

Appendix 2 to this report is not for publication by virtue of paragraphs 1 and 2 of schedule 12A of the Local Government Act 1972

AGENDA ITEM 15

**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET**

28 MARCH 2018

**REPORT OF THE
MANAGING DIRECTOR**

DELEGATED DECISION MAKING AND GOVERNANCE UPDATE

SUMMARY

This report sets out the process for delegated decisions of the Combined Authority for further consideration by members. It also provides an update on the recruitment process for the independent member of the Audit and Governance Committee, the appointment to Transport for the North's Scrutiny Committee and a new appointment to the Education, Employment and Skills Partnership Board.

*Information in **Appendix 2** is exempt from publication because of reference to appointments of named individuals. If the recommendations are approved, the information will be released publicly and the appendix declassified.*

RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet:

- i. Note the current process in place for delegated decisions arrangements of the Combined Authority, and consider any changes that might be required;
- ii. Approve the appointment of independent members to the Audit & Governance Committee, as set out at appendix 2;
- iii. Approve a constitutional change to increase the number of independent (ie non-councillor) members of the Audit and Governance Committee from [2] to [3];
- iv. Approve the appointment of Cllr Nick Wallis as the member for Transport for the North's Scrutiny Committee and Cllr Kevin Cranney as the substitute member;
- v. Approve the appointment of Beth Farhat from the TUC to the EES Partnership Board.

DETAIL

Delegated Decisions

Project Commitment Delegated Decisions

1. Cabinet agreed at its meeting on 27th July 2017 to establish a mechanism for Project Commitment delegated decisions, which would allow for these decisions to be taken between scheduled Cabinet meetings. The objective of this arrangement is to ensure the Combined Authority can take urgent decisions, particularly to support specific projects, and respond in a timely manner to approve proposals which meet strict criteria. The delegation also reinforces the role of individual Cabinet Members in leading their portfolio area between formal Cabinet meetings.
2. It was agreed that this delegation would apply only if the following conditions were met:
 - Any commitment of funds have already been assigned by Cabinet for that purpose; for example through the specification of an overall programme within the Investment Plan;
 - The total sum involved is no more than £1 million;
 - The proposal reflects an established Combined Authority policy position, and does not raise novel or contentious issues which require debate with the full Cabinet. (In order to assure this, discussions would generally have taken place through the appropriate officer forum); and
 - The proposal is subject to the established Combined Authority assurance framework, as agreed with central government.
3. If these conditions are met, proposals are put jointly by officers to the Mayor and Cabinet Portfolio member. The Mayor or Portfolio Member can refuse the proposal if they consider that the criteria set out above are not met, can establish further consultation with Members or partners, or determine that a full Cabinet discussion is necessary before approval of the decision. Decisions are reported to Cabinet and the Overview and Scrutiny Committee as a standing agenda item at each scheduled meetings. Delegated decisions are in scope for the “call-in” power of the Scrutiny Committee on the same basis as non-delegated decisions. To ensure transparency a full list of all of the delegated decisions made to date is available to view on the Combined Authority website, and presented at Appendix 1 of this report.
4. In discussions about the 2017-18 Budget, it became clear that a majority of Members have concerns about the high financial limit of £1 million, and would instead propose a lower level. A proposal to this effect was made at the Budget meeting, but consensus could not be secured at that stage on an alternative proposition. Under the Combined Authority’s constitution, this matter is therefore brought back to Cabinet for further consideration, to determine whether a consensus can be established for an alternative limit.
5. It’s important to reinforce that, irrespective of the limit established for this delegation, the Mayor or Portfolio Members may ask that any individual delegated decision is remitted to Cabinet, if they feel that the delegated decision arrangement is not appropriate for the specific matter under discussion.

Development Fund Delegated Decisions

6. Separately, Cabinet has also established delegated responsibility for the Combined Authority’s Development Fund to the Managing Director, in consultation with the Tees Valley Mayor. The Development Fund provides support to develop major projects expected to come to Cabinet for a future decision, but where detailed work is required to develop the project up to a position where Cabinet can be properly

advised on whether it represents value for money. Many of the larger capital projects require investment to deliver a business case, for example to fund preparatory work or master planning a complex site. Projects where the Cabinet are asked to take a significant commercial risk may require funding for project appraisal, legal or financial advice. The Development Fund is also used to prepare bids to central government for major infrastructure projects. At the point where projects are approved by Cabinet, the Development Fund is reimbursed from the overall funds made available from the project; creating a recycling fund to support future priorities.

7. Decisions are reported to Cabinet and the Overview and Scrutiny Committee as a standing agenda item at each of their scheduled meetings, and to ensure transparency a full list of all of the delegated decisions made to date is available to view on the Combined Authority website.

Audit and Governance Committee

8. Following the resignation of Colin Fyfe, to take up the role of Chair of the STDC Audit Committee, the Combined Authority recently advertised for a replacement Independent Member for the Audit & Governance Committee. We received two applications for the post and met informally with both candidates. Both candidates were felt to be valuable additions to the Committee.
9. The Committee has had some issues over the last 12 months with achieving quorum for meetings. Of the four meetings held in the last financial year only one of these was quorate. In order to try to ensure quorum moving forward the Chair of the Committee is proposing that both interested Independent members be appointed.
10. Appointing both members would take the total number of Committee members to eight whilst allowing quorum to remain at 5. This would increase the likelihood of meetings being quorate whilst giving allowance for annual leave, illness etc.
11. Since the number of members of the Committee is set out in Combined Authority's constitution, Cabinet would need to agree unanimously for a constitution amendment to increase the membership of the Committee by one.

Transport for the North Scrutiny Committee

12. Transport for the North have recently asked for nominations from the Combined Authority to their Scrutiny Committee. Following discussions between the Tees Valley Mayor and Cllr Dixon as Portfolio Member for Transport, Cllr Nick Wallis, Darlington Borough Council has been nominated as the representative for this Committee. We have received one proposal for a substitute member: Cllr Kevin Cranney of Hartlepool Council.

Education, Employment & Skills Partnership Board

13. To reflect the significant role that trade unions play in supporting high quality employment opportunities, it has been proposed that Beth Farhat, TUC Northern Regional Secretary, is appointed to the Education, Employment and Skills Partnership Board.

FINANCIAL IMPLICATIONS

14. There are no financial implications in relation to this report.

LEGAL IMPLICATIONS

15. There are no legal implications in relation to this report.

RISK ASSESSMENT

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

CONSULTATION

17. The recruitment process for the Independent member of the Audit and Governance Committee was undertaken on an open basis via the Combined Authority's website.

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