

**COUNCIL**

24th November 2016

**PRESENT** – The Mayor; Councillors Carson, Cartwright, Copeland, Coultas, Crichlow, Crudass, Crumbie, Mrs. Culley, Curry, Dixon, Donoghue, Grundy, Harker, I. Haszeldine, C. L. B. Hughes, L. Hughes, Johnson, Kane, Kelley, Kelly, Knowles, Lawton, Lyonette, McEwan, Mills, Newall, K. Nicholson, Regan, E. A. Richmond, S. Richmond, A. J. Scott, Mrs. H. Scott, Storr, C. Taylor, Tostevin, Wallis and Wright. (38)

**APOLOGIES** – Councillors Baldwin, Cossins, Galletley, L. Haszeldine, Mrs. D. Jones, Lee, Lister, M. Nicholson, Nutt, Stenson, J. Taylor and York. (12)

**32. MINUTES** – Submitted – The Minutes (previously circulated) of the meeting of this Council, held on 29 September 2016.

**RESOLVED** – That the Minutes be approved as a correct record.

**33. DECLARATIONS OF INTEREST** – It was noted that Councillors Dixon, Harker, I. Haszeldine, C. L. B. Hughes, Kane, Mrs. H. Scott and Wallis each had a Non-Pecuniary interest in Minute 37(3) below, as members of the committees of the Tees Valley Combined Authority.

**34. ORDER OF SEALING DOCUMENTS** – Presented – The Register showing the documents which had been sealed since the last meeting of Council.

**35. ANNOUNCEMENTS – (1) Death in Service** – The Mayor announced the Death in Service of Philip Hornby on 2 November 2016. Mr. Hornby was employed as a as a Contact Support Officer and was a valued member of the Supervised Contact Service within Children’s Services. The Mayor reported that Mr. Hornby was 68 years old and joined the Council in June 1996.

As a mark of respect, Members held a short silence in memory of Philip Hornby.

**(2) North East Volunteer Awards** – The Mayor advised that two of the Council’s longest serving volunteers had been acknowledged as ‘Highly Commended’ in the ‘Engaging the Audience’ category, at the North East Volunteer Awards.

It was reported that Bryan Degnan and Richard Wimbury volunteered at ‘Head of Steam’ throughout the year, and engaged in the activities of the museum in many different ways. The Mayor stated that Bryan and Richard would be presented with their awards on 26 November 2016, at an event being held at the Great North Museum.

**36. QUESTIONS – TO ANSWER QUESTIONS (WHERE NOTICE HAS BEEN GIVEN) FROM – (1) The Public** – There was one question, with notice, from a member of the public, who received an answer thereon.

**(2) Members to Cabinet/Chairs** – There were no questions from Members, where notice had been given, for the Mayor, Members of the Cabinet, or the Chairs of the Scrutiny Committees.

**(3) Police and Crime Commissioner for Durham and Darlington** – The Mayor reported that the Police and Crime Commissioner for Durham and Darlington, had submitted his apologies for the meeting.

**37. COUNCIL REPORTS – (1) Appointment of Local External Auditors** – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) to inform Members of the options for the appointment of local external auditors under new arrangements, and sought approval for the preferred option.

The submitted report stated that the Local Audit and Accountability Act 2014 brought to a close the Audit Commission on 31 March 2015, and gave Councils the freedom to appoint local external auditors. It was reported that the Council's current external audit contract ran up to, and including, the audit of accounts for the financial year 2017/18, which meant that the Council needed to appoint their local external auditors by 31 December 2017.

Members were advised that there were broadly two routes that the Council could follow for the appointment of external auditors under the Local Audit and Accountability Act, and these were outlined within the submitted report.

**RESOLVED** – That the Council opts into the sector led body Public Sector Audit Appointments Limited (PSAA) for the appointment of local external auditors.

**REASON** – To progress the process for the appointment of local external auditors in accordance with required timescales.

**(2) Chief Executive's Appraisal** – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) to endorse the recommendation of the Appraisal Sub-Group (a subsidiary body of the Human Resources Committee) in respect of the Chief Executive's Performance Appraisal.

The submitted report outlined the recommendation of the Appraisal Sub-Group.

**NOTE:** Councillor K. Nicholson abstained from voting on this item.

**RESOLVED** – That Council note that the Chief Executive's Appraisal for 2015/16 has been satisfactorily undertaken by the Appraisal Sub-Group and that there are no issues which need to be discussed in more detail.

**REASON** – To enable the appraisal to be confirmed.

**(3) Tees Valley Mayoral Constitution** – The Chief Executive submitted a report (previously circulated) to advise Members of the procedure that will be followed

for the making of the Order that sets out the powers of the Mayor of the Tees Valley Combined Authority.

The submitted report provided details of the proposed revised Tees Valley Combined Authority Constitution, with amendments to make provision for the role of a Mayor for the Tees Valley Combined Authority. It was reported that the Devolution Deal for the Tees Valley was signed by the five Tees Valley authorities on 23 October 2015, and that the new Tees Valley Combined Authority subsequently came into being on 1 April 2016. It was stated that, as part of the devolution deal, there was a requirement for a directly elected mayor.

Members were informed that in July 2016, the Order establishing that an election for a mayor for the Tees Valley Combined Authority would take place on 4 May 2017, was laid before Parliament, and that a further Order (The Tees Valley Combined Authority (Constitution) Order 2016) which outlined the powers of the Mayor, now needed to be laid before Parliament. It was reported that in order for this to happen, all five constituent Councils needed to give their consent.

The submitted report also set out details of proposed changes to the Tees Valley Combined Authority's constitutional arrangements to incorporate a mayor for Tees Valley Combined Authority, and enact the devolution of powers and responsibilities in the Tees Valley devolution deal.

