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Foreword

This document sets out the basis of how decisions will be taken within our Combined Authority, in keeping with principles of democracy and transparency and with effective and efficient decision-making.

The five Tees Valley authorities have demonstrated a commitment to collaboration between ourselves, and with business and other partners – for many years. The creation of the Tees Valley Combined Authority in April 2016 created a clear statutory basis for an enhanced partnership. The Tees Valley has demonstrated its commitment to assume greater powers and responsibilities, with the resources to deliver them effectively. Our devolution deal with government identified specific areas where responsibilities would be transferred from central government to our region. We are confident that, by making decisions closer to the people we represent, we can deliver better outcomes, and greater transformation of our economy and public services. The devolution deal is an important step and has allowed us to start to deliver real change for the people of the Tees Valley but we want to go further.

Successful devolution depends upon strong local arrangements for decision-making. The transfer of responsibilities from one tier of government to another will do nothing, in itself, to deliver more effectively for our citizens. To ensure that devolution secures better outcomes for our citizens, we have a responsibility to deliver better, more inclusive, and more transparent decision-making; meeting the aspirations of the Tees Valley more effectively than decision-making in Westminster and Whitehall.
May 2017 saw the election of a Mayor of the Tees Valley, required by government as a precondition for meaningful devolution, who is also chair of our Combined Authority. We strongly believe that the Mayoral arrangements will only gain the confidence of the electorate if they secure support from across our diverse communities, meet the highest standards of democratic accountability, and are subject to robust checks and balances. This Constitution therefore provides for the Mayor’s role to be embedded in the Combined Authority’s collective decision-making arrangements. The Mayor chairs a Cabinet made up of the leaders of the five authorities, who together form the Combined Authority’s decision-making forum. They will need to work closely with leaders of the business community and other partners. The Constitution reinforces an ethos of collaboration and inclusion.
Introduction

1. The Tees Valley is defined as the area covered by five Constituent Authorities:

- Stockton-on-Tees Borough Council;
- Darlington Borough Council;
- Hartlepool Borough Council;
- Redcar and Cleveland Borough Council; and
- Middlesbrough Council.

2. The Tees Valley Combined Authority (“The Combined Authority”) exists to further the sustainable and inclusive growth of the economy of the Tees Valley. It was established in April 2016 and has been built on a strong history of collaboration between the Constituent Authorities, the private sector and other partners.

3. The Combined Authority incorporates the role and responsibilities of the Local Enterprise Partnership for the Tees Valley, the Transport Authority, and various other statutory and non-statutory responsibilities.

4. This constitution reflects:

- Experience of effective management of collaborative arrangements operating within the Tees Valley for over 20 years;
- The commitments entered into by government and the leaders of the Tees Valley, in the devolution deal signed in October 2015;
- Interim constitutional arrangements put in place on the establishment of the Combined Authority in April 2016;
- Proposals for a governance scheme established by the Tees Valley leaders, and which were subject to public consultation in July and August 2016;
- Approval to the governance framework by the Constituent Authorities and the Combined Authority in January 2017;
• The statutory framework established by parliament in April 2016.

5. This Constitution is a living document and shall be amended as the Combined Authority develops. Authority is delegated to the Monitoring Officer, in consultation with the Chief Executive, the title given to the Head of Paid Service, to make amendments to the Constitution, in order to reflect organisational or legislative changes, or to make any minor textual or grammatical corrections. Any other changes shall be agreed unanimously by the Combined Authority’s Cabinet.

6. The Tees Valley Combined Authority (Election of Mayor) Order 2016 established the Combined Authority as a Mayoral Combined Authority. The first Mayor was elected in May 2017, and will serve for a three year term of office. Following this Mayoral elections will take place every four years. The Tees Valley Mayor shall chair the Combined Authority and its Cabinet; with responsibilities, and checks and balances on the exercise of those responsibilities, as set out by this Constitution.

7. The Mayor and other Cabinet Members will work together in collaboration, in the interests of the people of the Tees Valley. This Constitution sets out arrangements to ensure the effective conduct of the Combined Authority’s business, in this spirit of collaboration, mutual respect and transparency. All members will strive to work on the basis of consensus, taking decisions through agreement. These principles shall apply irrespective of the statutory basis for the exercise of those powers; whether through the powers and responsibilities of the Mayor, the Combined Authority, or the Local Enterprise Partnership. The powers of the Mayor are to be exercised through collaboration within the Combined Authority’s Cabinet, and in partnership with all relevant stakeholders.
The Combined Authority Cabinet

8. The Members of the Combined Authority shall be known as the Combined Authority’s Cabinet. All decisions of the Combined Authority, unless otherwise delegated, shall be taken by the Cabinet, according to the arrangements set out in this Constitution.

9. The Combined Authority shall hold an Annual Meeting in public, to consider any amendments to the Constitution, and for the Cabinet to make appointments to Combined Authority roles. The Annual Meeting of the Combined Authority Cabinet shall generally take place following the Annual Meetings of the constituent authorities, in order to reflect the appointments made by the constituent authorities to the Combined Authority and its committees, but in any case, no later than the end of July. Meetings for the carrying out of general business shall be held in each year at the times and on the dates determined by the Cabinet. Extraordinary meetings may be called at any time in accordance with the provisions of the Local Government Act 1972 (“1972 Act”) or any other relevant statutory provision.

10. The members of Cabinet shall be the Leaders of the Constituent Authorities and the Tees Valley Mayor. The Constituent Authorities shall each nominate another elected member as a Substitute Member, with the authority to act in place of that Constituent Authority’s Leader.

11. All Leaders shall be regarded as having equal status within the Combined Authority, irrespective of the governance arrangements applying within each Constituent Authority, or of the population residing within that authority. Middlesbrough Council operates with a Mayoral model of governance. In this constitution, the phrase “Leaders” includes the Mayor of Middlesbrough, and the phrase “Mayor” in this Constitution applies only to the elected Tees Valley Mayor. All provisions for appointments by Hartlepool Council to the Combined Authority’s
committees shall be made in accordance with the committee system of governance applying specifically in that authority.

12. The Cabinet shall be chaired by the Mayor, or in their absence the Deputy Mayor.

13. The Mayor shall appoint a Deputy Mayor from amongst the Cabinet Members representing the Constituent Authorities, determined annually by rotation in the order set out in paragraph 1. In the event that a Cabinet Member does not wish to assume the role of Deputy Mayor, the Mayor shall invite the Cabinet Member from the next Constituent Authority in the order set out in paragraph 1.

14. The Deputy Mayor shall act in place of the Mayor if the Mayor leaves or resigns before the expiry of their term of office, is unable to chair a meeting of Cabinet, or is otherwise unable to act, until such time as the Mayor is able to act or a new Mayor is elected. Where the Deputy Mayor is required to act in place of the Mayor in connection with any matter, the Substitute Member for the Constituent Authority to which the Deputy Mayor belongs shall exercise that Constituent Authority’s right to vote in relation to that matter.

15. The Chair of the Local Enterprise Partnership shall be entitled to attend Cabinet meetings on a non-voting basis, but with the right to fully participate in debate and to make proposals for consideration by Cabinet on behalf of the Local Enterprise Partnership. The Local Enterprise Partnership shall identify another member able to substitute for its Chair in the event that the Chair is unable to attend.

16. The quorum for meetings of Cabinet for any matter where a unanimous decision is required shall be all Cabinet Members or their Substitute Members. If the Deputy Mayor is acting in place of the Mayor, the quorum for that matter shall include the Substitute Member for the authority to which the Deputy Mayor belongs. The quorum for meetings shall otherwise be the Mayor or Deputy Mayor, and three of the five other Cabinet Members or their Substitute Members.
During any meeting of Cabinet, if the Chair counts the number of Members present and declares that there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chair does not fix a date, the remaining business will be considered at the next ordinary Cabinet meeting.

17. The proceedings of the Cabinet are not invalidated by any vacancy amongst its Members or Substitute Members, or by any defect in the appointment or qualifications of any Member or Substitute Member.

18. The Cabinet may establish sub-committees, working groups and partnership arrangements as necessary to support the work of the Combined Authority, and may determine terms of reference and membership as appropriate.

19. The Cabinet shall conduct its proceedings in accordance with the rules of procedure, set out in Appendix I.

**Portfolio Responsibilities of Cabinet Members**

20. The Cabinet Members, except the Mayor, may unanimously at the Annual Meeting agree an allocation of portfolio responsibilities between them, representing the principal responsibilities of the Combined Authority. In the event that unanimous agreement cannot be achieved, the Mayor shall propose the allocation of portfolios, except that no Leader shall be required to adopt a portfolio responsibility without their agreement.

21. The Cabinet may delegate functions to Cabinet members with portfolio responsibilities, and may agree that Cabinet members with portfolio responsibilities represent the Combined Authority on any matter within that portfolio.
22. The Chair of the Local Enterprise Partnership shall not hold a portfolio role, but shall seek to represent the views of the members of the Local Enterprise Partnership, and the wider business community, on all relevant matters.

Decisions and Voting

23. This Constitution sets out some major decisions which require the unanimous agreement of the Combined Authority Cabinet:

   i. for changes to the Constitution (paragraph 5);
   
   ii. the adoption, approval, amendment, modification, revision, variation, withdrawal or revocation of the Tees Valley Investment Plan (paragraph 31);
   
   iii. the setting of any transport levy under Section 74 of the Local Government Finance Act 1988 (paragraph 50); and

   iv. the adoption, approval, amendment, modification, revision, variation, withdrawal or revocation of the Strategic Economic Plan (paragraph 28), and such other plans and strategies as may be determined by the Combined Authority, with the unanimous agreement of Members.

24. For all other decisions or set of decisions where, after reasonable efforts have been taken to secure a consensus, a consensus cannot be reached, decisions shall (subject to clause 25 below) be taken according to a simple majority vote; except that the Mayor (or the Deputy Mayor if substituting for the Mayor) must be part of the majority.

25. As an exception to the above, it is hereby agreed that any decision of the Combined Authority in respect of which the costs, risks, or financial detriments are to be borne solely or mainly by a single Constituent Authority, shall not be taken unless that Constituent Authority is part of the majority.

26. Each member of Cabinet shall have one vote. The Chair shall not have a second or casting vote. If the vote is tied, it shall be deemed not to have been carried.
27. In the event that the Mayor (or in their absence the Deputy Mayor) opposes a proposal, but a majority of the Cabinet is in agreement, the proposal shall be deemed to have been neither carried nor rejected. In these circumstances, a decision shall be deferred for a future meeting, to allow adequate time for the scope for consensus to be explored, after which time an alternative proposal may be brought forward for consideration, with voting as set out in paragraph 24.

28. Where a vote is required, a vote will take place by a show of hands. If a Member requests, and the request is supported by two other Members, before any vote is taken, the voting on the question shall be recorded so as to show whether each Member present voted for or against the question or abstained from voting. A Member or Substitute Member may request that their vote be recorded in the minutes of the meeting.

**Strategies**

29. The Combined Authority shall maintain and update as necessary a Strategic Economic Plan, setting out the long-term ambitions for the development of the economy, and summarising strategies and plans to enhance the sustainable and inclusive economic growth of the Tees Valley. The Plan will be developed in cooperation with Cabinet and the Local Enterprise Partnership, the wider business community, the Overview and Scrutiny committee, other stakeholders, and with public engagement and consultation. It shall be proposed by the Mayor to the Cabinet, for consideration and agreement.

30. The Strategic Economic Plan will incorporate a Strategic Transport Plan, fulfilling the statutory role of a local transport plan for the Tees Valley, and any other strategies and plans which the Combined Authority agree as necessary for the delivery of its functions.
The Investment Plan

31. To meet its responsibilities, the Combined Authority holds capital and revenue funding; derived mainly from resources devolved from central government, and from the returns from past investments. Under the principles of devolution, allocation of these resources should be made through transparent and democratically accountable decision-making, in the best interests of the long-term economic and social benefit of the people of the Tees Valley.

32. Proposals for allocation of resources available to the Combined Authority shall be set out in an Investment Plan, to be adopted annually and amended as necessary through unanimous agreement by the Cabinet. The Investment Plan shall include:

i. Estimates of the total resources available to the Combined Authority, on a medium-term basis;

ii. Identification of funding priorities;

iii. Existing commitments of funding to programmes and projects;

iv. Assessment of assets, liabilities, receipts and borrowing;

v. Assessment of co-funding from other parties for Combined Authority programmes and projects.

33. Part of the Combined Authority’s budget relates to funds devolved from central government for Highways Authority functions, exercised by the individual Constituent Authorities rather than by the Combined Authority. The allocation of these resources set out in Appendix IV shall be considered part of the Investment Plan, and therefore can only be amended through the unanimous agreement of Cabinet.
The Budget Setting Process

34. On an annual basis, the Chief Executive and Director of Finance and Resources shall prepare a draft Budget for the Combined Authority, consistent with statutory requirements and principles of sound financial management. The draft Budget shall also be presented in the context of the agreed Investment Plan, identifying any consequential amendments to the Investment Plan which would require unanimous agreement.

35. In accordance with the statutory requirements, the draft budget shall separate non-Investment plan expenditure into:

i. Proposed expenditure on the Mayors General Functions; and  
ii. Proposed expenditure on Combined Authority Functions.

36. The Mayors General Functions shall comprise the following functions:

<table>
<thead>
<tr>
<th>Power</th>
<th>Originating Statute</th>
<th>Statute vesting that power in the Mayor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power to pay grant</td>
<td>S31 Local Government Act 2003</td>
<td>Art 6 Tees Valley Combined Authority (Functions and Amendment) Order 2017</td>
</tr>
<tr>
<td>Local Transport Plans – develop and implement policies</td>
<td>S108, 109 and 112 Transport Act 2000</td>
<td>Art 6 Functions and Amendment Order 2017</td>
</tr>
<tr>
<td>All powers in relation to Mayoral Development Corporations</td>
<td>S197 to 221 Localism Act 2011</td>
<td>Art 5(1) Tees Valley Combined Authority (Functions) Order 2017</td>
</tr>
</tbody>
</table>

37. The Combined Authority Functions shall comprise the following functions:

<table>
<thead>
<tr>
<th>Power</th>
<th>Originating Statute</th>
<th>Statute vesting that power in TVCA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport Functions</td>
<td>Functions of the 5 constituent councils within Parts 4 (local passenger transport services) and Part 5 (financial provisions) of Transport Act 1985,</td>
<td>Art 4 Functions and Amendment Order 2017</td>
</tr>
<tr>
<td>Function Type</td>
<td>Relevant Legislation</td>
<td>Authority Order</td>
</tr>
<tr>
<td>-----------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Housing</td>
<td>Periodical review of housing needs under s8 Housing Act 1985</td>
<td>Art 5 Functions and Amendment Order 2017</td>
</tr>
<tr>
<td>Economic development and regeneration functions</td>
<td>S1 localism act 2011 general power of competence (but only in relation to economic development and regen)</td>
<td>Art 7 Tees Valley Combined Authority Order 2016</td>
</tr>
<tr>
<td>Power to encourage visitors and provide conference and other facilities</td>
<td>S144 Local Govt Act 1972</td>
<td>Art 7 Tees Valley Combined Authority Order 2016</td>
</tr>
<tr>
<td>Duties and powers related to the provision of education and training for persons over compulsory school age</td>
<td>S15ZA, s15ZB, s15ZC, s17, s18(1)(b), s514A and s560A Education Act 1996</td>
<td>Art 7 Tees Valley Combined Authority Order 2016</td>
</tr>
<tr>
<td>Power to place staff at disposal of other local authorities</td>
<td>S113 Local Govt Act 1972</td>
<td>S8 Tees Valley Combined Authority Order 2016</td>
</tr>
<tr>
<td>power to arrange for publication of information relating to the authority</td>
<td>S142(2) Local Govt Act 1972</td>
<td>Art 8 Tees Valley Combined Authority Order 2016</td>
</tr>
<tr>
<td>power to prosecute and defend legal proceedings</td>
<td>S222 Local Govt Act 1972</td>
<td>Art 8 Tees Valley Combined Authority Order 2016</td>
</tr>
<tr>
<td>Power to research and collect information</td>
<td>S88(1)(a) and (b) Local Govt Act 1988</td>
<td>Art 9 Tees Valley Combined Authority Order 2016</td>
</tr>
</tbody>
</table>

38. If any element of the draft Budget proposes expenditure incurred in, or in connection with, the exercise of the Mayor’s General Functions defined under the Combined Authorities (Finance) Order 2017, which is not proposed to be met through other sources, and where this position is confirmed by the Monitoring
Officer and Director of Finance and Resources, the draft Budget may set out a proposal to precept the Constituent Authorities, under section 40 of the Local Government Finance Act 1992. Otherwise, the draft Budget shall confirm that a precept is not proposed for the Mayor’s General Functions.

39. The draft Budget shall be submitted to the Cabinet for consideration and approval for the purposes of consultation. Approval by the Cabinet to consult on the budget proposals shall not be taken to pre-determine their final approval, or the position of the Mayor or individual Cabinet members, with or without amendments, following consultation. Consultation shall take place on the draft Budget for such period of time, and with such consultees as the Cabinet shall determine; and the consultees shall include the Local Enterprise Partnership, the Overview and Scrutiny Committee, representatives of the business community, higher and further education institutions, trade unions, and the Constituent Authorities.

40. Before 1st February, having taken into account the draft Budget prepared by the Chief Executive and Director of Finance and Resources, the consultation responses, and any other relevant factor, the Mayor shall propose the Combined Authority’s draft Budget to Cabinet.

41. The Combined Authority shall meet to consider the Mayor’s proposed draft Budget before the 8th February.

42. Unanimous approval is required for any aspect of the draft Budget which requires amendment to the Investment Plan.

43. In relation to the Combined Authority Functions part of the draft Budget, this shall be approved by a simple majority vote except that the Mayor (or Deputy Mayor if substituting for the Mayor) must be part of that majority, in accordance with clause 24 of this Constitution.
44. In relation to the Mayor’s General Functions part of the draft Budget, a report may be agreed by a majority of Cabinet members (excluding the Mayor):

i. approving the Mayor’s General Functions part of the draft Budget as proposed by the Mayor under paragraph [35]; or

ii. agreeing a report making proposals for amendment to the Mayor’s General Functions part of the draft Budget. Any such draft amendments must be provided in advance of the meeting to the Director of Finance and Resources, in order that they can be determined as being within the statutory requirements for a valid budget; and

iii. agreeing a date, at least five working days beginning on the day after the day the mayor receives the report referred to in 43 (ii).

45. Within the period specified under paragraph 43(iii), the Mayor shall publish a report responding to any proposals set out by the Cabinet under paragraph 43(ii). The report may support some or all of the proposals made under paragraph 43(ii), with reasons why the Mayor supports or rejects those proposals. The draft Mayoral General Functions part of the Budget shall be amended to reflect any proposals under paragraph 43(ii) which are supported by the Mayor, or any other revisions.

46. Within five working days of the expiry of the period referred to in 43 (iii) the Combined Authority must meet to determine whether to:

i. approve the draft or revised draft of the Mayor’s General Functions part of the Budget or, alternatively;

ii. veto the draft or revised draft Mayor’s General Functions part of the Budget (such veto to require at least three cabinet members (excluding the Mayor)) and to approve the draft of the Mayor’s General Functions part of the Budget incorporating the Combined Authority’s recommendations referred to at 43 (ii) above.
47. The Cabinets budget-setting powers for the Mayors General Functions may only be used for resourcing purposes (for example to determine how much is required to be spent or how large a precept is acceptable for these functions) rather than to pre-empt how those resources are expended in relation to the Mayors General Functions. Additionally, the fact that budgetary provision is made for certain expenditure shall not compel the Mayors General Functions to engage in such expenditure.

48. If by 8\textsuperscript{th} February the Cabinet fails to reach a majority decision on the Combined Authority Functions part of the Budget in accordance with clause 42 above, and/or fails to make a report in relation to the Mayors General Functions part of the Budget in accordance with clause 43 above, the draft Combined Authority Functions or Mayors General Functions part of the Budget (or both, as appropriate) proposed on 1\textsuperscript{st} February in that year to the Cabinet shall be deemed to be approved by the Combined Authority.

49. Proposals for expenditure of resources shall be submitted as necessary to Cabinet by the Chief Executive and Director of Finance and Resources, for approval by Cabinet; except that any proposals requiring amendment to the Investment Plan shall require unanimous agreement.

50. The Cabinet shall not take a decision which has a direct financial impact upon any of the Constituent Authorities, as determined by the Director of Finance and Resources, without the approval of the Cabinet member representing that authority.

51. Combined Authorities are intended to have the statutory power to levy for their transport functions. Unlike some Combined Authorities, the Tees Valley Combined Authority is not responsible for operating transport services, and there is therefore no current need to exercise this power. Should the situation arise, any such levy shall only be approved with the unanimous agreement of the
Cabinet, and shall require amendments to the Constitution to determine the means on which any levy should be determined.

52. As a condition for the receipt of devolved funding, the Combined Authority has agreed an Assurance Framework with central government. A copy is attached at Appendix III.

53. In accordance with the Assurance Framework, it is hereby agreed that any individuals who have been directly involved with the preparation, approval and submission of bids from a Constituent Authority to the Combined Authority for funding, may not subsequently be involved as part of the Combined Authority’s decision making process as to whether that Constituent Authority’s bid for funding is successful.

**Tees Valley Local Enterprise Partnership**

54. The Tees Valley Local Enterprise Partnership is the principal forum for collaboration between the public and private sectors, for improving the economy of the Tees Valley. It forms part of a national network of Local Enterprise Partnerships designated by central government.

55. The Combined Authority shall be the accountable body for the Local Enterprise Partnership, and shall employ the officers who support it.

56. The Membership shall comprise of a maximum of 20 representatives. This will include

- The Tees Valley Mayor and other Local Authority Cabinet Members
- Private Sector (two thirds of membership) Private sector membership will include representation from Higher Education and Further Education
- Health Sector (Health representation can be from either the public or private sector).
57. All Local Enterprise Partnership members (with the exception of the Mayor and Local Authority Cabinet members) shall be associate (non-voting members) of Cabinet.

58. Business representative organisations shall have one position on the Local Enterprise Partnership, with observer status only. The representation will rotate annually.

59. The LEP does not have a formal decision making role. Recommendations from the LEP will be taken to Cabinet for approval.

60. The term of office for all members of the Local Enterprise Partnership (with the exception of the Mayor, Local Authority Cabinet members, Higher Education and Further Education members) shall be two years extendable by one further term of two years, unless otherwise agreed by the Cabinet. The term of office for the Mayor and Local Authority Cabinet members will be aligned to their political term of office. The representative from Higher Education will reflect the organisational position held. The Higher Education representative will be the Vice Chancellor of Teesside University. One Further Education representative will be collectively identified by the Further Education colleges operating in Tees Valley, this representative will rotate annually.

61. The Local Enterprise Partnership shall appoint one of its private sector members to be its Chair and Deputy Chair, following a formal process set out in the Terms of Reference for the Local Enterprise Partnership. There will be broad consultation with the private sector when appointing a Chair. The term of membership for the Chair and Deputy Chair shall be two years extendable by one further term of two years, unless otherwise agreed by Cabinet and subject to alignment with the individuals’ term of membership as a private sector representative.
62. To ensure wider representation of the business community in the Combined Authority’s work, members of the Local Enterprise Partnership, and a wider representative group of other members of the business community, will be invited to join a Tees Valley Business Engagement Forum

Overview and Scrutiny Committee

63. The Combined Authority has established an Overview and Scrutiny Committee, in line with the statutory requirements set out in the Combined Authorities (Overview and Scrutiny, Access to Information and Audit Committees) Order 2017.

64. The membership of the Committee shall comprise fifteen members, three nominated from each of the Constituent Authorities. Members of the Committee taken as a whole shall reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the Constituent Authorities collectively. Arrangements for determining political balance are set out in Appendix V.

65. A change in political balance of any of the Constituent Authorities shall require a review of the membership of the Committee in order to determine whether any amendment to its membership is required to re-establish political balance. In the event that this review requires a change of membership, this shall be communicated to the Constituent Authorities as necessary, to make any necessary changes to their appointments at the earliest practical opportunity.

66. The Members of the Overview and Scrutiny Committee must be Members of the Constituent Authorities and shall not include any Members who are also Members or Substitute Members of the Combined Authority’s Cabinet or its Sub-Committees nor any officer of the Combined Authority or of any of the Constituent Authorities.
67. The term of office for Members of the Overview and Scrutiny Committee shall be one year from the date of the annual council meeting of the Constituent Authority that appoints them to the Overview and Scrutiny Committee unless:-

- They cease to be an elected member of the Constituent Authority that appointed them;
- They wish no longer to participate in the scrutiny arrangements and communicate this in writing to the Proper Officer of their Constituent Authority; or
- The Combined Authority is advised by any of the Constituent Authorities that it wishes to change one or more of its appointees to the Overview and Scrutiny Committee in accordance with paragraphs 63-65

68. Within a period of 28 days beginning with the day on which an appointment is made to the Overview and Scrutiny Committee, a notice will be published on the Combined Authority’s website:

   i. Stating that the Authority has made an appointment;
   ii. Identifying each Member of the Committee who has been appointed; and
   iii. Specifying the period for which the members of the Committee have been appointed.

69. The Chair and Vice-Chair of the Overview and Scrutiny Committee shall be appointed by the Cabinet from amongst the members of the Committee, following a proposal put to them by the Overview and Scrutiny Committee; except that the Chair and Vice Chair shall not be a member of a registered political party of which the Mayor is also a member. Where the Mayor is not a member of a registered political party, the Chair and Vice Chair of the Committee shall not be a member of a political party represented by a majority of Members of the Combined Authority. Where two or more such parties have the same number of representatives the Chair and Vice Chair should not be a member of any of those parties.
70. The Committee can submit reports or recommendations to the Combined Authority Cabinet. Where it does so, Cabinet must respond to the Committee’s reports or recommendations within two months beginning with the date on which the Cabinet received those reports or recommendations.

71. The Committee may establish temporary working groups to consider specific issues in more depth and to report back to the Committee.

72. The Committee may review or scrutinise decisions made, or other action taken in connection with the discharge of the Combined Authority’s or the Mayor’s functions, and where a decision has not been implemented the Committee may direct, while it is under review or scrutiny, that it is not to be implemented for up to 14 days, and may also recommend that the decision be reconsidered. Procedures for the application of the “call-in” power are set out in the rules of procedure at Appendix II.

73. Members or Officers of the Combined Authority must comply with any reasonable request from the Committee to attend before it to answer questions, or to submit information. The Committee can invite other persons to attend its meetings to provide evidence and contribute to its deliberations.

74. The quorum for meetings of the Committee shall be ten members, representing no fewer than four Constituent Authorities.

75. Each member of the Committee has one vote and no member has a casting vote. Any questions that need to be decided by a vote shall be decided by a simple majority of the members present and voting on those matters. Where the vote is tied, the particular matter or decision will be deemed not to have been carried.

76. The Committee shall be established and shall conduct its proceedings in accordance with the Overview and Scrutiny Committee rules of procedure which are set out at Appendix II of the Constitution.
Tees Valley Transport Committee

77. The Combined Authority has established a Transport Committee. The purpose of the Transport Committee is to review the transport strategy and policies of the Combined Authority; to review transport services operating within the Tees Valley; to oversee the Combined Authority’s representation on external bodies with transport responsibilities, including Transport for the North and Rail North; and to receive delegations and make recommendations on transport matters to the Cabinet.

78. The Transport Committee shall be chaired by the Cabinet member with portfolio responsibilities for the Combined Authority’s transport functions.

79. The membership of the Committee shall comprise the executive members with portfolio responsibility for transport within each Constituent Authority. The Cabinet shall appoint the Vice-Chair of the Transport Committee from amongst the members of the Transport Committee. The Vice-Chair shall assume the responsibilities of Chair in the absence of the Chair.

80. The Local Enterprise Partnership shall nominate one of its private sector members to attend Transport Committee meetings on a non-voting basis, with the right to fully participate in its deliberations. The Constituent Authorities and the Local Enterprise Partnership shall each nominate another of their members as a Substitute Member, with the authority to act as their representative.

81. The Cabinet may delegate any transport-related function to the Transport Committee. The Transport Committee may, through its Chair, make proposals to the Cabinet for decision.

82. The Transport Committee shall meet no less than twice a year. The quorum for the Committee is three. Voting shall be on the basis of one member one vote. Any decisions which are tied shall be deemed not to have been carried.
83. The Transport Committee shall conduct its proceedings in accordance with the Transport Rules of Procedure set out at Appendix II of this Constitution.

Audit and Governance Committee

84. The Combined Authority has established an Audit and Governance Committee, for the purposes of assuring sound governance, effective internal control and financial management of the Combined Authority, and that the Combined Authority observes high standards of conduct in public office. The Committee meets the requirements of the Combined Authorities (Overview and Scrutiny, Access to Information and Audit Committees) Order 2017.

85. Each Constituent Authority shall nominate a Member and Substitute Member from amongst the Members of that authority with current or recent experience of having served on its Audit or Governance committees, and who is not also a Member or Substitute Member of the Combined Authority Cabinet or its Sub-Committees. The Members nominated by the Constituent Authorities shall reflect, so far as reasonably practicable, the balance of political parties for the time being prevailing among members of the Constituent Authorities collectively. Arrangements for determining political balance are set out in Appendix V. The Substitute members shall have the authority to act in the place of that Constituent Authority’s representative.

86. The membership of the Committee shall also include three 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 authority;
ii. Is not a member, co-opted member or officer of a parish council for which the authority is the principal authority;

iii. Is not a relative, or close friend of a person referred to in sub paragraph (i) or (ii) above;

iv. Was not at any time during the 5 years ending with an appointment under paragraph [85] a person as described in sub paragraph (i) or (ii) above.

87. Members of the Committee must not include any Officer of the Combined Authority or of the Constituent Authorities.

88. The Chair and Vice-Chair of the Committee shall be determined annually by the Cabinet from amongst the Members nominated by the Constituent Authorities, following a proposal put to them by the Audit and Governance Committee.

89. The Committee shall hold at least three meetings each year. The quorum for meetings of the Committee shall be five of the total number of eight members of the Committee.

90. Decisions shall be taken by way of consensus wherever possible. If a vote is required, voting shall be on the basis of one member one vote. Any decisions which are tied shall be deemed to have been not carried.

91. The Committee shall conduct its proceedings in accordance with the Audit & Governance Rules of Procedure set out at Appendix II of this Constitution.

