

**AGENDA ITEM**

**REPORT TO COUNCIL**

**17<sup>TH</sup> NOVEMBER 2016**

**REPORT OF SENIOR MANAGEMENT TEAM**

**GOVERNANCE PROPOSALS**

**FOR THE TEES VALLEY MAYORAL COMBINED AUTHORITY**

**SUMMARY**

Following the Authority's approval of the Devolution Deal; the formation of the Tees Valley Combined Authority on 1<sup>st</sup> April 2016; and the making of the Order creating the position of Mayor for the Tees Valley Combined Authority area, public consultation has taken place on the functions of a Tees Valley Mayor and how the Mayor could work within the Combined Authority.

A report was submitted to Cabinet on 10<sup>th</sup> November regarding the giving of consent to the Order being made that would determine the powers of the Tees Valley Mayor.

This report asks Council to note Cabinet's report and decisions regarding the proposals for the Tees Valley Mayoral Combined Authority and the arrangements for giving the Authority's consent to the making of the Order establishing the powers of the Tees Valley Mayor.

Council is also asked to consider the draft Mayoral Combined Authority Constitution, with a view to comments at this meeting being shared with the Combined Authority ahead of its decision regarding the approval of a new Constitution.

**RECOMMENDATIONS**

It is recommended that:-

1. The report to Cabinet and Cabinet's decisions regarding the proposals for the Tees Valley Mayoral Combined Authority and the arrangements for giving the Authority's consent to the making of the Order establishing the powers of the Tees Valley Mayor are noted.
2. Consideration is given to the draft Mayoral Combined Authority Constitution, with a view to the Council's comments being shared with the Combined Authority before its decision regarding its new Constitution.

**DETAIL**

1. A copy of the report to Cabinet on 10<sup>th</sup> November is attached as an **Appendix** to this report to Council. The draft Order provisions will be provided when available **(to follow)**. A copy of Cabinet's decision record will also be provided separately, when available **(to follow)**.

2. Cabinet's report provides details regarding the establishment of the Tees Valley Combined Authority; progress on the development and delivery of the Devolution Deal; the Tees Valley Combined Authority (Election of Mayor) Order; consultation on the proposed powers of the Mayor; checks and balances and the proposed new Order establishing the Mayor's powers; the draft Mayoral Combined Authority Constitution and next steps and timescales going forward.
3. A similar report is being presented to all five Borough Councils in the current cycle of meetings. Once all five Councils have given their consent to the Order being made which establishes the Mayor's powers, along with the consent of the Combined Authority at its meeting on 25<sup>th</sup> November 2016, the Secretary of State will lay the Order before Parliament on 28<sup>th</sup> November 2016. Following the Parliamentary process, and approval over the New Year period, the Secretary of State will then make the Order, and it will be brought into force.
4. Council is asked to note Cabinet's report and decisions regarding the proposals for the Mayoral Combined Authority and the arrangements for giving the Authority's consent to the making of the Order establishing the powers of the Tees Valley Mayor.
5. As the report to Cabinet makes clear, legally the decision to give consent to the making of the proposed Order is an executive (Cabinet) function, not a Council function.
6. Council is also asked to consider the draft constitution for the Mayoral Combined Authority, so that any comments Council may wish to make can be shared with the Combined Authority ahead of its decision regarding its new Constitution.

## **COMMUNITY IMPACT IMPLICATIONS**

7. The Devolution Deal will, through the Tees Valley Combined Authority and an Elected Mayor, as an inherent part of the Deal, bring significant additional resources and devolved funding to the area, thereby accelerating economic growth. Communities and businesses will benefit significantly. In particular, some of our most disadvantaged communities will stand to benefit as more jobs are created; skills funding is targeted at training and apprenticeships that will help individuals in those communities to secure the jobs that will be created; people are helped to connect with work opportunities; more and improved housing options are provided, and confidence in their futures in the Tees Valley is bolstered.

## **FINANCIAL AND LEGAL IMPLICATIONS**

### **Financial**

8. Although there are no financial implications arising directly from this report, the financial benefits arising from the implementation of the Devolution Deal, through the Combined Authority and the election of a Mayor for the Tees Valley are significant. As previously reported, the Devolution Deal will provide a Tees Valley Investment Fund, including a multi-year style capital pot and £450M additional funding over 30 years from 2017/18. In addition 19+ Adults skills funding will be devolved.

## **Legal**

9. The Devolution Deal will be legally binding, as will the changes to Combined Authority governance in the Tees Valley when the Secretary of State has laid an Order granting powers to the elected Mayor and the Order has been approved by Parliament. Unless and until that occurs, the Tees Valley Mayoral governance proposals will not be final and binding.
10. The Governance Review was carried out by the Combined Authority under section 111 of the Local Democracy, Economic Development and Construction Act 2009, as amended by the Cities and Local Government Devolution Act 2016.
11. The Order will be made by the Secretary of State under powers conferred by sections 104, 114 and 117 of the 2009 Act.

## **RISK ASSESSMENT**

12. There is a clear risk that if the Mayoral Combined Authority governance arrangements are not brought into force and the Devolution Deal is not implemented, the Council and the Tees Valley as a whole will be much worse off financially.
13. A Tees Valley Mayoral model will be a new form of governance for the area and is not therefore tried and tested. However, there is a strong track record and a successful model of collaboration of the Local Authority Leaders and Mayor working alongside business, through the Local Enterprise Partnership and now the Tees Valley Combined Authority. The intention is that the new Mayoral function will become an embedded, integral part of the wider governance arrangements of the Combined Authority, thereby strengthening those arrangements and very much building on our long standing and successful model of collaboration and partnership working in the Tees Valley.

## **COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES**

14. Through the Tees Valley Mayoral governance arrangements and the implementation of the Devolution Deal there will be implications for:-
  - Planning and Housing – the purpose of establishing a Mayoral Development Corporation will be to bring surplus land into use for housing and business.
  - Transport – the Devolution Deal commits the Government to working with the Tees Valley to develop business cases for the area's key transport schemes, and will also put the Tees Valley at the forefront of new proposed arrangements for bus travel.
  - Business Support – there are major benefits for business and businesses in the Deal, not least the devolution of powers on skills funding, education and employment programmes, enabling a focus on the needs of employers.

- Education, Skills and Employment – Government will, amongst other things work with the Tees Valley to enable us to focus funding to improve training for local people in the skills required for the new jobs being created and to transform education and skills for young people in the area so that they can thrive in the modern world.
- Energy and climate change – the area will, for instance, receive support to become a market leader in new technology that will mitigate the impact of heavy industry.
- Culture – working with Arts Council England, the aim will be to bring a fairer share of the national budget to the Tees Valley.

## **CORPORATE PARENTING IMPLICATIONS**

15. There are no corporate parenting implications arising directly from this report.

## **CONSULTATION**

16. There have been previous reports to Cabinet and to Council regarding the Devolution Deal and the integral proposals for a Mayoral Combined Authority and an Elected Mayor for the Tees Valley.
17. The Tees Valley Combined Authority Governance Review, the scheme for the establishment of the Mayoral Combined Authority and the consultation document on the mayoral functions were developed and agreed in consultation with Officers and Members across the Tees Valley.
18. Public consultation throughout the Tees Valley has now taken place.

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<u>Education related?</u>	Yes, in relation to skills funding and training (paragraph 14 refers)
<u>Background Papers:</u>	None
<u>Ward(s) and Ward Councillors:</u>	Not ward specific
<u>Property Implications:</u>	None