**RESOLVED** – (a) That the progress made to date concerning the development of the Tees Valley Combined Authority be noted.

(b) That the arrangements for giving the Authority's consent to the making of an Order establishing the powers of the Tees Valley Mayor, and the report submitted to Cabinet about this on 25 November 2016, be noted.

(c) That consideration be given to the content of the draft Mayoral Combined Authority Constitution, as detailed in Appendix 2 of the submitted report, to enable Members' comments to be taken into account by Cabinet and the Combined Authority when reaching decisions on approval of the new Constitution.

**REASONS** – (a) Consent from the constituent councils of the Tees Valley Combined Authority is required by Government before legislation setting out the devolved powers and governance arrangements for the Tees Valley Combined Authority can be laid before Parliament.

(b) To enable the Tees Valley Combined Authority to update the Constitution to reflect legislation relating to the powers and functions for a Mayoral Combined Authority and the constitutional arrangements agreed locally.

**(4) Investment Opportunities** – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) seeking approval for the Council to engage in investments where such investment would deliver good rates of return and/or achieve Council priorities.

The submitted report stated that the Council faced a challenging financial position, and should continue to seek to maximise income where appropriate. It was reported that current investment returns through the Treasury Management Strategy were low, and that opportunities beyond traditional investment existed, which the Council may, from time to time, wish to take up where the risk is appropriate and the returns were good. The submitted report also stated that such opportunities may arise which were aligned to Council policy objectives, such as loans to attract business or develop sites. Members were informed that Cabinet had agreed such an investment opportunity, and had become a member of a Joint Venture Company to develop a housing site.

An amendment to the recommendations moved by Councillor Harker was moved by Councillor Johnson, seconded by Councillor Mrs. H. Scott, and lost.

“To delete the recommendations moved by Councillor Harker and substitute with the following:

‘That approval of the investments be deferred to enable the Efficiency and Resources Scrutiny Committee to clarify all relevant proposals before Council approval.’”

A named vote on the amendment was requested, and was taken of those Members present at the meeting, and there appeared:-

**For the Amendment** – Councillors Cartwright, Coultas, Crudass, Mrs Culley, Curry, Donoghue, Grundy, Johnson, Kelley, Lawton, Mills, K. Nicholson, E. A. Richmond, Mrs. H. Scott and Tostevin. (15)

**Against the Amendment** – Councillors Carson, Copeland, Crichlow, Crumbie, Dixon, Harker, I. Haszeldine, C. L. B. Hughes, L. Hughes, Kane, Kelly, Knowles, Lyonette, McEwan, Newall, Regan, S. Richmond, A. J. Scott, Storr, C. Taylor, Wallis and Wright. (22)

**Abstentions** – The Mayor. (1)

**Amendment Lost.**

A vote was subsequently taken on the substantive motion.

**RESOLVED** – (a) That a £10m capital investment fund be established.

(b) That the operation of the capital investment fund be delegated to Cabinet.

(c) That the management of the financial implications of the investment fund, within the parameters of the Medium Term Financial Plan, be delegated to the Director of Neighbourhood Services and Resources.

**REASONS** – (a) To allow Council to take up opportunities to gain investment returns.

(b) To enable Cabinet to consider detailed proposals many of which will be commercially sensitive.

(c) To allow the investment fund to be established and financed.

**38. CABINET REPORTS – (a) Overview Reports of Cabinet Members –** The Cabinet Members each gave a report (previously circulated) on the main areas of work undertaken under their relevant portfolio during the previous cycle of meetings. Cabinet Members answered questions on their portfolios.

**(b) Council Tax Support – Scheme Approval -** The Director of Neighbourhood Services and Resources submitted a report (previously circulated) to approve the Council Tax Support (CTS) scheme for 2017/18.

The submitted report stated that Councils are required to set a CTS scheme each year, and as part of that exercise they must consider whether any changes should be made to any existing scheme, and, where changes are made, consider what transitional protection, if any, should apply to anyone affected by those changes. The submitted report outlined the details of the proposed CTS scheme for 2017/18, which had been considered and endorsed by Cabinet at its meeting held on 8 November 2016.

**RESOLVED –** (a) That the contents of the submitted report be considered.

(b) That the CTS scheme for 2017/18, as detailed in Appendix 1 of the submitted report, be approved.

**REASONS –** (a) The Council is required to publish a local CTS scheme for 2017/18 by 31 January 2017.

(b) The CTS schemes since 2013/14 have all been implemented successfully without any major challenges.

(c) The financial position of the Council has not improved and therefore the continued application of a reduced entitlement for working aged people is still appropriate.

**39. SCRUTINY REPORTS – OVERVIEW REPORTS –** The five Scrutiny Committee Chairs each submitted a report (previously circulated) on the main areas of work undertaken by their relevant Scrutiny Committee during the last cycle of Committee meetings.

**40. MEMBERSHIP CHANGES –** Consideration was given to membership changes of the Committees, Subsidiary Bodies and Other Bodies for the remainder of the Municipal Year 2016/17.

**RESOLVED –** (a) That Councillor Carson be appointed to the vacancy for a named substitute on the Transport Committee of the Tees Valley Combined Authority.

(b) That Councillor McEwan be appointed to the vacancy on the Tees Valley Land Commission.

(c) That the Cabinet Member with Children and Young People Portfolio, Councillor C. L. B. Hughes, and the Leader of the Council, Councillor Dixon, be appointed to the North East Strategic Migration Partnership.

(d) That Councillor Mills be appointed to the Adults and Housing Scrutiny Committee, in place of Councillor Grundy.

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