Mayoral Development Corporations

92. Under the Tees Valley (Functions) Order 2017, the Mayor can propose the creation of Mayoral Development Corporations. A Mayoral Development
Corporation is a body corporate having the name given to it in the notification to the Secretary of State.

93. On receipt of a proposal from the Mayor to create a Mayoral Development Corporation, Cabinet can agree the proposal by majority vote, provided that such a majority includes the Cabinet member of any Constituent Authority in whose council area any land proposed to form part of the Mayoral Development Corporation lies. Any financial implications for the Combined Authority arising from a Mayoral Development Corporation shall require Cabinet agreement through the arrangements for financial decision-making set out in this Constitution.

94. A proposal to create a Mayoral Development Corporation, or to designate an area of land as part of a Mayoral Development Corporation area, must be the subject of prior consultation with certain statutory consultees: the Combined Authority; each Constituent Authority whose administrative area contains any part of the proposed Mayoral Development Corporation area; each MP whose constituency contains any part of the area to be designated; a national park authority, if any part of the area to be designated falls within the national park; and any other person whom the Mayor considers it appropriate to consult.

95. Regard must be given to any comments from any of the consultees. If there are any comments from any of the statutory consultees that are not accepted, a statement must be published giving the reasons for the non-acceptance.

96. Subject to the statutory requirements, and prior to an Order establishing a Mayoral Development Corporation being made, the Cabinet may decide that a Mayoral Development Corporation is to assume certain planning powers for the whole or any portion of the Mayoral Development Corporation’s area, provided that such a majority includes any Cabinet member of a Constituent Authority in whose council area any land proposed to form part of the Mayoral Development Corporation’s area lies.
97. The Mayor shall make proposals to the Cabinet to appoint the Chair and Members of the Mayoral Development Corporation (being no less than six), which shall include at least one member appointed by each Constituent Council whose administrative area includes any part of the Mayoral Development Corporation area.

98. Amendments to the Constitution of the Mayoral Development Corporation shall be approved by the Cabinet.

99. Referral Decisions by the Development Corporation (defined as any decision or issue at the Development Corporation which may result in a significant risk of a financial, statutory, environmental or criminal liability to the Combined Authority or to any or all of its Constituent Authorities) shall require approval by the Cabinet prior to the implementation of any such decision by the Development Corporation.

**Officers**

100. The Cabinet shall appoint, and may dismiss, as Senior Officers of the Combined Authority:

- A Chief Executive, fulfilling the responsibilities of the Head of Paid Service, with overall responsibility for the Combined Authority’s operations and staff.

- A Monitoring Officer, for the purpose of, amongst other things, providing advice on the Combined Authority’s powers and duties, and guidance in relation to standards of conduct.

- A Director of Finance and Resources to fulfil the statutory requirements for financial management, including section 73 of Local Government Act 1985.
- Other Directors as necessary, reporting to the Chief Executive.

101. The Cabinet shall also appoint one of the Combined Authority’s Officers to be a Scrutiny Officer, to promote the role of, and provide support to, the Overview and Scrutiny Committee, and support and guidance to the members of the Combined Authority in relation to the functions of the Committee.

102. The responsibilities of, and delegations to, the Chief Executive, the Monitoring Officer and the Director of Finance and Resources are as set out in Appendix VI of this Constitution.

103. The Chief Executives of the Constituent Authorities shall appoint officers from their authorities as appropriate to assist the Cabinet, Chief Executive, Director of Finance and Resources and the Monitoring Officer in the exercise of their functions.
Appendix I

RULES OF PROCEDURE

1. Interpretation

1.1 The Tees Valley Combined Authority is referred to as “the Combined Authority” in these Rules.

1.2 These Rules apply to meetings of the Combined Authority Cabinet (“Cabinet”), and where appropriate, to meetings of Committees and Sub-Committees of the Combined Authority, including the Transport Committee, the Audit and Governance Committee and the Overview and Scrutiny Committee.

1.3 References in these Rules to the “Chair” mean the Member for the time being presiding at the meeting of the Cabinet, and at a meeting of a Committee or Sub-Committee.

1.4 These Rules shall be read in conjunction with other parts of the Constitution.

1.5 These Rules are subject to any statute or other enactment whether passed before or after these Rules came into effect.

2. Annual Meeting of the Combined Authority Cabinet

2.1 The Annual Meeting will:

(a) confirm the Mayor as the person who is to preside at meetings;

(b) approve the Members (and substitute Members) of the Combined Authority; agree the portfolio responsibilities of each of the Leaders and any functions delegated to them;

(c) elect the Deputy Mayor;

(d) approve the minutes of the last meeting;

(e) receive any declarations of interest from Members;

(f) receive any announcements from the Mayor and/or the Chief Executive;

(g) consider any recommendations from the Audit and Governance Committee;
(h) appoint the Overview and Scrutiny Committee;

(i) appoint the Audit and Governance Committee;

(j) appoint the Transport Committee;

(k) appoint such other Committees as the Combined Authority considers appropriate;

(l) appoint the membership of the Committees referred to in the preceding sub-paragraphs after:

   (i) deciding the number of members to be appointed to each Committee, and their term of office;

   (ii) allocating seats to political groups in accordance with political balance requirements, and;

   (iii) considering any nominations received from the Constituent Authorities and from the Local Enterprise Partnership.

(m) appoint the Chair and Vice-Chair of the Overview and Scrutiny Committee from amongst the members of the Committee, after considering any proposal put to them by the Committee; except that the chair shall not be a member of a registered political party of which the Mayor is also a member. When the Mayor is not a member of a registered political party the Chair of the Committee shall not be a member of the registered political party which has the most representatives among the members of the Constituent Authorities on the Combined Authority, or where two or more parties have the same number of representatives, a member of any of those parties;

(n) appoint the Chair and Vice-Chair of the Audit and Governance committee, after considering any proposal put to them by the Committee, the Chair and Vice-Chair of the Transport Committee and of any other Committees established by the Combined Authority.

(o) appoint the Vice-Chairs of the Committees referred to in the preceding sub-paragraphs;

(p) appoint to outside bodies;

(q) agree the officer scheme of delegation;

(r) consider amendments to the Combined Authority’s procedure rules, as appropriate;

(s) approve the Combined Authority’s allowances scheme;
(t) decide the date and time for the ordinary meetings of the Combined Authority Cabinet;

(u) consider any other business set out in the notice convening the meeting.

3. **Ordinary Meetings of the Combined Authority Cabinet**

3.1 At an ordinary meeting of the Combined Authority, Cabinet will:

(a) approve the minutes of the last meeting;

(b) receive any declarations of interest from Members;

(c) receive any announcements from the Mayor and/or the Chief Executive;

(d) deal with any business from the last ordinary meeting;

(e) consider any reports and recommendations from the Overview and Scrutiny Committee;

(f) receive reports and approved minutes from any Committee of the Combined Authority;

(g) consider any other business specified in the summons to the meeting.

4. **Extraordinary Meetings of the Combined Authority Cabinet**

4.1 At an extraordinary meeting of the Combined Authority, Cabinet will consider the business specified in the summons to the meeting.

5. **Admission of the Public**

5.1 All meetings of the Cabinet and its Sub-Committees shall be open to the public, except to the extent that they are excluded whether during the whole or part of the proceedings either:

   In accordance with Section 100A(2) of the 1972 Act; or

   By resolution passed to exclude the public on the grounds that it is likely, in view of the nature of the business, that if the public were present there would be disclosure to them of exempt information as defined in Section 101 of the 1972 Act. Any such resolution shall identify the business or part of the business to which it applies and state the description, in terms of Schedule 12A to the 1972 Act of the exempt information giving rise to the exclusion of the public.
6. **Notice of Meetings**

6.1 At least five clear days before a meeting of the Cabinet and its Sub-Committees, notice of time and place of the intended meeting shall be published at the offices of the Combined Authority.

6.2 A summons to attend the meeting, specifying an agenda for the meeting shall be left at, or sent by, electronic mail or post to all Combined Authority Members at their usual place of residence, or to such other place as may be requested by a Member.

6.3 Lack of service of the summons on a Member shall not affect the validity of a meeting.

7. **Chair of Meeting**

7.1 At a meeting, the chair shall preside. If the Chair is absent, the Vice-Chair shall preside. If both the Chair and the Vice-Chair are absent, the Members present shall choose which Member is to preside at the meeting.

7.2 Any power or duty of the Chair in relation to the conduct of the meeting, may be exercised by the person presiding at the meeting.

7.3 The ruling of the Chair on the interpretation of these Rules in relation to all questions of order and matters arising in debate, shall be final.

8. **Items of Business**

8.1 Items of business will be agreed in advance of the meeting by the Chair.

8.2 No item of business may be considered at any meeting except:

- the business set out in the agenda
- business required by law to be transacted at the annual meeting; or
- business brought before the meeting by reason of special circumstances, which shall be specified in the minutes, and where the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency.

8.3 Any business raised under the agenda item any other business shall be for information only and not business requiring a decision, unless agreed by the Chair.
9. **Order of Business**

9.1 Items of business shall be dealt with in the order specified in the notice of meeting, except that such order may be varied at the discretion of the Chair, or on a request agreed to by the meeting.

10. **Order of Debate**

10.1 The Chair will introduce each item and may invite an Officer to present it.

10.2 Each Member, including the Chair of the Tees Valley Local Enterprise Partnership and Substitute Member and Associate Members of the Combined Authority, shall be given an opportunity to speak on the matter and on any recommendations contained in the report.

10.3 The order in which anyone will be invited to speak will be decided by the Chair.

10.4 Members may speak more than once on the same item, with the agreement of the Chair.

10.5 Any Elected Member, when speaking, may move that:

- an amendment be made to the recommendation(s); or

- that an item be withdrawn.

10.6 Any such motion, if seconded, shall either be agreed by consensus amongst those Elected Members present, or be voted upon.

10.7 Subject to the outcome of any such motion, once each Member who wishes to speak has done so, the Chair shall move the item, which if seconded, shall again either be agreed by consensus or shall be voted upon.

11. **Duration**

11.1 At any meeting the Chair shall have discretion to adjourn the meeting for a short period of time unless the majority of Members present, by vote, determine it shall stand adjourned to another day, the date and time of which shall be determined by the Chair.

12. **Minutes**

12.1 The Chair will sign the minutes of the proceedings at the next suitable meeting. The Chair will move that the minutes of the previous meeting
be signed as a correct record. Discussion of the minutes should be restricted to their accuracy.

13. **Code of Conduct and Protocols**

13.1 Members, Substitute Members and Associate Members shall comply with the provisions of the Combined Authority’s Code of Conduct for Members and of any other Codes or Protocols, approved by the Combined Authority Cabinet, including those relating to registering and disclosing pecuniary and other interests.

14. **Access to Information**

14.1 In accordance with the Local Government Act 1972 as amended:

(a) All meetings of the Combined Authority Cabinet, its joint-committees, committees and sub-committees shall be open to the public unless it is likely in view of the nature of the business to be transacted that either confidential information (as defined in section 100A(3) of the 1972 Act) or information falling within one of the categories of exempt information in Schedule 12A (as amended) of the 1972 Act would be disclosed.

(b) Copies of the agenda, and reports open to the public will be available for public inspection at least five clear days before a meeting or where the meeting is convened at shorter notice from the time the meeting is convened. If an item is added to the agenda later, the revised agenda and any additional report will be open to inspection from the time it was added to the agenda. Copies of any agenda or reports need not, however, be open to inspection by the public until copies are available to members of the Combined Authority. In addition, an item of business may be considered urgently, where by reason of special circumstances, which shall be specified in the minutes, the Chair is of the opinion that the item should be considered at the meeting, as a matter of urgency.

(c) The Combined Authority will make available for public inspection for six years after a meeting the minutes of the meeting (but excluding any part of the minutes when the meeting was not open to the public or which disclose confidential or exempt information), a summary of any proceedings not open to the public where the minutes open to inspection would not otherwise provide a reasonably fair and coherent record, and the agenda for the meeting and reports relating to items when the meeting was open to the public.

(d) The author of any report will set out in it a list of those documents (called background papers) relating to the report which in his/her opinion disclose any facts or matters on which the report is based and which have been relied on to a material extent in preparing the report (except for documents which are published works or which disclose
confidential or exempt information). Such background papers will remain available for public inspection for four years from the date of the meeting.

(e) Where information is withheld under these provisions the fact must be made known to the member of the public concerned who shall be advised of the categories of information being withheld and the way in which the withholding of the information can be challenged.

15. Exclusion of Access by the Public to Meetings

15.1 (a) Confidential information – requirement to exclude public

The Public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Confidential information means information given to the Combined Authority, its Committees and Sub-Committees by a Government department on terms that forbid its public disclosure or information that cannot be publicly disclosed by reason of a Court Order or any enactment.

(b) Exempt information – discretion to exclude public

The public may be excluded from meetings wherever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.

Exempt information means information falling within the following categories (subject to any qualifications):

(i) information relating to any individual;

(ii) information which is likely to reveal the identity of any individual;

(iii) information relating to the financial or business affairs of any particular person (including the authority holding that information);

(iv) information relating to any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matter arising between the Combined Authority, its Committees and Sub-Committees or a Minister of the Crown and employees of, or office holders under, the Combined Authority, its Committees and Sub-Committees;

(v) information in respect of which a claim to legal professional privilege could be maintained in legal proceedings;
(vi) information which reveals that the Combined Authority, its Committees and Sub-Committees proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment;

(vii) information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

(c) Exclusion of Access by the public to reports

If the Proper Officer considers it appropriate, the Combined Authority, its Committees and Sub-Committees may exclude access by the public to reports which in the Proper Officer’s opinion relate to items during which the meeting is likely not to be open to the public. Such reports will be marked “Not for Publication” together with the category of information likely to be disclosed.

16. Reporting of Proceedings

16.1 Without prejudice to the Chair’s powers in procedure rule 5.3, and subject to procedure rules 17.1 and 17.2, while any meeting of the Combined Authority is open to the public any person attending the meeting may report on the meeting, and publish or disseminate any recording at the time of the meeting or after the meeting.

16.2 The Chair may decide not to permit oral reporting or oral commentary of the meeting as it takes place, if the person reporting or providing the commentary is present at the meeting.

16.3 Where the public are excluded from a meeting in order to prevent the likely disclosure of confidential or exempt information, the chair may also prevent any person from reporting on that meeting employing methods which can be used without that person’s presence at the meeting, and which enable persons not at the meeting to see or hear the proceedings at the meeting, as it takes place or later.

17. General Disturbance

17.1 If a general disturbance makes orderly business impossible, the Chair may:

- adjourn the meeting for as long as the Chair considers necessary; and/or
call for any part of the meeting room open to the public, to be cleared, if the disturbance is in that part.

17.2 If a member of the public interrupts proceedings, the Chair shall warn the person concerned. If they continue to interrupt, the Chair may order them to be removed from the meeting room.

17.3 If the Chair considers at any meeting that a Member is behaving improperly or offensively, or is deliberately obstructing business, the Chair may move that the Member should not be heard further. If seconded, the motion shall be voted upon without discussion.

17.4 If the Member continues to behave in the same way, the Chair may:

- adjourn the meeting for a specified period; and/or
- move that the Member leaves the meeting (if seconded such a motion will be voted on without discussion).

18. The Forward Plan

Period of Forward Plan

18.1 Forward Plans for the Combined Authority will be prepared to cover a period of four months. The Plans will be updated on a monthly basis.

Contents of the Plan

18.2 (a) The Forward Plan will contain details of key decisions which relate to the discharge of Combined Authority functions and which are proposed to be taken during the period covered by the Forward Plan. The details relating to these key decisions, insofar as they are available or might reasonably be obtained, will be as follows:

- the matter in respect of which a key decision is to be taken;
- the decision maker’s name and title, if any;
- the date on which, or the period within which the decision is to be made;
- a list of documents submitted to the decision maker for consideration in relation to the matter, in respect of which the decision is to be taken;
- the address from which, subject to any prohibition or restriction on their disclosure, copies of or extracts from any document listed, is available;
- that other documents relevant to the matter may be submitted to the decision maker; and
• the procedure for requesting details of those documents (if any) as they become available.

(b) For the purposes of the Forward Plan, a “key decision” means a decision of a decision maker, which in the view of the Combined Authority’s Overview and Scrutiny Committee, is likely to:

• result in the Combined Authority or the Mayor incurring significant expenditure, or making significant savings, having regard to the Combined Authority’s budget for the service or function to which the decision relates; or to be

• significant in terms of its effects on persons living or working in an area comprising two or more electoral wards or divisions in the Combined Authority’s area.

Publication of the Forward Plan

18.3 The Forward Plan will be published at least 28 days before the start of the period covered in the Plan.

18.4 It will be published on the Combined Authority’s website and made available for inspection by the public at the Combined Authority’s offices. Exempt information need not be included in the Forward Plan and confidential information cannot be included.

General Exception Procedure

18.5 Where it has not been practicable to provide at least 28 clear days’ notice of a proposed key decision, that decision can only be taken:

(a) where the Proper Officer has informed the Chair of the Overview and Scrutiny Committee, or if there is no such person, each Member of the Committee, by written notice, of the matter about which the decision is to be made;

(b) where the Proper Officer has made a copy of the written notice available to the public at the Combined Authority’s offices, for the public’s inspection, and published it on the Combined Authority’s website; and

(c) after 5 clear days have elapsed following the day on which the Proper Officer made a copy of the written notice available.

18.6 As soon as reasonably practicable after the Proper Officer has complied with these requirements, the Proper Officer must also:
(a) make available to the public at the Combined Authority’s offices, a notice setting out the reasons why compliance with the requirements to publish details of the proposed key decision was impracticable; and

(b) publish that notice on the Combined Authority’s website.

**Cases of Special Urgency**

18.7 Where the date by which a key decision must be made makes compliance with the General Exception Procedure impracticable, the decision may only be taken where the decision maker has obtained agreement that the making of the decision is urgent and cannot reasonably be deferred from:

(a) the Chair of the Overview and Scrutiny Committee; or

(b) if there is no such person, or if the Chair of the Committee is unable to act, the Chair of the Combined Authority; or

(c) where there is no Chair of the Overview and Scrutiny Committee or of the Combined Authority, the Vice-Chair of the Combined Authority.

18.8 As soon as reasonably practicable after agreement has been obtained that the making of the decision is urgent and cannot reasonably be deferred, the decision maker must:

(a) make a notice available to the public at the Combined Authority’s offices, setting out the reasons why the meeting is urgent and cannot reasonably be deferred; and

(b) publish the notice on the Combined Authority’s website.

19. **Officers’ Interests**

19.1 If it comes to an Officer’s knowledge that a contract in which the Officer has a pecuniary interest, whether direct or indirect, has been, or is proposed to be entered into by the Combined Authority, the Officer shall as soon as reasonably practicable give notice in writing to the Monitoring Officer of the fact that he/she has such an interest.

19.2 An Officer shall be treated as having an indirect pecuniary interest in a contract if he/she would have been so treated by virtue of Section 95 of the Local Government Act 1972 had he/she been a member of the Combined Authority, i.e. the other party to the contract is a company or other person or body (other than a public body) of which the Officer or his/her spouse/partner is a member or employee or partner.
19.3 The Monitoring Officer will keep a record of any such notices/interests and the record shall be open for inspection by any Member of the Combined Authority at its offices.

20. **Local Transport Plans**

20.1 The functions relating to local transport plans under sections 108, 109 and 112 of the Transport Act 2000 ("the 2000 Act") may only be exercised if there has been laid before the Combined Authority, in accordance with these procedure rules, either:

- a draft of the local transport plan,
- a draft of the local transport plan, with any alterations, or
- a replacement of the local transport plan,

 together with a statement indicating that it is proposed to exercise the functions under the 2000 Act, and specifying the consideration period for the relevant document during which the Combined Authority must consider and may respond to the proposal.

20.2 The consideration period for the document is 21 days beginning with the day the document is laid before the Combined Authority in accordance with these procedure rules.

20.3 The Combined Authority rejects a proposal if it resolves to do so on a motion considered at a meeting of the Combined Authority Cabinet, and agreed to by at least three of the Members of the Combined Authority appointed by the Constituent Councils or Substitute Members acting in place of these Members, present and voting.

21. **Mayoral Development Areas**

21.1 Any proposal ("the proposal") to designate an area of land as a mayoral development area shall be reported to a meeting of Cabinet.

21.2 If it is considered that the proposal is expedient for furthering any one or more of its principal purposes, and the proposal is supported by the Cabinet Members, or Substitute Cabinet Members, whose Council areas contain any part of the area to be designated a mayoral development area, Cabinet may approve the proposal, in principle, for the purposes of further consultation.

21.3 The following persons ("the consultees") will be consulted regarding the proposal:
• the Combined Authority;

• each Member of Parliament whose parliamentary constituency contains any part of the proposed mayoral development area;

• each Constituent Authority whose administrative area contains any part of the proposed mayoral development area;

• a national park authority, if any part of the area to be designated falls within the national park;

• The Combined Authority's Overview and Scrutiny Committee; and

• any other person who it is considered appropriate to consult.

21.4 When consulting the Overview and Scrutiny Committee, a document will be laid before the Committee stating that it is proposed to designate the area as a mayoral development area, and specifying the period ("the consideration period") during which the Committee must consider and may respond to the proposal.

21.5 The consideration period will be a period not less than 21 days beginning with the day the document is laid before the Overview and Scrutiny Committee.

21.6 The proposal shall then be considered at a meeting of Cabinet to be held following the expiry of the consideration period, and at that meeting Members will have regard to any comments made by any of the consultees.

21.7 If any of the statutory consultees' comments are ones that are not accepted, a statement will be published giving the reasons for the non-acceptance.

21.8 Subject to these requirements, and with Cabinet's agreement, including the agreement of the Cabinet Members whose council areas contain any part of the area to be designated a mayoral development area, the proposal may be approved, and the area of land concerned may be designated a mayoral development area.

21.9 Where an area has been designated a mayoral development area, the designation shall be publicised, and the Secretary of State shall be notified of the designation, and of the name to be given to the mayoral development corporation for the area concerned.
22. Financial Decisions

Introduction

22.1 The Combined Authority’s resources shall be considered as a single budget notwithstanding the following procedure rules regarding the Authority’s financial decisions.

Levies

22.2 Any levy to fund the Combined Authority’s transport functions shall only be approved with the unanimous agreement of the Cabinet and, if approved, must be issued before 15th February preceding the commencement of the relevant financial year to which the levy will relate.

Precepts

22.3 Where the funding of Mayoral functions is required to be met by a precept issued by the Combined Authority due to the costs of the exercise of the functions not being met, either in whole or part, by the Constituent Authorities, or from other resources available to the Combined Authority, the proposed precept shall be submitted to Cabinet for consideration and approval as part of the funding proposals for Mayoral functions in the draft Budget, and must be issued before the 1st March in the financial year preceding that for which it is issued.

23. Members’ Allowances

23.1 The Combined Authority may pay travel and subsistence allowances to its Members in accordance with a scheme drawn up and approved by the Cabinet.

23.2 The Combined Authority may pay allowances to the Mayor, in accordance with recommendations made by its independent remuneration panel contained in a report submitted by the panel to the Cabinet.
Appendix II

RULES OF PROCEDURE FOR STATUTORY COMMITTEES

OVERVIEW AND SCRUTINY COMMITTEE

1. Introduction

1.1 These rules of procedure provide a framework for carrying out the scrutiny work of the Tees Valley Combined Authority (“the Combined Authority”).

2. Objectives and key principles of scrutiny of the Combined Authority

2.1 The Combined Authority has established an Overview and Scrutiny Committee in accordance with the relevant statutes and the Combined Authority’s own constitution, in order to scrutinise and support the decision-making of the Combined Authority Cabinet (“the Cabinet”) and the Tees Valley Mayor (“the Mayor”).

2.2 The purpose of these arrangements will include:-

- Monitoring the decisions of or other action taken by the Cabinet and Mayor and to submit reports and make recommendations for improvement and/or change;

- Reviewing the strategies and policies of the Combined Authority and holding the Mayor, other Cabinet Members, and Officers, to account for their delivery.

2.3 The Overview and Scrutiny Committee shall be responsible for determining their own work programme, having taken advice from relevant Officers. When considering their work programme, they shall:

- Determine whether an issue is more appropriately dealt with by one of the Constituent Authorities or by some other organisation or in some other way and will not duplicate the work of existing bodies or agencies.

- Take into account the resources available to support that programme, and avoid establishing priorities for which the costs exceed the likely benefits.

- Avoid initiating enquiries at a time, or in a manner which disrupts the effective and efficient operation of the Combined Authority, or unnecessarily delays the conduct of its business.
2.4 The scrutiny process will be open and transparent and designed to engage all relevant organisations, residents and other stakeholders.

2.5 The terms of reference, timescale and outline of any review shall be agreed by the Overview and Scrutiny Committee.

2.6 Different approaches to scrutiny reviews may be taken in each case, but members shall seek to act in an inclusive manner and take evidence from a wide range of opinion. The Committee shall make specific efforts to engage with groups who would otherwise be excluded.

2.7 The Committee may also establish temporary working groups to consider specific issues in more depth and to report back to the Committee. Working Groups cannot however receive delegated authority from the Committee, who retain responsibility for all decisions.

3. Meetings of the Overview and Scrutiny Committee

3.1 The Overview and Scrutiny Committee shall hold at least four meetings per year and may convene additional meetings as necessary.

3.2 Notice of the annual meeting and any other meetings will be sent to each Overview and Scrutiny Committee Member in accordance with the requirements of the Local Government Act 1972.

3.3 Meetings will be held in public, unless the meeting decides to convene in private in order to discuss confidential or exempt information, in accordance with the relevant provisions of the Local Government Act 1972.

4. Functions of the Overview and Scrutiny Committee

4.1 The Overview and Scrutiny Committee has power to:-

i. Review or scrutinise decisions made or other action taken, in connection with the discharge of any functions which are the responsibility of the Mayor or Combined Authority;

ii. Make reports or recommendations to the Mayor or Combined Authority with respect to the discharge of any of their functions;

iii. Make reports or recommendations to the Mayor or Combined Authority on matters that affect the Authority's area or the residents of the Tees Valley.
iv. To "call-in" for review or scrutiny decisions made by the Combined Authority, but not implemented, and to direct that that decision is not implemented while it is under review or scrutiny.

4.2 The Overview and Scrutiny Committee has developed and agreed written arrangements in connection with the exercise of the power at paragraph 4.1(iv), and has obtained the consent of the Cabinet to those arrangements. These arrangements are detailed in section 9 of these rules. The Overview and Scrutiny Committee and Cabinet will exercise the powers specified in sub paragraph 4.1(iv) in accordance with these arrangements.

4.3 The Overview and Scrutiny Committee, acting reasonably, may:-

- Require the members or statutory officers of the Combined Authority (including the Mayor and Deputy Mayor), to attend before it to answer questions and give evidence and may

- Invite other persons, including Officers of the Constituent Authorities, to attend meetings of the Committee

4.4 Any invitations under 4.3 must be made through the Chief Executive of the Combined Authority, or the Chief Executive of the relevant Constituent Authority. If any request is declined by the Chief Executive or Chief Executive, he/she must indicate the reasons for so doing.

4.5 A person on whom a requirement is imposed under the preceding sub-paragraph is required to comply with the requirement.

4.6 A person is not obliged by paragraph 4.5 to answer any question which the person would be entitled to refuse to answer in, or for the purposes of proceedings in a court in England and Wales.

5. Functions of the Overview and Scrutiny Committee Regarding the Combined Authority’s Budget

5.1 On an annual basis the Chief Executive and Director of Finance and Resources will prepare a draft Budget for the purposes of consultation with interested parties.

5.2 The Overview and Scrutiny Committee shall consider the draft Budget at a Committee meeting and shall ensure that the outcome of the meeting, insofar as the Committee’s consideration of the draft Budget is concerned, is brought to Cabinet’s attention before the end of the consultation period.
6. **Agendas and Business of the Overview and Scrutiny Committee**

6.1 The Chair will approve the agenda for each annual meeting and any other meetings to be held.

6.2 Any member of the Overview and Scrutiny Committee may raise with the Chair a matter which is relevant to the functions of the Committee, for consideration by the Committee.

6.3 Any member of the Combined Authority or of a Constituent Council of the Combined Authority may also raise with the Chair an item which is relevant to the functions of the Committee, for the Committee’s consideration.

6.4 In considering whether or not to exercise any of the powers specified in sub paragraph 4.1(iv) of these rules in relation to a matter referred to it by a member of the Combined Authority or a member of a Constituent Council in accordance with the agreed arrangements regarding the exercise of those powers, the Overview and Scrutiny Committee must have regard to any representations made as to why it would be appropriate for the Committee to exercise any of those powers.

6.5 If the Committee decides not to exercise any of those powers in relation to the matter, it must notify the relevant member of its decision and the reasons for it.

6.6 The Committee must also provide the relevant member with a copy of any report or recommendations which the Committee makes regarding the exercise of its powers in connection with the matter referred to it by the Members concerned, subject to the provisions of paragraph 7.5 (confidential and exempt information)

7. **Reports or Recommendations of the Overview and Scrutiny Committee:**

7.1 Where the Overview and Scrutiny Committee makes a report or recommendations, the Committee may:-

- Publish the report or recommendations;

- By notice require the Combined Authority or the Mayor to:-
  - Consider the report or recommendations;
  - Respond to the Committee indicating what (if any) action the Combined Authority proposes to take; and
7.2 Notice given under the preceding paragraph 7.1 must require the Combined Authority or the Mayor to comply with it within two months beginning with the date on which the Combined Authority or the Mayor received the report or recommendations or (if later) the notice.

7.3 The Combined Authority or the Mayor must respond to a report or recommendations made by the Committee as a result of a referral made in accordance with these rules, within two months beginning with the date on which the Authority or the Mayor received the report or recommendations or (if later) the notice.

7.4 When publishing any document comprising such report(s) or recommendation(s), or a response of the Combined Authority or the Mayor to any of those report(s) or recommendation(s), the Overview and Scrutiny Committee must exclude any confidential information, and may exclude any relevant exempt information.

7.5 When the Overview and Scrutiny Committee provides a copy of any such documents to a Member of the Combined Authority, or to a member of a Constituent Authority, the Committee may exclude any confidential information or relevant exempt information.

7.6 Where the Committee excludes information under the preceding paragraphs of these rules, the Committee in publishing or providing a copy of the document(s) may replace so much of the documents as disclose the information, with a summary which does not disclose that information, and must do so if, in consequence of excluding the information the document(s) published, or the copy provided, would be misleading or not reasonably comprehensible.

