

**AGENDA ITEM 6****REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET****24<sup>TH</sup> SEPTEMBER 2021****REPORT OF THE MONITORING OFFICER****ANNUAL REVIEW OF STDC CONSTITUTION****SUMMARY**

The STDC Constitution requires the Monitoring Officer to formally review the Constitution at least once per year, and to take forward any proposals for amendment to Board for consideration and endorsement. Save for that shown in red, STDC Board (Board) endorsed the proposed changes at their meeting on 29<sup>th</sup> July and the proposals are now brought forward to Cabinet for final agreement. A small number of amendments are incorporated as a result of comments helpfully made by Stockton BC's Monitoring Officer. Cabinet agreement is sought for the amendment shown in red which will be received subject to Board's endorsement at its next meeting.

This report recommends various changes to the current Constitution. The amendments are shown in the proposed new version of the Constitution as set out in **Appendix 1** to this paper. All proposed amendments are marked up in green (and red as detailed above). The reasons for each proposed change are detailed in the table within this report.

**RECOMMENDATIONS**

It is recommended that the Cabinet:

- i. Agree the amendments to the Constitution as set out in Appendix 1.
- ii. Agree the revised Constitution may be published.

**DETAIL**

1. Cabinet approved the appointment of a new Monitoring Officer to the Group in September 2020.
2. The Constitution (Page 11) requires the document to be reviewed regularly and amended as the Corporation progresses. The Authority is delegated to the Monitoring Officer, who may recommend amendments to the constitution who may have consulted with the Group Chief Executive. Any changes other than minor textual or grammatical corrections must be agreed by TVCA Cabinet.
3. This paper sets out the recommendations of the Monitoring Officer, having undertaken a thorough review. As required by the Constitution, the Group Chief Executive has been consulted on the proposed amendments.

4. The Constitution showing the proposed amendments is attached as an appendix to this paper. The Constitution has been generally reformatted to make it easier to read and navigate. Changes of pure formatting and re-ordering have not been marked but any textural changes have been marked on the document in green text.
  
5. The draft Constitution was considered and accepted by STDC Board at their meeting on 21<sup>st</sup> July. Subsequently some helpful editorial observations have been made by Stockton Borough Council. A small number of editorial amendments are included in the draft set out at Appendix A, which address the observations made.
  
6. The following table sets out the recommended principal changes to the Constitution and a short reason for each of those changes.

<b>Ref</b>	<b>Proposed Amendment</b>	<b>Reason</b>
<b>Part 1 - Introduction</b>		
Contents	Content's page has been reformatted to represent the re-ordered sections. Page numbers have been added to create a single navigable word document.	For ease of navigation.
Version Control	Version Control page has been amended to show the amendments made. Version is also included in the header. Reference to South Tees Development Corporation and Teesworks has been added to the footer. This reflects name of the corporation and adopted brand.	Internal Audit recommendation that version control table to be included to page header/footer also to identify version.
Contents	Appendix 1 – Summary of Statutory Framework has been removed from the document.	This information is held elsewhere and is not needed as part of the Constitution.
Para 14 (page 5)	Paragraph 14 added following agreement by Board to allow deputy Leaders to act as substitutes, with voting rights in the absence of their leader.	To ensure quorate meetings can always take place.
<b>Ref</b>	<b>Proposed Amendment</b>	<b>Reason</b>
<b>Part 2 – Rules of Procedure</b>		
Rule 5 (page 15)	Admission of the public inserted.	To provide clarity on procedure for public meetings in line with current legislation.
Rule 6.1 (page 15)	Notice of meeting inserted.	To provide clarity on procedure for public meetings in line with current legislation.

Rule 14 (Page 17)	Access to information inserted.	To provide clarity on procedure for public access to information in line with current legislation.
Rule 15 (Page 18)	Exclusion of access by the public to meetings inserted.	To provide clarity on procedure for public attendance and access to information for confidential and exempt items in line with current legislation.
Rule 16 (Page 19)	Reporting of Proceedings inserted.	To provide clarity on reporting of meetings in line with current legislation.
Rule 17.1 & 17.2 (Page 20)	To strengthen the provision to general disturbance.	To increase certainty.
Rule 18 (Page 20)	Forward Plan provision and detail Inserted.	To provide clarity on publication of a Forward Plan in line with current legislation.
Rule 19 (Page 21)	Urgent decision provision procedure inserted.	To provide clarity on the procedure for decisions between meetings and the appropriate governance controls.
Rule 20 (Page 21)	Procedure for confirmation of decisions in writing.	To give constitutional effect to current practice in certain circumstances.
Rule 22 & 23 (Page 22)	To record the procedures for the authentication and sealing of documents.	To provide a clear process for Board on this issue in line with current accepted Local Government practice for improved governance control.
Rule 24 (Page 23)	To introduce the operative provisions relating to committees and working groups in accordance with Local Government practice.	The operative provisions provide a basis for earlier provisions (Rules 2-4) and provide a link to sub-committee provisions.
Rule 25-27 (Page 23)	Introduce provisions relating to attendance and resignation of members. This includes STDC having the means to ask a member to step down from a position if they fail to attend a meeting over a period of 6 consecutive months.	This reflects current Local Government practice and provides certainty.

CEO 7 (Page 67)	Amendment to delegation to remove extension to exercise delegated authority to other statutory officers.	To clearly remove the possibility of management overreach in accordance with governance best practice.
Appendix V – Contract Procedure Rules (Page 2 and Page 71)	The inclusion of Contract Procedure Rules (CPR) – adoption of the CPR of the Tees Valley Combined Authority as amended from time to time.	The adoption of the Tees Valley Combined Authority will ensure contracting, and procurement is standardised across the Group.

## FINANCIAL IMPLICATIONS

7. Changes to the Constitution have no financial consequences in themselves. The Constitution provides the governance framework for the Development Corporation including the high-level financial delegations, financial regulations and contract procedure rules which control how the Development Corporation deploys its financial resources.

## LEGAL IMPLICATIONS

8. The Development Corporation's Constitution is its key Constitutional document, when taken together with founding and other applicable legislation. Ensuring the Constitution remains relevant and up to date is a key element of good governance. Changes to the Constitution are approved by STDC Cabinet, once approved by the STDC Board.

## RISK ASSESSMENT

9. A clear, well-structured, and easy to navigate Constitution reduces the likelihood that members and officers mistakenly act outside the governance framework.

## CONSULTATION & COMMUNICATION

10. Statutory officers have been consulted about these proposed amendments. We are also fortunate to have received comments from Local Authority Monitoring Officers. The amendments incorporate comments from these sources and other specialists within Combined Authority staff.

## EQUALITY & DIVERSITY

11. The Constitution is of general application.

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