

Combined County Authority Board		Agenda Item
Date	16 September 2024	12
Report Title	EMCCA Governance Evolution	
Accountable EMCCA Board Member	Claire Ward Mayor of the East Midlands Combined County Authority	
Accountable Chief Officer	Mark Rogers Interim Chief Executive	
Accountable Employee	Jodie Townsend Interim Director of Law & Governance and Monitoring Officer	
Report has been considered by	This report has been considered by the EMCCA Pre-Board process	
Key decision	No	
Public Report	Yes	
Voting Arrangements	By simple majority including the Mayor	

Recommendation(s) for action or decision:	
The Combined County Authority is recommended to:	
A	Approve the name change and expanded remit set out in the terms of reference for the Transport and Digital Connectivity Committee in Appendix A.
B	Approve the amended terms of reference for the Skills & Employment Committee in Appendix B.
C	Approve the amended terms of reference for the Investment Committee in Appendix C.
D	Approve the amended terms of reference for the Audit & Governance Committee Board in Appendix D.
E	Approve the amended terms of reference for the Business Advisory Board in Appendix E.
F	Approve the adoption of an Innovation Advisory Board within the committee structure and adopt the terms of reference in Appendix F.

1. Purpose

- 1.1 The Combined County Authority agreed in March 2024 the first version of the EMCCA governance framework, intended as a starter position to enable the establishment of committees and enable initial activity. There is now a need to evolve the framework further to take account of the Mayor taking office and to establish key governance foundations to direct decision-making and investment in the EMCCA context.
- 1.2 The report contains proposals for:
 - a. inclusion of the portfolio lead and deputy portfolio lead approach (as set out in item 11 of these Board papers) across all committee terms of reference; and
 - b. amendments to the committee structure, including the introduction of an Innovation Advisory Board terms of reference; and
 - c. integration of Inclusive Growth across all committee and advisory board terms of reference.
- 1.3 Proposals in this report evolve the governance framework to take account of the election of the mayor and give effect to principles of governance agreed by the board. They also *inter alia* deliver on the Board's previous steers to establish a forum to drive innovation across the region (an Innovation Advisory Board).
- 1.4 Agreement to the recommendations in this report will allow the first cycle of committee meetings to proceed effectively, providing clarity on remit, membership and alignment with the board portfolios and regional strategy programme.

2. Evolving Combined County Authority Governance Arrangements

- 2.1 The Combined County Authority Board considered and approved its initial governance framework on 20 March 2024, this was a minimal framework that would support the initial operation of the Combined County Authority and deliver on key principles agreed by the Constituent Councils during the development phase.
- 2.2 As planned, significant engagement has taken place with the Mayor following her election on the governance framework to ensure that the Combined County Authority has a fit for purpose governance framework, arrangements, and operating procedures in place to deliver on its functions, powers and agreed strategic framework.
- 2.3 Engagement has been further supported through informal discussions of this Board, engagement with Constituent Council Chief Executives and wider discussions with constituent and non-constituent council officers. The result of these discussions is a number of proposals to evolve the governance framework to provide a platform for wider and deeper engagement on strategy, investment, and delivery across the breadth of the regional agenda.

Alignment with Regional Strategy Programme

- 2.4 The Regional Strategy Programme (see item 6 of these board papers) sets out the approach to a developing a long-term strategy for the region underpinned by the principles of inclusive growth. The terms of reference for each (non-regulatory) committee have reference inserted to provide a consistent and clear role regarding supporting this programme of work.

Alignment with Portfolio Approach

- 2.5 The terms of reference for each (non-regulatory) committee have been amended to provide consistency with the proposed portfolio approach (in item 11 of these Board papers). Portfolio Leads will chair the relevant committee for their portfolio; Deputy Portfolio Leads will likewise vice-chair. Portfolios therefore provide link between the Board and its committees, a key principle agreed by the Combined County Authority on 20 March 2024.

- 2.6 Voting arrangements at committees are determined not by the assignment of portfolios but by the regulations and constitution, which allow the Mayor and constituent members of the Combined County Authority to vote. Portfolio Leads and/ Deputy Portfolio will have a vote on a committee if they are members of a constituent council.
- 2.7 Portfolio Leads and Deputy Portfolio Leads are appointed to Committees as representatives of the Board and as representatives of their constituent or non-constituent councils. Their role is to drive each portfolio area, provide a link between the Board and the committee, and ensure committees are operating within the strategic framework set by the Board.
- 2.8 The terms of reference for each (non-regulatory) committee have also had consistent text inserted to provide clarity on the role of the Portfolio for Farming & Rural Communities and the requirement to support outcomes for farming & rural communities. The text inserted ensures a recognised responsibility of the committees to have regard of the view of this Portfolio Holder as and when appropriate.

Amendments to the Committee Structure

- 2.9 Amendments are proposed to the committee structure to evolve the framework as follows.

Committee terms of reference

- 2.10 The terms of reference for all (non-regulatory) committees and the two advisory boards (business and innovation) include the proposals above on alignment with regional strategy programme (para 2.4) and give effect to the portfolio approach (para 2.5 to 2.8). These terms of reference also include a small number of amendments intended to clarify the remit, following engagement with officers in EMCCA and the constituent councils.
- 2.11 Amendments also clarify the role of the Audit and Governance Committee as it relates to the constitution, governance and assurance, and the annual accounts.