7.7 Notwithstanding that the Committee, in publishing or providing a copy of a report or recommendations, has excluded information, or has replaced part of a report or the recommendations with a summary, it is nevertheless to be taken to have published the report or recommendations.

7.8 “Confidential information” has the meaning given by section 100A(3) of the Local Government Act 1972.

7.9 “Exempt information” has the meaning given by section 100I of the 1972 Act.

7.10 “Relevant exempt information” means:-
in relation to a report or recommendations of the Overview and Scrutiny Committee, exempt information of a description specified in a resolution of the Committee under section 100A(4) of the 1972 Act which applied to the proceedings, or part of the proceedings of the Committee at which the report was, or the recommendations were considered; and

in relation to a response of the Combined Authority or the Mayor, exempt information of a description specified in such a resolution of the Authority which applied to the proceedings, or part of the proceedings, at any meeting of the Authority at which the report or response was, or the recommendations were considered.

8. Rights of Overview and Scrutiny Committee Members to documents

8.1 A member of the Overview and Scrutiny Committee is entitled to a copy of any document which is in the possession or under the control of the Combined Authority or the Mayor, and contains material relating to any business that has been transacted at a meeting of a decision-making body of the Authority, or to any decision that has been made by an individual Member of the Authority.

8.2 Where a member of the Overview and Scrutiny Committee requests a document which falls within the preceding paragraph, the Combined Authority or the Mayor must provide that document as soon as reasonably practicable, and in any case no later than 10 clear days after the Authority receives the request.

8.3 However, no member of the Overview and Scrutiny Committee is entitled to a copy of any such document or part of a document as contains exempt or confidential information unless that information is relevant to:-

- An action or decision that the Member is reviewing or scrutinising; or

- Any review contained in any programme of work of the Committee or of a working group of the Committee.

8.4 Where, as a result, the Combined Authority or the Mayor, or the Chief Executive determines that a member of the Overview and Scrutiny Committee is not entitled to a copy of a document or part of any such document for a reason set out in the preceding paragraph 8.3 it must provide the Committee with a written statement setting out its reasons for that decision.
9. **Call-In Provisions**

9.1 The power of the Overview & Scrutiny Committee to call-in decisions for review and scrutiny is intended to apply in exceptional circumstances.

In exercising this power, members of the Overview and Scrutiny Committee will need to determine that a decision of the Combined Authority has been made:

- in a manner inconsistent with the constitution and procedures of the Combined Authority;
- without adequate consultation with parties directly affected by that decision;
- without adequate evidence to inform that decision, or with inaccurate or misleading evidence;
- in a manner which gave inadequate weight to professional advice
- without sufficient regard to the financial consequences or financial risk;
- without sufficient regard to social and/or environmental consequences, or to respect for equality and human rights;
- in a manner which is inconsistent with the policies of a majority of the constituent councils; or
- without adequate consideration of the impact on business.

9.2 Key decisions made by Cabinet, key decisions delegated to subcommittees, and all officer key decisions shall be published within 2 working days of being made. Overview & Scrutiny Committee members will be sent a copy of all such decisions, within the same timescale.

9.3 The notice shall bear the date on which it was published and shall specify that the decision will come into force and be implemented on the expiry of at least five clear days after the publication of the decision, unless the decision is subject to call in by the Overview and Scrutiny Committee.

9.4 During that period the Monitoring officer shall (having deemed that the call in request is valid according to the criteria established at paragraph [9.1]) call-in a decision for scrutiny by the Committee if so requested in writing by five Members of the Overview & Scrutiny Committee, representing at least three of the constituent authorities. He/she shall notify the decision maker of the call-in.

9.5 A meeting of the Committee shall be called as soon as possible, after consultation with the Chair of the Committee and, in the first instance, within ten days of the expiry of the call-in period unless there are exceptional circumstances as to why this cannot be achieved (Exceptional circumstances shall be determined by the Monitoring Officer in consultation with the Chair of Overview and Scrutiny).
9.6 The written request that call-in should be effected should always include specific details clearly explaining why the members making the request consider that a decision has not been taken in accordance with the principles set out in 9.1; identifying which principle applies, and describing the reasons which the member has for believing that that principle applies. Wherever possible, the request shall also indicate whether the member wishes to invoke the powers in paragraph 4.3 to require or invite persons to attend the Committee. The Combined Authority will provide a form for completion by the members making the call-in request, to ensure the proper application of the call-in procedure.

9.7 On receipt of a valid call-in request, the Committee meeting to review the decision shall follow the following format:-

- The members requesting the call-in will explain the reasons for calling in the decision
- Other Scrutiny members may ask questions or seek clarification on the reasons for call in.
- The decision maker and/or supporting Officer/s will explain the reasons for the decision being made and respond to any issues raised by the call in
- Scrutiny members may ask questions or seek clarification
- Scrutiny members will then deliberate and come to a decision

Timings for each element of the meeting may be determined by the Chair, and proposed for agreement by the Committee, in order to ensure the efficient conduct of the meeting.

9.8 The Committee may, by majority decision, take one of the following actions:

A. agree that the original decision should stand, no further action should be taken and the decision can be implemented without further delay
B. agree that the original decision should stand, but can make comments on the decision.
C. agree that the original decision should be referred back to the decision-maker with a recommendation it be reconsidered, providing a statement of the reasons for the referral
D. (Where the decision was made under delegated arrangements) agree that the original decision should be referred to the Cabinet with a recommendation it is considered, providing a statement of the reasons for the referral.
E. agree to defer the meeting for further consideration (the meeting can only be deferred once).
Where option C or D is chosen Scrutiny Committee can direct that the decision not be implemented until Cabinet have met within the 10 day period specified below.

Where option E is chosen Scrutiny Committee can direct that the decision not be implemented for a further period not exceeding 14 days; where doing so is necessary for effective scrutiny and/or reconsideration to take place and further deferral doesn’t create a risk of serious prejudice to the interests of the Combined Authority.

9.9 If following a valid call in, a quorate meeting of the Overview & Scrutiny Committee is not held within 10 days (unless there are exceptional circumstances for holding the meeting at a later date), or does meet but does not refer the matter back to the decision making person or body, or where appropriate refer the matter to Cabinet, the decision shall take effect on the date of the Scrutiny meeting, or the expiry of the 10 day period as appropriate.

9.10 If the matter is referred to Cabinet, the Cabinet shall meet within 10 days of the request, unless there are exceptional circumstances as to why this cannot happen, to reconsider the particular matter. Following the meeting Cabinet shall respond to the Overview and Scrutiny Committee indicating what, if any, action Cabinet propose to take.

9.11 The call-in procedure set out above shall not apply where an urgent decision needs to be made. An urgent decision is one that needs to be implemented before the call-in period, to avoid a risk of serious prejudice to the interests of the Combined Authority. In these circumstances:

- The Chief Executive shall determine whether a risk of serious prejudice exists. In the event that the Chief Executive is the decision-maker, this assessment shall be confirmed by the Monitoring Officer;
- The Chief Executive must secure the agreement of the Decision-maker, and the Chair of Overview and Scrutiny.
- The decision shall be communicated to Overview & Scrutiny Committee in advance of implementation
- The fact that a decision is exempt from call-in shall be recorded alongside the decision itself.

9.12 The operation of the provisions relating to call-in and urgency shall also be monitored and reviewed annually.

9.13 Each decision can only be called in once.
AUDIT AND GOVERNANCE COMMITTEE

1. Introduction

1.1 These rules of procedure provide a framework for carrying out the work relating to audit and governance of the Tees Valley Combined Authority ("Combined Authority").

2. Objectives and key principles of Audit & Governance Committee

2.1 The Combined Authority has established an Audit and Governance Committee in accordance with the relevant statutes and the Combined Authority’s own constitution, for the purpose of assuring sound governance, risk management, effective internal control and financial management of the Combined Authority, and that the Combined Authority observes high standards of conduct in public office. The Committee meets the requirements of the Combined Authorities (Overview and Scrutiny, Access to Information and Audit Committees) Order 2017.

2.2 The purpose of these arrangements will include:

- Monitoring the decisions of or other action taken by the Cabinet, Mayor or senior officers in relation to governance, risk management, internal control, financial management and conduct in public office and to make recommendations for improvement, action or change;

- Reviewing the strategies and policies of the Combined Authority in relation to governance, risk management, internal control, financial management and conduct in public office and holding the Mayor, other Cabinet Members, and senior officers, to account for their delivery.

2.3 The Audit and Governance Committee shall be responsible for determining their own work programme, having taken advice from relevant officers and internal and external auditors. When considering their work programme, they shall:

- Determine whether an issue is more appropriately dealt with by some other organisation or body, or in some other way, and will not duplicate the work of existing bodies or agencies.

- Take into account the resources available to support that programme, and avoid establishing priorities for which the costs exceed the likely benefits.
• Avoid initiating enquiries at a time, or in a manner which disrupts the effective and efficient operation of the Combined Authority, or unnecessarily delays the conduct of its business.

2.4 The Audit & Governance process will be open and transparent and designed to engage all relevant organisations, residents and other stakeholders.

3. Meetings of Audit and Governance Committee

3.1 The Audit and Governance Committee shall hold at least three meetings per year and may convene additional meetings as necessary.

3.2 Notice of the annual meeting and any other meetings will be sent to each Audit and Governance Committee Member in accordance with the requirements of the Local Government Act 1972.

3.3 Meetings will be held in public, unless the meeting decides to convene in private in order to discuss confidential or exempt information, in accordance with the relevant provisions of the Local Government Act 1972.

4. Functions of the Audit and Governance Committee

4.1 The Audit and Governance Committee has power to:

• To review decisions made or other action taken, in connection with the discharge of governance, risk management, internal control and financial management and standards of conduct in public office which are the responsibility of the Mayor or Combined Authority;

• Make recommendations to the Mayor or Combined Authority with respect to the discharge of any of the above stated functions;

4.2 The Audit and Governance Committee, acting reasonably, may:

• Require the members or statutory officers of the Combined Authority (including the Mayor and Deputy Mayor), to attend before it to answer questions and give evidence and may

• Invite other persons, including officers of the Constituent Authorities and commissioned agencies, to attend meetings of the Committee
4.3 Any invitations under 4.2 must be made through the Chief Executive of the Combined Authority or of the relevant Constituent Authority. If any request is declined the Chief Executive must indicate the reasons for so doing.

4.4 A person on whom a requirement is imposed under the preceding sub-paragraph is required to comply with the requirement.

4.5 A person is not obliged by paragraph 4.4 to answer any question which the person would be entitled to refuse to answer in, or for the purposes of proceedings in a court in England and Wales.

6. **Agendas and Business of the Audit and Governance Committee**

6.1 The Chair will approve the agenda for each meeting.

6.2 Any member of the Audit and Governance Committee may raise with the Chair a matter which is relevant to the functions of the Committee, for consideration by the Committee.

6.3 Any member of the Combined Authority or of a Constituent Council of the Combined Authority may also raise with the Chair an item which is relevant to the functions of the Committee, for the Committee’s consideration.

7. **Rights of Audit and Governance Committee Members to documents**

7.1 A member of the Audit and Governance Committee is entitled to a copy of any document which is in the possession or under the control of the Combined Authority or the Mayor relating to the stated purpose of the committee and containing material relating to any business that has been transacted at a meeting of a decision-making body of the Authority, or to any decision that has been made by an individual Member of the Authority relating to this purpose.

7.2 Where a member of the Audit and Governance Committee requests a document which falls within the preceding paragraph, the Combined Authority or the Mayor must provide that document as soon as reasonably practicable.

7.3 However, no member of the Audit and Governance Committee is entitled to a copy of any such document or part of a document as contains exempt or confidential information.

7.4 Where, as a result, the Combined Authority, Chief Executive or Monitoring Officer determines that a member of the Audit and Governance Committee is not entitled to a copy of a document or part of
any such document for a reason set out in the preceding paragraph 7.3 it must provide the Committee with a written statement setting out the reasons for that decision.
TRANSPORT COMMITTEE

1. Introduction

1.1 These rules of procedure provide a framework for carrying out the work relating to the Transport Committee of the Tees Valley Combined Authority (“Combined Authority”).

2. Objectives and key principles of Audit & Governance Committee

2.1 The Combined Authority has established a Transport Committee in accordance with the relevant statutes and the Combined Authority’s own constitution.

2.2 The purpose of these arrangements will include:

- Reviewing the Transport Strategy and policies of the Combined Authority;
- Reviewing transport services operating within the Tees Valley;
- Overseeing the Combined Authority’s representation on external bodies with transport responsibilities;
- Receive delegations and make recommendations on transport matters to the Cabinet.

2.3 The Transport Committee shall be responsible for determining their own work programme, having taken advice from relevant officers. When considering their work programme, they shall:

- Determine whether an issue is more appropriately dealt with by some other organisation or body, or in some other way, and will not duplicate the work of existing bodies or agencies.
- Take into account the resources available to support that programme, and avoid establishing priorities for which the costs exceed the likely benefits.
- Avoid initiating enquiries at a time, or in a manner which disrupts the effective and efficient operation of the Combined Authority, or unnecessarily delays the conduct of its business.

2.4 The Transport Committee process will be open and transparent and designed to engage all relevant organisations, residents and other stakeholders.
3. **Meetings of Transport Committee**

3.1 The Transport Committee shall hold at least two meetings per year and may convene additional meetings as necessary.

3.2 Notice of the annual meeting and any other meetings will be sent to each Transport Committee Member in accordance with the requirements of the Local Government Act 1972.

3.3 Meetings will be held in public, unless the meeting decides to convene in private in order to discuss confidential or exempt information, in accordance with the relevant provisions of the Local Government Act 1972.

4. **Functions of the Audit and Governance Committee**

4.1 The Audit and Governance Committee has power to:

- Receive delegations from Cabinet for any transport related function;

- Make recommendations to the Mayor or Combined Authority with respect to the discharge of any of the above stated functions;

4.2 The Transport Committee, acting reasonably, may:

- Require the members or statutory officers of the Combined Authority (including the Mayor and Deputy Mayor), to attend before it to answer questions and give evidence and may

- Invite other persons, including officers of the Constituent Authorities and commissioned agencies, to attend meetings of the Committee

4.3 Any invitations under 4.2 must be made through the Chief Executive of the Combined Authority or of the relevant Constituent Authority. If any request is declined the Chief Executive must indicate the reasons for so doing.

4.4 A person on whom a requirement is imposed under the preceding subparagraph is required to comply with the requirement.

4.5 A person is not obliged by paragraph 4.4 to answer any question which the person would be entitled to refuse to answer in, or for the purposes of proceedings in a court in England and Wales.
5. **Agendas and Business of the Transport Committee**

5.1 The Chair will approve the agenda for each annual meeting and any other meetings to be held.

5.2 Any member of the Transport Committee may raise with the Chair a matter which is relevant to the functions of the Committee, for consideration by the Committee.

5.3 Any member of the Combined Authority or of a Constituent Council of the Combined Authority may also raise with the Chair an item which is relevant to the functions of the Committee, for the Committee’s consideration.

6. **Rights of Transport Committee Members to documents**

6.1 A member of the Transport Committee is entitled to a copy of any document which is in the possession or under the control of the Combined Authority or the Mayor relating to the stated purpose of the committee and containing material relating to any business that has been transacted at a meeting of a decision-making body of the Authority, or to any decision that has been made by an individual Member of the Authority relating to this purpose.

6.2 Where a member of the Transport Committee requests a document which falls within the preceding paragraph, the Combined Authority or the Mayor must provide that document as soon as reasonably practicable.

6.3 However, no member of the Transport Committee is entitled to a copy of any such document or part of a document as contains exempt or confidential information.

6.4 Where, as a result, the Combined Authority, Chief Executive or Monitoring Officer determines that a member of the Transport Committee is not entitled to a copy of a document or part of any such document for a reason set out in the preceding paragraph 6.3 it must provide the Committee with a written statement setting out the reasons for that decision.
Appendix III

FINANCIAL REGULATIONS

1. General

1.1 These regulations form part of the Authority’s constitution and they set out the financial management policies of the Tees Valley Combined Authority (The Authority) and are a key part of the Authority’s financial governance arrangements.

1.2 These regulations lay down for the guidance of Members and Officers, principles to be followed in securing the proper administration of the financial affairs of the Authority.

1.3 It is important that these Regulations are, and continue to be, relevant to the Authority. They should be reviewed regularly to remain consistent with the Authority’s Constitution and related documentation and be in line with best practice and legislation.

2. Role of the Combined Authority

2.1 Many of the responsibilities for financial matters are defined within the constitution of which these regulations form part, and the Scheme of Delegation. Responsibilities are either reserved for the Authority’s Cabinet to exercise or delegate to specific officers such as the Chief Executive and Director of Finance and Resources.

2.2 In line with its Strategic Economic Plan the Authority has the overall responsibility for approving investment decisions which will form the basis of the medium term financial plan.

2.3 The Authority has overall responsibility for ensuring that the Authority’s expenditure remains within the resources available to it.

2.4 The Authority is responsible for approving the Treasury Management Strategy, Investment Plan and borrowing limits of the Authority.

3. Role of the Director of Finance and Resources (S73 Officer)

3.1 Tees Valley Combined Authority shall appoint an officer, the Director of Finance and Resources, who shall for the purpose of Section 73 of the
Local Government Act 1985, be responsible for ensuring the proper administration of the Combined Authority’s financial affairs.

3.2 The Director of Finance and Resources will also fulfil all relevant statutory responsibilities including those set out in Part V111 of the Local Government Finance Act 1988.

3.3 The Director of Finance and Resources shall issue and keep under continuous review, such instructions, advice or procedures relating to financial matters as he or she considers necessary to secure the proper administration of the Combined Authority’s financial affairs.

3.4 The Director of Finance and Resources is responsible for reporting, where appropriate, breaches of Financial Regulations.

3.5 The Director of Finance and Resources has responsibility for ensuring compliance with the requirements of the Accounts and Audit Regulations relating to accounting records, control systems and audit.

3.6 If any financial issues arise which result in any uncertainty or ambiguity as to the correct procedure to follow under these regulations, then the Director of Finance and Resources shall have delegated powers to give a valid direction as to the appropriate procedure to follow.

3.7 The Director of Finance and Resources may also fulfil senior finance responsibilities for one of the constituent authorities. If significant conflicts of interest arise between these two roles, these will be identified, and discussed with the Chief Executive, who may direct another person to temporarily fulfil the role of Director of Finance and Resources for the purpose of resolving the significant conflict of interest.

3.8 The Director of Finance and Resources shall also be responsible for overseeing and identifying any risks to the Combined Authorities finances which may arise from the creation or operation of Mayoral Development Corporations. This responsibility shall be reflected in the constitution and financial arrangements of any Mayoral Development Corporation.

4. **Role of the Officers**
4.1 Senior Officers shall promote the financial management standards set by the Director of Finance and Resources and shall adhere to the standards and practices set down in these regulations.

4.2 It is the responsibility of Officers to consult with the Director of Finance and Resources and seek advice on any matters likely to have a material effect on the Authority’s finances, before any decision is made.

4.3 If any Senior Officer or officer acting on behalf of the Authority is aware of any contravention to these Financial Regulations, they must immediately notify the Director of Finance and Resources who shall determine appropriate action.

5. **Accounting Policies**

5.1 The Director of Finance and Resources is responsible for selecting Accounting Policies and ensuring that they are applied consistently. The key controls in Accounting Policies are that:

- Systems of internal control are in place to ensure that financial transactions are lawful.

- Proper accounting records are determined and maintained.

- Financial statements are prepared which represent fairly the financial position of the Authority and its income and expenditure.

6. **Financial Planning**

6.1 The Medium Term Financial Plan (MTFP) is a key requirement of good governance and is an important tool to help the Authority deliver objectives. Incorporating previous Investment Plan approvals the MTFP will set an indicative resource position over the medium term.

6.2 The Director of Finance and Resources shall determine the appropriate timetable for the preparation of the annual budget that conforms to the statutory deadlines, including those in relation to setting a precept, levy and the contributions from constituent councils.
6.3 The Director of Finance and Resources will advise the Authority on the robustness of budget proposals in accordance with his / her responsibilities under these financial regulations.

6.4 All reserves held by the Authority will be kept under review by the Director of Finance and Resources with a view to ensuring that they are spent on their specified purposes and that planned expenditure is properly phased.

6.5 The Director of Finance and Resources will also advise the Authority on the prudent level of reserves and general balances.

6.6 The Director of Finance and Resources will advise on the financial implications of investment decisions which are taken in line with the approved investment plan and assurance framework.

7. Financial Management – Revenue and Capital

Budget Monitoring and Control

7.1 Officers are responsible for monitoring their income and expenditure against the projects/programme budgets approved by the Authority.

7.2 The Director of Finance and Resources will establish an appropriate framework of financial management and control for the Authority which ensures that;

- budget management is exercised within the Authority’s approved investment plans;

- expenditure and income is monitored using information held on the Authority's corporate financial information system;

- timely and sufficient information on receipts and payments on each budget is available to enable officers to fulfil their budgetary responsibilities;

- Additions and changes to approved expenditure plans require approval in line with the Assurance Framework.
7.3 Officers must personally ensure that any information which suggests a potentially significant variation against their approved budget (both overspends and underspends) is notified at the earliest opportunity to the Director of Finance and Resources. Any material overspends and plans to mitigate these will be reported to the Authority via the budget monitoring report.

7.4 Where additional revenue or capital resources become available, or are forecast to become available, the Officers must notify the Director of Finance and Resources at the earliest opportunity.

7.5 The Director of Finance and Resources will prepare quarterly budget monitoring reports in conjunction with Officers for presentation to the Authority.

7.6 Expenditure cannot take place unless the scheme or programme is fully funded and approved.

8. Treasury Management

8.1 The Authority’s treasury management activities shall be defined as the management of its investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

8.2 All treasury management activity shall be undertaken in full compliance with the Chartered Institute of Public Finance and Accountancy’s Code of Practice: Treasury Management in Public Services (revised 2011) as may be revised from time to time or such other practices and procedures as may be approved by the Authority.

8.3 Only the Director of Finance and Resources may enter into any borrowing, investment and financing arrangements on behalf of the Authority.

8.4 Officers shall ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the prior approval of the Director of Finance and Resources.
8.5 The Director of Finance and Resources is responsible for formulating an annual Borrowing and Treasury Management Strategy for approval by the Authority in advance of the year together with providing a mid-year review and annual report after its close.

9. Banking Arrangements, Cheque Security and Credit Cards

9.1 No officer other than the Director of Finance and Resources may open any bank account in the name of the Authority.

9.2 The Authority’s banking terms and overdraft arrangements shall be agreed by the Director of Finance and Resources.

9.3 All arrangements for the ordering and issuing of cheques shall be agreed by the Director of Finance and Resources, who shall make proper arrangements for their custody.

9.4 All cheques drawn on behalf of the Authority shall be signed by the Director of Finance and Resources.

9.5 Credit cards, charge cards and other payment methods held in the Authority’s name may only be opened, closed and managed by the Director of Finance and Resources.

9.6 The Director of Finance and Resources will ensure that bank reconciliations are completed on at least a monthly basis.

10. External Funding / Grants

10.1 The Director of Finance and Resources must be consulted on and approve all submissions to central government, European Union and external bodies for funding. Prior to making any submission in relation to external funding, Officers must ensure that:

- an exit strategy is identified to manage the ultimate cessation of the funding stream with no adverse impact on the Authority;

- any match-funding requirements are given due consideration prior to entering into agreements and that future revenue budgets reflect these requirements; and
they are able to comply with the terms and conditions of a grant scheme, including auditor certification requirements, before accepting them.

10.2 Officers must seek approval from the Director of Finance and Resources before accepting any offer of funding from external bodies.

10.3 Officers are responsible for ensuring that all expenditure to be funded by grant is properly incurred in accordance with the requirements and conditions of the funding body, and is supported by adequate evidence.

10.4 Officers are responsible for ensuring the completion and submission of grant claims once approved by the Director of Finance and Resources. Officers must also ensure that grant claims comply with the requirements and grant conditions of the funding body, are submitted promptly and supported by adequate evidence.

10.5 Officers are responsible for ensuring that any legal implications and risks of working with third parties are appropriately addressed. This will include any back to back agreements as required.

11. Income

11.1 All monies received on behalf of the Authority shall be paid in full into the Authority’s bank account without delay.

11.2 Officers shall ensure that all accounts for income due to the Authority are raised within five days on an official sales invoice which provides particulars of all charges to be made for work done, services rendered, or goods.

11.3 The Director of Finance and Resources shall be notified promptly of all money due to the Authority and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money.

11.4 Any proposal to introduce charges or make changes to existing charges for the provision of services must be approved by the Director of Finance and Resources.
11.5 Any write off of unrecoverable debt should be in accordance with the
write of criteria set by The Director of Finance and Resources.

12. **Ordering of and Payments for Works Goods and Services**

12.1 Wherever possible a purchase order is required for all purchases of
goods and services and these must be raised within the Authority’s
financial system.

12.2 Officers must ensure that orders represent legitimate liabilities of the
Authority, sufficient budgetary provision exists to cover the payment and
expenditure is correctly coded.

12.3 All orders for goods and services must be made in accordance with the
Authority’s Contract Procedure Rules.

12.4 All purchase orders and payments must be approved as detailed in the
Scheme of Delegation.

12.5 Officers have the responsibility to ensure that payments are made within
the terms of the contract and legislative requirements.

13. **Insurance & Risk Management**

13.1 The Director of Finance and Resources shall be responsible for ensuring
that all insurable risks of the Authority are adequately covered, for
maintaining the necessary records and for managing all claims on behalf
of the Authority.

13.2 Officers shall notify the Director of Finance and Resources promptly of
all risks, liabilities, properties or vehicles which are required to be
insured, and of any alterations affecting risk or insurances indicating the
amount of cover required.

13.3 Officers shall immediately notify the Director of Finance and Resources
of any fire, loss, accident or other event that may give rise to a claim
against the Authority’s insurers.

13.4 Directors are responsible for ensuring that a register of significant risks
is maintained, reported and monitored.
14. Internal Audit

14.1 The Director of Finance and Resources shall be responsible for maintaining an internal audit of all accounts and financial transactions of the Authority, and shall satisfy himself/herself as to security arrangements for the custody and safeguarding of the Authority's assets as laid down in any legislation applicable to the Authority and any relevant codes of practice adopted by the Authority.

14.2 The Director of Finance and Resources, or nominated individuals undertaking internal audit functions, shall have authority to all relevant records of any Service, and shall be entitled to require the production property and to obtain information or explanations with regard to any matters under examination.

14.3 Officers shall notify the Director of Finance and Resources immediately of any circumstances which may suggest the possibility of irregularity or loss affecting the Authority. Where the Director of Finance and Resources considers that an irregularity may have occurred, action shall be taken by way of an investigation and report.

14.4 Directors shall consider and respond promptly to recommendations in audit reports and ensure that any agreed actions arising from audit recommendations are implemented in a timely manner.

15. Arrangements with external Organisations

15.1 The Director of Finance and Resources must be consulted prior to the establishment of any financial arrangements as part of partnerships or joint arrangements with external companies, other public organisations and community and voluntary groups. No partnership or joint arrangements shall be entered into without the approval of the Authority.

15.2 Directors must confirm whether any arrangement requires the Authority to be designated an ‘Accountable Body’. Where this is the case, the Director of Finance and Resources must be consulted and approval of the Authority must be obtained prior to the arrangement becoming operational.

15.3 The financial arrangements of all partnerships where the Authority is the Accountable Body should meet the requirements of the Authority’s Financial Procedure Rules and Contract Procedure Rules.
15.4 Directors must ensure that the accounting and monitoring arrangements to be adopted relating to partnerships and joint arrangements are in accordance with the requirements of the Finance Director.
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1. Purpose of the Tees Valley Assurance Framework

1.1 The Assurance Framework sets out:

- How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Tees Valley Investment Fund, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices and procedures;

- The respective roles and responsibilities of the Combined Authority, the Local Enterprise Partnership and the Section 73 Officer, in decision-making and ways of working and forms the published joint statement of the Combined Authority and the Local Enterprise Partnership;

- The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money;

- How potential investments to be funded through the Tees Valley Investment Fund, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered;

- The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

1.2 The Assurance Framework sits alongside a number of other Tees Valley Combined Authority documents – most notably the Constitution of the Mayoral Combined Authority, including the Financial Regulations (click here), the Tees Valley Strategic Economic Plan (click here), the Tees Valley Investment Plan 2019-29 (click here) and the Monitoring and Evaluation Framework (click here). This Assurance Framework replaces the last published Assurance Framework (2016) and takes on board the national guidance published by the Ministry of Housing, Communities and Local government for National Local Growth Assurance Framework (January 2019).

1.3 The Assurance Framework covers all funds within the Tees Valley Investment Fund, incorporating the Single Pot under the Tees Valley Devolution Deal agreed with government, and funds added to the Single Pot since the Devolution Deal, together with other sources of income such as Enterprise Zone business rates and loan repayments.

Review of the Assurance Framework

1.4 The Assurance Framework will be reviewed on an annual basis with any revisions in place for April of the following year. Any agreed changes that require amendments to the Combined Authority Constitution will be agreed at the Combined Authority Cabinet. The next annual review of this document will take place in December 2019.

1.5 The review will examine whether the assurance processes are operating effectively and identify any areas of improvement. Any changes to legal, funding, or other contextual changes that might require a change of assurance process will be taken into account, along with the impact on any other Combined Authority key strategies,
policies or processes. Any changes with significant divergence from the approved local assurance framework will be agreed with MHCLG.

1.6 The remainder of this document is structured around the following sections:

- **Section 2** describes the Tees Valley Strategic Economic Plan, our Ten Year Investment Plan 2019-29 and clarifies the content of Tees Valley Investment Fund and the role of the Assurance Framework;

- **Section 3** describes the accountability and transparent decision making process and practices that we operate and the roles and responsibilities within it;

- **Section 4** describes how we make robust and evidenced decisions;

- **Section 5** explains the processes once programmes and projects are in the delivery phase; and finally

- **Section 6** explains how we will measure the success of our investments, realise the benefits of that investment and feed the evaluation outcomes back into the Investment Planning, and strategy and policy development processes.
2. Tees Valley Strategic Economic Plan and Investment Plan 2019-29

Tees Valley Strategic Economic Plan

2.1 The Tees Valley Strategic Economic Plan (click here) sets out the area’s ambition to drive the transition to a high-value, low-carbon, diversified and inclusive economy and sets an ambition to unlock a net additional 25,000 jobs by 2026. It is essential that all Tees Valley residents can gain the skills and confidence they need and can travel to these job opportunities.

