in to effect on 8th May 2017 and is legally binding.

RISK ASSESSMENT

21. This report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

22. The five Constituent Local Authority Leaders have been appropriately consulted on appointments, and nominations have been made through each council. The Mayor has also been consulted on these proposals.

EQUALITY & DIVERSITY

23. As detailed in paragraph 8 above there is a commitment from Cabinet to achieve a 50/50 gender balance and to increase overall diversity on the LEP by 2020. Although delayed by the COVID-19 outbreak it is intended that the recruitment process will secure more diverse membership of the LEP.

LOCAL ENTERPRISE PARTNERSHIP

24. The items in this report have been circulated to LEP members in advance of coming forward to Cabinet.

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