



*making our region more prosperous, sustainable and fairer, helping our people and businesses to create and seize opportunities*

## **EAST MIDLANDS COMBINED COUNTY AUTHORITY BOARD**

<b>Date</b>		<b>20 March 2024</b>			
<b>Report Title</b>		<b>EMCCA Governance Arrangements</b>			
<b>Accountable EMCCA Board Member</b>		No Member identified due to nature of this being first EMCCA Board meeting			
<b>Accountable Chief Officer</b>		Mark Rogers Interim Chief Officer			
<b>Accountable Employee</b>		Jodie Townsend Interim Monitoring Officer			
<b>Report has been considered by</b>		Informal Leaders Meeting			
<b>Key decision</b>	No	<b>Public Report</b>	Yes	<b>Voting Arrangements</b>	By simple majority of Constituent Members

**Recommendation(s) for action or decision:**

The East Midlands Combined County Authority Board is recommended to:

- 1 **Approve the draft Constitution at Appendix A for adoption.**
- 2 **Delegate authority to make any urgent and necessary amendments to the Constitution to the Interim Monitoring Officer in consultation with the four Lead Members of the Constituent Councils as set out in 3.54, pending the Mayor taking office at which point consultation would extend to the Mayor as well, ensuring that any amendments are consistent with the provisions of the 2024 Regulations and are reported to the subsequent meeting of this Board.**
- 3 **Appoint the D2 Strategic Leadership Board (Derbyshire) and The City of Nottingham and Nottinghamshire Economic Prosperity Committee (Nottinghamshire) as nominating bodies to nominate representatives for appointment to the Combined County Authority as set out in paragraph 3.32 of this report, subject to the two joint committees accepting the designation as a nominating body.**

- 4 **Delegate to the Interim Monitoring Officer the power to:**
- (a) establish an Independent Remuneration Panel, including agreeing a terms of reference and reasonable allowances in consultation with the four Lead Members of the Constituent Councils, so that the Independent Remuneration Panel can, at the earliest opportunity, undertake a review and make recommendations regarding a scheme of allowances for the Combined County Authority to consider at a future meeting of this Board;
  - (b) advertise the vacancy for the Independent Person on the Audit & Governance Committee, noting that they will act as Chair of the Committee, and make recommendations for appointment at a future meeting of this Board; and
  - (c) advertise the vacancies for Independent Persons under Section 28 of the Localism Act 2011 for standards and make recommendations for appointment at a future meeting of this Board.
- 5 In accordance with section 42(1) of the Levelling Up and Regeneration Act 2023, confirm that the elected mayor for the Combined County Authority area is to be known by the title of the 'Mayor'.
- 6 Confirm approval of the EMCCA's Local Assurance Framework at Appendix B.

## 1. Purpose

- 1.1 This report seeks agreement on a number of important and procedural governance matters that are required at the first meeting of the Combined County Authority, this includes agreeing the title of the position of the Mayor, this is a decision required in accordance with section 42 (1) of the Levelling Up and Regeneration Act 2023 that needs to be taken at the first meeting.
- 1.2 This report sets out the initial governance framework of the Combined County Authority and recommends the approval of its first constitution. The draft Constitution sets out the roles and responsibilities within the governance framework, as well as the procedural rules, membership and voting arrangements for bodies within the governance framework.
- 1.3 The Constitution sets out the process nominating and confirming District and Borough Council representatives as non-constituent members of the Combined County Authority Board and Committees.
- 1.4 The report also recommends that the Interim Monitoring Officer be provided with initial delegations to enable the convening and review of allowances by an Independent Remuneration Panel and to advertise for Independent Persons for standards matters and the Independent Person to sit on the Audit & Governance Committee.
- 1.5 The report, by way of the Constitution, sets out that an 'appropriate person' rather than an 'independent person' will be Chair of the Overview and Scrutiny Committee.
- 1.6 The report further seeks to confirm the approval of the EMCCA's Assurance Framework.

