(Appendix 1 to this report is not for publication by virtue of paragraph 1 (information relating to any individual) and paragraph 2 (information which may identify an individual) of Schedule 12A of the Local Government Act 1972.), Appendix 4 is not for publication by virtue of paragraph 1 (information relating to any individual) and paragraph 2 (information which may identify an individual) and Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information) of Schedule 12A of the Local Government Act 1972.) and Appendix 5 to this report is not for publication by virtue of paragraph 1 (information relating to any individual) and paragraph 2 (information which may identify an individual) of Schedule 12A of the Local Government Act 1972.)

AGENDA ITEM 5

REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET

20 DECEMBER 2024

REPORT OF THE CHIEF LEGAL OFFICER AND MONITORING OFFICER

GOVERNANCE AND APPOINTMENTS

SUMMARY

This report sets out a number of appointments to be approved by the Tees Valley Combined Authority Cabinet, details a proposal for approval, made by the Freeport Board in relation to substitutes and provides an update to Cabinet in relation to any Delegated Decisions taken by officers since the last Cabinet meeting on 27 September 2024.

OPTIONS AVAILABLE TO CABINET

i. In relation to the ratification of the appointment to the Teesside Freeport Board detailed at Paragraphs 1 – 5 of this Report, Cabinet has the following options:

   a. TO RATIFY the appointment of the individual named in Appendix 1 to this Report as detailed in Paragraph 5 of this Report; or

   b. NOT TO RATIFY the appointment of the individual named in Appendix 1 to this Report as detailed in Paragraph 5 of this Report

RECOMMENDED OPTION – Option i(a) is the recommended option. Should Cabinet not ratify the appointment, it will need to provide adequate reasons to the Teesside Freeport Board, as to why, in Cabinet's view, the member should not be appointed.

ii. In relation to the ratification of the Vice-Chair position for Transport Committee detailed at Paragraphs 6-8 of this Report, Cabinet has the following options:

a. TO APPROVE the appointment of Councillor Carl Quartermain to the position of Vice-Chair of Transport Committee.; or

b. NOT TO APPROVE the appointment of Councillor Quartermain to the position of Vice-Chair of Transport Committee.

RECOMMENDED OPTION – Option ii(a) is the recommended option. Should Cabinet not ratify the appointment, it will need to provide adequate reasons to Transport Committee, as to why, in Cabinet's view, the member should not be appointed.

iii. In relation to the ratification of the Chair and Vice-Chair positions for Audit and Governance detailed at Paragraphs 9 - 11 of this Report, Cabinet has the following options:

a. TO APPROVE the appointment of Councillor Mandy Porter as Chair, and, Councillor Nicky Walker as Vice-Chair of the Audit and Governance Committee; or

b. NOT TO APPROVE the appointment of Councillor Mandy Porter as Chair, and, Councillor Nicky Walker as Vice-Chair of the Audit and Governance Committee.

RECOMMENDED OPTION – Option iii(a) is the recommended option. Should Cabinet not ratify the appointment, it will need to provide adequate reasons to the Audit and Governance Committee, as to why, in Cabinet's view, the member should not be appointed.

iv. In relation to the ratification of the appointment to Hartlepool Development Corporation Audit and Governance Committee detailed at Paragraphs 12-13 of this Report, Cabinet has the following options:

a. TO APPROVE the appointment of Councillor Melanie Morley to the Hartlepool Development Corporation Audit and Governance Committee; or

b. NOT TO APPROVE the appointment of Councillor Melanie Morley to the Hartlepool Development Corporation Audit and Governance Committee.

RECOMMENDED OPTION – Option iv(a) is the recommended option. Should Cabinet not ratify the appointment, it will need to provide adequate reasons to the Audit and Governance Committee, as to why, in Cabinet's view, the member should not be appointed.

v. In relation to the ratification of the appointment to Middlesbrough Development Corporation Audit and Governance Committee detailed at Paragraphs 15-16 of this Report, Cabinet has the following options:

a. TO APPROVE the appointment of Councillor Nicky Walker to the Middlesbrough Development Corporation Audit and Governance Committee; or

b. NOT TO APPROVE the appointment of Councillor Nicky Walker to the Middlesbrough Development Corporation Audit and Governance Committee.

