

Date: 29 June 2018

Subject: GMCA Governance and Constitution

Report of: Liz Treacy, Monitoring Officer

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## **PURPOSE OF REPORT**

To report and confirm governance changes.

To report and note the decisions of the Corporate Issues and Reform Overview & Scrutiny Committee made at its meeting on 19 June 2018 and seek approval to an amendment to its call-in arrangements in relation to its budget scrutiny role.

To report the Monitoring Officer's review of Parts 1 to 5 of the GMCA's Constitution and recommend amendments.

Weblink to the Amended Constitution (Item 4A) below:

[https://www.greatermanchester-ca.gov.uk/meetings/meeting/514/greater\\_manchester\\_combined\\_authority](https://www.greatermanchester-ca.gov.uk/meetings/meeting/514/greater_manchester_combined_authority)

## **RECOMMENDATIONS:**

The GMCA is asked to:

1. Transport
  - a. Confirm the size of TFGMC as 23 members
  - b. Agree to amend the Operating Agreement to reflect these changes
  - c. Note that the Terms of Reference of TfGMC will be reviewed to ensure that they reflect the Mayor's current transport powers with a further review in 2019/20 to reflect proposed powers.
  - d. Request Districts to:
    - Agree the size of TfGMC as 23 members
    - Appoint 1 member to TfGMC, save for MCC to appoint 2 members, and nominate 1 member to be appointed by GMCA to ensure political balance.
    - Note that the remaining 2 appointments are 1 member appointed by GMCA and 1 member appointed by the Mayor

- Agree to amend the Operating Agreement to reflect these changes
- Note that the Terms of Reference will be reviewed to ensure that they reflect the Mayor's current transport powers with a further review in 2019/20 to reflect proposed powers.

## 2. Waste

- Confirm the name of the committee as the Waste and Recycling Committee
- Confirm that the committee will comprise of 15 members
- Confirm the purpose, role and function of the committee as set out in the report
- Confirm the delegations the Head of Paid Service as set out in the report

## 3. Delegations to Resources Committee/ Head of Paid Service

- Approve the amendments to the Resources Committee and Head of Paid Service delegations in respect of severance payments as set out in the report.

## 4. Delegations on Investment Fund decisions

- Approve the delegations to the Head of Paid Service in consultation with the relevant Portfolio Holder in respect of Investment Fund decisions set out in the report.

## 5. Delegations – Land and Property

- Approve the delegations to the Head of Paid Service in consultation with the relevant Portfolio Holder in respect of Land and Property matters set out in the report.

## 6. Corporate Issues and Reform Overview & Scrutiny Committee

- Note the decisions of the Corporate Issues and Reform Overview & Scrutiny Committee in relation to the operation of the 'Key Decision' process.
- Approve the proposed amendment to the committee's call-in arrangements in relation to its budget scrutiny function.

## 7. Audit Committee

- Approve an amendment to the composition of the Audit Committee to provide for the appointment of two substitute co-opted elected members who may be invited to attend as full members of the Audit Committee when apologies have been received. Substitute members to be appointed from the nominations received from constituent councils following their annual meetings and will be politically inclusive.

## 8. General

9.

- a. Approve amendments to Parts 1 to 5 of the Constitution to give effect the above decisions, the Mayor's decision in relation to the Fire Committee and the Monitoring Officer's general review of the Constitution. New wording appears in bold in the revised version in the attached link.[\[link\]](#)
- b. Authorise the Monitoring Officer to make any changes of a typographical nature to the Constitution.

**CONTACT OFFICERS:**

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## 1. INTRODUCTION

- 1.1 The GMCA considered a report of the Mayor at its meeting on 27 April 2018 on GMCA Governance Review.
- 1.2 The Corporate Issues and Reform Overview & Scrutiny Committee considered a report of the Monitoring Officer at its meeting on 19 June 2018 regarding key decisions and budget scrutiny arrangements.
- 1.3 As a result of the above, and following a year of operation of the new constitution, the Monitoring Officer has reviewed the GMCA's constitution and recommends amendments.