## 2. Background

- 2.1 The East Midlands devolution deal signed in August 2022 enabled the creation of England's first Combined County Authority. In doing so it secured significant funds and powers for the region and empowered local people to make the decisions that influence jobs and skills, the quality of the region's transport infrastructure, housing investment, and the region's diverse natural environment. The four constituent councils' subsequent approval of the creation of EMCCA in December 2023 will see the region benefit in the first instance from a £1.14 billion investment fund over 30 years, alongside £1.5 billion in transport funding, £53m for adult education, and £18m for housing, brownfield land and other investments. Alongside this, as a result of the creation of EMCCA, the region is working with national

government to establish an 'Investment Zone', which will attract £160 million of support over ten years, with tax incentives for businesses, which will help boost economic growth across the region.

2.2 These initial powers and funds are the starting point for an ambitious programme that integrates social, environmental and economic initiatives in innovative ways to improve opportunity and wellbeing in the East Midlands. The period since August 2022 has been one of designing how EMCCA will operate. In March 2024, the need is to confirm the governance, oversight, plan and staffing of the organisation in order for it to start to deliver.

2.3 The East Midlands Combined County Authority Regulations 2024 ("the 2024 Regulations") came into force on 28 February 2024, with the majority of its provisions applying immediately and the remaining provisions coming into force with the election of a Mayor for the East Midlands Combined County Authority area in May 2024.

2.4 The constitution and the governance framework for the Combined County Authority have been drafted based on the following principles:

- **Form follows function** – governance arrangements should flow from the vision, purpose and functions of the CCA.
- **Accountability** – decision-makers must clearly take responsibility and engage with those seeking to hold them to account. Decision-makers also need to have the confidence that systems are in place that allow them to benefit from the insight that those holding them to account can provide.
- **Transparency** – it must be clear who is making decisions, on what, when, why and how.
- **Effective decision making** – governance structures should enable effective and efficient decision making with appropriate scrutiny. Overly complicated and bureaucratic governance arrangements may prevent or slow decision making.
- **Engagement** – effective public engagement and involvement and decision-making being informed by the views of the public and stakeholders should be seen as central to good governance.

2.5 In addition, the Constituent Councils agreed eight principles to be applied to the delivery of the devolution deal, the following of which are relevant to the development of the governance arrangements:

- **Principle 4: Appropriate Accountability** – the Constituent Councils have committed to developing a Constitution and Assurance Framework that will confirm, clarify and formalise the intention of institutions and local leaders to continue to be transparent and accountable, work closely with local businesses, seek the best value for taxpayers' money and maintain strong ethical standards.
- **Principle five: Inclusivity** – the Constituent Councils have committed to creating as inclusive a model of governance as possible, in pursuit of agreed outcomes. Devolution of power and responsibilities will be to the Constituent Councils, however, the importance of the continued role of the eight Derbyshire and seven Nottinghamshire district and borough councils will be respected.
- **Principle six: Subsidiarity** – the EMCCA will perform a role that adds value to existing governance arrangements – primarily focused on strategic place shaping functions such as plan making and strategic commissioning. The EMCCA will not create an additional layer of governance, but instead will bring the governance that currently sits at national government level down into the East Midlands, much closer to businesses and communities. Place making functions will be delivered through the existing local planning authority arrangements that are better placed to deliver functions for which they are statutorily responsible and as close to communities as is practicable.
- **Principle eight: Choice** – the preferred governance model for the EMCCA will identify a mechanism for including district and borough councils in the geography. This model will respect the existing sovereignty of these lower tier local authorities. Individual councils will also be able to continue to exercise choice about participation at sub-CCA tiers of partnership working.

- 2.6 The Governance Group (consisting of Constituent Council Governance leads), working with external legal advisers and the Interim Governance Lead for the Combined County Authority, have developed constitutional content based on these principles.
- 2.7 Subsequent engagement with Constituent Council Chief Executives and Leaders (and in some cases Deputy Leaders) agreed a several key considerations that were to be reflected in the final proposals for the governance framework and constitutional content, these were as follows:
- initially limit the number of governance bodies and ensure structure is easy to understand through a consistency of approach (.i.e., all advisory committees to advise);
  - keep decision-making at Board level, delegations are anticipated to come later with transition of powers and development of strategy;
  - ensure that all Constituent Councils are equal within the framework (reflect equality through voting just amongst constituents);
  - ensure the framework reflects that the devolution of investment funding from Government is to the Constituent Councils;
  - create an ability for Non-Constituent Members, such as District and Borough Councils, to influence the strategic framework of the Combined County Authority; and
  - create a constitution that has the ability to be flexible as the Combined County Authority evolves
- 2.8 This process has at times involved the engagement of District and Borough Council representatives through the Shadow EMCCA Board, Programme Board and the Governance Group.