RECOMMENDED OPTION – Option v(a) is the recommended option. Should Cabinet not ratify the appointment, it will need to provide adequate reasons to the Audit and Governance Committee, as to why, in Cabinet's view, the member should not be appointed.

vi. In relation to the appointment of substitutes to the Teesside Freeport Board as referred to in Paragraphs 18 –23 of this Report, Cabinet has the following options:

a. TO APPROVE the proposal from the Teesside Freeport Board in principle, to appoint substitutes to the Teesside Freeport Board; or

b. NOT TO APPROVE the proposal from the Teesside Freeport Board in principle, to appoint substitutes to the Teesside Freeport Board.

RECOMMENDED OPTION – Option vi(a) is the recommended option. The reason for this recommendation is that the Teesside Freeport Board has identified that it would be beneficial to the Board for substitutes to be permitted, hence making this proposal to Cabinet. It would also assist with the quoracy issues experienced with the Teesside Freeport Board in the past, particularly because members of the Teesside Freeport Board are as a general rule, employed in senior positions and may from time to time have competing priorities.

vii. Should Cabinet approve recommended option iii(a) above, constitutional changes will be required in order to reflect the addition of substitute members for Teesside Freeport Board Members. It is therefore proposed that Cabinet APPROVES the proposed changes to the Tees Valley Combined Authority Constitution, as identified in Appendix 2 of this report to allow for substitutes as detailed in Paragraphs 18-23 of this Report.

viii. In respect of the proposed changes to the Tees Valley Combined Authority Constitution, in respect of the status of Teesside Freeport Board Meetings (as detailed in Paragraphs 26-28 of this Report), Cabinet has the following options:

a. TO APPROVE the proposed changes to the Tees Valley Combined Authority Constitution as detailed in Paragraphs 26-28 and Appendix 2 of this Report; or

b. NOT TO APPROVE the proposed changes to the Tees Valley Combined Authority Constitution as detailed in Paragraphs 26-28 and Appendix 2 of this Report.

RECOMMENDED OPTION – Option viii(a) is the recommended option. The reason for this recommendation is that the present drafting incorrectly refers to the Teesside Freeport Board as a statutory meeting. Notwithstanding the proposed revised drafting, there remains provision for the publication of agendas, papers and minutes and provides for a process for determining any confidential items.

ix. In respect of the proposed changes to the Goosepool 2019 Limited's Articles of Association as referred to in Paragraphs 30-34 of this Report, Cabinet has the following Options:

a. TO APPROVE the proposed changes to the Goosepool 2019 Limited's Articles of Association; or

b. NOT TO APPROVE the proposed changes to the Goosepool 2019 Limited's Articles of Association.

RECOMMENDED OPTION – Option ix(a) is the recommended option. There have been no risks to the Tees Valley Combined Authority identified, as a result of Goosepool 2019 Limited moving from monthly to quarterly Board meetings.

x. In relation to the Urgent and Delegated Decisions referred to at Paragraphs 42-26 and Appendix 3 of this Report, Cabinet has the following option:

a. TO NOTE them.

xi. Appendix 4 seeks a decision from Cabinet, but the content of this Appendix is not for publication by virtue of paragraph 1 (information relating to any individual) and paragraph 2 (information which may identify an individual) and Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information) of Schedule 12A of the Local Government Act 1972.

xii. In respect of the appointment of the Director of Operations and the Chief Operating Officer of Middlesbrough Development Corporation and Hartlepool Development Corporation, Cabinet has the following options:

a. to APPROVE the appointments as detailed in this Report and in Appendix 5; or
b. NOT TO APPPROVE the appointments as detailed in this Report and in Appendix 4.

Recommended Option – the recommended option is xii(a). These appointments have been made, subject to Cabinet approval, following approval by Cabinet for the creation of the roles. An in depth and robust recruitment process has taken place, with the background and experience of those appointed detailed in Appendix 5.