Transport and Digital Connectivity

- 2.12 It is proposed to change the name and widen the remit of the transport committee to include digital connectivity. This change recognises the priority of improved digital connectivity for the region.
- 2.13 The principal focus of the committee will remain transport, specifically the transition of transport powers and the development of an area-wide Local Transport Plan and investment programme. There are also opportunities in discussions around transport connectivity and infrastructure that the digital connectivity agenda could benefit from being within scope.

Delegation and the Role of the Committees

- 2.14 To reflect the ongoing development of the regional work programme – including having agreed an initial Strategic & Investment Framework and work programme in March 2024 – and to enable committees to operate effectively in support of the Board, the terms of references for the (non-regulatory) committees include a small number of proposed delegations for the Skills & Employment and the Transport and Digital Connectivity Committees.
- 2.15 All constituent council Leaders supported the notion that delegations would be needed at committee level during the early evolution of the governance framework, discussions with the Mayor, Leaders and officers identified an expectation that delegation proposals would be presented to Board at this meeting.
- 2.16 These delegations are set to be in line with the agreed principle that only the Board makes decisions on regional strategy, budget and policy framework, investment decisions and the investment pipeline. This principle establishes the Board as a strategic body to be supported by its committees who develop proposals for its consideration and are engaging in assurance on delivery. The committees reduce the burden on Board for spending time on more operational activity.
- 2.17 The proposed delegations follow from the core roles of the (non-regulatory) committees to:

- a. Convene regional thematic leads to provide strategy advice and guidance.
 - b. Develop strategy/policy/investment proposals for Board consideration (and overseeing implementation of those agreed by the Board).
 - c. Provide thematic direction and support in the exercise of Combined County Authority and Mayoral functions.
 - d. Engage and seek advice from a range of key thematic stakeholders and partners.
 - e. Support the development of the Regional Strategy Programme.
 - f. Provide advice, guidance, and challenge to the Portfolio lead (who is leading on the agreed Board agenda).
- 2.18 The proposed delegations to the Transport and Digital Connectivity Committee are:
- a. Design and approve the public consultation for the area-wide Local Transport Plan.
 - b. Oversee the allocation of Government transport funding for Integrated Transport and Highway Maintenance (both the Needs and Incentive elements) Block funding and Pothole fund, and additional highway maintenance capital funding provided by Government.
 - c. Nominate CCA representatives onto transport bodies.
- 2.19 The proposed delegations to the Skills & Employment Committee are:
- a. Approve the operation of the Adult Skills Fund, this includes the annual agreement of 'draft' and 'final' ASF Funding Rules and Rates, as well as approval and operational oversight of the Adult Skills Fund and Skills Boot Camp programme plans.
- 2.20 The delegations above are proposed to support the effective operation of thematic business whilst complying with the principle of alignment, therefore operating within the budget and policy framework, the investment framework and the strategic framework agreed by the Combined County Authority Board.
- 2.21 Noting the proposals above the Combined County Authority Board is asked to approve the following amended terms of reference:
- Appendix A – Transport & Digital Connectivity Committee
 - Appendix B – Skills & Employment Committee
 - Appendix C – Investment Committee
 - Appendix D – Audit & Governance Committee
 - Appendix E – Business Advisory Board