### **3. Proposed Combined County Authority Governance**

- 3.1 The approach identified above ensured that all the principles and key considerations have been considered in developing proposals for version 1.0 of the EMCCA governance framework and constitution.
- 3.2 The proposals developed within this report and its appendices are based on the legal basis of:
- Powers have been devolved to the Constituent Councils and the Mayor.
  - Legislation allows for 8 Non-Constituent and Associate Members on Board in total.
  - Non-Constituent Members have the potential to be able to vote at the Combined County Authority Board, but this is subject to Combined County Authority Board agreement.
  - There will be a statutory consents process in place where consenting rights sit with Districts & Borough Councils in respect of the exercise by the Mayor or Combined County Authority of some powers (but not all) – in effect providing a ‘veto’ on certain matters that require their approval.
- 3.3 The proposals that have been developed seek to demonstrate a commitment to good governance principles and to ensure effective accountability in the decision-making of the Combined County Authority. The Governance Framework has been developed to provide the platform for effective decision-making, strategy development and appropriate oversight and scrutiny, with the potential to build on that as the Combined County Authority develops.
- 3.4 The Constituent Councils are committed to working in collaboration and engagement with partners and stakeholders across the region to deliver for the people of the East Midlands, the Constituent Councils have agreed to a commitment to collaborate with the District and Borough Councils of the region in the ways of working and operation of the Combined County Authority that provides an ability for its strategic direction to be appropriately influenced.
- 3.5 The governance arrangements set out in this report, and the draft Constitution at **Appendix A**, are put forward as version 1.0 that are specifically tailored to fit the creation of the new organisation.
- 3.6 The principles from the deal and from the development process have been reflected in this version 1.0 proposal, the initial position being to provide clarity through voting arrangements that reflect simplicity

and that the devolution of investment funding from central government is to the Constituent Councils, noting that it is the Constituent Councils who therefore carry the financial liability.

- 3.7 The commitment for collaboration is demonstrated across the entire proposed governance arrangements with consistent Non-Constituent membership at Board and Committees.
- 3.8 The current legislative framework does not allow for Non-Constituents to have the ability to vote at Combined County Authority Committees and Sub-Committees. The Combined County Authority commits to work with central government to ensure legislation is developed that provides the ability for Non-Constituents to vote at committees of the Combined County Authority in the future, if Board is in agreement. Initial engagement with the Department for Levelling Up, Housing and Communities on this point has begun.
- 3.9 Constituent Councils are conscious that, although they have set out sound reasoning to support the proposed approach to voting at the Combined County Authority Board, they are not yet in a position to consider the views of an elected Mayor for the East Midlands on this point. Noting this, the intention is not to overcommit on this front before a Mayor is in place, and propose arrangements that whilst aligning with principles will allow the Mayor to be part of the evolution.
- 3.10 The views of a new Mayor on the exercise of these powers and functions is critical to get the balance right, given the reasoning set out in this report it is therefore considered premature to propose any voting rights beyond Constituent Councils at this stage.
- 3.11 The Board, including a Mayor, has a collective responsibility for decision-making, acting in the best interests of the East Midlands Combined County Authority area. The intention is to work to ensure any matters that require a decision are to be decided by consensus where possible to best reflect the broad range of perspectives and the diversity of the geography.
- 3.12 Constituent Councils are keen to emphasise a commitment to a principle of inclusivity when it comes to the involvement of District and Borough Councils, this commitment recognises District and Borough Councils as key partners and commits to:
- collaborate and engage on matters of strategy;
  - co-design approaches where appropriate;
  - continuously review arrangements to ensure the ability to influence is effectively enabled;
  - provide opportunity to impact decision-making through effective Overview & Scrutiny; and
  - work collaboratively to ensure communities feel engaged.
- 3.13 It is proposed that to ensure the appropriate balance between responsibility for the exercise of devolved powers within the Combined County Authority's unique two-tier area, and the recognised important stakeholder role of District and Borough Councils to the success of the area, that an early review of the constitution – that would include Non-Constituent voting rights – takes place within the first year of the draft constitution being adopted.
- 3.14 The principle of review is also embedded in the constitution through the inclusion of annual review processes. For example, the Audit & Governance Committee has a specific responsibility to keep governance arrangements (and the constitution) under review to ensure they are fit for purpose.