## 2. TRANSPORT

- 2.1 Members will recall that the GMCA in April considered a report on future governance arrangements including for transport and agreed -
  - To request Districts to consider the functions, size and membership of TfGMC as a joint committee of the Districts, the CA and the Mayor.
  - To agree to determine the re constitution of TfGMC at the June CA AGM.
  - To request Districts to make appointments to the existing TfGMC at their annual meetings for the period May-July 2018, and that those appointments include the Transport Portfolio holder in each district.
- 2.2 The April report also set out the reasons for that proposal. In particular that

*Through a series of devolution deals, the Mayor and GMCA now have a broad range of responsibilities, of which transport is just one. At the same time, a new Greater Manchester Strategy is now in place with newly defined priorities recognising the important role of transport in connecting people to jobs and opportunities both at a local and city region level. These changes present an opportunity to reflect on existing transport governance arrangements, the new powers of the Mayor and the GMCA and the joint working with Districts to ensure they are transparent, accountable, modern and efficient.*
- 2.3 Districts have now had the opportunity to consider the arrangements for 2018/19 and it is proposed that TfGMC remains as a joint committee but reduces in size to 23 members. The joint committee route is necessary if transport is to be dealt with in an integrated way with delegated authority from each district to carry out some of its transport functions. The committee also requires members with detailed local knowledge of their area to respond to for example proposed changes in bus services routes.
- 2.4 As TfGMC is a joint committee of the districts, the CA and in future the Mayor the proposal is that the 23 members are made up of one each from the districts with 2 from Manchester based on population (and therefore financial contribution to the levy); one from the CA; one appointed by the Mayor, with a

further ten members nominated by the districts and appointed by the CA to reflect political balance across GM. Districts are requested to appoint their Transport and Highways Portfolio Leads to TfGMC as the committee is carrying out delegated functions of all parties.

- 2.5 The Operating Agreement and Terms of Reference of the Committee will be reviewed and reported back to the CA and districts in July. A further review will take place for 2019/20 when the final Mayoral transport powers are agreed by Order.

### **3. WASTE FUNCTIONS**

#### **3.1 Committee – Name, Terms of Reference and Delegations**

- 3.2 At the April meeting Members agreed that the Committee would comprise of between 12 and 15 members appointed by the GMCA from the elected members of the Constituent Councils except Wigan.

On the basis of the current political make up of Districts a committee of 15 without Wigan would comprise 11 Labour, 3 Conservative, 1 Liberal Democrat members.

Members are asked to determine the size of Committee as 15.

- 3.3 Members are asked to appoint the Chair of the Committee.

- 3.4 It is proposed that the Committee's purpose is:

- To consider issues relating to the establishment and implementation of waste disposal strategies and policies of the GMCA.
- To oversee issues relating to the efficient and effective management of waste disposal operations including contracts and the behavioural change programme.

- 3.5 In view of its purpose, Members are asked to confirm the Committee's name as the Waste and Recycling Committee.

- 3.6 It is proposed that the Committee has the following role and functions -

- The Committee is authorized by the GMCA to discharge any waste disposal functions, except for:
  - a) setting the waste levy;
  - b) setting the waste capital programme including determining sources of funding;
  - c) approval of additional capital schemes which exceed £0.5m or are to be funded other than through the approved revenue budget (i.e. capital receipts or borrowing);
  - d) approving the Waste and Resources Strategy;

- e) approving the basis of the Levy Allocation Methodology Agreement; and
  - f) approving the award of contracts where the value of the contract exceeds £10m.
- To be consulted by the GMCA prior to the setting of the GMCA's general budget proposals insofar as it relates to the funding of the waste disposal functions.
  - To receive quarterly financial monitoring reports relating to waste disposal during the year.
  - 'Waste disposal functions' are those conferred on the GMCA as a 'Waste Disposal Authority' by, or by virtue of any enactment.
  - The Chair will present matters to be considered by the GMCA on all items covered by the Committee's remit.

### **3.7 Officer Delegations**

It is proposed that the Head of Paid Service is given general delegated power for day to day operation of waste disposal functions. Existing delegated powers to Chief Officers would apply to waste disposal functions.

## **4. RESOURCES COMMITTEE & OFFICER DELEGATIONS**

### **Severance**

4.1 The Resources Committee has delegated power -

- To make decisions in relation to severance packages of less than £95,000.

