

REPORT OF ACTING MONITORING OFFICER

GOVERNANCE AND APPOINTMENTS

SUMMARY

Following the recommendations from the meeting of the Hartlepool Development Corporation Board on 20 March 2023 this report details for approval, proposed amendments to the Development Corporation Constitution and Scheme of Delegations, which are attached at Appendix 1.

This Report also details the Audit requirements for the Development Corporation and requests the Board to notes and approves the next steps in that regard.

RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board:

- i. approves the proposed amendments to the Hartlepool Development Corporation Constitution;
- ii. approves the proposed amendments to the Scheme of Delegation for the Hartlepool Development Corporation;
- iii. approves the Scheme of Delegation for the determination of planning applications; and
- iv. notes the Audit requirements for the Development Corporation and approves the proposed make-up of the Corporation Audit Committee to enable proposals for the membership of that Committee to be presented to the Board at next possible opportunity.

DETAIL

HARTLEPOOL DEVELOPMENT CORPORATION CONSTITUTION

1. At its meeting on 20 March 2023, subject to the comments at 2 below, the Board approved draft the Constitution for the Hartlepool Development Corporation and agreed to adopt it as its governing document.

2. It was noted that it is not necessarily appropriate for complaints under the Corporation Code of Conduct regarding Members or Associate Members of the Board, whose conduct in office is, by their regulated profession governed by statutory regimes, to be enforced in accordance with the Code of Conduct, managed by the Monitoring Officer.
3. A copy of the proposed amendments are shown as tracked changes in Appendix 1. It is proposed that Clause 9 be included in Part 1 of the Code of Conduct in the Constitution to recognise the position of Members or Associate Members in that position and give the Monitoring Officer the flexibility to enable any complaints about those Members or Associate Members to be dealt with outside of the Code of Conduct for the Corporation, as appropriate.

HARTLEPOOL DEVELOPMENT CORPORATION SCHEME OF DELEGATION

4. At its meeting on 20 March 2023, the Board discussed the requirement for a Scheme of Delegation. A Scheme of Delegation is included in the Constitution for the Development Corporation at Appendix V.
5. Following a review of the Scheme of Delegation:
 - a. an amendment is proposed to paragraph 2.8 to ensure that the Board is informed of any matter determined by a Chief Officer following specific authority from the Board; and
 - b. paragraph 7 – Matters Reserved to the Board of the Corporation has been included as a proposed addition.

PLANNING POWERS

6. Planning powers will be conferred on to HDC on 1 June 2023. This will give HDC the power to determine planning applications within the redline boundary. The Board is presented with a Scheme of Delegation for the determination of planning applications (Appendix 2 – to follow). It sets out the criteria for those applications that will come for decision at Board meetings and those that will be delegated to a Planning Officer.
7. HDC is continuing conversations with Hartlepool Borough Council on the potential for more day-to-day planning matters to be delegated back to the Council through a memorandum of understanding and an update will be given to the Board at a future meeting.

AUDIT AND GOVERNANCE COMMITTEE

8. Paragraph 39 of the Corporation's Constitution provides that the Board shall establish an Audit Committee, and that the Mayor of the Tees Valley Combined Authority, with agreement of the Combined Authority will appoint the Chair of the Audit Committee. The Constitution provides that the other members of the Audit Committee shall be appointed by the Board.

9. The Chartered Institute of Public Finance & Accountancy (CPIFA) has published a position statement which sets out the purpose, model, core functions and membership of the audit committee in Local Authorities and the Police.
10. In relation to membership of the Audit Committee, CPIFA provides that *'members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.'*
11. It is proposed that the make-up of the Development Corporation Audit & Governance Committee be as follows:
 - (a) a member and a substitute member from Hartlepool Borough Council with current or recent experience of having sat on its Audit and Governance Committee(s), and who is not a Member of the Corporation Board. The substitute member shall have authority to act in the place of the appointed representative; and
 - (b) the membership of the Committee shall also include at least five independent persons for the purposes of providing advice in relation to standards matters under the Localism Act 2011 and assisting the Committee in the discharge of its financial functions. A person is independent if the person:
 - i. Is not a member, co-opted member or officer of the Hartlepool Borough Council or the Tees Valley Combined Authority;
 - ii. Is not a relative, or close friend of a person referred to in sub paragraph (i) above;
 - iii. Was not at any time during the 5 years ending with an appointment under paragraph (b)(i) above.
10. This report therefore seeks the Board's approval of the proposed make-up of the Corporation's Audit & Governance Committee and approval to begin recruitment of Independent Members, to enable a proposal for membership of the Audit & Governance Committee to be presented to the Board for approval at the earliest opportunity.

FINANCIAL IMPLICATIONS

12. It is expected that it will cost HDC around £1m per annum to run the planning function and these costs will be covered through the fees collected for planning applications. It should be noted that planning fees are variable and therefore any surplus would be held to cover costs, but that the expectation is that the position would be neutral. This position would be reviewed annually through the budget.

LEGAL IMPLICATIONS

13. The Constitution (along with the Scheme of Delegation) is the Governing document of the Corporation which set out its powers and responsibilities. The proposals in this report serve to enhance and improve the Constitution and the Scheme of Delegation.

RISK ASSESSMENT

14. Tees Valley Combined Authority has adopted a group approach to managing risk which is aligned to ISO and Orange Book standards. This approach has been used to successfully identify, manage, and monitor risks across the Group risk portfolios.
15. The risk management framework uses a suite of standard tools and techniques which deliver the effective and efficient management of risk, supported by the implementation of an automated platform, enabling real time reporting to be used in key decision making, driving accountability and delivery of action plans.
16. To date, a Risk Register has been documented to monitor the development and delivery of the Development Corporation.

CONSULTATION & COMMUNICATION

17. This report is the result of discussions at the previous board meeting and is therefore presented back to the Board for approval.

Name of Contact Officer: Emma Simson

Post Title: Acting Chief Legal Officer

Telephone Number: 07432557286

Email Address: emma.simson@teesvalle-ca.gov.uk