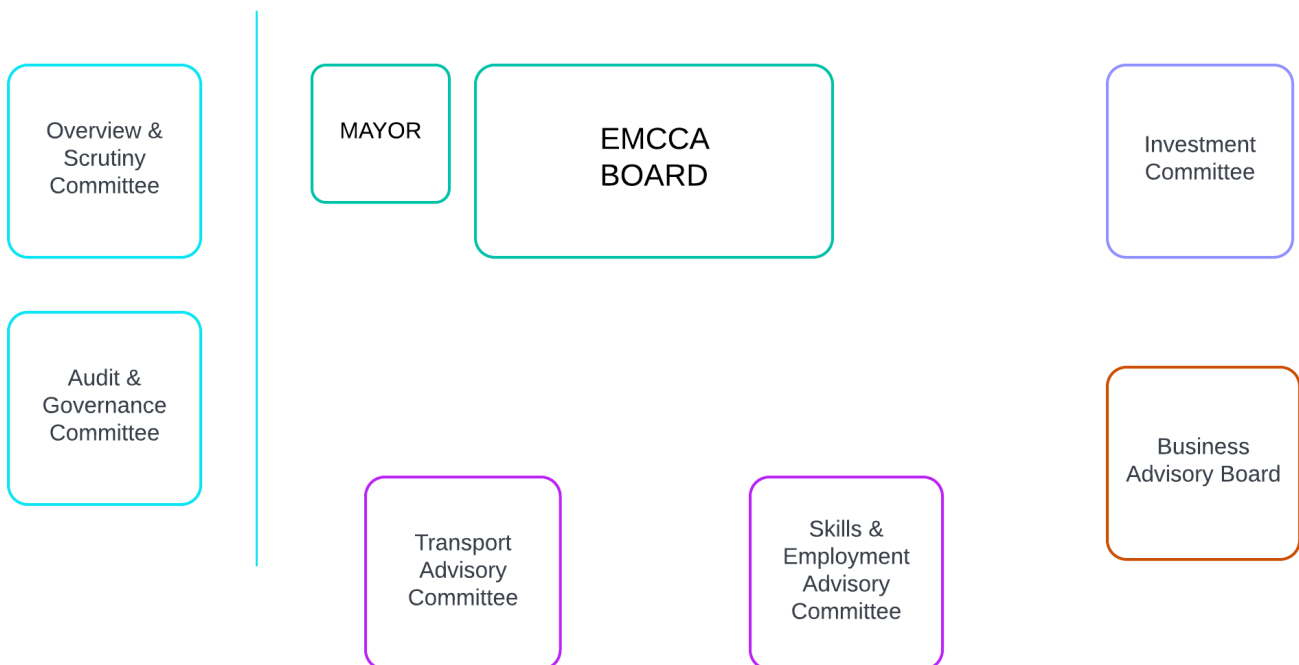
### **Governance Structure (Committees)**

- 3.15 The governance structure proposed and reflected in the draft constitution delivers a principle of alignment that maintains decision-making on non-mayoral functions at the Combined County Authority Board. Under the proposal the alignment of functions within the structure is as follows:

Sets the strategic objectives	Board
Approves strategy, key policy and frameworks	Board
Sets the Medium-Term Financial Plan	Board

Non-Mayoral function decision-making	Board
Develops strategy, framework and policy proposals	Advisory Committees
Provides investment guidance and advice	Investment Committee
Undertakes strategic level scrutiny	Overview & Scrutiny
Drives Mayoral and Board accountability	Overview & Scrutiny
Provides oversight and assurance of Standards and the Constitution	Audit & Governance
Provides oversight and assurance of sound financial management, governance and supporting frameworks	Audit & Governance
Provides the business voice	Business Advisory Board

