

AGENDA ITEM 3

REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET

1st JUNE 2018

REPORT OF THE MANAGING DIRECTOR

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 2018-19 at Appendix 2;
- iii. agrees the recommendations of the Independent Remuneration Panel relating to the Mayor's allowance.
- iv. notes that no substantive changes to the Constitution are proposed.

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 2018-19. The appointments schedule at **Appendix 1** details nominations to the statutory committees. It also details a number of non-statutory/advisory board appointments, external appointments and confirmation of 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 Bill Dixon, Leader of Darlington Council, is nominated as the Deputy Mayor for the 2018-19 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. The Council Leaders have proposed not to alter the allocation of portfolio responsibilities and these are set out at Appendix 1.
- **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.
- **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.
- **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. In the case of Hartlepool, the appointment has been made of an independent councillor, in place of the Labour member that was otherwise determined through the political balance formula. Three independent (private sector) members have also been appointed.

Other non-statutory/advisory groups:

- **Land Commission** – this body maximises the use of brownfield land and land owned by government departments and agencies to support economic development and new homes.
- **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 Partnership Board** - this board brings together partners working to improve the Tees Valley's cultural offer and to boost visitor numbers, including the bid to be City of Culture 2025.
- **Innovation Task Group** –experts on innovation and technology who provide expertise and guidance on specific initiatives and policies as part of the Tees Valley's industrial strategy. The group does not meet on a formal basis, but its membership makes up specific task and finish and advisory groups as required.
- **Transport Advisory Group** – this group brings together officers and partners with responsibilities for the Tees Valley's transport infrastructure.

- **Business Compass Steering Group** - the group oversees the Tees Valley's business growth services.

Local Enterprise Partnership Membership

4. The Local Enterprise Partnership (LEP) is the principal forum for collaboration between the public and private sectors. LEPs exist across England and form part of a national network, but in the Tees Valley the partnership is strengthened by its integration within the decision-making structures of the Combined Authority. This also means that the Tees Valley LEP can demonstrate sound governance, and fully meets the requirements set by government for the operation of LEPs. LEP members are also Associate Members of the Tees Valley Combined Authority Cabinet.
5. In order to strengthen the group of business leaders on the LEP, a recent round of recruitment has taken place. In particular the focus has been on attracting members from the digital and culture/tourism sectors, and also increasing the diversity of the group.
6. Cabinet is asked to approve the appointment of Mark South, Chief Operating Officer of Double 11 Ltd, to the LEP. Mark will bring a wealth of knowledge and skills on the digital sector to the group.
7. The LEP and the Combined Authority recognise that there is more that they can do to strengthen the diversity of the LEP and will undertake a much more proactive recruitment campaign, commencing in June.

Appointments to External Bodies

8. 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

9. 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 currently under review, to ensure that effective communication and close partnership arrangements are maintained between officers on all aspect of the Combined Authority's responsibilities.

Statutory Officers

10. The schedule also confirms the appointment of the Combined Authority's Statutory and Chief Officers. Following the recent appointment of the current Managing Director, Andrew Lewis, as Chief Executive of Cheshire West and Chester Council, Julie Gilhespie has been appointed as Interim Managing Director. They will work together through a short transition period, and the process to recruit a permanent Managing Director has now been initiated. Julie Gilhespie continues in the role of Finance Director, and steps will be taken to provide additional support for her in that role. It is also proposed that Andrew Nixon of Redcar and Cleveland Council continues to fulfil the role of Monitoring Officer.

11. The Cabinet is recommended to formally agree the appointments as presented in Appendix 1.
12. 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; within constraints set by the legislation. Recommendations for these appointments will therefore be brought to the July meeting of the Cabinet for confirmation, following committee meetings in May and June.

Members' Allowances Scheme and Mayoral Allowance

13. The Mayor's allowance is set following the recommendation to Cabinet by the Independent Remuneration Panel. Cabinet agreed last year that the Panel should be reconvened one year on from the election of the Tees Valley Mayor, to review its recommendation. This meeting took place on 18th May 2018. During its deliberations the Panel noted the principle established at last year's meeting that the Mayoral Allowance be set at an average of the allowances provided to the Leaders of the five Constituent Authorities, reflecting the principle of collective decision making established by the Combined Authority. They recommended that this formula should continue to apply for the remainder of the current Mayoral term. They however noted that the Tees Valley Mayor's allowance is significantly lower than other Combined Authority Mayors with comparable responsibilities.
14. The Panel recommended that it meet again in approximately one year's time to consider the allowance that would be applicable for the Mayor that will be elected in May 2020 and that professional, independent advice, looking at Mayoral allowances in detail, be commissioned to be considered at this meeting. They would then make a recommendation to Cabinet, for consideration before the point at which candidates for the 2020 mayoral election would be selected.
15. Member's travel and subsistence allowances for the year 2018-19 (which remain unchanged from 2017-18), are detailed in Appendix 2.

Amendments to the Constitution

16. The Constitution of the Combined Authority has proved effective in governing the authority in its first year as a Mayoral authority, and no substantive amendments to the Constitution are proposed.

FINANCIAL IMPLICATIONS

17. 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

18. The report relates to the Constitution for 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

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

CONSULTATION

20. 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.

RECOMMENDATIONS

21. It is recommended that the Combined Authority Cabinet agrees the appointments as set out at Appendix 1.

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