DETAIL

Appointments for Approval
Teesside Freeport Board

1. Paragraph 101 of Part 1 of the Tees Valley Combined Authority Constitution provides that appointments to the Teesside Freeport Board shall be made by Tees Valley Combined Authority Cabinet, following recommendation by the Tees Valley Mayor.

2. The Memorandum of Understanding in relation to the Teesside Freeport, between (1) The Secretary of State for Levelling Up, Housing & Communities (2) Tees Valley Combined Authority (as Accountable Body for the Teesside Freeport) (3) Tees Valley Combined Authority (as Government Body responsible for the delivery of Freeport) and (4) Redcar & Cleveland Borough Council (as Billing Authorities responsible for collecting business rates in Freeport Tax Sites) provides for the organisations that shall be represented on the Teesside Freeport Board. This list of organisations includes the Port of Seaton.

3. An appointment of a representative for the Port of Seaton has been proposed by the Tees Valley Mayor. This representative is identified in Appendix 1 to this Report.

4. In advance of this report being received by Cabinet, to ensure that the Teesside Freeport Board could convene a quorate meeting, the Monitoring Officer approved the appointment of the individual referred in Appendix 1, pursuant to MO5 of Part 4 of the Tees Valley Combined Authority Constitution, which details as follows:

   'MO5 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.'

5. Cabinet is asked to RATIFY the appointment of the individual named in paragraph 1 of Appendix 1 of this Report.

Transport Committee

6. Paragraph 71 of part 1 of the Tees Valley Combined Authority Constitution provides that Cabinet will appoint a Vice-Chair of the Transport Committee from amongst the members of the Transport Committee.

7. At its meeting on the 22 November 2024, members of the Transport Committee nominated Councillor Carl Quartermain to the position of Vice-Chair.

8. Cabinet is asked to APPROVE the appointment of Councillor Quartermain as Vice-Chair of the Transport Committee.

Audit and Governance Committee

9. Paragraph 80 of part 1 of the Tees Valley Combined Authority Constitution provides that Cabinet will appoint a Chair and Vice-Chair of the Audit and Governance Committee from amongst the members of the Audit and Governance Committee.

10. At its meeting on 12 July 2024, the Tees Valley Combined Authority Audit and Governance Committee agreed to recommend the following appoints for approval by Cabinet;

    a. Councillor Mandy Porter, Chair of Audit and Governance Committee.
    b. Councillor Nicky Walker, Vice-Chair of Audit and Governance.

11. Cabinet is asked to APPROVE:

    a. The appointment of Councillor Mandy Porter as Chair of Audit and Governance Committee.
    b. The appointment of Councillor Nicky Walker as Vice-Chair of Audit and Governance.

Hartlepool Development Corporation Audit and Governance Committee

12. Pursuant to the Constitutions of the respective organisations, the Tees Valley Combined Authority Audit and Governance Committee appoints one of its members to the Hartlepool Development Corporation Audit and Governance Committee.

13. At its meeting on 12 July 2024, the Tees Valley Combined Authority Audit and Governance Committee agreed to recommend the following appoints for approval by Cabinet;

a) Councillor Melanie Morley as its representative to serve on Hartlepool Development Corporation Audit and Governance Committee.

14. Cabinet is asked to APPROVE the appointment of the Councillor Melanie Morley to the Hartlepool Development Corporation Audit and Governance Committee.

Middlesbrough Development Corporation Audit and Governance Committee

15. Pursuant to the Constitutions of the respective organisations, the Tees Valley Combined Authority Audit and Governance Committee appoints one of its members to the Middlesbrough Development Corporation Audit and Governance Committee.

16. At its meeting on 12 July 2024, the Tees Valley Combined Authority Audit and Governance Committee agreed to recommend the following appoints for approval by Cabinet;

a) Councillor Nicky Walker as its representative to serve on Middlesbrough Development Corporation Audit and Governance Committee.

17. Cabinet is asked to APPROVE the appointment of the Councillor Nicky Walker to the Middlesbrough Development Corporation Audit and Governance Committee.