- 3.16 The Mayor and Combined County Authority Board are the primary decision makers. The 2024 Regulations creating the Combined County Authority specifies that certain decisions must be taken by the Mayor and that the majority of decisions rest with the Board. The draft Constitution reflects these legal requirements. The functions reserved for the Combined County Authority Board are also detailed in Part 3 of the draft Constitution. In addition, Schedule 1 to the 2024 Regulations sets out specific voting and consent requirements which are also reflected in the Constitution.
- 3.17 The Mayor can exercise certain of their functions autonomously as these have been devolved directly from Central Government to that office, these powers are detailed within Part 3 of the Constitution.
- 3.18 The Combined County Authority will initially have two advisory committees supporting areas of significant devolution and change on transport and skills (the Transport Advisory Committee and the Skills & Employment Advisory Committee).
- 3.19 It will have an Investment Committee to advise the Board on investment decision-making, priorities and to provide assurance on extensive new funding.
- 3.20 A Business Advisory Board will create a strategic business advisory and engagement body in alignment with national policy on LEP integration and the English Devolution and Accountability Framework. This will create a business voice for the region that can provide that voice to the Mayor, the EMCCA Board and wider committees across the governance framework that create an opportunity for business to influence a wide range of strategic thematic policy.
- 3.21 The initial focus of the EMCCA Board and its supporting committees and the Business Advisory Board will be supporting the detailed development of the Combined County Authority strategic framework. This will involve undertaking evidence gathering, research and engagement in order to develop thematic strategy proposals for the Board to consider for approval.
- 3.22 There will be two regulatory committees, fulfilling the requirements of the Levelling Up and Regeneration Act 2023: Audit & Governance Committee; and Overview & Scrutiny Committee. The Terms of Reference for each of these bodies is set out in Part 3 of the proposed constitution.
- 3.23 The Combined County Authority intends to create an Innovation Board within its governance structure at the earliest opportunity, this will follow a review into the benefits of such a body including proposed membership and functions. It is intended that this review will be undertaken and will report within the first year of operation.
- 3.24 This approach would create the following governance structure:



## **The Constitution**

3.28 The draft Constitution sets out the functions and responsibilities of each element within the governance framework. The proposed constitution is initially presented with seven parts as follows:

- Part 1 – Introduction
- Part 2 – Articles of the Combined County Authority
- Part 3 – Responsibility for Functions
- Part 4 – Procedure Rules
- Part 5 – Protocols and Ethical Standards
- Part 6 – Allowances [to follow]
- Part 7 – Management Structure [to follow]

## **Membership**

3.29 The 2024 Regulations provide that the Membership of the Combined County Authority will be:

- The Mayor (who will Chair the Authority)
- Two Members from each Constituent Council
- The Constituent Councils will nominate one of these Members as “Lead Member” who gets special voting rights in certain circumstances.
- Each Constituent Council will nominate two substitute members.

3.30 The 2024 Regulations also allow for additional membership, stating that the Combined County Authority must have no more than eight non-constituent and associate members. This allows the Combined County Authority to appoint up to a maximum total number of 8 Non-Constituent Members and Associate Members.

3.31 The Levelling Up and Regeneration Act 2023 allows for Combined County Authorities to designate a nominating body for the purposes of nominating Non-Constituent Members of a Combined County Authority, on condition that those nominating bodies accept that designation.

3.32 The D2 Strategic Leadership Board (Derbyshire) and the City of Nottingham and Nottinghamshire Economic Prosperity Committee (Nottinghamshire) are proposed to be designated by the Combined County Authority as nominating bodies for District and Borough Council Non-Constituent Members at the Board and for the wider EMCCA Committees and Advisory Boards as detailed within the constitution.

- 3.33 Each nominating body of the Combined County Authority must nominate another person to act as the member of the Combined County Authority in the absence of the member appointed under section 11(3) of the 2023 Act (non-constituent members of a CCA).
- 3.34 If Board accepts the proposed nominating bodies, the Interim Monitoring Officer will prepare a report for each nominating body setting out the ask, the process, guidance on nominations to be made and detailing the appointments requested by the Combined County Authority across its governance framework. This process may require the nominating bodies to amend their terms of reference to enable these nominations to be made.
- 3.35 Based on the proposals within this report and the draft Constitution, the request would be for the following nominations:
- Combined County Authority Board - 2 representatives from each nominating body
  - Transport Advisory Committee - 2 representatives from each nominating body
  - Skills & Employment Advisory Committee - 2 representatives from each nominating body
  - Investment Committee - 2 representatives from each nominating body
  - Audit & Governance Committee - 2 representatives from each nominating body
  - Overview & Scrutiny Committee - 2 representatives from each nominating body
- 3.36 The requested nominations would come from the pool of elected members within the District and Borough Council membership.