2.2 Our ambition incorporates economic, social and environmental priorities and will allow all partners to work towards a sustainable and socially responsible Tees Valley. Underlying this ambition is a commitment to improving the lifetime opportunities for local people, tackling some of the difficult challenges of social exclusion, providing opportunities across all the Tees Valley including rural areas and disadvantaged communities, thereby ensuring that all citizens are able to share in the benefits of economic growth.

2.3 The Strategic Economic Plan is focused around six growth generating themes and provides the strategic rationale and priorities for interventions and for investment:

1. **Transport**: to improve connectivity within Tees Valley, across the Northern Powerhouse, the UK and the world;

2. **Education, Employment & Skills**: to increase educational attainment, produce the skilled workforce that businesses need and increase lifetime opportunities for our residents;

3. **Business Growth (including enabling infrastructure)**: to diversify the economy, support more business start-ups, develop high growth potential businesses and key growth sectors;

4. **Culture**: to build cultural vibrancy in our communities and change external perceptions of Tees Valley through the arts, cultural and leisure offer whilst creating places that attract and retain businesses and business leaders and make the area more attractive to investors, workers and visitors;

5. **Research, Development, Innovation & Energy**: to introduce new processes and practices which reduce carbon emissions, increase productivity and the availability of high value jobs; and

6. **Place**: to accelerate the supply of good quality homes across the whole housing market, revitalise our town centres and urban cores, bring forward surplus public and blighted brownfield land for development and strengthen our commercial property offer.

2.4 Investments will only be made if they can demonstrate that they will support the delivery of the Strategic Economic Plan and also our more detailed thematic strategies and plans (where they are in place).
2.5 With the creation of the Combined Authority in 2016 and the Mayoral election in May 2017, the Devolution Deal with government in 2015 provides for the transfer of significant powers for employment and skills, transport, and investment together with the first Mayoral Development Corporation outside London. Through the deal the Combined Authority has the power to create an Investment Fund, bringing together funding for devolved powers to be used to deliver a 30-year programme of transformational investment in the region. This includes the control of a new £15m a year funding allocation over 30 years. The initial Tees Valley Combined Authority Investment Plan was agreed in March 2017 and set out the investment priorities for the period to 2021.

2.6 The Combined Authority has been developing its detailed strategies for key areas of activity including:

- Education, Employment and Skills with the publication of Inspiring our Futures (click here)
- Strategic Transport Plan
- Culture Strategy

2.7 The productivity challenges and opportunities will be further detailed in our emerging Local Industrial Strategy to be published by the end of summer 2019. However, with much of this long-term thinking already in place, together with the significant uncertainties for the economy over the next few years, both nationally and locally, it is now critical that we make use of the devolution powers for long term investment planning. Therefore the Investment Plan agreed by Cabinet on 24th January 2019, sets out our investment strategy for the period 2019 – 2029 (click here).

2.8 The ten year Investment Plan (which will be reviewed annually) sets out at a high level the transformational investments that Tees Valley Combined Authority will commit resources to, subject to the detailed consideration and appraisal of project business cases. Some are still project ideas at this stage and might not be feasible, others are further advanced. It is not intended to be an exhaustive list of activity as new opportunities will arise during the period, but it identifies the key activities that we know now could be transformational and will need investment during the Plan period to unlock the opportunities they could bring. Prioritisation (process is detailed at page 26) has been undertaken to ensure that our investment goes into projects that will unlock transformational anchor projects that will have a significant impact on growing the whole Tees Valley economy. The initial priorities within the thematic areas are detailed in the Investment Plan in bold italics.

The Tees Valley Investment Fund

2.9 As part of the devolution deal, the Combined Authority has responsibility for a ‘Single Pot’ of funding, including:

- Gainshare (the devolution deal £15m p.a. for 30 years);
- Local Growth Fund (LGF);
2.10 However, the Combined Authority also has other sources of income, including Enterprise Zone business rates and loan repayments. The long term security of the gainshare funds and other income and the devolution deal powers for the Combined Authority means that the Combined Authority is able to borrow against future funds, to enable us to deliver transformational activity sooner rather than delivering smaller scale and less impactful activities based on a smaller annual allocation.

2.11 The Combined Authority does not distinguish between the different sources of funding for the purpose of Investment Planning, other than recognising that some sources of funding are restricted in what they can be used for. All funds (with the exception of the Adult Education Budget) are within the Tees Valley Investment Plan / Fund i.e. the use of the term Investment Fund (which is used by some to define the gainshare funding) in Tees Valley includes all funding sources and income currently available to the Combined Authority, not just the funds provided through the devolution deal. Whilst the Adult Education Budget is not within the Investment Plan / Fund it is covered within this Assurance Framework.

2.12 The Combined Authority recognises that the monitoring requirements for different sources of funding will differ and needs to meet the requirements of the funding body. The Investment Plan identifies the ten year investment priorities against all Combined Authority sources of income and applies the Assurance Framework consistently across all funds within the Investment Plan. The Assurance Framework clearly identifies the processes for securing funds from the Tees Valley Investment Fund and the requirements placed on delivery partners once their projects have been approved.

2.13 This means that any organisation seeking funding from the Combined Authority does not need to concern itself with the source of the funding and different rules and processes that will apply. These will be identified in the funding agreement with the delivery partner.
3. Accountability and Transparent Decision Making

3.1 Members of the Combined Authority are expected to act in the interests of the Tees Valley area as a whole when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias or perception of bias. Further details are provided in the following sections.

Roles and Responsibilities

3.2 The national Assurance Framework guidance requires a joint statement between the Combined Authority and the LEP which sets out their respective roles and responsibilities. This section sets out these roles and responsibilities, explains the relationship between the Combined Authority and the LEP and provides the clarity on accountability for public funding. This section therefore forms the joint statement.

Tees Valley Combined Authority

3.3 The Combined Authority was established to further the sustainable and inclusive growth of the economy of the Tees Valley. As a statutory local authority our governance, decision making and financial arrangements are in line with local authority requirements and standard checks and balances.

3.4 The Combined Authority was established in April 2016 with the Mayoral election held in May 2017. It has been built on a strong history of collaboration between the five Constituent Authorities (Darlington, Hartlepool, Redcar & Cleveland, Stockton on Tees and Middlesbrough) the private sector and other partners.

3.5 This effective joint working between the public and private sector that has been developed over a period of 20+ years, through various partnership models, and more recently through the Local Enterprise Partnership. In establishing the Combined Authority the five constituent local authorities wanted to ensure that this collaboration was embedded within the way the Combined Authority works. It was therefore agreed that the Local Enterprise Partnership would be fully integrated within the Combined Authority. The private sector members of the Local Enterprise Partnership are associate members of the Combined Authority and attend both informal and formal Cabinet meetings. The role of the private sector Local Enterprise Partnership members is detailed further below.

3.6 For the purposes of this document all references to the Combined Authority apply to the Local Enterprise Partnership unless explicitly referred to separately.

3.7 The Combined Authority therefore incorporates the role and responsibilities of the Tees Valley Local Enterprise Partnership and the roles defined in the devolution deal (in particular the Transport Authority, and non-statutory responsibilities such as the administration of the Adult Education Budget).

3.8 The Combined Authority is its own accountable body and provides the accountable body role for the LEP and employs the officers that support it.
Combined Authority Membership

3.9 The Combined Authority membership and status in our Cabinet is as follows:

Mayor (Chair) – voting.

Leaders of the five constituent local authorities:

- Darlington Borough Council – voting
- Hartlepool Borough Council – voting
- Redcar & Cleveland Borough Council – voting
- Stockton on Tees Borough Council – voting
- Middlesbrough Borough Council – voting.

Deputy Mayor – is held by one of the Local Authority Leaders on an agreed annual rotation.

Local Enterprise Partnership Chair – non-voting.

Local Enterprise Partnership other public and private sector members – associate members – non –voting.


The Role of the Mayor

3.10 The Constitution provides for a directly elected Mayor of the Tees Valley, required by government as a precondition for meaningful devolution, and who is the chair of the Combined Authority. The Mayoral arrangements will only gain the confidence of the electorate if they secure support from across our diverse communities, meet the highest standards of democratic accountability and are subject to robust checks and balances. The Constitution therefore provides for the Mayor’s role to be embedded in the Combined Authority’s collective decision-making arrangements.

3.11 The Mayor chairs the Cabinet which is made up of the leaders of the five constituent authorities, who together form the Combined Authority’s decision-making body (voting members of Cabinet).

3.12 The Constitution sets out arrangements to ensure the effective conduct of the Combined Authority’s business in this spirit of collaboration, mutual respect and transparency. All members strive to work on the basis of consensus, taking decisions through agreement. The Constitution requires Strategic Plans and the Investment Plan / Fund decisions to be by consensus agreement. These principles apply irrespective of the statutory basis for the exercise of those powers: whether through the powers and responsibilities of the Mayor, the Combined Authority, or the Local Enterprise Partnership. The powers of the Mayor are to be exercised through collaboration within the Combined Authority’s Cabinet, and in partnership with all relevant stakeholders. The decision making process for the use of all funds within the Tees Valley Investment Fund is described at pages 14 – 16 including the role of the Mayor as the Chair of Cabinet.
3.13 The Mayor’s term of office is initially for three years with the next election in May 2020 and then every four years.

The Role of the Local Authority Leaders

3.14 Leadership of the Combined Authority is driven by the Mayor and the five local authority leaders. The local authority leaders, represent the views of their constituent authorities at the Combined Authority Cabinet whilst putting the needs and opportunities of the Tees Valley at the forefront of all decisions. In addition, they each take a portfolio lead covering the growth themes within the Strategic Economic Plan and the Tees Valley Investment Plan. These portfolio lead roles are reviewed annually and are confirmed at the Combined Authority AGM.

Tees Valley Local Enterprise Partnership

3.15 Tees Valley is a well-established and successful functioning economic area. This was recognised by government in establishing the Mayoral Combined Authority in 2016, covering the same geography as the Local Enterprise Partnership and which has led to the Local Enterprise Partnership being fully integrated within the Combined Authority. There are no dependencies with other Local Enterprise Partnerships. However, Tees Valley actively collaborates with areas beyond its boundaries where there are synergies and added value.

3.16 The Tees Valley Local Enterprise Partnership is the principal forum for collaboration between the public and private sectors, for improving the economy of the Tees Valley. The membership of the Local Enterprise Partnership (set out in more detail below) mirrors the Combined Authority Cabinet. The private sector Local Enterprise Partnership members are responsible for ensuring that Tees Valley strategy and policy development and investment decisions are informed by the views of the business community. The Local Enterprise Partnership leads on engaging with local businesses and understanding the needs of different sectors and markets.

3.17 The other public and private sector members of the Local Enterprise Partnership support the Combined Authority's work by:

- Supporting and offering advice to the Combined Authority on their responsibilities;
- Championing and promoting specific initiatives from the perspective of business;
- Participating in Thematic Working Groups, as appropriate;
- Influencing the development of the Combined Authority’s strategies and policies;
- Representing the Tees Valley nationally and internationally;
- Ensuring a strong business influence over decision-making; and
- Supporting the development and delivery of the Strategic Economic Plan.
3.18 Tees Valley is an active member of the national Local Enterprise Partnership Network and will continue to be so. This includes participation in both Local Enterprise Partnership Chair and officer level meetings.

3.19 Like the local authority leaders, private sector Local Enterprise Partnership members are nominated to a portfolio role which is reviewed annually and confirmed at the Combined Authority AGM.

3.20 In addition to attending the informal and formal Combined Authority Cabinet meetings, the full Local Enterprise Partnership membership meets in advance of the Combined Authority meetings to discuss items that are progressing to the Cabinet and to help shape strategy, policy and delivery, including influencing investment decisions. If considered appropriate the Local Enterprise Partnership Chair can also hold sessions of just the private sector members to discuss any items where it is felt appropriate without public sector members in attendance.

3.21 The other public and private sector members also have portfolio roles linked to their areas of expertise and interest. These are identified on the Combined Authority website.

### Membership of the LEP

3.22 The Tees Valley Local Enterprise Partnership has been reviewing its membership in response to the national LEP review (Mary Nay, 2017) and government’s response “Strengthened Local Enterprise Partnerships” (July 2018). The current membership (January 2019) comprises 21 members. This includes 14 representatives from the private sector (including the Higher Education and Further Education sectors as defined by government) and 7 representatives from the public sector (the Combined Authority Mayor, 5 Local Authority Leaders and an NHS Trust representative – as a major employer).

3.23 The Combined Authority Constitution sets out the role of the Local Enterprise Partnership within the Combined Authority, the principles of membership and the terms of office. The Mayor and the five local authority leaders are determined by democratic elections and therefore, are outside of the Local Enterprise Partnership’s control. For other public and private sector members of the Local Enterprise Partnership the term of office is a two year period (from appointment) with the option to extend for a further two years.

3.24 “Strengthened Local Enterprise Partnerships” stipulated a maximum membership of 20 members with 2/3rd from the private sector and to aim to have a 50/50 gender balance by 2023. The initial two year term of office for several of the existing members ends in May 2019 at which point we will reduce the membership to 20. In considering the review guidance the Combined Authority agreed (at its meeting in September 2018) that it would aim to have a 50/50 gender balance by 2020. This reflects the Combined Authority’s commitment to diversity (click here) which is not just about the gender balance but ensuring that the Combined Authority is reflective of the local community. The Combined Authority commissioned an Overview and Scrutiny review of equality and diversity within the Combined Authority and its constituent local authorities. As an integrated Local Enterprise Partnership this has included a review of the Local Enterprise Partnership. The Overview and Scrutiny Committee will present its findings and recommendations at the Combined Authority Cabinet in July 2019.
3.25 The end of the two year term for the majority of private sector members in May 2019 provides the opportunity to address the national requirements. Addressing the gender balance has been a concern of the Combined Authority before the national review and positive actions have been put in place to recruit more female members, with three new female members joining in 2018. Changes will be made to the Constitution to reflect the new arrangements. Proposed revisions to the Constitution will be taken to Cabinet for approval. This is in keeping with our established governance arrangements. In accordance with the recommendation in the Local Enterprise Partnership Review, a process for the appointment of a private sector Local Enterprise Partnership Chair has been agreed (click here) and will be incorporated in the Combined Authority Constitution to be agreed at the Annual General Meeting on 28th June 2019. The process has been developed in consultation with businesses, including existing Local Enterprise Partnership members and the wider Business Engagement Forum. It has also drawn on best practice from other areas.

3.26 The members of the Local Enterprise Partnership who have already completed two years will have their tenure extended for a further year at the Combined Authority AGM on 28th June 2019. This will provide the time for the Local Enterprise Partnership to plan its approach to the succession of the existing members who will stand down at the end of the year and will allow time to plan and address the gender gap in female members.

3.27 The appointment of a Deputy Chair for the Local Enterprise Partnership was agreed in 2018 (click here). The Deputy Chair is appointed from the current private sector members. The role of Deputy Chair is held for a standard duration of two years with the option to extend the tenure for a further two years only (this will be dependent on the period of membership that the individual has remaining, as an individual can only act as Deputy Chair if they are a serving member of the LEP). This will also be reflected in the Combined Authority Constitution.

3.28 Public sector members of the Local Enterprise Partnership are confirmed annually at the Combined Authority’s AGM following the local council elections, with the timing of elections varying across the Tees Valley.

3.29 Several private sector members are from the SME community and have expertise and knowledge of our key sectors. These details together with the members’ contact details will be published on the website to enable other businesses to contact the appropriate member for their query or to enable them to raise an issue. A response to ‘How are SMEs represented on the LEP?’ can be found at: (click here). The areas of interest and specialisms will be identified for all Local Enterprise Partnership members and published alongside the members’ biographies on the Combined Authority website. This will include designated SME Champions.

3.30 All appointments for private sector Local Enterprise Partnership members are made through an open, transparent, competitive and non-discriminatory process using application forms and interview to judge experience, suitability and fit. When vacancies become available for private sector Local Enterprise Partnership members, they are advertised on the Combined Authority website. They appear on the job vacancies page and are shown as an open call for business champions to help deliver our economic plans. In addition social media is used to raise awareness of the opportunities, particularly among under-represented groups. A recruitment panel (including the Tees Valley Mayor and Local Enterprise Partnership Chair) assesses applications received and makes a recommendation to the Combined Authority Cabinet for approval of appointments.
3.31 There is an exception to the process for appointing private sector representatives from Higher Education and Further Education. Following the revised Assurance Framework Guidance (January 2019), Higher Education and Further Education will represent the private sector on the Local Enterprise Partnership. Representatives from these areas are put forward by Teesside University (Vice Chancellor) and a representative from the Further Education Colleges operating in Tees Valley. Appointments are confirmed annually at the Combined Authority AGM.

3.32 All Local Enterprise Partnership members (public and private) are expected to conduct themselves in accordance with The 7 principles of public life. This is set out under the Code of Conduct detailed at appendix viii in the Combined Authority Constitution and provided to all new Local Enterprise Partnership members in their induction information (click here). This induction information is reviewed on a regular basis with feedback from new members. In joining the Local Enterprise Partnership they sign up to the Code of Conduct.

Wider Business and Public Engagement

3.33 The Combined Authority and Local Enterprise Partnership recognise that the private sector members cannot represent the views of the 17,230 business in Tees Valley. Therefore a variety of engagement mechanisms are utilised to ensure that the broader business community has the ability to influence strategy and policy development, our investment priorities and to be actively engaged in the delivery of some of our activities, particularly around supporting careers development with schools. This includes a Business Engagement Forum, currently made up of ninety one businesses, who receive regular information from the Combined Authority and are invited to participate in strategy and policy development, such as the development of our emerging Local Industrial Strategy, and shaping delivery methods, and are consulted on plans and strategies.

3.34 Strategy and policy documents are developed through engagement with partners and key stakeholders and are subject to consultation. Each consultation will vary depending on the topic but will meet any statutory requirements. However, drafts are formally considered in public at the Combined Authority Cabinet with papers published in advance of the meeting. Additionally, all consultations are published on the Combined Authority website.

Decision Making for the Tees Valley Investment Fund

3.35 Tees Valley Combined Authority is its own Accountable Body for all funds received by government and is the Accountable Body for the Local Enterprise Partnership. The Chair of the Local Enterprise Partnership is a non-voting member of the Combined Authority Cabinet. Non-voting members of the Cabinet provide advice and guidance during the decision making process.

3.36 The Tees Valley Combined Authority Constitution March 2018 (link) sets out the basis of how decisions will be taken within our Combined Authority, in keeping with principles of democracy and transparency and with effective and efficient decision-making. The Constitution is being reviewed to ensure that it is up to date and takes on board the changes relating to the Local Enterprise Partnership as a result of the national Local Enterprise Partnership review. The revised Constitution will be considered at the Combined Authority Cabinet Annual General Meeting on 28th June 2019.
In summary our decision making process and governance for the Tees Valley Investment Fund as set out in the Tees Valley Ten Year Investment Plan 2019-29 is as follows:

**Strategic Economic Planning and Investment Planning**

- The Combined Authority *Cabinet* provides the overall strategic direction for economic growth in Tees Valley - *approves the Strategic Economic Plan and associated thematic strategies and plans*;
- The Combined Authority *Cabinet* sets out the investment priorities for the Tees Valley Investment Fund - *approves the Tees Valley 10 Year Investment Plan*, including:
  - thematic allocations and
    1. named prioritised projects (identified in bold italics in the Investment Plan);
    2. named projects / programmes without allocations agreed in the Investment Plan

**Decision process for 1. named prioritised projects (identified in bold italics in the Investment Plan) – to be taken to full business case and due diligence**

- For these programmes / projects the Combined Authority Cabinet has already agreed that the activity fits with our strategic objectives and has agreed a funding allocation to the activity. The detailed consideration of whether the programme / project represents value for money, has realistic delivery timescales and processes, will deliver the outputs and outcomes that we require etc. is undertaken through the development of a *Business Case* (see page 28).
- This is then appraised by Combined Authority staff (with external technical support if required). Consideration of *business cases and the appraisal is delegated to the Combined Authority Chief Executive for approval in consultation with Tees Valley Management Group, the Section 73 Officer and the Monitoring Officer* (unless the funding request exceeds the allocated funding in the Investment Plan by 10% or more). In the event the funding requested exceeds the original allocation by 10% or more the decision is referred to the Combined Authority Cabinet as this would have implications for the Investment Plan (with a recommendation provided by the Chief Executive on behalf of the Management Group, Mayor and Portfolio Holder);
- Decisions taken under delegation are reported to the Combined Authority Cabinet for information and to Overview & Scrutiny (all decisions are subject to the Overview & Scrutiny call in procedures).
- In considering the appraisal recommendations (including any conditions) on business cases the following supporting information will be provided:
  - The business case; and
  - The completed appraisal document
- Business cases for projects or programmes over £5m and appraisal documentation will be published on the Combined Authority website. However, business cases for all transport schemes that represent functional standalone projects will be published on the TVCA website for 3 months prior to the decision being taken.
- Programmes of activity where several individual elements or projects will be delivered will have a Programme Management Framework detailed within the Business Case. This will identify the delegated arrangements for the approval of expenditure on each of the individual elements / projects. This approval process will be agreed as part of the Programme approval.
- Consideration of expenditure in advance of business case approval is delegated to the Combined Authority Chief Executive in liaison with the Mayor and the thematic portfolio holder.
**Decision process for 2. named programmes / projects without allocations agreed in the Investment Plan**

- A Project Initiation Document will be required for programmes and projects that do not have a specific funding allocation identified within the Investment Plan. This will provide a brief description of the project, outputs, funding required and the timescales for delivery and will be prepared by the Combined Authority staff in consultation with and agreed with the project sponsor (see page 28).
- The Project Initiation Document will be used for Investment Planning purposes to enable more informed financial and output profiling across the initial four years (in line with the Medium Term Financial Plan) to be prepared. Once the Project Initiation Document is in place the Combined Authority will timetable in support for the development of the business case and appraisal and will work with the project sponsor to achieve the project timescales.
- If the project is ready to go straight to business case development and the delivery timescales are such that it is appropriate to do so the Combined Authority and project sponsor can agree to miss out the Project Initiation Document phase and go straight to Business Case development.
- Once the project has progressed to Business Case and the appraisal has been completed the Combined Authority Chief Executive will report to Cabinet with a recommendation on the programme / project for Cabinet consideration / decision.
- In considering the appraisal recommendations (including any conditions) on business cases the following supporting information will be provided:
  - The business case; and
  - The completed appraisal document
- Business cases for projects or programmes over £5m and appraisal documentation will be published on the Combined Authority website. However, business cases for all transport schemes that represent functional standalone projects will be published on the TVCA website for 3 months prior to the decision being taken.
- Programmes of activity where several individual elements or projects will be delivered will have a Programme Management Framework detailed within the Business Case. This will identify the delegated arrangements for the approval of expenditure on each of the individual elements / projects. This approval process will be agreed as part of the Programme approval.
- For a funding decision to be agreed all voting members of the Cabinet (including the Mayor) must be in agreement.

**Decision process for new programmes / projects not in the Investment Plan**

- With a ten year Investment Plan new opportunities or challenges will arise and programmes / projects to address them will need to be considered. If they cannot be accommodated within an existing Investment Plan programme they will need to be considered by Cabinet for entry to the Investment Plan.
- An Expression of Interest will be submitted to the Combined Authority. This will then be considered by the Combined Authority Chief Executive, in consultation with the Tees Valley Management Group, the Mayor and the appropriate Thematic Portfolio Holder. All Expressions of Interest will be reported to the Combined Authority Cabinet with a recommendation on whether or not to accept it into the Investment Plan.
Those that are accepted into the Investment Plan would then proceed to follow the Project Initiation Document through to Business Case development and be taken to the Combined Authority Cabinet for decision.

**Additional Delegations**

- The Chief Executive has delegated authority to authorise expenditure up to £1m in consultation with the Mayor and the relevant portfolio holder;

3.38 Key decisions taken by the Combined Authority Cabinet and those taken under delegated arrangements are published within two working days of being made and the Overview and Scrutiny Committee are sent a copy of all such decisions at the same time and have the ability to call in decisions for review and scrutiny.

3.39 If a decision is taken that does not meet the Assurance Framework it will render the decision invalid on the basis of non-compliance.

3.40 This decision making process and governance arrangements are illustrated in the diagram below.
Role of the Tees Valley Management Group

3.41 The Tees Valley Management Group is made up of members of the Combined Authority’s Senior Leadership Team (Chief Executive and Directors) and the Directors of Economic Growth / Regeneration from the five constituent Local Authorities. The Management Group meets twice a month and has an oversight role of the work of the Combined Authority, in particular the thematic advisory groups and it also constitutes the Place Advisory Group (see below).

3.42 As detailed above the Chief Executive is delegated to approve business cases (for those programmes and projects identified in bold italics in the Investment Plan), in consultation with the Tees Valley Management Group, the S73 Officer and the Monitoring Officer, for programmes and projects, unless they exceed the agreed funding allocation by 10% or more. In this case they will be considered by the Combined Authority Chief Executive, in consultation with the Tees Valley Management Group and a recommendation will be made to the Combined Authority Cabinet by the Chief Executive.

Thematic Advisory Groups

3.43 The Combined Authority utilises Thematic Advisory Groups made up of appropriate stakeholders from across Tees Valley and where appropriate including representation from the broader North East, north or national geographies. These thematic groups reflect the Strategic Economic Plan and Investment Plan growth themes. The membership of these groups are reviewed annually and are agreed at the Combined Authority AGM. These are not statutory or decision making groups and are therefore not detailed in the combined Authority Constitution. These groups ensure that the Combined Authority’s strategies, policies and investment plans are developed with a broad range of local stakeholders and delivery bodies that are involved in the theme, together with other statutory bodies and government officials. These groups support the development of strategies, plans and proposals for delivery which then feed up through the Governance mechanisms towards the Combined Authority Cabinet for approval.

3.44 As detailed in the previous sections both the Cabinet local authority leaders and the private sector members have thematic portfolio leads and are involved in the Advisory Groups. Details of the Advisory Groups, including current membership can be found on the Combined Authority website (click here).

Decision Making for the Adult Education Budget

3.45 Investment decisions on the use of the Adult Education Budget will be made with full consideration to the statutory entitlements:

- English and maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4, or higher, and/or
- First full qualification at Level 2 for individuals aged 19 to 23, and/or
- First full qualification at level 3 for individuals aged 19 to 23
The Combined Authority submitted its Strategic Skills Plan to government in May 2018 as part of the readiness conditions requirements set by the Department for Education. Further iterations have been shared with the Department for Education, and the current version is available on our website (click here).

It is anticipated that further work will be undertaken with key stakeholders to develop this plan and further iterations will also be published. Local and national partners have been fully engaged throughout the development phase for the processes and priorities for the funding award and during the funding award phase. This has included providing regular communications via our website, hosting two strategic events for all local and national providers, and implementing a Steering Group that met regularly during 2017 and 2018. The Steering Group comprised local Further Education and local authority providers, the Education and Skills Funding Agency and the Association of Colleges. In addition the Combined Authority attended meetings of the Tees Valley Independent Training Providers Network to engage with and consult on implementation plans.

The Combined Authority’s Cabinet will be the final decision making body for funding awards. A grant commissioning process was launched on 1st December 2018 and closed on 1st February 2019. Appraisals were carried out on the submitted delivery plans requesting funding by the Combined Authority appraisal officers and policy officers. A moderation panel of internal senior managers considered recommendations and final recommendations for approval will be submitted to Cabinet in May 2019. The appraisal approach for the Adult Education Budget is consistent with that for the Combined Authority Investment Fund as detailed in section 4.

During the funding award process a web enabled portal has included the ability for all potential providers to submit questions. These have been developed into a Q+A section on the portal so that the same information is available to all potential providers.

Statutory Committees

As a Mayoral Combined Authority we are constitutionally required to have the following Committees within our Governance structures:

- **Overview & Scrutiny Committee**: Reviews decisions made, to ensure they meet the needs of the people of the Tees Valley and are made in line with our agreed policies, making recommendations where necessary. It has the power to “call in” and delay the implementation of decisions made by Cabinet. The membership of the Committee comprises fifteen members, three nominated from each of the Constituent Authorities. Members of the Committee appointed reflect, so far as reasonably practicable, the balance of political parties for the time being prevailing among members of the Constituent Authorities collectively.

- **Audit & Governance Committee**: Ensures we are spending public money properly and have the right systems in place to manage our finances correctly and meet our legal and regulatory responsibilities. The Committee also reviews the corporate risk register on a quarterly basis. The membership of the Committee is one member from each Constituent Authority. Members of the Committee appointed reflect, so far as reasonably practicable, the balance of political parties for the time being prevailing among members of the Constituent Authorities collectively.
- **Transport Committee**: Reviews our transport strategy and policy, reviews local transport services and oversees our representation on external transport bodies. The membership of the Committee is the executive members with political responsibility for transport within each Constituent Authority. It is chaired by the Combined Authority Cabinet member for transport.

3.51 The terms of reference and membership of these Committees is detailed in the Combined Authority Constitution.

### The Role of the Statutory Officers

3.52 The Combined Authority appoints four Statutory Officers who each have a formal role of discharging the duties and obligations on its behalf. The roles are detailed in the Combined Authority Constitution but briefly comprise:

- **Head of Paid Service** – The TVCA Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and act as the principal advisor to the LEP.

- **Section 73 Officer** – The Finance Director fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985 to administer the financial affairs of the Combined Authority and LEP. The Section 73 Officer is responsible for ensuring value for money and providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds under the Tees Valley Investment Fund.

- **Monitoring Officer** – The Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the Legal duties of the Combined Authority and LEP.

- **Scrutiny Officer** – to promote the role of and provide support to the Overview and Scrutiny Committee.

3.53 In addition to these statutory roles the Combined Authority has nominated officers to ensure that we meet our obligations under the Data Protection Act 2018 and information governance. These are:

- **Senior Information Risk Officer (SIRO)** - The SIRO is the officer responsible in the Combined Authority for Information Governance. The SIRO is responsible for the Strategy, acts as an advocate for good practice and is required to provide a statement of assurance as part of the Combined Authority’s Annual Governance Statement.

- **Data Protection Officer** – to provide advice and guidance on the Data Protection Act 2018.

3.54 All six appointments are agreed annually at the Combined Authority AGM.
Supporting Policies and Procedures

Working Arrangements, Meeting Frequency and Transparency

3.55 The Combined Authority is subject to a robust transparency and local engagement regime aligned to that of its constituent Local Authorities. The Combined Authority’s constitution includes a publication scheme, which sets out how agendas, minutes and papers will be made available to the public and when. It also set out any exceptions to the standard scheme.