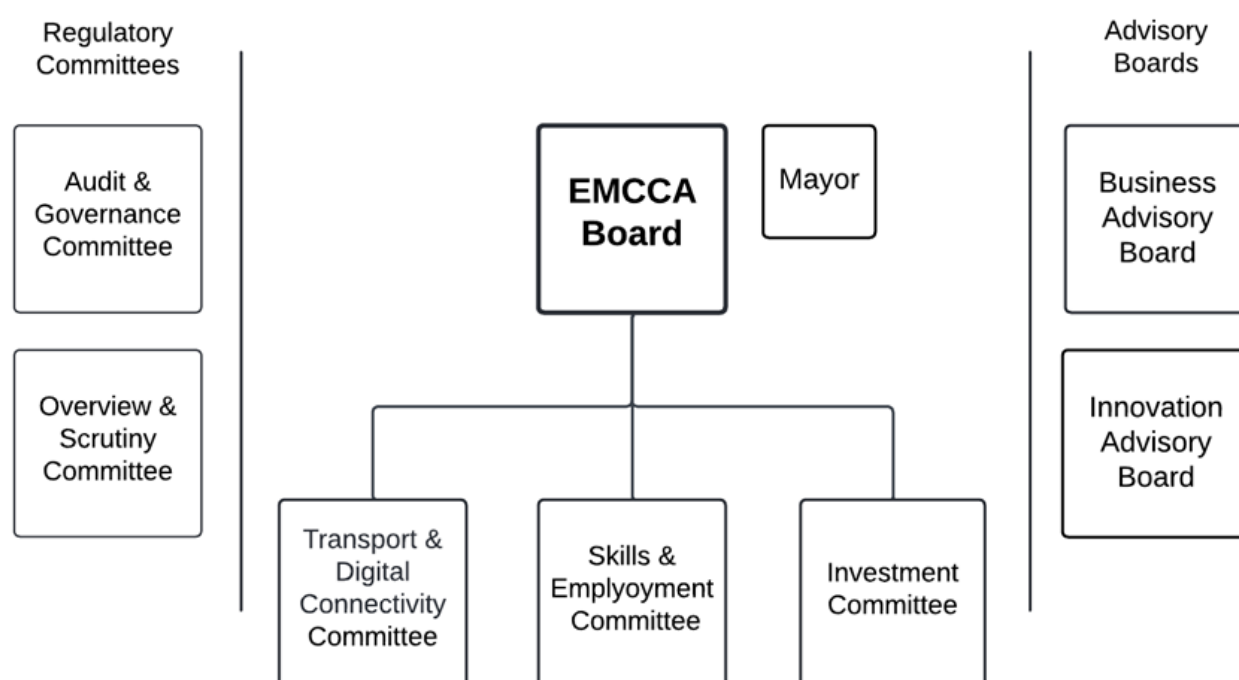
Innovation Advisory Board

- 2.22 The Combined County Authority has previously agreed to establish a forum to drive innovation across the region through an Innovation Advisory Board. Following engagement with partners, it is proposed the board is established with terms of reference in **Appendix F**.
- 2.24 The Innovation Advisory Board will provide strategic advice on innovation activity and investment in the region, providing capacity and driving a strategic conversation for this priority area and make recommendations to the Combined County Authority and the Mayor in consultation with wider committees as appropriate.
- 2.25 The membership of the Innovation Advisory Board would be sought from key players in the innovation space. Membership will be external from the elected members of constituent councils and reflect the Business Advisory Board model, noting the advisory capacity within which this body would operate.
- 2.26 The Innovation Advisory Board Chair will be nominated by the Mayor and confirmed by the Combined County Authority Board. In the absence of the appointed Chair the Innovation Advisory Board will appoint a Chair for the meeting membership as set out in Appendix F.
- 2.27 Subsequently the chair of the Innovation Advisory Board would be nominated on an annual basis by the Mayor, for consideration and approval by the Combined County Authority Board.

3. Background

- 3.1 The Combined County Authority Board considered and approved its initial governance framework on 20 March 2024. This followed a significant process of co-design and co-development between EMCCA Officers and constituent councils.
- 3.2 That development process sought to initially limit the number of governance bodies and ensure structure is easy to understand through a consistency of approach, keep strategic decision-making at Board level, ensure that all Constituent Councils are equal within the framework (reflect equality through voting just amongst constituents), and create a constitution that has the ability to be flexible as the Combined County Authority evolves.
- 3.3 The development process accepted that delegations to committees were anticipated to come later with the transition of powers and development of strategy. The aim of this report is to propose enhancements and alignments that aim to confirm the required and expected evolution of the EMCCA governance framework, building on the initial starter version and the steer provided at the July informal leaders meeting.
- 3.4 If the proposals within this report are accepted the committee structure of the Combined County Authority would be as follows:

Illustration A: Committee Structure based on proposals



- 3.5 Key to each committee will be the operation of a Technical Officer Group (TOG) which will consist of the lead thematic EMCCA and constituent officers alongside key officers and partners from non-constituents and stakeholders.

4. Appendices

- 4.1 Appendix A
 - Connecting Communities Committee Terms of Reference
- 4.2 Appendix B
 - Homes for All Committee Terms of Reference
- 4.3 Appendix C
 - Skills & Employment Committee Terms of Reference
 - Investment Committee Terms of Reference
- 4.4 Appendix D

- Audit & Governance Committee Terms of Reference
 - Business Advisory Board Terms of Reference
- 4.5 Appendix E
- Innovation Advisory Board Terms of Reference

5. Implications

Financial Implications

- 5.1 There are no direct financial implications arising from this report. The proposals do not include any recommendations that impact the level of allowances that can be paid to committee membership under existing regulations.

Legal Implications

- 5.2 Part 4 of the constitution sets out the reserved functions for the Combined County Authority Board, these reserved functions include a number of governance responsibilities that include the adoption and amendment of the Constitution (other than changes delegated to the Monitoring Officer), and establishment and membership of Committees.
- 5.3 These proposals therefore require the approval of the Combined County Authority (Board) for adoption and implementation.
- 5.4 The East Midlands Combined County Authority Regulations 2024 set out the membership requirements for the Combined County Authority. The proposals within this report are in accordance with those regulations and the constitution.
- 5.5 The legal implications as they relate to constitutional amendment 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 (as amended 2024), together with a variety of underpinning Local Government legislation applicable to Combined County Authorities.

Other Significant Implications

- 5.6 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

- 5.7 [The East Midlands Combined County Authority Regulations 2024 \(legislation.gov.uk\)](https://legislation.gov.uk)
- 5.8 20 March 2024 Board Report – Combined County Authority Governance [Item 5 - Governance and Constitution Report.pdf \(derbyshire.gov.uk\)](#)