### **Voting**

- 3.37 As stated above, the Mayor and Combined County Authority Board are the primary decision makers. The 2024 Regulations creating the Combined County Authority specify that certain decisions must be taken by the Elected Mayor and that other decisions rest with the Board. The Constitution reflects these legal requirements. In addition, Schedule 1 to the 2024 Regulations set out specific voting and consent requirements which are also reflected in the Constitution.
- 3.38 The Elected Mayor will provide overall leadership as the Chair of the Combined County Authority. They can propose to delegate certain mayoral functions to members of the Combined County Authority, subject to any proposal being approved by the Combined County Authority.
- 3.39 In alignment with the key principles and considerations set out in this report, the constitution would initially only provide votes to Constituent Council representatives and the Mayor. The majority of matters that are to be determined by the Combined County Authority are to be determined by a simple majority and that majority must include the vote of the Mayor.
- 3.40 There are a number of matters that require specific voting arrangements of the Combined County Authority, for example the approval or amendment of the CCA Budget requires that the majority must include all lead members designated by the Constituent Councils or, where any substitute members are acting in place of lead members, all lead members and all such substitute members. The full details of these voting arrangements are specified in the tables at section 2 in Part 3 of the Constitution and in the Procedural Rules in Part 4.

### **Functions**

- 3.41 The Mayor can exercise certain of their functions autonomously as these have been devolved directly from Central Government to that post, these functions are set out in Part 3 (Responsibility for Functions) Section 3 (Mayoral Functions).
- 3.42 Subject to the above, the Combined County Authority will be responsible for any function of the Combined County Authority which is not the responsibility of the Mayor. Proposed decisions can be put forward by the Mayor and any Combined County Authority Constituent member. Generally, the Mayor will have one vote as will other voting members.



- 3.43 The Non-Mayoral Functions are set out in Part 3 (Responsibility for Functions) Section 2 (Non-Mayoral Functions).

### **Independent Person for Standards**

- 3.44 The Localism Act 2011 provides that an Authority must also have at least one Independent Person who has a statutory duty to be consulted when complaints against councillors are made (best practice is to have two or more Independent Persons to ensure enough capacity to deal with potential conflicts or absences, etc). Independent Persons must be appointed after the vacancy has been advertised in such manner as the Authority considers is likely to bring it to the attention of the public. Therefore, it is recommended that delegation is given to the Interim Monitoring Officer to publicise the two vacancies and to make a recommendation for appointment at a future Combined County Authority meeting.
- 3.45 Consideration should be given in appointing potentially two Independent Persons to provide appropriate cover for the Authority.

### **Audit & Governance Independent Person(s)**

- 3.46 The Levelling Up and Regeneration Act 2023 states that the Combined County Authority must appoint to its Audit & Governance Committee at least one independent person and prospective amendments to the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 further provide that such person can only be appointed after the vacancy has been advertised in such manner as the Authority considers is likely to bring to the attention of the public and that person's appointment has been approved by a majority of the members of the Combined County Authority.
- 3.47 Therefore, it is recommended that delegation is given to the Interim Monitoring Officer to publicise the vacancy and to make a recommendation for appointment at a future Combined County Authority meeting.