Freeport Board – proposal for substitutes

18. In March 2021, as part of the Spring Budget, Government announced that Tees Valley would be the location of one of the first, and the UK's largest, Freeport. The Teesside Freeport covers 4,500 acres across various locations in the Tees Valley.

19. A Freeport Board was established by Cabinet for the purposes of making recommendations to it on Freeport strategy and policies, to review Freeport services, ensure compliance with Freeport legislation and to co-ordinate the interests of landowners and other key stakeholders.

20. The Tees Valley Combined Authority Constitution provides that the Freeport Board shall be chaired by the Tees Valley Mayor or any other such person as the Mayor may nominate. It also provides that including the chair, there shall be no more than 12 Members of the Freeport Board.

21. Members of the Freeport Board are appointed by Cabinet, following recommendation by the Tees Valley Mayor. The Tees Valley Combined Authority Constitution does not presently provide for substitute members of the Freeport Board.

22. At its meeting on 14 October 2024, following a proposal from one member, members of the Freeport Board discussed whether it would be desirable to make a proposal to Cabinet to amend the Constitution to permit Substitute Members for the Freeport Board. Following that discussion, the Board agreed unanimously to propose that Cabinet agree to amend the Tees Valley Combined Authority Constitution to permit Freeport Board Members to propose one substitute member for themselves, to the Tees Valley Mayor in order for the Tees Valley Mayor to make an appointment recommendation to the Tees Valley Combined Authority Cabinet.

23. Cabinet should note that during their discussion, Freeport Board members considered whether it would be appropriate for Freeport Board Members to be permitted to send any individual from their respective organisation to represent their organisation, depending on the nature of the information to be received by a particular meeting and the skills required in order to consider it. At this point, the Chief Legal Officer advised that Cabinet must approve appointments to the Freeport Board and for this reason, substitutes would need to be identified individuals. In addition, to provide a level of continuity and to align the Freeport Board with Cabinet, and its Committees. It was noted that it is incumbent on members of the Freeport Board to ensure that they are fully briefed on the subject matter or each item to be received by the Board to be able to participate fully, and where required make informed decisions. It was therefore agreed that the proposal to Cabinet would be for each Freeport Board Member to propose one Substitute Member, for approval by the Mayor, to propose to the Tees Valley Combined Authority Cabinet.

24. Cabinet is therefore asked to APPROVE in principle, the appointment of a substitute member for each Freeport Board Member, as described at Paragraph 23 above.

25. If approved in principle, a number of amendments will need to be made to the Tees Valley Combined Authority Constitution to allow for the appointment of substitutes. The proposed amendments are identified at Appendix 2 of this Report highlighted red and Cabinet is asked to APPROVE the proposed amendments to the Tees Valley Combined Authority Constitution.

Freeport Board – status of meetings

26. It has been noted that although Teesside Freeport Board meetings are not statutory meetings and are therefore not governed by the same statutory provisions as statutory meetings, there are two references in the Tees Valley Combined Authority Constitution to the meetings of the Teesside Freeport Board being statutory meetings and therefore governed by provisions of the Local Government Act 1972.

27. Teesside Freeport Board meetings have not, since their inception, been held in public. It was however agreed that the Agenda and papers for each meeting (to the extent that they are not confidential) would be published, to allow for a level of transparency and oversight. It should also be noted that Tees Valley Combined Authority is the Accountable Body for the Teesside Freeport. There is therefore a level of oversight of the Teesside Freeport by the Tees Valley Combined Authority Cabinet.

28. In addition to the above proposals, there is a further administrative to be made to the Constitution in respect of the Teesside Freeport. Paragraph 106 of the Tees Valley Combined Authority Constitution (Part 1 as detailed in Appendix 2 of this Report) refers to posts attending the Freeport Board Meetings, that no longer exist or have

changed their title. The attached proposes an amendment to remove reference to the TVCA Freeport Director and to change the title of the TVCA Director of Business and Skills to TVCA Director of Business Solutions.

29. In order to correctly reflect the status of Teesside Freeport Cabinet is asked to APPROVE the proposed amendments to the Tees Valley Combined Authority Constitution, as detailed in Appendix 2 of this Report.