3.56 The Combined Authority Cabinet:

- is subject to the Transparency Code applied to local authorities;
- will ensure all meetings of the Combined Authority Cabinet and other statutory committees are open to the public and appropriately accessible;
- will make sure all meeting agendas, papers (when not exempt), and minutes are published on the Combined Authority website, within the minimum statutory timescales – an agenda will be published five clear working days before the meeting. Draft minutes will be published within ten clear working days of the meeting taking place and final minutes within ten clear days of approval.
- will make clear the approach to making investment decisions on the Combined Authority website;
- all business cases over £5m are published on the Combined Authority website. However, business cases for all transport schemes that represent functional standalone projects will be published on the TVCA website for 3 months prior to the decision being taken;
- will publish (online) all funding decisions, including funding levels;
- will receive regular dedicated updates on Investment Plan performance, which are published as dedicated papers for Combined Authority meetings - details of project progress – with links to the key documents for each project, are made available in an easily accessible / searchable way on the Combined Authority website; and
- as the accountable body for Local Enterprise Partnership funding will hold a record of all relevant documentation relating to this government funding allocated to the area.

3.57 For ease of access the Combined Authority website has a transparency section and a separate meetings section which contain all information on the Combined Authority governance arrangements, agendas and papers and the Combined Authority Cabinet Forward Plan.

3.58 The Combined Authority Cabinet meets every two months but additional meetings are arranged where the need arises. The Combined Authority publishes a Forward Plan on the Combined Authority website, which is a legally-required and published statement of key decisions we plan to take over the next four months. Confirmed items are published 28 days in advance of a decision with indicative items listed for the following three-month period.
3.59 In addition to the Combined Authority Cabinet and informal meetings, the Local Enterprise Partnership meets every month. These monthly Local Enterprise Partnership meetings are not held in public and it enables commercially confidential items to be discussed and for open and frank exchanges of information and views to be expressed that might not otherwise be expressed in an open forum. This forms an important element within the Combined Authority governance arrangements. Minutes of these meetings will be published on the Combined Authority website in line with our publication procedures.

3.60 The Combined Authority believes in transparency and operates on the principle of making as much information publically available as possible. However, very occasionally it may be necessary for specific details of an item on the Forward Plan to remain confidential, for example if they relate to information about particular individuals, ongoing legal proceedings or are commercially sensitive. In this instance, the item must still appear on the Forward Plan, which will state that this item is confidential as it will involve the disclosure of exempt information as defined in the relevant paragraph of part 1 of schedule 12A to the Local Government Act 1972.

3.61 Information regarding activity being undertaken by the Combined Authority is available on the website. This includes the publication of key documents such as the Strategic Economic Plan, the Tees Valley Investment Plan 2019-29, and the Combined Authority Local Assurance Framework, as well as details of a regular programme of events to provide ongoing engagement with public and private partners across the Tees Valley area. Regular news updates on activity underway are also provided through dedicated pages on social media outlets including Linkedin, Twitter and Facebook. Additionally, when investment decisions are taken they are published through the use of press releases and social media.

**Publication of Financial Information**

3.62 The Combined Authority is subject to the same financial arrangements as a Local Authority and is legally required to publish its annual accounts, external audit letter and annual governance statement by the end of July each year. The required information is considered first by the Audit and Governance Committee, and is then approved formally by the CA Cabinet, prior to publication. The annual governance statement is signed by the Mayor, LEP Chair and the Chief Executive for the Combined Authority. It is also used as part of the Annual Conversation each year, to supplement the information provided and discussed on governance arrangements.

**Remuneration and Expenses**

3.63 The Combined Authority publishes information on the following on its website ([click here](#)):

- Confirmation of the allowance payable to the Mayor (agreed annually by the Cabinet);
- Members’ expenses scheme (agreed annually by Cabinet);
- Confirmation of expenses paid to Members (published annually);
- Salaries of senior officers earning more than £50,000k (published annually);
- The Pay Policy Statement for the CA (agreed annually by Cabinet).
Freedom of Information

3.64 The Combined Authority is subject to the Freedom of Information Act 2005 and the Environmental Impact Regulations 2004. As Accountable Body for the Local Enterprise Partnership the Combined Authority will also fulfil these functions on behalf of the Local Enterprise Partnership. The Combined Authority will hold records and will be the focal point for statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with the request in accordance with the relevant legislation (click here). As set out in this section, the Combined Authority aims to publish as much information as possible so that Freedom of Information requests are less necessary.

Conflicts of Interest

3.65 The Combined Authority has a conflict of interest policy, which is available within their Constitution (click here). This policy applies to all members of the Combined Authority (incorporating the Local Enterprise Partnership) and all members of the Combined Authority governance mechanisms, including the Tees Valley Management Group and the Thematic Advisory Groups.

3.66 Each member of the Combined Authority is also required to complete a written declaration of interest for the purposes of their organisations and their individual personal interests covering a broad range of activities / ownership. Individual declarations of interest forms are completed annually following members' appointment at the Combined Authority AGM. The register of interests (click here) is published on Combined Authority website. However, recognising that these might change during the year and to ensure that individuals are not playing a role in decision making when they are conflicted, declarations of interest are requested at the start of each meeting, and declared and recorded within the minutes. The register of interests are updated, as appropriate, following each Combined Authority meeting.

Gifts and Hospitality

3.67 The Combined Authority has a procedure for the declaration of gifts and hospitality which applies to both members and officers (click here). All offers of gifts and hospitality of £25.00 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and by no later than 28 days from the date of the offer) in a register held by the Combined Authority.

Complaints and Whistleblowing

3.68 If it is alleged that the Combined Authority is (a) acting in breach of the law, (b) failing to adhere to its framework, or (c) failing to safeguard public funds, complaints (from stakeholders, members of the public or internal whistleblowers) are to be directed to the Combined Authority’s Monitoring Officer or the Governance Manager. They will address the allegation following the protocols set out in the Combined Authority’s Constitution and detailed policy which is provided on the Combined Authority website. Anonymous reporting is also covered in the policy.
3.69 Where the Combined Authority cannot resolve the issue locally to the complainant’s satisfaction, and the matter relates to the Tees Valley’s Single Pot funding, the issue may be passed to the Ministry of Housing, Communities and Local Government for Communities and Local Government (MHCLG) or other relevant departments, such as the Department for Transport (DfT), as appropriate to the complaint in question. If the complainant is not satisfied with the response they can raise it with the Local Government Ombudsman.

3.70 The above complaints (click here) and whistleblowing (click here) procedures are set out in detail on our website.

Diversity Statement

3.71 As detailed previously the Combined Authority is fully committed to diversity and equality. This commitment is set out in our Diversity Statement (click here).
4. Robust Decision Making

Principles

4.1 This section details the processes and procedures that are in place to ensure we make robust investment decisions. These are in addition to those identified in the Accountability, Openness and Transparency section above. The processes and procedures will:

- Achieve best value in spending public money - recognising that sometimes the best investments offer long-term outcomes - with the expectation that only in exceptional circumstances will proposed investments not offer at least a Benefit Cost Ratio above 2 and taking into account significant non-monetised impacts and key uncertainties, and in all cases the benefits exceed the cost of intervention over the projected timeframe. Exceptional circumstances will include where the wider economic benefits are of significant economic importance to the area (for example a transport intervention which has significant benefits in terms of supporting another Strategic Economic Plan priority such as enabling access to an economic development site, educational access or a cultural / tourist venue) and they cannot be adequately reflected in the wider economic benefits BCR;

- Ensure an appropriate separation between project development and project appraisal;

- Appraise projects in a way which is consistent with the Green Book ‘five cases’ model and proportionate to the funding ask in terms of processes required;

- Ensure that the money spent results in delivery of outputs and outcomes in a timely fashion, and in accordance with the conditions placed on each investment, and by actively managing the Investment Fund to respond to changing circumstances (for example, scheme slippage, scheme alteration, cost increases etc.);

- Implement effective evaluation to demonstrate where programmes and projects have achieved their stated aims and using feedback appropriately to refine the priorities and the decision-making process; and

- Ensure that the use of resources is subject to the usual local authority checks and balances as well as normal local government audit accounting and scrutiny requirements.

4.2 The diagram below illustrates the process of investment planning and programme management for the Investment Fund, with the stages for programme and project development through to appraisal delivery and monitoring and evaluation. Further detail on each stage can be found below.
Prioritisation of the Investment Fund / Programmes and Projects

4.3 The Combined Authority approved the ten year Investment Plan 2019-2029 in January 2019. The Plan outlines the thematic allocations across a £588.2m Investment Fund over the ten year period. These allocations are based on strategic need and opportunity and the outcomes that the area need to be delivered, to achieve our Strategic Economic Plan outcomes through a series of key transformational investment projects and programmes. The allocations were determined using both a bottom-up (project demand / need) and a top-down strategic view.

4.4 The ten year Investment Plan is to be reviewed annually to reflect any changes in the local environment, new opportunities and challenges, together with lessons learnt from monitoring and evaluation of activity and good practice from elsewhere.

4.5 Programme and project prioritisation is based on those schemes which can contribute the most to the growth of the economy, deliver outputs aligned to the SEP objectives and provide good value for money and to do this in a way that is objective, consistent and transparent.

4.6 The process is founded on the principles of HM Government Green Book and prevailing guidance for the type of investment that is to be made. The process for prioritisation was agreed by the Combined Authority Cabinet at an informal meeting during 2018.
Investment Planning

4.7 The Combined Authority Investment Planning Team will work with colleagues in the delivery and monitoring and evaluation team to prepare monthly investment plan performance reports. These will monitor the Plan’s performance at the overall plan level, at the thematic level and will report by exception the highlights (good news and bad news) about programme and project performance.

4.8 This performance information will enable the Combined Authority to ensure that activity is on track and where it isn’t put in place actions to address this. It will identify if programmes / projects are falling out of the Plan (for whatever reason), give consideration to deallocating resources linked to underperformance, and consider new activity to enter the Plan to replace any deallocations.

Process for Developing and Appraising Programmes and Projects

4.9 The decision making framework is set out in the previous sections. This section identifies how programmes and projects are developed and appraised within that decision making framework.

Separation of Development and Appraisal Functions

4.10 The responsibility for supporting programme and project sponsors (including the Combined Authority) to develop their proposals through to the appraisal process is separated within the Combined Authority functions. There are separate teams responsible for supporting programme and project sponsors to develop their proposals whilst a different team is responsible for the appraisal of programmes and projects.

Expressions of Interest / Open Calls

4.11 Expressions of interest are only required for programmes or projects that are not already covered by the Investment Plan. With the exception of the Research, Development and Innovation theme, most of the funding is already allocated to programmes and projects within the Investment Plan. Therefore, it is unlikely that there will be many Expressions of Interest (click here) in the first year of delivery, unless additional funding sources are secured. The Combined Authority might use an Open Call process where appropriate within the Investment Plan and where new funding is secured Expressions of Interest will be invited through an Open Call. An Open Call would be publicised on the Combined Authority website and promoted through the appropriate Advisory Group. The open call documentation will set out the selection criteria and the decision making process and timescales that will be followed. The Combined Authority will not normally provide officer support for the development of Expressions of Interest at this stage. The appraisal of the Expressions of Interest will be coordinated by the Investment Planning team, with inputs from the appropriate policy lead, legal, procurement and financial officers.
Project Initiation Documents

4.12 Project Initiation Documents are required for programmes and projects that are named in the Investment Plan but do not have an agreed funding allocation and for those projects that have been accepted into the Investment Plan through the Expression of Interest route. The details in the Expression of Interest document may suffice for the Project Initiation Document but should be reviewed once it has been accepted into the Plan. The template for the Project Initiation Document can be found on our website (click here). Once approved (through the decision process set out earlier) these documents are used to programme the Investment Plan expenditure, outputs and outcomes.

4.13 Both Expressions of Interest and Project Initiation Documents provide a first view of the ‘how, what and when’ the project will deliver against the Strategic Economic Plan and Ten Year Investment Plan 2019-29 outcomes. The Expression of Interest and Project Initiation Document will include:

- Project sponsor;
- Project description including objectives and vision;
- Project outputs and outcomes against the Strategic Economic Plan and Ten Year Investment Plan 2019-29;
- High level timescales;
- High level cost of project; and
- Initial funding required, whether grant or commercial loan, any confirmed or unconfirmed match funding.

Business Cases

4.14 All programmes and projects with approved allocations within the Investment Plan or that have been approved in principle through the Expression of Interest or Project Initiation Document process are required to complete a detailed Business Case.

4.15 The Assurance Framework is designed to ensure that the appraisal and evaluation of programmes and projects is done in a way that is proportional to the relative size of the investment required. This is crucial so that project sponsors are not put off by an overly burdensome and costly application process when applying for a small amount of investment for a low value project.

4.16 Similarly, it is crucial so that large investments are scrutinised and tested appropriately. The Combined Authority’s approach to proportionality is to build some flexibility into its funding application process by setting thresholds to determine the timescales involved and the information required. The thresholds are based on scale of funding and level of risk (assessed by degree of innovation):

- Comprehensive business case (£5m and above or programmes/projects classified as high risk); and
- Proportional business case (Low risk and/or £5m or less).
4.17 The Business Case templates and guidance can be found on our website (click here). This will be in line with the HM Treasury Green Book guidance and will include:

- Strategic case: contribution to Tees Valley strategic objectives and contribution to national policy objectives;
- Economic case: impact on local growth (and for larger schemes the UK level impact, accounting for displacement), plus social, distributional and environmental impacts, assessment of the value the project adds;
- Financial case: cost estimate and sources of funding e.g. identified scheme promoter, private sector and other contributions;
- Commercial case: proven market place for the project, certainty in outcomes, procurement processes and commercial viability; and
- Management Case: demonstrates the project is capable of being delivered successfully, including delivery plans, statutory processes, programme, risk management (with appropriate mitigation plans) and benefit realisation. Depending on the nature of the scheme, the Business Case document will also be required to meet with best practice in the relevant thematic area including any requirements of the appropriate government Department.

4.18 DfT guidance for transport schemes is also available (click here).

4.19 The Business Case is submitted to the Combined Authority, who review the funding source and provide an initial check as to which element of funding within the single pot would be most appropriate. The purpose of this is to provide a check to ensure that the funding requirements of the component elements of the Single Pot are being met, and also to enable the effects and outcomes of the component elements of funding within the Single Pot to be tracked.

4.20 To meet the DfT requirements all business cases for transport schemes that represent functional standalone projects will be published on the TVCA website for 3 months prior to the decision being taken. This will enable external comments and scrutiny of proposals prior to funding decisions being taken and the consideration of the comments received will form part of the business case appraisal process. Funding for the early stage development and feasibility works does not of itself constitute a scheme.

4.21 The Business Case is then appraised with initial reviews by the relevant Policy Lead in the Combined Authority. Appraisal will be proportionate to either the estimated scale of budget and/or the level of innovation/risk associated with the programme and in line with established guidance, where appropriate, as set out by HM Government, including:

- HM Treasury Green Book click here
- MHCLG Appraisal Guide click here
- HM Treasury Magenta Book click here
- Infrastructure UK Route map click here
4.22 Where a conflict of interest exists, full independent due diligence will be sought. Additionally, the Combined Authority will appoint an independent organisation, through appropriate procurement, to undertake external due diligence when required. The independent organisation works directly with the project applicant to undertake due diligence which then follows the decision making process detailed at page 17.

4.23 In cases where the investment is to match central government funding, the assessment and due diligence will be undertaken by the relevant government department. The Combined Authority will in these cases, complete an Assurance Summary which sets out what assurance has taken place and this will be published on the Combined Authority website.

Relationship with Project Sponsors – Development to Decision

4.24 The Combined Authority will keep in regular contact with project sponsors throughout the development of Project Initiation Documents, Business Cases and through the appraisal process. A named development officer will be assigned to each programme/project and they will work with the project sponsor and keep in contact with them to gain any further information to feed into the appraisal process. If a Business Case is approved the Project Sponsor will be advised and the recommendations, including the appraisal summary, will be published on the TVCA website.

4.25 If the Business case is not approved the Project Sponsor will receive feedback. The decision made under delegation or through the Cabinet process is final and there is no appeal process. All decisions are subject to the scrutiny process as detailed at page 19.

Ensuring Value for Money

4.26 The Combined Authority has developed this Assurance Framework in line with HM Treasury Green and Magenta Book Guidelines, specifically the whole life assessment of value for money across its entire portfolio of investment in line with the ROAMEF life cycle model.

4.27 As applied in the Tees Valley, the ROAMEF model not only stresses the importance of demonstrating the additionality and value for money of specific programmes/projects at key milestones in their own delivery, but also provides a critical means of assessing the complementarity and cumulative impact of the entire suite of support enabled by investment from the Combined Authority.

4.28 The following table demonstrates the application of the ROAMEF model:

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2 ROAMEF- Rationale, Option Development, Appraisal, Monitoring, Evaluation and Forecasting.
4.29 The key objective of the Assurance Framework is to support the Combined Authority to make judgements about the value for money of potential investments and to accept or reject investments accordingly. However, it is just one of a range of complementary strategic guidance developed by the Combined Authority to inform decision making. The following table, identifies, describes and provides a relevance assessment for all complementary strategic guidance:

<table>
<thead>
<tr>
<th>Document Name</th>
<th>Function</th>
<th>Date Published</th>
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| Strategic Economic Plan 2016-2026 – The Industrial Strategy for the Tees Valley | ● Key strategy document for the region.  
● Sets high level targets (jobs and GVA) for the Combined Authority and develops the rationale for intervention across the region (six themes and seven priority sectors) | June 2016 |
| Local Industrial Strategy | ● With a particular focus on productivity the Local Industrial Strategy articulates how the region and its priority industries will contribute to the successful delivery of the UK Industrial Strategy and the key interventions necessary to enable productivity growth in Tees Valley. | July 2019 (pending) |
| Sector Action Plans | ● Provides a more granular evidence base and rationale for intervention across the area for the seven priority sectors. | November 2017 |
| Ten Year Investment Plan 2019-29 | ● Sets output targets both in terms of spend and impact for the six themes in the SEP. | January 2019 |
| Thematic Strategies and Action Plans | ● Including Inspiring our Futures (Education, Employment and Skills)  
● Strategic Transport Plan  
● Culture Strategy | 2018 Pending
Draft Monitoring and Evaluation Plan

- Provides for each theme a capital and revenue logic model including key market failures to be addressed, and a range of indicative activities, outputs, outcomes and impacts, tied back to the achievement of the key performance indicators specified in the SEP.

Economic Assessment

- Provides the evidence base for the Local Industrial Strategy and the baseline information for all outputs and outcomes identified in the thematic logic models detailed in the draft monitoring and evaluation plan.

<table>
<thead>
<tr>
<th>Draft Monitoring and Evaluation Plan</th>
<th>Economic Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides for each theme a capital and</td>
<td>Provides the evidence base for the Local Industrial Strategy and the baseline information for all outputs and outcomes identified in the thematic logic models detailed in the draft monitoring and evaluation plan.</td>
</tr>
<tr>
<td>revenue logic model including key market failures to be addressed, and a range of indicative activities, outputs, outcomes and impacts, tied back to the achievement of the key performance indicators specified in the SEP.</td>
<td></td>
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</tbody>
</table>

February 2019 (updated annually) | March 2019 (updated annually) |

4.30 This documentation is used as supporting evidence in the development of the Expressions of Interest, Project Initiation Documents, and the Business Cases. The Assurance Framework specifically assesses value for money using the following three criteria: Economy (i.e. minimisation of resource usage or “spending less”); Efficiency (i.e. the relative level of outputs and the resources used to produce them, or “spending well”); and, Effectiveness (i.e. the relationship between the intended and actual results of public spending, or “spending wisely”).

4.31 As detailed earlier the Section 73 Officer has specific responsibility for ensuring value for money in all funding decisions.

Value for Money for Transport Schemes

4.32 For transport infrastructure schemes, the Department for Transport requirements (click here) will be met. This includes the use of WebTAG (click here) which will be applied proportionately, based on the cost of the scheme and the scale of the impacts. To facilitate this, an Appraisal Scoping Report will be developed, comprising:

- Level of analytical detail to be applied to approve a scheme against overarching government transport objectives (proportional to the scheme’s impact) and the rationale for this;
- Modelling tools to be applied;
- Alternative interventions to be considered;
- Timescales for business case development;
- Transport requirements, including:
  - Use of WebTAG for all transport schemes will be applied to appraisal and scrutiny (but with a proportionate approach to low cost schemes) by scheme promoters in business case development and by the organisation appointed to undertake independent due diligence is mandatory;
  - Use of NTEM (Department for Transport’s planning dataset) as the basis for core forecast in scheme appraisal / due diligence;
  - Production of a value for money statement at each approval stage (which is undertaken by an independent organisation), which will be in line with Department for Transport requirements and is signed off by the

33
Combined Authority Chief Executive and the Section 73 officer (In the instance that this presents conflict of interest concerns, another senior officer, either from a constituent authority or a separate part of the Combined Authority, will sign off value for money statements);

- Transport schemes will represent a Benefit Cost Ratio above 2 and accounting for significant no-monetised impacts and uncertainties (as defined by Department for Transport guidance), and this will be ensured through business case development and due diligence processes. Only in exceptional circumstances will projects not meeting this Benefit Cost Ratio be approved (see para 4.1); and,

- All transport schemes (over £5m) will have the economic case assessed at each approval stage.

**Project Approval – Funding Agreement**

4.33 Following approval of a Business Case it may be necessary to complete a range of statutory processes to ensure the project is actually ready to start. For example, planning permission, a Compulsory Purchase Order, or it may be necessary to satisfy a number of conditions agreed as part of the Business Case. Where this is the case, full approval to enter into a funding approval will be carried out as a separate stage. Due diligence of such processes / conditions will then be carried out by the Investment Planning Team as required prior to the Combined Authority issuing a Funding Agreement letter (formal legal contract).

4.34 Funding agreement letters set out the monitoring, claims, branding (to meet the government branding for each element of funding within the Tees Valley Investment Fund) and evaluation requirements. Funding agreements also set out the clawback arrangements in the event of underperformance.
5. Delivery Phase

Release of Funding, Cost Control and Contract Management

5.1 Once a formal funding agreement is in place the programme / project enters the delivery phase. Funding to project sponsors will be capped and any overspend beyond the approved amount needs to be met by the project sponsor.

5.2 The Combined Authority’s Section 73 officer must certify that funding can be released under the appropriate conditions. Each funding claim is crosschecked against the approved project baseline information as part of the monthly reporting processes combined to quarterly claims. Payments will be released quarterly in arrears unless otherwise agreed.

5.3 A mechanism for ‘claw-back’ provision is in place to ensure funding is only to be spent on the specified scheme and linked to delivery of outputs and outcomes. Payment milestones are agreed between the project sponsor and the Combined Authority based upon the complexity, cost and timescales of the scheme. This forms part of the programme management role of the Combined Authority, which is subject to external audit.

Performance Reporting

5.4 In line with reporting guidelines specified in the Monitoring and Evaluation Framework, Benefit Realisation Plans are prepared for all programmes and projects at the Business Case stage, detailing the mechanism, responsible officer and reporting frequency for all attributable outputs and outcomes. All programmes and projects are monitored (see page 36) and monthly Investment Fund performance reports are considered by the Combined Authority Chief Executive with the Tees Valley Management Group, the Local Enterprise Partnership (monthly) and at each Combined Authority Cabinet. These performance reports detail the performance against spend and outputs / outcomes at the Investment Fund level, the thematic level and reporting by exception on projects (highlights including goods news and bad news) and consideration of the risk register for the Investment Fund. Any variation to the funding agreement needs to be agreed by the Combined Authority.

Risk Management

5.5 The Combined Authority has a comprehensive issue and risk management approach, with risk identification, mitigation, escalation and reporting templates written into its Business Case Development Guidance. This has been developed in accordance with Government Green Book guidance and other project management guidance.

5.6 It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Through our robust approach to risk, the Combined Authority will reduce the need to de-scope schemes from the Investment Plan because of cost overruns. Project sponsors are required to include risk / contingency as part of funding requests, which should reduce as a proportion as the project case is developed.
5.7 Throughout the Investment Fund management lifecycle risk will be managed in accordance with the three-stage process illustrated below. A key element of our approach is that all parties have a responsibility to contribute to the management of risk.

5.8 The corporate risk register (click here) which incorporates the risks associated with the Investment Fund is reviewed monthly by the Combined Authority Senior Leadership Team and is considered by the Audit and Governance Committee quarterly.

5.9 Senior Officers of the Combined Authority (Chief Executive and Finance Director) are responsible for the identification and management of risk. As well as the Corporate Risk register a high-level risk register is maintained for the Investment Plan. The Investment Plan high-level risk register is used as the basis for discussions with our local Relationship Manager from the Cities and Local Growth Unit on a monthly basis and is provided as part of a wider programme update on a fortnightly basis.

5.10 At the project level, all projects are expected to outline in detail any identified risks during the business case development and due diligence processes. Once in delivery, projects maintain an ongoing risk register and this is reported to the Combined Authority during the financial claims process and is also reported in the wider programme update.
6. Measuring Success – Realising the Benefits

The Importance of Monitoring and Evaluation

6.1 The Combined Authority is committed to implementing effective monitoring and evaluation so that it is able to:

- **Provide local accountability to the public, partners and local stakeholders** by demonstrating: how devolved funding is spent, ensuring value for money and that all benefits are identified, tracked and achieved in line with the Refreshed Strategic Economic Plan: the Industrial Strategy for the Tees Valley;

- **Comply with external scrutiny requirements** i.e. to satisfy conditions of the Devolution Deal. Specifically the monitoring and evaluation framework will provide a useful feedback loop and enable this to be communicated to relevant stakeholders;

- **Providing not only a summative, but a formative function. Summative Function:** Identify the impact of the project to date against the outcomes identified in the preliminary logic model and benchmarked to other comparable programmes: and

- **Formative Function:** Review the continuing need/ fitness of purpose of key interventions piloted under the programme and develop recommendations for future delivery; and

- **Develop an evidence base for input into future business cases.** The monitoring and evaluation framework will collate, benchmark and analyse data which can be utilised for future work.

6.2 Our Monitoring and Evaluation Framework ([click here](#)) was initially prepared in relation to the Combined Authority’s devolution deal monitoring and evaluation requirements. However, the approach set out in the Framework will be utilised for all sources of funding within the Tees Valley Investment Plan, accepting that some government departments will have slightly different requirements which will be met. The Framework builds on the National Evaluation Framework for devolution funds, prepared by SQW and agreed with devolution areas and government.

6.3 The Combined Authority's approach is based on the following principles:

- **Focus upon conducting meaningful evaluation to better inform the selection of future intervention, the allocation of funds and the prioritisation of schemes and measures.** We will use the national evaluation panel to provide a meta-evaluation of the combined interventions within the plan;

- **Data is collected once and used many times.** We advocate the use of open data techniques to develop innovative solutions, whilst at the same time ensuring the privacy of those it relates to;
• Automation will be exploited, wherever possible to reduce resource burden e.g. using our smart region/open data approach to source up to date information, which reflects demand within the Tees Valley;

• Lessons learnt and data generated in evaluation will also be used to inform future policy development and provide the evidence base for future interventions;

• Reporting requirements and associated evaluation will be proportional to investment impact and in line with current guidance;

• As appropriate, a baseline will be set for each metric at the development of the intervention logic model;

• Ex-post data collection will take place at appropriate intervals depending on the type of outcome/impact expected and the time for stabilisation of behaviours or benefits lag associated with each outcome or impact; Lessons learnt and data generated in evaluation will also be used to inform future policy development and provide the evidence base for future interventions;

• Interim findings should be available at least 12-18 months after completion, depending on whether seasonality needs to be allowed for;

• Useable by and/or comparable to, data collected by other stakeholders so it contributes to the wider evidence base;

• Credible, valid and reliable to the extent possible within available resources;

• Ethical e.g. in relation to data consent and protection;

• Economic impacts should be reportable three to five years after completion of any policy interventions and/or projects aimed at delivering new jobs and increased productivity;

• All projects will be subject to monitoring and evaluation, regardless of funding source;

• All projects must have a signed off logic model, the outputs and outcomes of which must be recorded on the Combined Authority’s management information system and for our business database for company specific outputs

Our Logic Models for Understanding Impact

6.4 The logic models in the Tees Valley Framework builds on those in the national framework and supplements it with the local framework for areas of activity, such as culture and place that were not covered by the national framework. The logic models have been completed on a thematic basis (reflecting the six themes of the Tees Valley Strategic Economic Plan) and respective Thematic Heads review annually, content, clarity of definitions and supporting baseline evidence base (produced in the Annual Economic Assessment Document) with the Economist, Investment Manager and wider Thematic Working Group.
Programme and Project Monitoring

6.5 Funding agreement letters set out the programme or project spend and output profile together with the monitoring arrangements (financial, benefits and risk), including a clear timeline for the delivery of the following monitoring activities:

- Project Delivery Meetings: A designated Claims and Monitoring Officer will visit the project to undertake the Project Delivery Visit, shortly after the Funding Agreement has been signed off and before the first claim is issued. The purpose of the visit is to go through all the requirements detailed in the Funding Agreement and support the project lead to ensure they have the necessary systems and procedures in place to submit claims and manage the project appropriately. The Claims and Monitoring Officer will complete a Project Delivery Visit Checklist and Action Plan, a copy of which is sent to the applicant for sign off following the visit;

- Monitoring Visit: A 6-month monitoring visit will be undertaken with all project sponsors. Further visits can be carried out at any point during the delivery and will be dependent on project performance, risk etc. Therefore, some projects may need to receive more than one monitoring visit through-out the lifetime of the project;

- Financial Completion Audit: Will be undertaken once the project has achieved full spend. This will involve verifying evidence of spend/defrayal and any outputs achieved to date, along with checking that procurement processes have been adhered to, milestones achieved, and evidence is maintained (if applicable) to satisfy approval conditions;

- Practical Completion Audit: A follow up practical completion audit will be required if the project had outstanding outputs to be claimed/achieved following the financial completion audit; and

- Marketing and Promotional Activity: A marketing and publicity plan is developed as part of the Business Case and articulates all proposed marketing and promotional activity in support of delivery and will be monitored throughout the period. Project sponsors will be required to inform the Combined Authority of the planned publicity of the completion of any key milestones two weeks prior to publication. All social media and publicity around the project will need to acknowledge the role and support of all key funders including the required government branding, the Combined Authority and the Mayor and be accessible to all target groups.