### **Approving the Constitution**

- 3.48 The Combined County Authority is required to approve a governance framework that sets out how it is to operate, how decisions are to be made, and the procedures to be followed to ensure that decisions are transparent. The draft Constitution at **Appendix A** is proposed to the Combined County Authority for adoption.
- 3.49 The Constitution will certainly need to be developed further pending the election of the Mayor, as further legislation is put in place, and as any other functions transfer to the Combined County Authority. Further iterations of the Constitution will be brought to the Combined County Authority Board for approval. These iterations may include considerations around ensuring the Combined County Authority governance framework remains fit for purpose as the organisation evolves.
- 3.50 To enable this evolution a number of measures have been inserted into the proposed Constitution to ensure appropriate review around Board and Committee scope, membership, delegations and functions take place on an annual basis as a minimum.
- 3.51 The Board will note that by section 14(5)(a) of the Levelling Up and Regeneration Act 2023 in the case of a Mayoral Combined County Authority allows a simple majority that does **not** need to include the Mayor to consent to the review of the Constitution. In addition, that by section 14(5)(b) of the same Act amendments to the Constitution would require a majority in favour of changes proposed to include the Mayor.
- 3.52 It is proposed that for an interim period that:

- a. Financial Regulations of Derbyshire County Council are adopted whilst the Combined County Authority sets up its bank account arrangements and to provide scope for very early review and development once a Section 73 Officer is in place.
  - b. Procurement and Contract provisions of Nottinghamshire County Council are adopted to take account of the utilisation of Nottinghamshire provision of Procurement services support. This would also again provide scope for very early review and development once a Section 73 Officer is in place.
- 3.53 The Board will note that there are a number of references to policy and procedure in the draft Constitution that are yet to have been developed for this inaugural Board – the intent is to fill these gaps at the earliest opportunity, which include:
- Part 6: Member Allowances Scheme which will be developed and proposed to the Combined County Authority Board following a review by an Independent Remuneration Panel at the earliest opportunity.
  - Part 7: Management Structure which will be completed once the structure is agreed.
- 3.54 It is important that in these early days of the Combined County Authority the Monitoring Officer can keep the Constitution under review as there will be a requirement to make amendments as required, in the light of experience, operational requirements and policy development. It is proposed that the four Leaders of the Constituent Councils delegate:
- a. their ability to propose a review to the Constitution under section 14 of the Levelling Up and Regeneration Act 2023 to the Monitoring Officer; and
  - b. the acceptance of any proposed changes to the Monitoring Officer in consultation with the Leaders of the four Constituent Councils, pending the Mayor taking office at which point consultation would extend to the Mayor as well.
- 3.55 It is also proposed that upon the appointment of a permanent Section 73 Officer, the Financial Regulations, Procurement and Contract Standing Orders are reviewed to allow the officer the opportunity to propose any amendments.

### **Remuneration**

- 3.60 The Combined County Authority will need to establish an Independent Remuneration Panel to recommend allowances payable to the Mayor and others as appropriate.
- 3.61 The Combined County Authority may establish an independent remuneration panel to recommend a scheme to the Combined County Authority regarding the allowances payable to:
- (a) the Mayor;
  - (b) the deputy mayor provided that the deputy mayor is not a leader or elected mayor of a Constituent Council;
  - (c) independent persons appointed under article 5 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017(1); and
  - (d) members of the overview and scrutiny committee and members of the audit committee.
- 3.62 An independent remuneration panel must consist of at least three members none of whom:
- (a) is also a member of the Combined County Authority or is a member of a committee or sub-committee of the Combined County Authority or a member of a constituent council of the Combined County Authority or a member of a district council; or
  - (b) is disqualified from being or becoming a member of the Combined County Authority.
- 3.63 The Combined County Authority may pay the expenses incurred by the independent remuneration panel in carrying out its functions and may pay the members of the panel such allowances or expenses as the Combined County Authority may determine.

- 3.64 The Combined County Authority may only pay an allowance to the people listed in paragraph 3.59 above if the Combined County Authority has —
- (a) considered a report published by the independent remuneration panel which contains recommendations for such an allowance; and
  - (b) approved a scheme for the payment of the allowance providing that scheme does not provide for the payment of allowances of an amount in excess of the amount recommended by the independent remuneration panel.
- 3.65 The Combined County Authority must consider a report from the independent remuneration panel before approving a scheme. Subject to the above, as set out in the EMCCA Regulations, no remuneration is to be payable by the Combined County Authority to its members, other than allowances for travel and subsistence paid in accordance with a scheme drawn up by the Combined County Authority.
- 3.66 The intention will be to initially focus on the remuneration for the position of Mayor in order to ensure a report is brought back to the Combined County Authority at the earliest possible opportunity. The Independent Remuneration Panel would then continue its review into wider allowances in alignment with legislation and report back to the Combined County Authority again at the earliest opportunity.
- 3.67 The Combined County Authority is asked to delegate to the Interim Monitoring Officer the power to constitute an Independent Remuneration Panel for the purposes of a review as set out above. This delegation would include taking a decision on the approach to membership of the Panel and payment of reasonable allowances/expenses for the panel to perform its role.