4.2.1 Chief Officer delegations do not currently make any provision for the agreement of severance packages. Members are requested to delegate authority to the Head of Paid Service in consultation with the Treasurer to agree severance packages to the value of £60,000. The Resources Committee delegation will be amended accordingly i.e. above £60,000 and less than £95,000.

## **5. CHIEF OFFICER DELEGATIONS IN CONSULTATION WITH PORTFOLIO LEAD**

### **5.1 Investment Fund Delegations**

5.2 Investment fund decisions are made by the full GMCA. However, loan approvals are ordinarily sought at an early stage in a project development

process and costs and values may increase during the process resulting in variations to the loan amount. There may also be variations to other terms.

It recommended that authority is delegated to the Head of Paid Service in consultation with the relevant Portfolio Holder to:

- vary loans approved by the GMCA by up to 10% of the loan amount and to vary other loan conditions provided that the loan is to the same borrower on substantially the same terms.

### 5.3 Land and Property

5.4 The Head of Paid Service has delegated authority to accept any offer or tender and agree and arrange for, the disposal of land or property and other interests in land or property provided the offer or tender does not exceed £500,000 and is the best consideration that can reasonably be obtained.

5.5 Members are requested to delegate authority to Head of Paid Service, in consultation with the relevant Portfolio Holder, to dispose of any interest in land at less than best consideration where the disposal will help the GMCA to secure the promotion or improvement of the economic, social or environmental well-being of the GMCA's area.

## 6. KEY DECISIONS AND BUDGET SCRUTINY PROCESS

6.1 The Corporate Issues and Reform Overview & Scrutiny Committee made the following decisions at its meeting on 19 June 2018.

**The following categories of delegated decisions to officers do not constitute key decisions as in each case they are about the implementation of a previous key decision agreed by the GMCA and/ or the Mayor, which scrutiny has had the opportunity to review:**

- (i) any decision to borrow money to meet the short term borrowing requirements of the GMCA, to fund the approved capital programme, to refinance maturing debt or to restructure the long term borrowing of the GMCA in line with the provisions of the Treasury Management Strategy;
- (ii) any decision to invest funds in accordance with the Treasury Management Strategy approved by the GMCA;
- (iii) the acceptance of tenders for contracts wholly or mainly involving capital expenditure where the GMCA's approval to the detailed capital scheme has previously been issued.

**The GMCA's financial threshold of £500,000 for key decisions is amended to exclude decisions in the following categories:**

- (i) the settlement of any actual or threatened legal proceedings in the interests of the GMCA, subject to the committee receiving a report at its next suitable meeting in the event of such a settlement;

(ii) the payment of 'passported' grants from central government whose grant conditions include express instructions on how and where monies are spent, so that the GMCA or the Mayor are unable to vary any aspect of the payment of that grant.

Note: Currently the Bus Service Operators Grants fall within this category.

**The Corporate Issues and Reform Overview & Scrutiny Committee's Call-In Arrangements be amended in relation its Budget Scrutiny function as follows:**

**Budget Scrutiny**

Provided that the views and recommendations (if any) of the Corporate Issues & Reform Overview & Scrutiny Committee on the proposals for the Transport levy, Waste levy and statutory contributions, non-mayoral GMCA Budget, Mayor's draft General Budget and Mayoral combined authority precept have been formally reported to both the Mayor and the GMCA and considered by them, the decisions of the GMCA to set the annual budgets, levies and precept shall not be susceptible to call in.

A report shall be provided to the next meeting of the Corporate Issues & Reform Overview & Scrutiny Committee if its recommendations are not substantially accepted.

- 6.2 Members are asked to note the decisions of the Corporate Issues and Reform Overview & Scrutiny Committee in relation to 'Key Decisions' and approve the proposed amendment to the committee's call-in arrangements in relation to its budget scrutiny function.

**7. AUDIT COMMITTEE**

- 7.1 The membership section of the Audit Committee's terms of reference has been amended to specify that members and substitute members of the GMCA cannot be members of the Committee (in addition to Assistant Portfolio Holders which is currently mentioned).

- 7.2 Further, to provide for the appointment of two substitute members to the Audit Committee, given the high threshold for quorum and experience of substitutes having worked well with Overview and Scrutiny Committees.

**8. RECOMMENDATIONS:**

The recommendations are set out at the beginning of this report.