- Any changes or variances to the spend profiles or key milestones will need to be reported by the project sponsor and approved by the Combined Authority. On approval a variation letter to the Funding Agreement will be issued.
Project Evaluation

6.6 The benefits realisation plan, agreed between the Combined Authority and the project sponsor, clearly defines those outputs which may be captured through routine monitoring. The plan goes on to specify the remit, timing and funding for any independent evaluation, usually to capture wider impacts for summative evaluation purposes and also to inform subsequent policy design/implementation through formative evaluation.

6.7 Evaluations of all programmes and projects will be reported to the Combined Authority Cabinet as part of the Investment Fund performance reporting and will be published on the Combined Authority website.

Adult Education Budget Monitoring and Evaluation

6.8 The Adult Education Budget reporting will be included within the Combined Authority monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority has already submitted our policies for adult education as part of the readiness conditions and they were published as part of the commissioning process. They will continue to be updated and will be published more broadly during the academic year 2019/20.

6.9 The Combined Authority's Monitoring and Evaluation Framework will be used for the Adult Education Budget activity including the use of logic models. The first formal annual evaluation will be undertaken after year 1 i.e. academic year 2019/20 delivery and completed by December 2020. It will meet the national requirements as set out in the National Assurance Framework, together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards.
Appendix IV

ALLOCATIONS OF FUNDING TO HIGHWAYS AUTHORITIES

The devolved transport element of the single pot will be made up of the following funding streams and paid to Tees Valley Combined Authority, with a firm funding commitment for the period until 2020/21:

- Integrated Transport Block
- Highways Maintenance Block (not including PFI)
- Highways Maintenance incentive funding

The breakdown of annual funding to each Local Authority until 2020/21 is as follows:

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Annual Funding £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hartlepool</td>
<td>1,870,972</td>
</tr>
<tr>
<td>Middlesbrough</td>
<td>2,837,243</td>
</tr>
<tr>
<td>Redcar and Cleveland</td>
<td>2,907,534</td>
</tr>
<tr>
<td>Stockton-on-Tees</td>
<td>3,739,214</td>
</tr>
<tr>
<td>Darlington</td>
<td>2,575,740</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>13,930,702</strong></td>
</tr>
</tbody>
</table>

Following 2020/21, funding shall be allocated to each Local Authority in the proportions as directed by the Department of Transport.
Appendix V

METHOD OF ESTABLISHING POLITICAL BALANCE OF COMMITTEES

1.1 The law requires the political representation on the certain committees of the Tees Valley Combined Authority to reflect the party political balance of the constituent authorities, taken as a whole across the Tees Valley.

1.2 This applies to:

- the Overview and Scrutiny Committee; and
- the Audit and Governance Committee.

1.3 The requirement for political balance does not apply to the Combined Authority’s Cabinet, to the Transport Committee, Local Enterprise Partnership, or to non-statutory partnership bodies established by the Cabinet.

1.4 These procedures set out how the requirement for political balance is to be enacted.

1.5 The principles behind these procedures are that:

- The balance of party political representation should reflect, as far as possible, the balance of representation of the parties within the five constituent authorities, taken as a whole.

- Since each of the five authorities has a different number of members overall, political balance should be calculated by averaging representation across the five councils, such that the councils are equally weighted.

- The definition and size of Groups within each council shall be determined by the procedures applying in each Council, and shall be communicated by each Council’s Monitoring Officer to the Monitoring Officer of the Combined Authority whenever there is a change.

- Unless otherwise notified, members in one Council representing a political party shall be considered as part of the same Group with other members of the same political party in other Councils.

- Achieving political balance at the Tees Valley level may sometimes require individual councils to make appointments which are not in conformity with the political balance procedures applying in that particular council. In these circumstances, the requirement to achieve political balance at the Tees Valley level takes precedence.
2. Calculating Political Balance

2.1 The political balance of a Combined Authority committee shall be calculated by:

i. Taking the numbers in each Group within each constituent authority, as a percentage of the total number of members of that authority.

ii. For each Group, averaging the calculation at (i) across each of the five councils, to give a percentage weighting to be applied at the Tees Valley level.

iii. Excluding from consideration any Group where the calculation at (ii) is below a threshold of \( \frac{1}{2}(1/x) \), where \( x \) = the number of committee places to be filled, and recalculating the figures at (ii) amongst the remaining Groups.

iv. Applying the percentages at (iii) to the overall number of places for members on each committee.

v. Applying a rounding convention to the figures derived at (iv), to ensure that the percentage of places on each committee approximates, as closely as possible, to the percentage weighting of each Group.

2.2 Having established the numbers required to be appointed from each Group, the number of appointments from each Group will be assigned to the individual councils, so as to reflect as far as possible the relative strength of each Group within each Council.

2.3 A spreadsheet demonstrating the current application of these procedures is provided at the end of this note, and will be updated whenever the Monitoring Officer is advised of a change.

3. Changing Political Balance

3.1 Under these procedures, changes in the party political composition of any of the individual councils may lead to a change in the political balance requirement of a Combined Authority committee. The Combined Authority’s Monitoring Officer shall identify when such a change is required; on receipt of a notification of a change in the political balance of a constituent authority from the Monitoring Officer of that authority.

3.2 In these circumstances, the Monitoring Officer will re-calculate political balance, and identify any consequential requirement for a change in the appointments made by the constituent councils. Where a change is required, the constituent councils shall amend their appointments at the earliest practical opportunity.
4. **Failure to accept an appointment**

4.1 Where a Group chooses not to take up appointments to which it is entitled under these procedures, political balance shall be re-calculated excluding that Group from consideration; on the same basis as a group excluded at 2(ii).

5. **Dispute resolution**

5.1 In the event of any dispute or disagreement as to the application of these procedures, communicated by any member of any constituent authority, the position will be reviewed by the Monitoring Officer, in consultation with the Combined Authority’s Chief Executive and the Monitoring Officers of the constituent authorities, and his or her decision shall be final.
Appendix VI

Delegations to Senior Officers

Introduction

Section 112(1) of the Local Government Act 1972, provides that the Combined Authority shall appoint such officers, or employees as it thinks necessary for the proper discharge by the Combined Authority of such of its functions as fall to be discharged by them (which shall include functions exercisable by the Combined Authority and functions exercisable by the Mayor) or of such of another authority’s functions for which they may become responsible, and for the carrying out of any obligations of the Combined Authority in connection with any agreement made with another authority to place staff at that authority’s disposal.

There are a number of specific references in the 1972 Act and the 1985 Local Government Act, which call for functions to be undertaken by what is termed the ‘Proper Officer’. Where appropriate, the following lists such references and identifies the Chief Officers responsible for their discharge.

A Chief Executive

The Chief Executive shall fulfil the statutory role of the Head of Paid Service. The Chief Executive is responsible for the corporate management and overall operational capacity of the Combined Authority, including the strategic management of all of the Combined Authority’s staff in accordance with section 4 of the Local Government and Housing Act 1989.

The Chief Executive is appointed the Proper Officer for the purpose of receiving a list of the Combined Authority’s politically restricted posts (Local Government and Housing Act 1989 – section 2(4)), and for the purpose of the declaration of acceptance of office of the Tees Valley Mayor under section 83 of the Local Government Act 1972.

The Chief Executive cannot be the Monitoring Officer.

B Monitoring Officer

Under the provisions of the Local Government and Housing Act 1989, the Combined Authority shall appoint a Monitoring Officer who will be responsible for promoting and maintaining high standards of conduct. The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration and probity to
all Members and provide a comprehensive service to the Combined Authority Cabinet.

The Monitoring Officer to the Combined Authority is appointed the Proper Officer in relation to the following functions under the Local Government Act 1972:

a) Determination of those reports which should be available for public inspection prior to a meeting of the Combined Authority Cabinet, the Transport Committee, the Audit and Governance Committee and any other Committee, Sub-Committee or joint committee of the Combined Authority and those which are likely to be heard in private and consequently which should not be released to the public (section 100B (2)).

b) Provision of documents to the press, additional to committee reports (section 100B (7)).

c) Preparing written summaries of proceedings (section 100C (2)).

d) Making arrangements for lists of background papers to reports to be compiled, and for copies of documents on those lists to be made available for public inspection (section 100D (1))

e) Advising on what may or may not be a background paper for the purposes of reports which are open to public inspection (section 100D(5))

f) Determination of documents disclosing exempt information which may not be inspected by Members (section 100F (2)).

g) Signature or authentication of Summons to the Combined Authority Cabinet (paragraph 4 (1A) (b) of Schedule 12).

h) Declaration and Certificates with regard to securities (section 146 (1)(a) and (b)).

i) Deposit of documents (section 225 (1)).

j) Inspection of accounts by members (section 228(3))

k) Certifications of photographic copies of documents (section 229 (5)).

l) Issuing and signing of formal notices (section 234 (1) and (2)).

m) Serving copies of Byelaws (section 236 (9) and (10)).

n) Certification of Byelaws (section 238).

The Monitoring Officer is also appointed the Proper Officer for the following purposes:

o) Certification of copies of resolutions, minutes, other documents (Local Government (Miscellaneous Provisions) Act 1976 – Section 41)

p) Exceptions to the overview and scrutiny and publicity requirements relating to key decisions (the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order [2017]).

The Monitoring Officer will maintain an up to date Register of Member’s interests and an up to date version of the Constitution and will ensure that it is widely available for consideration by Members, officers and the public.

The Monitoring Officer will contribute to the promotion and maintenance of high standards of conduct and be responsible for the receipt and acknowledgement of
complaints of failure by a Member of the Combined Authority to comply with the Members Code of Conduct.

The Monitoring Officer cannot be the Head of Paid Service or the Director of Finance and Resources.

C Director of Finance and Resources

The Director of Finance and Resources has responsibility for ensuring lawfulness and financial prudence of decision making. The Director of Finance and Resources is appointed Proper Officer in relation to the following:

a) receipt of money due from officers (Local Government Act 1972, section 115 (2); and
b) proper administration of the financial affairs of the Combined Authority (Local Government Act 1985 section 73).

The Director of Finance and Resources will provide advice and guidance to all Members on financial impropriety and budgetary issues and will report to the Combined Authority regarding any proposal, decision or course of action that will involve incurring unlawful expenditure, or that is unlawful and is likely to cause a loss or deficiency on the part of the Authority, or if the Combined Authority is about to enter an item of account unlawfully (Section 114 of the Local Government Finance Act 1988).

D Scrutiny Officer

The Combined Authorities (Overview and Scrutiny Committees Access to Information and Audit Committees) Order [2017] requires the Combined Authority to designate one of its officers as its Scrutiny Officer.

The Scrutiny Officer has the following responsibilities:

(a) to promote the role of the Combined Authority’s Overview and Scrutiny Committee;

(b) to provide support and guidance to the Combined Authority’s Overview and Scrutiny Committee and its members; and

(c) to provide support and guidance to members of the Combined Authority in relation to the functions of the Combined Authority’s Overview and Scrutiny Committee.

E General

All officers in whose name reports are submitted to the Combined Authority Cabinet, the Transport Committee, the Audit and Governance Committee and any Committee or Sub-Committee of the Combined Authority via the Monitoring Officer and Director
of Finance and Resources are appointed the Senior Officers in relation to the following under the Local Government Act 1972:

a) Compilation and retention of lists of background papers and copies of the relevant documents and reports (section 100D (1) (a)).

b) Identifying and determining what are background papers (section 100D (5)).

**Scheme of Delegation of Functions to Senior Officers**

1. Section 101 of the Local Government Act 1972 enables the Combined Authority to delegate the discharge of any of its functions to its officers.

2. Section 107D of the Local Democracy, Economic Development and Construction Act 2009 enables the Mayor to arrange for an officer of the Combined Authority to exercise any functions exercisable by the Mayor.

3. This part of the Constitution specifies those powers of the Combined Authority and the Mayor which, for the time being, are exercisable from time to time by officers of the Combined Authority, and stating the title of the officer in question by whom the powers are exercisable.

4. Senior Officers in the context of this Constitution mean the Head of Paid Service (Managing Director), the Director of Finance and Resources, the Monitoring Officer and any Directors reporting directly to the Managing Director.

5. The delegated powers of Senior Officers set out in this Scheme may be exercised by other officers authorised by the Senior Officer with the delegated power to act on their behalf and in their name, provided that appropriate administrative procedures are in place to record the authorisation and monitor decisions taken.

6. The exercise of delegated powers by officers is required to be in accordance with and subject to:

   a) Statute or other legal requirements, including the principles of public law, the Human Rights Act 1998, statutory guidance and statutory codes of practice;
   b) this Constitution, the Combined Authority Cabinet’s Rules of Procedure and Financial Regulations currently in force;
   c) the revenue and capital budgets of the Combined Authority, subject to any variation thereof which is permitted by the Authority’s Financial Regulations; and
   d) any policy or direction of the Combined Authority Cabinet, the Transport Committee, the Audit and Governance Committee, or any other committee sub-committee or joint committee acting in exercise of powers delegated to it by the Combined Authority.
7. Officers may not exercise delegated powers where:
   
a) the matter is reserved to the Combined Authority Cabinet, or the Mayor, and is to be exercisable only by them, by law or by this Constitution;
b) the matter is a function which cannot by law be discharged by an officer;
c) the Combined Authority Cabinet, or a committee, sub-committee or joint committee to which the Combined Authority is a party, has determined that the matter should be discharged otherwise than by an officer;

8. Where, in relation to an item before the Combined Authority Cabinet, the Transport Committee or a joint committee, committee or sub-committee, a Senior Officer is given specific authority to determine a particular matter, the officer should ensure that there is an appropriate audit trail to evidence such determination.

9. Any reference in this Scheme of Delegation to any enactment shall include a reference to any amendment or re-enactment of the same.

A General Delegations to all Senior Officers

GD1 The day to day routine management, supervision and control of services provided for the Combined Authority by staff under its control in accordance with the Rules of Procedure and Financial Regulations of the Combined Authority.

Contracts and Accounts

GD2 The disposal of surplus or obsolete equipment to the person submitting the highest quotation up to a limit of £10,000 in value.

GD3 The acceptance of the best value tender or quotation as per the Contract Procedure Rules detailed in Appendix IX

B Delegations to the Head of Paid Service

HPS1 To discharge the functions of the Head of Paid Service in relation to the Combined Authority as set out in sections 3A and 4 of the Local Government and Housing Act 1989.

HPS2 To engage officers on behalf of the Combined Authority in order to coordinate and carry out its functions.

HPS3 To discharge any function of the Combined Authority (including functions exercisable by the Authority or by the Mayor) which has not been specifically delegated to another officer, Committee, Sub-
Committee or Joint Committee, or reserved to the Combined Authority Cabinet whether by law or by this Constitution.

HPS4 To take all action which is necessary or required in relation to the exercise of any of the Combined Authority’s functions or the functions of the Mayor (other than those functions which by law can be exercised only by the Combined Authority or by the Mayor), having regard to the Combined Authority’s or Mayor’s approved plans, policies or strategies and the Combined Authority’s budget, and all enabling legislation.

HPS5 Take any action which is necessary or required as a matter of urgency in the interests of the Combined Authority, in consultation (where practicable) with the Chair of the Combined Authority Cabinet, the Monitoring Officer and the Director of Finance and Resources.

HPS6 Nominate, appoint and remove, in consultation with the Chair of the Combined Authority Cabinet, Combined Authority representatives on the board of companies, trusts and other bodies, and to agree constitutional arrangements for such companies, trusts and other bodies, and give any necessary consent required within their relevant constitutions.

HPS7 To authorise any named officer of the Combined Authority to exercise functions delegated to the Head of Paid Service, the Director of Finance and Resources, or the Monitoring Officer, including the functions of a consultee in relation to the exercise of an Officer’s delegated powers.

C Delegations to the Director of Finance and Resources

CF01 To effect the proper administration of the Combined Authority’s financial affairs particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control generally.

CF02 After consulting, so far as practicable with the Head of Paid Service and the Monitoring Officer, to report to the Combined Authority Cabinet if it appears to him/her that a decision has been made, or is about to be made which involves or would involve the Combined Authority incurring unlawful expenditure, or that a course of action has been taken or is about to be taken which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Authority, or that an item of account is about to be made which is unlawful. Such a report will have the effect of prohibiting the proposal, decision or other action being implemented until the report has been considered.
CF03  The taking of all action required on borrowing, investment and financing subject to the submission to the Combined Authority Cabinet of an annual report of the Director of Finance and Resources on treasury management activities at six-monthly intervals in accordance with CIPFA’s Code of Practice for Treasury Management and Prudential Codes.

CF04  To effect all insurance cover required in connection with the business of the Combined Authority and to settle all claims under such insurances arranged for the Combined Authority’s benefit.

CF05  To discharge the functions of the Combined Authority under the Accounts and Audit (England) Regulations 2015 (with the exception of Regulations 6(2), 9(2) and 20(1)).

CF06  To sign certificates under the Local Government (Contracts) Act 1997 and the Local Authority (Contracts) Regulations 1997 – regulation 7(2)(a).

CF07  To be the officer nominated, or to nominate in writing another officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any Regulations made thereunder.

CF08  To exercise the responsibilities assigned to the Director of Finance and Resources in the Combined Authority’s financial arrangements and procedures and in its Contract Procedure Rules.

CF09  To authorise any named Officer of the Combined Authority to exercise functions delegated to the Director of Finance and Resources, including the functions of a consultee in relation to the exercise of an Officer’s delegated powers.

D Delegations to the Monitoring Officer

MO1 The Monitoring Officer is authorised to:

  a) institute, prosecute, defend, withdraw, conduct, settle or appeal any administrative action and/or any legal proceedings on behalf of the Authority;

  b) negotiate, issue, conclude and/or sign or execute any notice, document or agreement in any case where such action will facilitate, or be conducive or incidental to the carrying out of any decisions of the Combined Authority Cabinet; or in any case
where the Monitoring Officer considers that such action is necessary to protect the Combined Authority’s interests, or to further or achieve the objectives of the Combined Authority; and

c) settle or otherwise compromise any such administrative action or legal proceedings if they have been commenced or there are reasonable grounds for believing such actions or proceedings may be contemplated.

MO2 Authentication of documents and the use of the corporate seal.

MO3 After consulting, so far as practicable, with the Head of Paid Service and Director of Finance and Resources, the Monitoring Officer will report to the Combined Authority Cabinet if he/she considers that any proposal, decision or omission has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law or any maladministration or failure as determined following an investigation by the Local Government Ombudsman. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

MO4 To accept on behalf of the Combined Authority Cabinet in-year changes to the membership of committees, sub-committees and joint committees. These changes must be notified in writing to the Monitoring Officer and will be effective when receipt of the notification is acknowledged in writing by the Monitoring Officer.

MO5 To make minor changes to the Constitution and its associated documents in order to reflect organisational or legislative change when the power remains unaltered.

MO6 To make any textual or grammatical corrections to the Constitution and its associated documents.

Supporting the Standards Regime

MO7 To receive and acknowledge complaints of failure to comply with the Members’ Code of Conduct under the Combined Authority’s adopted local standards arrangements.

MO8 To review complaints received in respect of any alleged breach by a Member of the Code of Conduct for Members and to act in accordance with the Combined Authority’s adopted local arrangements.

MO9 The Monitoring Officer will, where considered appropriate, either conduct or arrange for investigations to be conducted into alleged breaches of the Members’ Code of Conduct referred to him/her.
M10 The Monitoring Officer will undertake informal resolution of such complaints in accordance with the Combined Authority’s adopted local arrangements.

M11 To authorise any named Officer of the Combined Authority to exercise functions delegated to the Monitoring Officer, including the functions of a consultee in relation to the exercise of an Officer’s delegated powers.
Appendix VII

Codes of Conduct

PREAMBLE

FOR INFORMATION ONLY

GENERAL PRINCIPLES OF CONDUCT

Preamble
The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

Selflessness
Holders of public office should act solely in terms of the public interest.

Honesty and Integrity
Holders of public office should be truthful and should avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.

Objectivity
Holders of public office must act and take decisions impartially, fairly on merit, using best evidence and without discrimination or bias.

Accountability
Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness
Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Personal Judgement
Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.
Respect for Others
Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority’s statutory officers and its other employees.

Duty to Uphold the Law
Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship
Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.

Leadership
Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to change poor behaviour wherever it occurs.

NOTE: THIS PREAMBLE AND THE GENERAL PRINCIPLES OF CONDUCT SPECIFIED WITHIN IT ARE FOR INFORMATION ONLY, AND THEY DO NOT FORM A PART OF THE COMBINED AUTHORITY’S CODE FOR ENFORCEMENT PURPOSES.
Members Code of Conduct

TEES VALLEY COMBINED AUTHORITY
(“THE COMBINED AUTHORITY”) 
CODE OF CONDUCT FOR MEMBERS

Part 1
General Provisions

Introduction and Interpretation

1. (1) This Code applies to you as a member of the Combined Authority when you are acting in that capacity.

(2) This Code is based upon and is intended to be consistent with the General Principles of Conduct specified in the preamble.

(3) It is your responsibility to comply with the provisions of this Code.

(4) This Code does not cover matters in respect of which the Secretary of State may under the Act specifically provide that criminal sanctions will apply.

Interpretation

2. (1) In this Code--
“the Act” means the Localism Act 2011
"meeting" means any meeting of:-
(a) the Combined Authority or the Combined Authority Cabinet;
(b) any of the Combined Authority’s, or the Cabinet’s committees, sub-committees, joint committees, or joint sub-committees;

“member” includes the Mayor, elected and co-opted members, Substitute Members and Associate Members.

General Conduct

3. (1) You must treat others with respect.

(2) You must not do anything which may cause the Combined Authority to breach any of the equality enactments (as defined in Section 33 of the Equality Act 2006).
(3) You must not bully any person and you must not intimidate or attempt to intimidate any person who is involved in any complaint about any alleged breach of this Code.

(4) You must not do anything which compromises or is likely to compromise the impartiality of anyone who works for or on behalf of the Combined Authority.

(5) You must not conduct yourself in a manner which could reasonably be regarded as bringing the Combined Authority, or your office as a member of the Combined Authority, into disrepute.

(6) You must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person any advantage or disadvantage.

4. When using or authorising the use by others of the resources of the Combined Authority:-

(1) You must act in accordance with the Combined Authority's reasonable requirements.

(2) You must ensure that such resources are not used improperly for political purposes (including party political purposes); and

(3) You must have regard to the Combined Authority's Transparency Code.

5. You must not prevent, or attempt to prevent, another person from gaining access to information to which they are entitled by law.

6. You must not disclose information which is given to you in confidence, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, unless:-

(a) You have the consent of a person authorised to give it; or

(b) You are required by law to do so; or

(c) The disclosure is made to a third party for the purpose of obtaining professional legal advice, provided that the third party agrees not to disclose the information to any other person; or

(d) The disclosure is reasonable, in the public interest, made in good faith, and made in compliance with the reasonable requirements of the Combined Authority.
7. Where you have been involved in the making of any decision or the taking of any action by the Combined Authority Cabinet, or by any of Combined Authority’s or the Cabinet’s committees or sub-committees, joint committees, joint sub-committees or the Local Enterprise Partnership, which is subsequently subject to scrutiny by the Combined Authority’s Overview and Scrutiny Committee, you must not take part in that scrutiny process other than for the purpose of answering questions or giving evidence relating to the business.

8. (1) When making decisions on any matter you must have regard to any relevant advice provided to you by:

   (a) the Combined Authority Chief Executive; or
   
   (b) the Combined Authority Director of Finance and Resources; or
   
   (c) the Combined Authority Monitoring Officer,

       where that officer is acting pursuant to his or her statutory duties.

   (2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the Combined Authority.

Part 2

Interests

Registration of Members’ Interests

9. Subject to paragraph 12, you must register in Combined Authority’s register of members’ interests (“Register”) information about your personal interests. For the purposes of paragraphs 9 to 15 inclusively ‘your personal interests’ or ‘personal interest’ means:

   (a) any ‘disclosable pecuniary interest’ (as specified at the Appendix to this Code or as defined by any statutory provisions in force from time to time under the Act) which you know about and which is held by

       • you, or

       • your spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you are civil partners; and

   (b) any other interests held by you as set out in paragraph 11.
10. You must register information about your personal interests by giving written notice to the monitoring officer, who maintains the Register, within 28 days of:

- this Code being adopted by the Combined Authority;
- your election or appointment as a member of the Combined Authority; and of
- becoming aware of any new interest or change to any registered interest.

11. You have a personal interest in any business of the Combined Authority and for the purposes of paragraph 9(b) where either it relates to or is likely to affect:

(a) any body of which you are a member (or in a position of general control or management) and to which you are appointed or nominated by the Combined Authority;

(b) any body which:

(i) exercises functions of a public nature or
(ii) is directed to charitable purposes or
(iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management);

Sensitive Information

12. Where you think that disclosure of the details of any of your personal interests could lead to you, or a person connected with you, being subject to violence or intimidation, you may inform the monitoring officer; and if the monitoring officer agrees, a note will be made in the Register to the effect that you have a personal interest, details of which are withheld under Section 32 of the Act.

Declaration of Interests

13. Where you attend a meeting and you are, or ought reasonably to be, aware that any of your personal interests are relevant to an item of business which is being considered, then you must disclose to that meeting the existence and nature of that interest at the start of the consideration of that item of business, or when the interest becomes apparent, if later.

14. Where you have a personal interest in any business of the Combined Authority which relates to or is likely to affect a body of a type described in paragraph 11(a) and 11(b)(i), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
15. Where you have a personal interest but, by virtue of paragraph 12, sensitive information relating to it is not registered in the Register, you must indicate to the meeting that you have a personal interest, but you need not disclose the sensitive information to the meeting.

16. Where you attend a meeting, and you are, or ought reasonably to be aware that a decision in relation to any item of business which is to be transacted might reasonably be regarded as affecting your well-being or financial position, or the well-being or financial position of a person described in paragraph 17, to a greater extent than most of the inhabitants of the area affected by the decision, then you must disclose to that meeting the existence and nature of that interest at the start of that item of business, or when the interest becomes apparent, if later.

17. The persons referred to in paragraph 16 are:-

(a) a member of your family;

(b) any person with whom you have a close association;

(c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or a company of which they are a director;

(d) any person or body in whom persons described in (a) and (b) have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or

(e) any body of a type described in paragraph 11 (a) and (b).

Non participation

18. Where you have a personal interest of the type described in paragraph 16 in any business of the Combined Authority, and the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest and the business:-

(a) affects your financial position or the financial position of a person or body described in paragraph 17(a) to (e) inclusively; or

(b) relates to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body referred to in the preceding sub-paragraph (a),

then subject to paragraphs 19 and 20:-

(a) you may not participate in any discussion of the matter at the meeting;

(b) you may not participate in any vote taken on the matter at the meeting;
(c) if the interest is not registered, you must disclose the interest to the meeting;
and

(d) if the interest is not registered and is not the subject of a pending notification,
you must notify the Monitoring Officer of the interest within 28 days.

19. Where you have an interest of the type described in paragraph 18 in any business of the Combined Authority, you may attend the meeting and make representations, answer questions or give evidence relating to that business before the business is considered and voted upon, provided the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Disclosable Pecuniary Interests

20. In addition to the requirements of the Act regarding the registration and declaration of a disclosable pecuniary interest, you must also comply with the statutory requirements relating to withdrawal from participating in any discussion or voting on any matter in which you have a disclosable pecuniary interest.

Requirement to leave a meeting room

21. You must comply with any procedural rule or standing order adopted by the Combined Authority which requires a member to leave the room during any meeting at which a matter in which they have a disclosable pecuniary interest is being discussed.
## APPENDIX

### Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a disclosable pecuniary interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) as follows:

<table>
<thead>
<tr>
<th>Interest</th>
<th>Prescribed Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment, office, trade, profession or vocation</td>
<td>Any employment, office, trade, profession or vocation carried on for profit or gain.</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M. This includes any payment or financial benefits from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</td>
</tr>
<tr>
<td>Contracts</td>
<td>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority:</td>
</tr>
<tr>
<td></td>
<td>(a) under which goods or services are to be provided or works are to be executed; and</td>
</tr>
<tr>
<td></td>
<td>(b) which has not been fully discharged</td>
</tr>
<tr>
<td>Land</td>
<td>Any beneficial interest in land which is within the area of the relevant authority.</td>
</tr>
<tr>
<td>Licences</td>
<td>Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.</td>
</tr>
<tr>
<td>Corporate tenancies</td>
<td>Any tenancy where (to M’s knowledge):</td>
</tr>
<tr>
<td></td>
<td>(a) the landlord is the relevant authority; and</td>
</tr>
</tbody>
</table>
(b) the tenant is a body in which the relevant person has a beneficial interest

Securities

Any beneficial interest in securities of a body where:-

(a) that body (to M’s knowledge) has a place of business or land in the area of the relevant authority; and

(b) either –

(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose:-

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant authority;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or 31(7), as the case may be, of the Act;
“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

**Officers Code of Conduct**

1. **Purpose**

1.1 This code sets out the standards of conduct that the Tees Valley Combined Authority (“the Combined Authority”) expects from its officers. The aim is to promote high standards of conduct and to maintain public confidence in the Combined Authority and its services.

2. **General Principles**

2.1 The public is entitled to expect the highest standards of conduct from all Officers. The role of Officers is to represent the Combined Authority in delivering services to the local community. Officers must perform their duties to the best of their abilities with honesty, integrity, impartiality and objectivity and contribute to the maintenance of high standards in public service. Officers must at all times act in accordance with the trust that the public is entitled to place in them.

2.2 This code should be read in conjunction with the Combined Authority’s Constitution and other relevant Policies and Procedures.

3. **Gifts and Hospitality**

3.1 All offers of gifts or hospitality should be treated with caution. Where a gift or hospitality could be perceived as an inducement or reward for performing Combined Authority duties, or where acceptance of the gift or hospitality could be open to misinterpretation, Officers should tactfully but firmly refuse the offer.

3.2 Gifts of a promotional nature, e.g. calendars, diaries and pens which are of a low monetary value i.e. less than £25 may be accepted.

3.3 All offers of gifts and hospitality of £25 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and no later than 28 days from the date of the offer) in a register held by the relevant nominated officer.

3.4 It is a criminal offence under the Bribery Act 2010 to accept a bribe or to bribe another person. The offence of being bribed will occur where an employee agrees to receive or accepts an advantage (for their own or another’s benefit
and whether or not he or she actually receives it), in order to carry out the improper performance of a Combined Authority function, or where the advantage may be a reward for already having performed the function improperly.