### **Alternative Options**

- 3.68 This report sets out the governance arrangements and contains the proposals for the Combined County Authority constitution, which is legal requirement. There are a number of ways of creating committees that sit under the Combined County Authority to assist the discharge of the Combined County Authority functions.
- 3.69 It is proposed to adopt a pragmatic approach in creating a governance structure for day 1 of the Combined County Authority and then to review the initial structure on a periodic basis.

### **Mayoral Title**

- 3.70 Section 42 of the Levelling Up and Regeneration Act 2023 has a requirement entitled 'alternative mayoral titles. It requires the Combined County Authority, by resolution, to agree to:
- (a) provide that the mayor for the area of the CCA is to be known by the title of mayor, or
  - (b) change the title by which the mayor for the area of the CCA is to be known to an alternative title mentioned in subsection 2 of the Act.
- 3.71 The alternative titles are—
- (a) county commissioner;
  - (b) county governor;
  - (c) elected leader;
  - (d) governor;
  - (e) a title that the CCA considers more appropriate than the alternative titles mentioned in paragraphs (a) to (d), having regard to the title of other public office holders in the area of the CCA.
- 3.72 The Combined County Authority is required to detail the resolution in the notice of the meeting, with that resolution required to be passed by a simple majority of the Combined County Authority members who vote on it.
- 3.73 It is proposed that the Combined County Authority confirm that the mayor for the area be known by the title of the Mayor.

## **Assurance Framework**

- 3.74 The Combined County Authority requires an Assurance Framework that will set out how the East Midlands Combined County Authority will use public money responsibly, openly and transparently, and accountably to achieve best value for money for the East Midlands region. This is a requirement of the English Devolution Accountability Framework, which the proposed Local Assurance Framework was developed in accordance with, as well as the HM Treasury Green Book
- 3.75 The Shadow EMCCA Board approved it in January 2024 and it been subsequent endorsed by DLUHC. The Combined County Authority is asked to formally approve the Assurance Framework at **Appendix B** for adoption.

## **4. Appendices**

- 4.1 Appendix A – Draft East Midlands Combined County Authority Constitution
- 4.2 Appendix B – East Midlands Combined County Authority Assurance Framework

## **5. Implications**

### Financial Implications

- 5.1 The financial implications of creating the Combined County Authority and the additional funding that the Devolution Deal provides have been considered in previous reports to the constituent councils. This report sets out the proposed governance structure for the operation of the Combined County Authority and notes plans to create an Independent Remuneration Panel for recommending on allowances that can be paid to members.

### Legal Implications

- 5.2 The legal implications of the proposed Constitution are contained in the body of this report. Constitutional requirements are derived from the Levelling up and Regeneration Act 2023, the Combined County Authority Regulations 2024 and the Combined Authority (Overview and Scrutiny Committees, Access to information and Audit Committees) Order 2017, which are currently subject to prospective amendments, together with a variety of underpinning Local Government legislation applicable to Combined County Authorities. The approach to the development of the Constitution has been to develop an initial constitution to enable the Combined County Authority to function from day one of its operation but with the scope to develop and evolve those arrangements, within the legislative framework, once a Mayor has been elected into office and the operations of the Combined County Authority are scaled up.
- 5.3 The provision for any allowance scheme has been made within the budget

### Other Significant Implications

- 5.4 Wider implications of creating the Combined County Authority and obtaining additional funding and powers under the Devolution Deal have been considered in previous reports to the constituent authorities. This report looks purely at the governance arrangements for the Combined County Authority.

### Background Papers

- 5.5 The East Midlands Combined County Authority Regulations 2024: [The East Midlands Combined County Authority Regulations 2024 \(legislation.gov.uk\)](https://www.legislation.gov.uk)