Goosepool 2019 Limited

30. Tees Valley Combined Authority has a 75% share in Goosepool 2019 Limited which in turn, has a 89% share in Teesside International Airport Limited.

31. The Board of Goosepool 2019 Limited has approved, subject to the below, a change to its Articles of Association, which will require the Company to meet quarterly rather than monthly as presently provided for in its governing documents.

32. To make a change to the Articles of Association of a Private Limited Company, Section 21 of the Companies Act 2006 required consent of the Members of the Company, by Special Resolution.

33. Section 283 of the Companies Act 2006, provides:

> *'A special resolution of the members (or of a class of members) of a company means a resolution passed by a majority of not less than 75%.'*

34. The Board of Goosepool 2019 Limited is therefore requesting the consent of Tees Valley Combined Authority to make the change to its Articles of Association as referred to at Paragraph 31 above. It is not proposed that any other changes will be made.

35. Cabinet is therefore asked to APPROVE the proposed change in frequency of Board meetings of Goosepool 2019 Limited.

36. Appendix 4 seeks a decision from Cabinet but is not for publication by virtue of paragraph 1 (information relating to any individual) and paragraph 2 (information which may identify an individual) and Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information) of Schedule 12A of the Local Government Act 1972.

Appointment of Director of Operations and Chief Operatiing Officer – Middlesbrough Development Corporation and Hartlepool Development Corporation.

37. Following the approval of Cabinet at its meeting on 27 September 2024, for the creation of two new posts within the Senior Management Team – Director of

Operations and Chief Operating Officer for Middlesbrough and Hartlepool Development Corporations.

38. The candidates responded to an externally posted job advertisement which went live on 29 October 2024, using several platforms of marketing promotion. The roles closed 19 November 2024 and assessment days were held on 4 December 2024. The roles received a wide range of high calibre of candidates and were narrowed to a shortlist of four candidates per role who were highly aligned in skill and experience. The panel compromised of Group Chief Executive, South Tees Development Corporation Chief Operating Office and the Tees Valley Mayor. The candidates were asked to present their strategic approach to these newly created posts and the rest of the interview consisted of panel Q&A in a scenario style.

39. Paragraph 118 of the Tees Valley Combined Authority Constitution provides:

'The Cabinet shall appoint, and may dismiss, as Senior Officers of the Combined Authority:
[...]
Other Directors as necessary, reporting to the Group Chief Executive.'

40. Following careful consideration the appointments detailed in Appendix 5 were made, subject Cabinet approval.

41. Cabinet is asked to APPROVE the appointments detailed in Appendix 5 of this Report.

Delegated/Urgent Decisions

42. The Tees Valley Combined Authority Assurance Framework provides for how decisions may be taken by officers, in respect of the Tees Valley Investment Plan.

43. Paragraph 19 of the Tees Valley Combined Authority Constitution provides for the ability to take urgent decisions.

44. Appendix 3 to this Report details Delegated Decisions taken in respect of paragraph 35 and 36 above, since the start of this municipal year.

45. Future Cabinet Meetings will receive an update on any Urgent and Delegated Decisions taken since the proceeding Cabinet meeting.

46. Cabinet is asked to NOTE the decisions detailed in Appendix 3 to this Report.

FINANCIAL IMPLICATIONS

47. Save for those identified in Appendix 4, there are no direct financial implications in the detail of this Report.

LEGAL IMPLICATIONS

48. Other than those identified in the main body of this report, there are no direct legal implications in the detail of this Report.

RISK ASSESSMENT

49. This content of this Report is deemed as 'low' risk.

CONSULTATION & COMMUNICATION

50. In relation to appointments detailed in this report, the Teesside Freeport Board, Transport Committee, and Audit & Governance Committees have been consulted.

EQUALITY & DIVERSITY

51. It is not expected that the content of this report will have an effect on any person with protected characteristics.

Name of Contact Officer: Connor Malone
Post Title: Governance and Scrutiny Officer
Email Address: connor.malone@teesvalley-ca.gov.uk