3.5 The offence of bribing another person occurs where an employee offers, promises or gives a financial or other advantage to another person, with the intention that this will induce that person to improperly perform a function or activity, or in order to reward that person for the improper performance of such a function or activity.

3.6 Guidance on the Bribery Act indicates that bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of a commercial organisation, better to present products and services, or to establish cordial relations, is recognised as an established and important part of doing business and it is not the intention of the Act to criminalise such behaviour.

3.7 If Officers are in any doubt about the acceptance of a gift or hospitality they should inform the Monitoring Officer in advance (where feasible) and seek advice. Where an employee receives an unsolicited gift or believes that a person is otherwise attempting to influence him or her, the Monitoring Officer should be informed immediately.

3.8 Particular care should be taken by Officers concerned with purchasing the award of official contracts or the allocation of grant monies. An Officer who knowingly accepts a gift or favour from a contractor or other person providing services to or seeking services or funding from the Combined Authority may put themselves at risk of a disciplinary investigation. Failure to record offers of gifts and hospitality may also be the subject of investigation by managers.

4. Confidential Information

4.1 Officers should treat all information they receive in the course of their employment as confidential to the Combined Authority. Officers must not use information in the Combined Authority’s possession to further their private interests or those of their relations and friends. Deliberate exploitation of confidential information for personal gain may result in disciplinary action, including dismissal.

4.2 Officers are only permitted to disclose confidential information where it is required by law or where the Combined Authority has agreed to make the information available to the public. Where Officers are in any doubt as to whether they are permitted to release information they must consult their Manager before any disclosure is made.

5. Officer Interests
5.1 Officers must disclose any personal conflicts of interest and must not involve themselves in any decisions or matters where their actions could be perceived as biased. A personal conflict may arise where an Officer provides consultancy services in a private capacity which conflict with or are of a similar nature to the Combined Authority’s services, or which may result in a reduction of the Combined Authority’s services. Another example is where an employee, acting in a private capacity, causes conflict with a service provided by the Combined Authority to a service user.

5.2 Officers’ interests in contracts must be disclosed in writing where Officers have any financial interest, direct or indirect, in any contract which the Combined Authority has entered into or is proposing to enter into, or any application by the Combined Authority for a licence, consent or permission. Officers are also required to identify a partner, relative or close associate who might have a legitimate interest in Combined Authority contracts or services.

5.3 Officers must also disclose in writing any interests where they are involved as either as an individual or as a partner in a business or as a Director of a Company or where they have a substantial shareholding in a public or private company which regularly has dealings with the Combined Authority. For this purpose, “substantial” can be defined as more than £5,000 nominal value or 1/100th of the nominal value of the company whichever is the lower. Friendship or membership of an association or society could also influence an Officer’s judgements and should be treated in the same way.

5.4 If Officers are in any doubt as to what interests they need to declare they should seek guidance from the Monitoring Officer. Failure by Officers to declare interests in contracts or companies is a criminal offence. Failure to disclose a conflict of interest may result in disciplinary action.

6. Public Office

6.1 Officers who wish to seek public office in an Authority other than that with whom they are employed or act for are not generally prevented from doing so unless they occupy politically restricted posts under the Local Government and Housing Act 1989 (“the 1989 Act”), but should discuss their intentions and the implications with the Monitoring Officer and seek legal advice.

6.2 Officers other than holders of politically restricted posts who become councillors of other Local Authorities should ensure that their two capacities are kept separate. In particular, they should take care that they do not disclose or use for an unauthorised purpose confidential information which could benefit or cause harm either to the Authority represented or to the Combined Authority.

7. Political Activities
7.1 Political activities relate to standing for public elected office, engaging in party political debate in a personal capacity, by speaking or writing in public and canvassing at elections. The ability of Officers to engage in such activities is restricted if they occupy politically restricted posts, as defined by section 2 of the 1989 Act and specified in a list maintained by the Combined Authority as required by that Act.

7.2 An employee who proposes to engage in political activities should consider all aspects of this Code and ensure there is no conflict of interest between their duties as an employee and their political activities. Officers who regularly advise members, regularly have contact with the public or media, or exercise delegated powers should take particular care when they propose to engage in political activities. They must in all cases consult their Manager.

7.3 Where Officers are required to advise Members they must do so in ways which do not compromise their political neutrality and must not allow their own personal or political opinion to influence or interfere with their work.

8. Special Adviser

8.1 The Mayor may appoint a Special Adviser, to support the Mayor in the delivery of their priorities. The post shall draw on two established models - the central government model of a Minister’s Special Adviser, and the local government model of a Political Assistant – drawing on best practice from both models to establish a role which works within the context of a Combined Authority. Full duties and responsibilities will be set out in the specific job description for the post.

8.2 The appointment of the Special Adviser will take place on merit, in accordance with the Combined Authority’s recruitment policy and procedures. The appointment shall be on a temporary contract basis to reflect the tenure of the Mayor. The Special Adviser shall work directly with the Mayor on their day-to-day responsibilities, but shall report to the Chief Executive as their official line manager in the Chief Executive’s role as lead officer responsible for the overall operations and staffing of the Combined Authority. Any complaints or questions about the appropriate role of the Special Adviser should be reported to the Chief Executive and/or Monitoring Officer.

8.3 The Special Adviser shall be employed by the Combined Authority, and therefore subject to all aspects of these Codes of Conduct. The post shall be designated as apolitically restricted post under the terms of section 2 of the Local Government and Housing Act 1989, and as summarised in section 7 above. It is however expected that the Special Advisor will provide advice to the Mayor on all aspects of the Mayor’s role, including on matters which reflect the Mayor’s political views. In this respect only, the role is exempt from the general requirements for local government officers to behave with impartiality and objectivity.
9. Recruitment and Employment

9.1 Officers involved in recruitment or decisions relating to discipline, promotion or grading must not be involved where they are related to an applicant or have a close association with an applicant or employee.

9.2 All Officers involved in recruitment and selection on behalf of the Combined Authority must be familiar with, and abide by, the Combined Authority's recruitment policy and procedures.

9.3 Canvassing of Members of the Combined Authority relating to any employment matter including appointments, is strictly prohibited and may result in disciplinary action.

10. Sustainability Issues

10.1 Officers must be aware of their obligation towards improving the environment and in particular ensure the wider long term implications of their actions are in accordance with Combined Authority policy.

10.2 Officers are required to consider sustainability issues when undertaking their duties, including the procurement of goods and services. In particular they should seek opportunities to improve and promote energy conservation, advocate recycling and waste minimisation, reduce pollution and support Combined Authority initiatives to improve the environment.

11. Diversity

11.1 All members of the local community, customers, contractors, Members and Officers have a right to be treated with fairness and dignity. All Officers are required to comply with the Combined Authority’s diversity policies and in accordance with the legal requirements placed upon the Combined Authority.

12. Intellectual Property/Copyright/Lecture Fees

12.1 All creative designs, writings and drawings produced by Officers in the course of their duties are the property of the Combined Authority.

12.2 All inventions made by Officers remain the property of the Combined Authority if made during the course of their duties. The duties are described in the Officers terms of employment, job description and those arising from an instruction from a manager or other authorised officer of the Combined Authority.

12.3 Fees for giving lectures or writing articles may only be retained by Officers where these activities are not integral to their employment or position with the Combined Authority and they are conducted in the Officers own time.
12.4 Where Officers are interviewed by the media or agree to give lectures in connection with their official duties the Combined Authority’s communications manager must be consulted on any intended lecture or publication in the press or other media which is connected to their official duties and prior consent of their line manager must be obtained.

12.5 Officers should take care when expressing their personal views publicly that they do not undermine confidence in their objectivity in the performance of their duties.

113. Use of The Combined Authority’s Facilities

13.1 Officers must ensure that they use public funds entrusted to them in a responsible and lawful manner. They should strive to ensure value for money to the local community and to avoid legal challenge to the Combined Authority.

13.2 The Combined Authority’s resources should be used solely in respect of its business. No improper use must be made of premises, vehicles, equipment, stationery or services. A reasonable amount of personal use of ICT and telephone facilities may be made but is subject to any Combined Authority ICT protocols and any arrangements for the payment of personal telephone calls.

14. Performance of Duties

14.1 Officers are required to observe agreed working procedures, operational regulations, health and safety rules, regulations, professional codes of practice and the provisions of the Combined Authority’s Constitution and to carry out reasonable and proper instructions in matters relating to their duties.

14.2 An Officer must not:-

(a) Fail to discharge through carelessness, or neglect an obligation placed upon him/her by contract or by law;

(b) Fail to report any matter which he/she is required to report;

(c) Fail to wear safety clothing or footwear, or use safety equipment which has been issued as being necessary in the interests of health & safety or otherwise fail to have due regard to health & safety requirements.

14.3 Failure to observe the Officers Code of Conduct or any human resources policies and procedures (for instance relating to substance misuse, smoking or ICT protocols) or other Combined Authority policies, regulations or standards, may lead to disciplinary action in accordance with the Combined Authority’s disciplinary procedures.
Protocol on Member/Officer Relations

1. The Role and Purpose of the Protocol

1.1 The Tees Valley Combined Authority (“the Combined Authority”) strives to carry out its duties and provide services in a way that is effective; efficient in terms of the resources deployed; and responsive to the views and wishes of the people that might be affected by what it does.

1.2 Above all, the Combined Authority operates with, and promotes high ethical values and standards in an environment which demands close and effective working relations between all Members and Officers without either seeking to take unfair advantage of their position. This is achieved by means of a culture of mutual respect, trust, courtesy, openness and understanding, in which Members and Officers feel free to speak to one another openly and honestly.

1.3 With this in mind, the purpose of this protocol is not in any way to change that relationship, but to offer guidance to Members and Officers on their respective roles and their working relations with one another, in order to help them to perform more effectively and thereby to ensure the efficient and effective running of the authority and the delivery of best value services to the local community.

1.4 The relations between Members and Officers are complex and varied. This protocol does not therefore aim to be either prescriptive or comprehensive. It is intended simply to offer guidance on some of the issues which most commonly arise. It is hoped however that the approach which it adopts to these issues will serve as a reference document for dealing with other issues.

1.5 This protocol relies to a large extent on current practice and convention. It does, however, attempt to promote greater clarity and certainty for the benefit of both Members and Officers.

1.6 The Protocol also seeks to reflect and bring together the principles underlying the respective Codes of Conduct which apply to Members and Officers. The shared objective of these Codes is to enhance and maintain the integrity (both real and perceived) of Local Government and those who work within it and to maintain the very high standards of personal conduct required of all who serve the public.

1.7 Local Government does not however operate in isolation. The Combined Authority always seeks to work in partnership with other local organisations and agencies and regional and national bodies to the greatest effect for the people of the area. Increasingly the Combined Authority’s Members and Officers are required to represent the Combined Authority on a variety of outside bodies and organisations with statutory and non-statutory links to the Combined Authority. Whilst the procedural aspects of the Protocol relate mainly to the Combined Authority, it is expected that Members and Officers representing the Authority...
on outside bodies, continue to maintain the ethos of courtesy, respect and understanding advocated by this Protocol.

1.8 The Protocol must be read and operated in the context of all relevant legislation and national and local codes of conduct and the Combined Authority’s Policy on confidential reporting. A copy of the Members’ Code of Conduct and the Confidential Reporting Policy are reproduced in this part of the Constitution. Advice and guidance in connection with the Code and Policy, together with this Protocol can be obtained from the Combined Authority’s Monitoring Officer.

2. The Roles of Members and Officers

2.1 Members

The roles of Members of the Combined Authority and Officers employed by the Combined Authority are different, but complementary. Members and Officers are servants of the public and they are indispensable to one another, but their responsibilities are distinct. All Members, including the Mayor, are responsible to the electorate and serve only so long as their term of office lasts. Officers are responsible to their authority (the Combined Authority). Their job is to give advice to all Members including the Mayor, and to the authority, and to carry out the authority’s work under the direction and control of the authority.

Mutual respect between Members and Officers is essential to good Local Government. Close personal familiarity between individual Members and Officers can change this relationship and prove embarrassing to the Members and Officers.

2.2 The five guiding principles to be followed are that the Combined Authority should be:

Transparent – to ensure that the public are clear about who is responsible for particular decisions.

Understandable – to ensure that the decision making process is simple, clear and unambiguous to Members, Officers and the public.

Efficient – to enable swift and responsive action.

Accountable – to ensure that decisions are open to scrutiny by Members and by the public and that members of the public are able to measure the Combined Authority’s actions against its agreed policies.

Providing Best Value - to promote continuous improvement within the Combined Authority and demonstrate Best Value in ensuring resources are directed appropriately.
2.3 **Officers**

Officers support and advise the Combined Authority, and the constituent parts of its decision-making processes; implement the Combined Authority’s decisions and may themselves take decisions formally delegated to them through the approved Scheme of Delegation. All Officers are required to be politically neutral.

2.4 Both Officers and Members, including the Mayor, must comply in all respects and at all times with their respective Codes of Conduct, not only in their dealings with each other, but also when dealing with partners and the public.

2.5 In particular, it should be recognised that Members of the Combined Authority do not have any special immunity from civil or criminal wrongs that they may commit against fellow Members, Officers or members of the public. Members must ensure that they do not, therefore, for example, slander or libel another person. During the course of their normal duties for the Combined Authority, Members will only have a qualified (and not an absolute) protection against prosecution or civil action.

2.6 Any member of the public (including Officers) can complain to the Combined Authority’s Monitoring Officer about a Members’ alleged breach of the Combined Authority’s Code of Conduct for Members and/or bring private, civil action against a Member. The Auditor can also take legal action against an elected Member and the Combined Authority, as a whole, for any alleged breach of the law.

2.7 The Combined Authority has statutory duties with regard to equality issues and in accordance with Combined Authority’s Code of Conduct for Members, Members must promote equality by not discriminating against others. Members and Officers should not, therefore, by their behaviour or speech act in a discriminatory way with regard to, for example, a person’s age, gender, race, disability, religion, ethnicity, nationality or sexual orientation. Such principles will apply to the implementation of personnel policies, recruitment and promotion as they apply to day to day dealings with fellow human beings.

2.8 **Members’ expectations**

Members can expect from Officers:-

(a) A commitment to the Combined Authority as whole, and not to any particular political group.

(b) A working partnership.

(c) An understanding of and support for the respective roles, workloads and pressures.
(d) Reasonable and timely response to enquiries and complaints.

(e) Professional advice, not influenced by political views or preference, which does not compromise the political neutrality of Officers.

(f) Regular, up to date information on matters that can reasonably be considered appropriate and relevant to their needs, having regard to any individual responsibilities that they have and positions that they hold.

(g) Awareness of and sensitivity to the political environment.

(h) Respect, dignity and courtesy and not acting in a discriminatory way through behaviour or speech.

(i) That they have received relevant training and development in order to carry out their role effectively.

(j) Integrity, mutual support and appropriate confidentiality

(k) That employees will not use their relationship with Members to advance their personal interests or to influence decisions improperly.

(l) That Officers will at all times comply with the relevant Code of Conduct.

(m) Support for the role of Members as the local representatives of the Combined Authority, within the parameters of support approved by the Combined Authority.

(n) That Officers will promote equality of opportunity in all Combined Authority matters.

2.9 **Officers’ Expectations**

Officers can expect from Members:-

(a) A working partnership.

(b) An understanding of and support for the respective roles, workloads and pressures.

(c) Leadership and direction.

(d) Respect, dignity and courtesy and not acting in a discriminatory way through behaviour or speech.

(e) Integrity, mutual support and appropriate confidentiality.
(f) Not to be subject to bullying or harassment or to be put under undue pressure. Members should have regard to the seniority of Officers in determining what are reasonable requests, having regard to the relationship between Members and Officers, and the potential vulnerability of Officers, particularly at junior levels.

(g) That Members will not use their position or relationship with Officers to advance their personal interests or those of others or to influence decisions improperly.

(h) That Members will at all times comply with the Combined Authority’s Members’ Code of Conduct.

(i) That Members will promote equality of opportunity in all Combined Authority matters.

2.10 Limitations upon Behaviour

The distinct roles of Members and Officers necessarily impose limitations upon behaviour. By way of illustration, and not as an exclusive list:-

(a) Close personal, as opposed to working, relationships between Members and Officers can confuse these separate roles and detrimentally affect the proper discharge of the Combined Authority’s functions, not least by creating the perception in others that a particular Member or Officer may be securing advantageous treatment.

(b) The need to maintain the separate roles means that there are limits to the matters on which Members may seek the advice of Officers, both in relation to personal matters and party political issues.

(c) Relationships with a particular individual or party group should not be such as to create public suspicion that an employee favours that Member or group above others.

2.11 Grievances or Complaints

Procedure for Officers

(a) From time to time the relationship between Members and Officers may break down or become strained. Whilst it will always be preferable to resolve matters informally, through conciliation by an appropriate senior manager or Member, Officers will have recourse to a Policy and Procedure relating to grievances, where the matter concerns their employment or to the Combined Authority’s Monitoring Officer, as appropriate to the circumstances. In the event of a grievance or complaint being upheld, the matter will be referred to the Head of Paid Service who will decide on the course of action to be taken.
Procedure for Members

(b) In the event that a Member is dissatisfied with the conduct, behaviour or performance of an Officer, he/she should not raise the matter in public or before the press, as Officers have no means of responding to the same in public. The matter should be raised with an appropriate Officer.

3. Chairs and Members of Overview and Scrutiny Committee

3.1 The primary role of the Chair and Members of the Overview and Scrutiny Committee is to scrutinise the decisions of the Combined Authority, the Mayor, or the Combined Authority Cabinet.

3.2 Over and above these requirements, the Chair and Members of the Committee have responsibility for ensuring the scrutiny process operates fairly and openly. In particular, they will have responsibility for ensuring that Members and Officers are not questioned (whether through the nature, tone or language used), in such a manner as could be considered by a reasonable person to be hostile, offensive, derogatory, harassing, bullying, victimising, discriminatory or otherwise unacceptable or inappropriate behaviour by a Member.

3.3 The Chair and Members of the Committee should expect Members and Officers to be as open as legally possible with the Committee. In a public forum information should not however be disclosed where it is categorised as exempt or confidential information. The Chair and Members of the Committee will still need to demonstrate the same need to know in respect of access to information as other Members.

3.4 In accordance with the Code of Conduct, Members must not use the Combined Authority’s resources for party political purposes. They must uphold the political impartiality of the Officer body, and not ask Officers to act in any way which would conflict with the Employee Code of Conduct, this Protocol, any other part of the Constitution or National Conditions of Service.

3.5 Officers are required to assist the Overview and Scrutiny Committee in the delivery of its role. The Chair and Members of the Committee will however have to be aware of the resource consequences of any proposals. In some instances requests for research in pursuit of scrutiny may have to be refused on grounds of expense or time. In any event information currently under confidential review by the Combined Authority, the Mayor, or the Combined Authority Cabinet will not normally be available on request to the Scrutiny Members.

3.6 The overriding principles outlined in paragraph 2.2 of this protocol apply to the scrutiny process, just as they do to the Combined Authority’s decision-making arrangements.
3.7 The Overview and Scrutiny Committee may call on Members, including the Mayor, and senior Officers to answer questions on decisions made by the Combined Authority, by the Mayor or by the Combined Authority Cabinet or by delegated Officer decision, either by an invitation to attend Overview and Scrutiny committee meetings, or by responding in writing. Invitations should be issued in writing from the Chair of the Overview and Scrutiny Committee and should indicate the subject matter which is to be addressed. Seven working days’ notice should be provided wherever reasonably practicable.

4. Overview and Scrutiny Committee Members’ Access to Information and Combined Authority Documents

4.1 Overview and Scrutiny Committee Members have statutory rights to access Combined Authority documents.

4.2 A Member of the Committee is entitled to a copy of any document which is in the possession or under the control of the Combined Authority or the Mayor, and which contains material relating to any business that has been transacted at a meeting of a decision-making body of the Combined Authority, or to any decision that has been made by an individual Member of the Combined Authority.

4.3 Where any such document is requested by a Member of the Committee, the Combined Authority or the Mayor must provide the document as soon as reasonably practicable and, in any event no later than 10 clear days after the Combined Authority has received the request.

4.4 However, no Member of the Committee is entitled to a copy of any such document, or part of a document which contains exempt or confidential information, unless that information is relevant to an action or decision that the Committee Member is reviewing or scrutinizing, or to any review contained in any programme of work of the Overview and Scrutiny Committee.

4.5 In addition, no Member of the Committee is entitled to a copy of a document, or part of a document containing advice provided by a political adviser appointed by the Mayor.

4.6 If the Combined Authority or the Mayor decides that a Member of the Overview and Scrutiny Committee is not entitled to a copy of a document, or part of any such document, for a reason set out in paragraphs 4.4 or 4.5, the Combined Authority or the Mayor must provide the Committee with a written statement setting out the reasons for the decision.

4.7 Whilst the term “Combined Authority document” is very broad and, prima facie, includes for example any document produced with Combined Authority resources, it does not cover draft documents or documents which do not relate to business to be considered by or transacted at a Combined Authority, or Committee meeting. It is also accepted by convention that a Member of one
party group will not have a “need to know” and therefore a right to inspect, a document which forms part of the internal workings of another party group.

4.8 Finally any Combined Authority information provided to an Overview and Scrutiny Committee Member must only be used by the Member for the purpose for which it was provided i.e. in connection with the proper performance of that Member’s duties as an Overview and Scrutiny Committee Member. Members might necessarily acquire much information that has not yet been made public and is still confidential. It is betrayal of trust to breach such confidences. Members should never therefore disclose or use confidential information for the personal advantage of themselves or of anyone known to them, or to the disadvantage or the discredit of the Combined Authority or anyone else.
Whistleblowing Policy

This policy enables employees, elected members, contractors, members of the public and other persons that it deals with to voice confidentially serious concerns over alleged malpractice and alleged wrongdoing within the Combined Authority.

1. **INTRODUCTION**

1.1 Employees/Officers are sometimes the first to realise that there may be something seriously wrong, but they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Combined Authority; or they may fear harassment, victimisation or other reprisals. In these circumstances it may be easier to ignore the concern rather than report what may be just a suspicion of malpractice.

1.2 The Combined Authority is committed to the highest possible standards in the delivery of its services, and for full accountability for those services. In line with that commitment employees are encouraged to come forward and voice any serious concerns they may have about the Combined Authority’s operations. It is recognised that certain matters will have to be dealt with on a confidential basis. This policy makes it clear that you can do so without fear of reprisals. This policy is intended to encourage and enable you to raise serious concerns within the Combined Authority rather than overlooking a problem or “blowing the whistle” outside.

1.3 The policy applies to all Officers, employees and any contractors working for the Combined Authority on Combined Authority premises. It also covers suppliers and those providing services under a contract with the Combined Authority in their own premises. It also allows for elected members and members of the public to report any concerns they may have.

2. **AIMS AND SCOPE OF THIS POLICY**

2.1 This policy aims to:

(a) provide avenues for you to raise concerns and receive feedback on any action taken;

(b) allow you to take the matter further if you are dissatisfied with the Combined Authority’s response to the concerns expressed; and

(c) reassure you that you will be protected from possible reprisals or victimisation

2.2 Complaints systems are in place to provide a mechanism for individuals to complain about the standard of service, action or lack of action by the Combined Authority.
Authority or its employees, which affect our services to the public. If you are an employee there are procedures in place to enable you to lodge a grievance relating to your own employment. The Whistleblowing Policy is intended to cover concerns that fall outside the scope of these procedures e.g. malpractice or wrongdoing.

2.3 Thus any serious concern that you may have regarding possible malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Combined Authority (although complaints about Members’ conduct will need to be forwarded to the Combined Authority’s Monitoring Officer) or others acting on behalf of the Combined Authority, can and should be reported under this policy. Employees and Officers are expected to report malpractice and wrongdoing and may be liable to disciplinary action if they knowingly and deliberately do not disclose information relating to malpractice or wrongdoing in any aspect of service provision or the conduct of Officers or Members of the Combined Authority or others acting on behalf of the Combined Authority.

3. WHAT IS MALPRACTICE OR WRONGDOING?

3.1 Malpractice and wrongdoing may be about something which:

- is unlawful; or
- against the Combined Authority’s Procedure Rules or policies; or
- is not in accordance with established standards of practice; or
- amounts to improper conduct by an Officer or a Member.

The overriding concern should be that it would be in the public interest for the malpractice or wrongdoing to be corrected and, if appropriate, sanctions to be applied.

The following are examples of issues which could be raised under this policy. It is not intended to be an exhaustive list and there may be other matters which could be dealt with under the policy:

(a) any unlawful act or omission, whether criminal or a breach of civil law
(b) maladministration, as defined by the Local Government Ombudsman
(c) breach of any statutory code of practice
(d) breach of, or failure to implement or comply with any policy determined by the Combined Authority
(e) failure to comply with appropriate professional standards or other established standards of practice
(f) corruption or fraud

(g) actions which are likely to cause physical danger to any person, or give rise to a risk of significant damage to property

(h) failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost, or loss of income, to the Combined Authority or would otherwise seriously prejudice the Combined Authority

(i) abuse of power, or the use of the Combined Authority’s powers and authority for any unauthorised or ulterior purpose

(j) unfair discrimination in the Combined Authority’s employment or services

(k) dangerous procedures risking health and safety

(l) damage to the environment

(m) other unethical conduct

4. SAFEGUARDS

4.1 HARASSMENT OR VICTIMISATION

The decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from the Combined Authority as a whole. The Combined Authority will not tolerate any harassment or victimisation and will take appropriate action in order to protect you if you raise a concern in good faith. In addition you are protected in law by the Public Interest Disclosure Act 1998, which gives employees protection from detriment and dismissal where they have made a protected disclosure, provided the legal requirements of the Act are satisfied.

This does not however necessarily mean that if you are already the subject of disciplinary procedures that those procedures will be halted as a result of a concern being raised under this policy.

4.2 CONFIDENTIALITY

It will be easier to follow up and to verify complaints if complainants are prepared to give their names. However, wherever possible the Combined Authority will protect those who do not want their names to be disclosed. It must be appreciated that any investigation process may nonetheless reveal the
source of the information and that a statement from you may be required as part of the evidence.

4.3 ANONYMOUS ALLEGATIONS

Concerns expressed anonymously are much less powerful, and they will be treated with caution and considered at the discretion of the Combined Authority. In exercising this discretion the factors to be taken into account would include:

(a) the seriousness of the issues raised;

(b) the credibility of the concern; and

(c) the likelihood of obtaining the necessary information and confirmation of the allegation.

4.4 DELIBERATELY FALSE OR MALICIOUS ALLEGATIONS

The Combined Authority will view very seriously any deliberately false or malicious allegations it receives, and will regard the making of any deliberately false or malicious allegations by any employee as a serious disciplinary offence which could result in dismissal.

If you make an allegation in good faith but it is not confirmed by the investigation, no action will be taken against you.

The Combined Authority will try to ensure that the negative impact of either a malicious or unfounded allegation about any employee is minimised. However, it must be acknowledged that it may not be possible to prevent all of the repercussions potentially involved.

5. HOW DO I RAISE A CONCERN?

5.1 If you suspect wrongdoing in the workplace:

- do not approach or accuse the individuals directly
- do not try to investigate the matter yourself
- do not convey your suspicions to anyone other than those with the proper authority, but do something!

5.2 As a first step, you should normally raise concerns with your immediate manager or supervisor. However, the most appropriate person to contact will depend on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. For example, if you believe that senior management is involved in the matter of concern, or the normal channels of
communication are inappropriate for some reason, as an employee of the Combined Authority you should approach a nominated officer (an Officer who has been nominated for the purpose of dealing with concerns under this policy). If you feel that this would be inappropriate in the light of the particular matter concerned, or if you are not a Combined Authority employee, you can contact the Combined Authority’s Monitoring Officer.

5.3 Concerns may be raised verbally but are better raised in writing. You are invited to set out the background and history of the concern giving relevant names, dates and places where possible, and the reason why you are particularly concerned about the situation. If you do not feel able to put your concern in writing you can telephone or meet the appropriate Officer.

5.4 The earlier a concern is expressed, the easier it is to take appropriate action.

5.5 Although you are not expected to prove the truth of an allegation that is made, it will be necessary for you to demonstrate to the person contacted that there are sufficient grounds for concern.

5.6 Advice and guidance on how matters of concern may be pursued can be obtained from the Combined Authority’s Monitoring Officer.

5.7 Alternatively, you may wish to seek advice from your trade union or professional association.

5.8 Elected members who wish to raise a concern should do so by contacting the Combined Authority’s Monitoring Officer.

5.9 Members of the public who wish to raise a concern should do so by contacting the Combined Authority’s Governance Manager

6. HOW THE COMBINED AUTHORITY WILL RESPOND

6.1 The action taken by the Combined Authority will depend on the nature of the concern. Where appropriate, the matters raised may:

- be investigated by management, internal audit, or through the disciplinary process
- be referred to the Police
- be referred to the external Auditor
- need to be the subject of a referral to the Combined Authority’s Monitoring Officer
- form the subject of an independent enquiry

6.2 In order to protect individuals and the Combined Authority, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific
procedures (for example allegations of breaches of the Combined Authority’s Code of Conduct, or discrimination issues) will normally be referred for consideration under these procedures.

6.3 Some concerns may be resolved by agreed action without the need for investigation.

6.4 Within 14 calendar days of a concern being raised under this procedure the relevant Officer will write to you:

(a) acknowledging that the concern has been received;
(b) indicating how it is proposed to deal with the matter;
(c) giving an estimate (so far as reasonably practicable) as to how long it will take to provide a final response;
(d) telling you whether any initial enquiries have been made; and
(e) telling you whether further investigations will take place and if not, why not.

6.5 The amount of contact between you and the Officers considering the issues will depend on the nature of the matters raised; the potential difficulties involved; and the clarity of information provided. If necessary, further information will be sought from you.

6.6 Where any meeting is arranged, you have the right, if you so wish, to be accompanied by a trade union or professional association representative or a friend who is not involved in the area of work to which the concern relates.

6.7 The Combined Authority will take appropriate steps to minimise any difficulties you may experience as a result of raising a concern. For example, if you are required to give evidence in criminal or disciplinary proceedings the Combined Authority will advise you about the procedure.

6.8 The Combined Authority accepts that you need to be reassured that the matter has been properly addressed. Therefore, subject to any legal restraints, you will receive as much information as possible about the outcomes of any investigation.

7. HOW CAN I TAKE THE MATTER FURTHER?

7.1 This policy is intended to provide employees and other persons with an avenue to raise concerns within the Combined Authority and it is hoped that you will take this option in the first place. The Combined Authority hopes you will be satisfied with the action taken under the policy. If you are not, and you feel it is
right to take the matter outside the Combined Authority, then depending upon
the nature of the issue involved, the following are possible contact points:

1. the External Auditor
2. relevant professional bodies or regulatory organisations
3. the Police
4. the Local Government Ombudsman
5. Public Concern at Work
6. an independent legal adviser within the meaning of the Public Interest
   Disclosure Act 1998
7. a regulatory body designated for the purposes of the Public Interest
   Disclosure Act

7.2 If you do wish to take the matter outside the Combined Authority, you must first
ensure that you do not disclose confidential information. Check with a
nominated Officer or the Monitoring Officer about that. In addition, if you wish
to secure the protections afforded by the Public Interest Disclosure Act, you
must ensure that your disclosure is protected within the meaning of the Act and
that it complies with a set of specific conditions which vary according to whom
the disclosure is made. Again, please check with a nominated Officer or the
Monitoring Officer about these matters.

8. RESPONSIBILITY FOR THE POLICY

8.1 The responsibility for the effectiveness of this policy rests with the Monitoring
Officer. That Officer will be advised about and maintain records of concerns
raised and the outcomes (but in a form which does not endanger your
confidentiality) and will report as necessary to the Combined Authority or one
of its Committees.
Appendix VIII

CONTRACT PROCEDURE RULES

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15 Pre-Qualification
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34 Breaches of Contract Procedure Rules
1. Introduction

1.1 Procurement is defined as ‘the process of acquiring works, supplies or services from third parties. The process spans the whole cycle from identification of needs, through to the end of a service contract or the end of the useful life of an asset. It involves options appraisal and the critical “make or buy” decision, which may result in the provision of services in-house in appropriate circumstances.”

1.2 These Contract Procedure Rules cover the processes to be followed for all purchasing, licensing, leasing, contracting, commercial partnering or commissioning of works, supplies or services from third parties.

1.3 Good procurement depends on ensuring that requirements are reliably determined, appropriate sourcing strategies are developed and contracts are well managed. Failure to procure in this way can result in additional costs and put the achievement of the Combined Authority’s strategic priorities at risk.

1.4 These Contract Procedure Rules are intended to:

- secure the best value for the Combined Authority;
- provide those involved in spending public money, with clear and transparent procedural requirements to complement existing professional skills, integrity and commitment and to protect Officers from legal challenge;
- ensure fairness to those seeking to contract with the Combined Authority;
- prevent fraud and corruption or the suspicion of it; and
- ensure the Combined Authority operates within the law.

2. Interpretation and Definitions

2.1 In these Contract Procedure Rules the following words and expressions shall have the following meaning: -

“Senior Officer” refers to any responsible Senior Officer of the Combined Authority as detailed at Appendix VII of this Constitution or any Officer with the appropriate delegated authority;

“Dynamic Purchasing System” or “DPS” means an agreement that allows purchasers to order supplies, services or works under the terms and conditions specified in the dynamic purchasing system. Additional third parties can apply to join the dynamic purchasing system at any time and shall be accepted onto the dynamic purchasing system if they meet selection criteria;

“EU Threshold” means the threshold prescribed in Regulation 5 of the Public Contracts Regulations 2015;
“Framework Agreement” means an agreement that allows purchasers to order supplies, services or works under the terms and conditions specified in the framework (i.e. it provides a mechanism for calling off orders as and when required;

“OJEU” means the Official Journal of the European Union;

“Procurement Regulations” applicable European procurement rules (the EC Treaty, the general principles of community law and the European Union’s public procurement directives implemented by the Public Contract Regulations 2015);

and

"Third Party" for the purposes of these Contract Procedure Rules means any economic operator, a works third party, a supplier, a services provider, a consultant, a firm, a company, a partnership or an individual.

2.8 Where the context so admits and requires, references to the masculine shall include all other genders, and references to the singular shall include the plural and vice versa.

2.9 For the avoidance of doubt, where any of these Contract Procurement Rules conflict with a statutory provision, the statutory provision shall prevail and these Contract Procedure Rules shall be construed accordingly.

2.10 Reference to statutes shall be deemed to include references to any Regulations made there under.

3. **Scope of the Contract Procedure Rules**

3.1 These Contract Procedure Rules apply to the procurement of all contracts for works, supplies or services. Such contracts are defined as any written agreement to provide works, supplies or services to a contracting authority in exchange for payment, or any other consideration whatever the nature.

4. **Exempt Contracts**

4.1 The following contracts are exempt from the requirements of these Contract Procedure Rules:

- employment contracts;
- contracts relating solely to disposal or acquisition of an interest in land; and
- contracts for legal advice or representation or medical advice, or other expert advice required in the context of actual or potential litigation which a Senior Officer considers it necessary to obtain.
5. **Exceptions to the Contract Procedure Rules**

5.1 No exception from any of these Contract Procedure Rules shall be made unless with the written approval of the Director of Finance and Resources except as provided in this Rule 5. The exception must be recorded on a Delegated Decision to Directly Award a Contract Form.

5.2 Where the procurement is below the relevant EU Threshold and Director of Finance and Resources consent has been obtained under Rule 5.1, Rules 12 to 21 need not be applied to the following categories of procurement:

- Procurement by auction (excluding electronic reverse auctions);
- Procurement when, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the contract may be awarded only to a particular third party;
- The execution of mandatory works and services by statutory undertakers;
- Urgency, when the time required to fully comply with these Contract Procedure Rules would be prejudicial to the Combined Authority’s interests (but only if it is strictly necessary);
- Procurement of works, supplies or services needed to meet the requirements of individual contracts that are used for pilot projects; and
- Procurement of services where the contract length cannot reasonably be determined due to funding uncertainty and the contract is thus deemed temporary in nature.

In all the above cases, the exception is restricted to those elements of these Contract Procedure Rules that could not reasonably be applied.

5.3 Where an officer wishes to apply any exception to these Contract Procedure Rules not listed in Rule 5.2, or the procurement is in excess of the EU Threshold, the prior written approval of the Legal and Commercial Manager must also be obtained, who should also sign the Delegated Decision to Directly Award a Contract Form.

6. **Compliance**

6.1 All procurement shall comply with:

- all applicable statutory provisions;
• the Procurement Regulations and
• the Combined Authority’s Constitution including these Contract Procurement Procedure Rules and the Scheme of Delegation.

6.2 A failure to comply with any of the provisions of these Contract Procedure Rules by any officer may amount to misconduct, which can result in disciplinary action being taken.

6.3 Officers are required to apply the highest standards of probity at all stages of a procurement process. Officers are reminded of their responsibilities in relation to gifts and hospitality and must comply with the applicable Code of Conduct as set out at Appendix VIII of the Constitution.

6.4 Officers are responsible for ensuring that employees, agency workers, consultants and agents comply with these Contract Procedure Rules.

6.5 Officers must ensure that any local procedures produced within their services are fully compliant with these Contract Procedure Rules.

7. Responsibilities

7.1 Director of Finance and Resources

The Director of Finance and Resources has responsibility for the development and implementation of the Contract Procedure Rules and the Code of Practice on Local Authority Accounting in The United Kingdom 2019/20 (as updated from time to time).

7.2 Monitoring Officer

The Monitoring Officer is responsible for advising on the lawfulness of any decisions taken in respect of the Combined Authority’s procurement activities.

7.3 Officers

All officers are responsible for:

(a) the lawfulness of service specific procurement including the consideration of framework agreements and the development of specifications in accordance with these Contract Procedure Rules. In doing so they shall have regard to any advice provided by the Director of Finance and Resources and Legal and Commercial Manager;

(b) commissioning services (i.e. drawing down services within the conditions of a contract);
(c) contract management procedures including placing purchase orders in line with the Accounting Instructions;

(d) maintaining within their Scheme of Delegation a list of those officers who are empowered to undertake procurement;

(e) ensuring that all those officers delegated to undertake procurement are suitably qualified or experienced;

(f) ensuring that where consultants or agency staff are undertaking procurement on their behalf that they make them aware of the requirements of Contract Procedure Rules and ensure their compliance;

(g) keeping complete records of all procurements;

(h) ensuring compliance with the adopted process for major procurements (i.e. the procedure for procurements equal to or in excess of the relevant threshold);

(i) having due regard to Combined Authority policies on social value in undertaking procurement activities;

(j) ensuring the corporate contract register is kept up to date; and

(k) keeping all services / activities under review, having regard to ongoing viability, national and local benchmarking data and intelligence from ‘soft’ market testing, and assessing whether other methods of service delivery should be considered, and if appropriate, implemented.

7.4 Authority to Procure

Any procurement carried out on behalf of the Combined Authority may only be undertaken by officers with the appropriate approval via signature of a Contract Justification Form (where the procurement exceeds £5k) or the relevant Purchase Order Requisition Form (where under £5k).

7.5 Personal Responsibilities

(a) Any officer undertaking procurement (i.e. contracting for works, supplies or services) should inform themselves of the Combined Authority's requirements under these Contract Procedure Rules. If an officer is in any doubt as to their obligations, then they must seek advice from the Director of Finance and Resources or Legal and Commercial Manager as appropriate.
(b) Officers should not undertake procurement unless they have the necessary knowledge and skills to do so. All officers must declare to their line manager any interest, which could, or be seen to, influence their judgement in any procurement or contract matters.

(c) All officers must report to their line manager, or any Senior Officer, any impropriety, breach of procedure or serious deficiency in procurement practices. Employees are able to do this without fear of recrimination providing they act in good faith via the Combined Authority’s Whistle blowing Policy. In such circumstances nominated Officers must record and investigate such reports and take appropriate action, including referral to the Director of Finance and Resources in more serious cases.

8. Collaborative or joint procurement arrangements

8.1 Where the Combined Authority acts as the lead or host authority in any collaborative or joint procurement or through a partnership arrangement these Contract Procedure Rules will apply taking into account the aggregated value of the collaborative or joint procurement arrangements, unless otherwise agreed by Combined Authority Cabinet.

8.2 Where the Combined Authority decides that a third party will undertake procurement on its behalf, the Senior Officer shall ensure that the procurement process followed is comparable to that set out in these Contract Procedure Rules.

8.3 The Monitoring Officer shall approve the governance of any collaborative or joint procurement arrangement prior to it being entered into.

9. Steps Prior to Advertising

9.1 Before advertising any procurement, the Officer responsible must:

   (a) establish a business case for the procurement;

   (b) consider the most appropriate means of satisfying the requirement;

   (c) where appropriate, conduct market consultations with a view to preparing the specification and informing third parties of their plans and requirements (ensuring that information and advice received is used only in the planning and conduct of the quotation or tender procedure and does not have the effect of distorting competition or breach the principles of non-discrimination and transparency);

   (d) ensure that no alternative procurement arrangements are in place;

   (e) ensure the course of action chosen represents value for money to the Combined Authority;
(f) consider how what is to be procured may improve social, environmental and economic wellbeing of Tees Valley, how they might secure any such improvement and to consider the need to consult in accordance with the Public Services (Social Value) Act 2012. Such improvements may include, for example, the use of apprenticeships, or encouraging the use of the local supply chain;

(g) where applicable consult with users of the service;

(h) ensure that the budget holder responsible for the contract has sufficient funds in place to maintain the contract;

(i) establish a clear written specification for the procurement requirement;

(j) establish written evaluation criteria for the procurement;

(k) identify whether the Transfer of Undertaking (Protection of Employment) Regulations (TUPE) apply in order that these issues are managed correctly in accordance with the procedures where any employee either of the Combined Authority or of a Third Party may be affected by the procurement;

(l) assess the risks associated with the procurement; and

(m) complete a Contract Justification Form and ensure it is signed off by the Director of Finance and Resources and the relevant Senior Officer (where the procurement exceeds £5k) or the relevant Purchase Order Requisition Form (where under £5k).

10. Estimating Contract Values / Aggregation

10.1 Where there is a reference to the value of any contract or transaction, it shall mean its total estimated value net of VAT over the entire term of the contract, including all options, permitted extensions and variations.

10.2 Senior Officers shall have regard to the optimum packaging of works, supplies or services, particularly works, supplies or services of a similar nature, which are likely to be required in the following twelve months to achieve value for money.

10.3 A proposed contract must not be divided into separate lower value contracts or multiple orders placed to avoid the full application of these Contract Procedure Rules, which would otherwise apply.

11. Choice of Procedure, Thresholds and Advertising Requirements
<table>
<thead>
<tr>
<th>Contract Value</th>
<th>Procurement Process</th>
<th>Contract Opportunity Advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>OJEU</td>
</tr>
<tr>
<td>Less than £15,000</td>
<td>See Rule 12</td>
<td>No</td>
</tr>
<tr>
<td>£15,001 to OJEU Supplies &amp; Services Threshold</td>
<td>See Rule 13</td>
<td>No</td>
</tr>
<tr>
<td>Over the OJEU Threshold</td>
<td>See Rule 14</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Current Thresholds: - ,
- £181,302 for Supplies and Services
- £615,278 for Services subject to the Light Tough Regime; and
- £4,551,413 for Works.

12. **Procurement under £15k**

12.1 An officer may procure works, supplies or services up to a value of less than £15,000 providing that they can objectively demonstrate value for money by some means and they have considered the use of competition. This could be done by way of an existing Framework Agreements or Dynamic Purchasing Systems where appropriate. Alternatively, an informal high level quotation process by telephone or email could be conducted, specifying our brief requirements.

13. **Procurement over £15k and Under EU Threshold**

13.1 For procurement over £15,000, an officer may use an existing Framework Agreement or Dynamic Purchasing System let by the Combined Authority or other Third Party that covers the scope of the procurement where available and offer value for money.

13.2 If Rule 13.1 does not apply, an Officer must as a minimum invite at least four written relevant quotations from suitable Third Parties. Third Parties located within the Tees Valley area should be identified to the extent possible, and if four suitable Third Parties cannot be located within the Tees Valley area, the
officer may invite third parties from outside of the area to take part in the quotation procedure.

13.3 The Combined Authority’s standard Invitation to Submit a Quotation template shall be used to invite quotations unless otherwise agreed by the Legal and Commercial Manager.

14. Procurement over EU Threshold

14.1 For procurement over the relevant EU Threshold, an officer may use an existing Framework Agreement or Dynamic Purchasing System let by the Combined Authority or other Third Party that cover the scope of the procurement where they are available and offer value for money.

14.2 If Rule 14.1 does not apply, an Officer may run one of the tender processes set out below for non-complex procurements:

<table>
<thead>
<tr>
<th>Tender Process</th>
<th>Key Features</th>
<th>When Appropriate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Procedure</td>
<td>• Open to all interested persons to tender for the contract.</td>
<td>• For non-complex goods, works or services</td>
</tr>
<tr>
<td></td>
<td>• Tender documentation shall be sent to all persons who apply prior to the tender closing date</td>
<td>• Best used in a limited market (i.e. when there is no risk of being inundated by the number of tenders submitted)</td>
</tr>
<tr>
<td>Restricted Procedure</td>
<td>• Only persons pre-qualified by the Combined Authority may submit tenders for the contract (see Rule 15).</td>
<td>• For contracts for non-complex goods, works or services which do not require dialogue or negotiation</td>
</tr>
<tr>
<td></td>
<td>• Officers should select not less than five companies or individuals to be invited to tender.</td>
<td></td>
</tr>
</tbody>
</table>

14.3 Light Touch Regime

When procuring services subject to the light touch regime (as listed in Schedule 3 of the EU Regulations), Senior Officers shall use the open or restricted tender procedure above, or shall develop a bespoke procedure in consultation with the Director of Finance and Resources and the Legal and Commercial Manager.

14.4 Framework and Dynamic Purchasing Systems let by the Combined Authority
When establishing a new Framework Agreements or DPS, the contract opportunity shall be tendered using the open or restricted tender procedure above (unless otherwise agreed with the Legal and Commercial Manager).

14.5 Complex Procurement

A Senior Officer may run one of the tender process set out below for complex procurements with authority from the Legal and Commercial Manager and the Director of Finance and Resources:

<table>
<thead>
<tr>
<th>Tender Process</th>
<th>Key Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Dialogue Procedure</td>
<td>• Only persons pre-qualified by the Combined Authority may participate in dialogue with the Combined Authority.</td>
</tr>
<tr>
<td></td>
<td>• Dialogue conducted with the aim of developing one or more suitable alternative solutions capable of meeting its requirements.</td>
</tr>
<tr>
<td>Competitive Procedure with Negotiation</td>
<td>• Only persons pre-qualified by the Combined Authority may participate in negotiation with the Combined Authority.</td>
</tr>
<tr>
<td></td>
<td>• The terms of the contract required are negotiated through the procedure.</td>
</tr>
<tr>
<td>Innovation Partnership</td>
<td>• A dialogue with one or more third parties with the aim of developing one or more suitable alternative solutions capable of meeting its requirements for both the development and subsequent purchase of a product/service not already available on the market.</td>
</tr>
</tbody>
</table>

15. Commencing a Tender Process – Pre-Qualification or Selection

15.1 For procurement in excess of the relevant EU Thresholds, the Crown Commercial Services (CCS) Standard Selection Questionnaire (“SSQ”) must be provided to all third parties requesting to participate, which shall be used to determine the third party’s eligibility, financial standing and technical capacity.

15.2 The Combined Authority shall treat as ineligible and shall not select any third party who has been convicted of any of the offences set out in Regulation 57 of the Public Contracts Regulations 2015.

15.3 In all tender procedures (other than the open tender procedure), a Senior Officer shall only agree to the selection of a third party to be invited to tender once he is objectively satisfied as to the third party’s:

(a) eligibility;
(b) suitability to pursue a professional activity;
(c) economic and financial standing; and
(d) technical or professional ability.

15.4 Any selection or pre-qualification criteria must be clearly highlighted as part of the tender documentation.

16. Invitation to Tender

16.1 An Invitation to Tender (or Participate in Dialogue, Negotiation or Innovation Partnership) shall be issued to third parties who have prequalified or selected to take part (or to all who express interest when using the Open tender procedure) and shall include details of the Combined Authority’s requirements for the particular contract including:

(a) a description of the works, supplies or services;
(b) the rules and instructions for submitting of tenders including the tender return date and time;
(c) a specification/ brief;
(d) a statement as to whether any variants to the specification are permissible;
(e) the Combined Authority’s standard terms and conditions applicable to the contract;
(f) a statement as to whether the tender will be evaluated by lowest price or Most Economically Advantageous Tender (MEAT);
(g) for tenders evaluated by MEAT, the evaluation criteria including applicable weightings and or sub-criteria;
(h) pricing schedule and instructions for completion;
(i) instructions for the completion and content of any method statement;
(j) the period which the Combined Authority requires that the tender offer shall remain open;
(k) a statement that the Combined Authority does not bind itself to accept the lowest or any tender;
(l) the Combined Authority’s requirements in respect of insurance and indemnity;
(m) a statement that no tender will be considered unless it complies with the requirements set out in the Invitation to Tender; and
(n) a statement setting out how the Freedom of Information Act will apply to the tender.

16.3 All tenders shall be issued on the Combined Authority’s standard tender documentation.

17. Submission of Tenders, Quotations, Framework or Dynamic Purchasing System Bids

17.1 Tenders, Quotations, Framework or Dynamic Purchasing System Bids shall comply and be submitted in accordance with the rules and instructions set out in either the respective Invitation to Tender, Invitation to Submit a Quotation or Invitation to bid.

17.2 The Combined Authority’s procurement is conducted by electronic means. Invitation to Submit a Quotation and Invitation to Tender documents must be transmitted by electronic means using the Combined Authority’s e-procurement system.

17.3 Electronic Tenders submitted are kept in a separate secure system which is not opened until the relevant deadline has passed for receipt of Tenders.

17.4 Use of the Combined Authority’s e-procurement system ensures:

- that tenders and quotations will only be available for the submission up to the stated time and date; and

- the date and time of each Tender or Quotation received will be fully auditable and automatically recorded.

17.6 No tenders received after the specified date and time for their receipt shall be considered. The only exception to this is where the electronic system has experienced technical difficulties and the Combined Authority is made aware of the difficulty prior to the relevant deadline.

18. Amending Tenders, Quotations, Framework or Dynamic Purchasing System Bids and Errors

18.1 Where a tenderer identifies an error in their tender after submission but before the closing date for receipt of tenders, they may submit a correction in accordance with the rules applicable to the submission of tenders generally.

18.2 Genuine arithmetical error(s) may be amended with the consent of the tenderer.

18.3 Correction of any other tender error(s) shall be made at the discretion of the Legal and Commercial Manager.
20. **Evaluation of Tenders, Quotations, Framework or Dynamic Purchasing System Bids**

20.1 Evaluation criteria shall be determined in advance of the Quotation or Tender being invited and shall be clearly set out in the Invitation to Tender or Invitation to Submit a Quotation.

20.2 The criteria must be forward looking (that is, it must not be concerned with the tenderer’s skills and experience to perform the contract which should have been established at selection stage) and must be strictly observed (and remain unchanged) at all times throughout the procurement procedure.

21. **Negotiations and Supplementary Information**

21.1 The Combined Authority may require a third party to provide information supplementing the information provided in their quotation, tender, framework bid or dynamic purchasing system bid.

21.2 The Combined Authority may require a third party to clarify information relating to their eligibility, economic and financial standing or technical or professional ability or information included in their tender or quotation, provided this does not discriminate either in favour or against the third party.

21.3 No negotiation with candidates or tenderers on fundamental aspects of contracts or variations is permitted when using the open or restricted tender procedure where this is likely to distort competition (in particular on prices).

22. **Acceptance of Tenders, Quotations, Framework or Dynamic Purchasing System Bids**

22.1 Once the evaluation process has been conducted and the Quotation or Tender which is the most economically advantageous to the Combined Authority, or which offers the lowest price, has been identified, the appropriate Senior Officer must carry out the following steps prior to awarding the contract:

   a) be satisfied that there is sufficient provision in the relevant revenue or capital budget and consult with the Director of Finance and Resources;

   b) complete a Delegated Decision Authorising Award of Contract Form;

   c) sign the completed Form and have it signed by the Director of Finance and Resources. Contracts over the EU Threshold will also require approval by the relevant Portfolio Holder; and

   d) observe the standstill period (if any) in accordance with Rule 23.

23. **Standstill Period**
23.1 In respect of a contract subject to the Procurement Regulations, as soon as possible after the decision has been made to award a contract, the Chief Officer shall give notice to any third party which submitted an offer or applied to tender, of the decision to award.

23.2 The notice referred to in section 23.1 shall include:

- the criteria for the award of the contract;
- the reasons for the decision, including the characteristics and relative advantages of the successful tender;
- where practicable the score obtained by the third party which is to receive the notice; and the score obtained by the third party to be awarded the contract;
- the name of the third party to be awarded the contract.

23.3 The Senior Officer shall allow a period of at least 10 full calendar days to elapse between the date of despatch of the notice referred to in section 23.1 and the date on which he proposes to enter into the contract during which time an unsuccessful third party may raise legitimate challenges to the intended award.

23.4 The Monitoring Officer or the Director of Finance and Resources may suspend completion of the contract for additional examination if justified by requests or comments made by unsuccessful third parties during the standstill period or as a consequence of any other relevant information that is received during that period.

24. Contract Award Notice

24.1 In respect of a contract awarded falling within the thresholds in the table below, a Contract Award Notice shall be published by the Director of Finance and Resources in the OJEU and or Contracts Finder. It is the responsibility of all Officers to ensure that the Director of Finance and Resources is promptly notified in order that this can occur.

<table>
<thead>
<tr>
<th>Contract Value</th>
<th>OJEU</th>
<th>Contracts Finder</th>
</tr>
</thead>
<tbody>
<tr>
<td>£25,000 to OJEU Threshold</td>
<td>No</td>
<td>Yes within reasonable time after decision published, including where contract is a call off</td>
</tr>
<tr>
<td>Over the OJEU Threshold</td>
<td>Yes within 30 days of award</td>
<td>Yes within reasonable time after published on OJEU, including where contract is a call off</td>
</tr>
</tbody>
</table>

25. **Contract Terms and Conditions**

25.1 All contracts and orders shall be in writing or in an approved electronic format, in a form to be approved by the Legal and Commercial Manager. The Legal and Commercial Manager shall determine whether the Combined Authority’s General Conditions of Contract are applicable to a procurement and may decide that they must be used.

25.2 Letters of Intent and or Interim Agreements may only be used in exceptional circumstances and written authorisation must first be obtained from the Legal and Commercial Manager. Where a Letter of Intent or Interim Agreement is used and where the terms and conditions of any contract are not fully agreed then no Contractor shall be allowed to commence delivery of goods, works or services until an adequate risk assessment has been carried out by the relevant Senior Officer as to the possible implications to the Combined Authority by the Contractor being allowed to commence work before the contract has been finalised.

25.3 **Bribery and Corruption**

- Every written contract shall include a clause (approved by the Legal and Commercial Manager) which gives the Combined Authority the right to immediately terminate the contract if the contractor, or any of its employees or agents, commits an offence under the Bribery Act 2010.

25.4 **Prohibition against Assignment or Novation**

- Every written contract shall include a clause (approved by the Legal and Commercial Manager) prohibiting the third party from transferring, assigning sub-letting or novating directly or indirectly, to any person or persons, either the whole or any portion of the contract without the express written permission of the Combined Authority. This prohibition shall not apply to sub-letting which may be customary to the trade concerned.

- The relevant Senior Officer, Director of Finance and Resources and the Legal and Commercial Manager shall be consulted and their views taken into account before any permission to assign is given pursuant to section 25.4.

25.7 **Termination**
In respect of a contract subject to the EU Regulations, every written contract shall include a clause (approved by the Legal and Commercial Manager) that requires provisions to enable contract terminations where:

- The contract has been subject to substantial modification which would have required a new tender in accordance with the EU Regulations.
- The contractor has, at the time of contract award, been in one of the situations described in regulation 57 (1) or (2) (the mandatory exclusion grounds) of the Public Contract Regulations 2015 and should have been excluded.
- The contractor should not have been awarded the contract in view of serious infringement of the obligations under the EU Regulations.

25.8 Payment of undisputed invoices

- Every written contract shall include a clause (approved by the Legal and Commercial Manager) that requires any payment due to a third party under the contract is made no later than the end of a period 30 days from the date on which the relevant invoice is regarded as valid and undisputed.
- The contract shall also include a clause (approved by the Legal and Commercial Manager) containing suitable provisions to impose similar obligations as between the contractor and subcontractor and so on down the supply chain.

26. Keeping Written Records of Tenders and Tenders for the establishment of Framework Agreements or Dynamic Purchasing Systems (over the relevant OJEU Threshold)

26.1 Each Senior Officer must keep a written record of:

(a) the name and address of the Combined Authority, the subject-matter and value of the contract, framework agreement or dynamic purchasing system;

(b) where applicable, the results of the pre-qualification or selection and reduction of numbers, namely: —

   (i.) the names of the selected candidates or tenderers and the reasons for their selection;

   (ii.) the names of the rejected candidates or tenderers and the reasons for their rejection;

(c) the reasons for the rejection of tenders found to be abnormally low;
(d) the name of the successful tenderer and the reasons why its tender was selected and where known—

(i.) the share (if any) of the contract or framework agreement which the successful tenderer intends to subcontract to third parties, and

(ii.) the names of the main contractor’s subcontractors (if any);

(e) for competitive procedures with negotiation and competitive dialogues, the circumstances which justify the use of those procedures;

(f) for negotiated procedures without prior publication, the circumstances which justify the use of this procedure;

(g) where applicable, the reasons why the contracting Combined Authority has decided not to award a contract or framework agreement or to establish a dynamic purchasing system;

(h) where applicable, the reasons why means of communication other than electronic means have been used for the submission of tenders;

(i) where applicable, conflicts of interests detected and subsequent measures taken.

27. Documentation of Progress and Decisions

27.1 Each Senior Officer must ensure each stage of the procurement process is adequately documented to include:

(a) communications with third parties and internal deliberations
(b) preparation of the procurement documents
(c) dialogue or negotiation if any
(d) selection and award of contract.

27.2 The documentation shall be kept for a period of 3 years from the date of award of contract.

28. Contracts Register

28.1 A Contracts Register will be held by the Director of Finance and Resources. Senior Officers should ensure this register is updated for all contracts.

29. Contract / Performance Monitoring

29.1 During the term of a contract, the applicable Senior Officer shall undertake monitoring and evaluation to include the following items:
(a) performance;
(b) compliance with specification and contract;
(c) cost;
(d) user satisfaction; and
(e) risk management.

30. **Nominated Contractors and Sub-Contractors**

30.1 The provisions of these Contract Procedure Rules where appropriate shall apply where a sub-contractor or contractor is to be nominated to a main contractor.

30.2 The Senior Officer concerned shall have Combined Authority to accept a tender submitted in respect of a nominated subcontractor provided that the tender is the lowest or the most economically advantageous received and does not exceed the amount provided for the sub-contract work concerned in the main contract and is satisfactory in all other respects.

31. **Contracts Extensions**

31.1 A contract may be extended before the expiry date where the extension is made in accordance with any option to extend set out in the original contract with the approval of the applicable Senior Officer, the Director of Finance and Resources and the Legal and Commercial Manager.

31.2 Where the contract terms do not include any express option to extend, any decision to vary the contract in order to extend must be undertaken in accordance with Rule 5 prior to the variation being agreed.

31.3 Where the contract is extended; -

(a) the Contract Register must be updated; and

(b) the Legal and Commercial Manager must be instructed to issue the extension documentation.

32. **Contract Variations**

32.1 All contract variations must be carried out within the scope of the original Contract. Contract variations that materially affect or change the scope of the original Contract are not allowed, unless authorised in accordance with Rule 32.2

32.2 Any variation or series of variations increasing the scope of a contract must be authorised by the Legal and Commercial Manager and the Director of Finance and Resources prior to the services, works or supplies being ordered.
32.3 All contract variations must be in writing and signed by both the Combined Authority and the Contractor except where different provisions as to the making of variations are prescribed within the Contract terms.

32.4 Where the contract is varied; -

(a) the Contract Register must be updated; and
(b) the Legal and Commercial Manager must be instructed to issue the contract variation.

33. **Termination**

33.1 Where a Senior Officer wishes to terminate a contract early he may do so only after consulting with the Director of Finance and Resources and Legal and Commercial Manager as to the financial and legal impact of the termination.

34. **Breaches of Contract Procedure Rules**

34.1 In the event of a significant breach of these rules, the circumstances and details shall be referred to the Chief Finance Officer for investigation.