



North Wales Economic Ambition Board

30 September 2022

TITLE: North Wales Corporate Joint Committee (CJC)
– Part-time Secondment of the EAB Portfolio Director as interim CJC Chief Executive

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1. PURPOSE OF THE REPORT

- 1.1. The report presents a request by the North Wales Corporate Joint Committee (CJC), to the North Wales Economic Ambition Board (EAB), to release part of their Portfolio Director's time to fulfil the CJC Chief Executive's role, initially on a temporary basis until 31 March 2023. This proposal is supported by all six North Wales Council Chief Executives.

2. DECISION SOUGHT

- 2.1. That the EAB consider the following recommendations and proposed arrangements:
- That the EAB supports the CJC's request to release the Portfolio Director's time for two days per week until 31 March 2023 on a part time secondment basis to undertake the Interim Chief Executive role.
 - That all associated employment and associated costs are covered by the North Wales CJC
 - To delegate authority to the Portfolio Director in consultation with Chair and Vice-Chair of the EAB to agree on the re-allocation of responsibilities within the Portfolio Management Office (PMO) in order to ensure that the proposed interim arrangements support the PMO priorities and responsibility to all the EAB partner organisations.

3. REASONS FOR THE DECISION

- 3.1. Having regard to the in-principle decision of the Councils to transfer the functions of the North Wales Economic Ambition Board to assist the North Wales region in establishing the CJC, and to ensure that the EAB's interests are safeguarded as the CJC moves forward.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. At the 17 June CJC meeting, it was agreed to extend the CJC's statutory officer appointments made at the 14 January CJC meeting, i.e. the Chief Executive Officer (Dafydd Gibbard), Chief Finance Officer (Dewi Morgan) and Monitoring Officer (Iwan Evans) being provided by Gwynedd Council, and to approve the ongoing arrangements for Gwynedd Council to provide support services for the CJC.
- 4.2. The 22 July CJC meeting considered an options appraisal for filling the CJC's Chief Executive Officer role. It was agreed to submit a request to the EAB to release part of their Portfolio Director's time to fulfil the CJC's Chief Executive role on a secondment basis until 31 March 2023. This way forward considers an assumption that the EAB may be incorporated as part of the CJC in the future.

- 4.3. As noted in the September CJC Update (Appendix 1), there are a number of outstanding matters to resolve, along with the work required to operationalise the powers held by the CJC. This proposal presents a way forward which enables the EAB's Portfolio Director to play a key role in leading and influencing the work which will facilitate the assumed future transition of the regional PMO (including the Growth Vision and Growth Deal) currently being delivered by the PMO for the North Wales Economic Ambition Board, into the CJC.
- 4.4. The proposed interim secondment arrangement will help determine and set out the options to resolve the CJC's Chief Executive's role on a more permanent basis from April 2023. During the secondment period, progress can be made to establish the Planning and Transport sub-committees, and identify the resources required to discharge the CJC's initial duties.
- 4.5. The CJC recognise and support the need to make appropriate budgetary and operational arrangements to ensure that the work of the Portfolio Director in leading the PMO and delivery of the Growth Deal is not impacted by this proposed interim arrangement.

Opportunities and Risks

- 4.6. The proposed way forward presents an opportunity to create cohesion between the EAB and the CJC and to ensure that the EAB's interests are represented and safeguarded as further development and implementation of the CJC moves forward. The key opportunities and risks to be managed are noted below:
 - An existing working assumption determines that the EAB and regional PMO could be incorporated within the CJC in future. The part-time secondment of the Portfolio Director would ensure that the Growth Deal and Growth Vision continue to be delivered during and after that transition, with turbulence minimised.
 - The EAB's Portfolio Director's involvement in establishing the CJC would be required with respect to co-ordinating the Economic Wellbeing function regardless, and therefore formalising this arrangement by means of the part-time secondment allows for that involvement to be focused and for duplication of resources to be avoided.
 - Releasing the Portfolio Director for two days a week to take on the interim CJC Chief Executive role will create a capacity challenge for the Portfolio Management Office that will need to be planned for and managed carefully.
 - The CJC will cover all employment costs for the proposed secondment which enables the EAB funding to be reinvested in appropriate backfill arrangements.
 - The backfill arrangements could provide development opportunities for those currently in the PMO by taking on additional responsibilities during the secondment period. Recruitment of additional short-term resource is likely to be necessary.
 - The potential capacity challenge may require the PMO to de-prioritise certain activities to focus on the core deliverables relating to the Growth Deal, however every effort will be made to avoid this.

5. FINANCIAL IMPLICATIONS

- 5.1. The CJC has offered to fund the proposed back-fill required to undertake some of the Portfolio Director's duties. Hence, this proposed part-time secondment of the Portfolio Director would be net cost neutral for the EAB.

6. LEGAL IMPLICATIONS

- 6.1. The EAB has been established pursuant to Governance Agreement 2 to act as the decision-making body for the partnership of local authorities and the education bodies to deliver the North Wales Growth Deal and the Growth Vision. It's functions and the outcomes it needs to deliver are defined by the agreement and the related Overarching Business Plan which was completed in tandem with the Growth Deal. It is also required to appoint the Portfolio Director to Lead the Portfolio Management Office.
- 6.2. Nevertheless, the advent of the Corporate Joint Committees was presaged in GA2 and is specifically referenced as a matter reserved to the Councils. There is a specific provision in the agreement which acknowledges the anticipated creation of CJC's and that a transfer of functions might occur. This is reflected in the in-principle decision of the 6 executives in December 2021 to transfer the functions of the EAB to the CJC provided that the model and the statutory framework was in place to achieve this. The CJC's have now been established and the statutory model is practically completed. However, at this point in time the work of creating the CJC as a functioning public body with appropriate governance and management arrangements is being moved forward. This work needs to reflect and prepare for the assumption of the role of the EAB into the CJC and its governing model.
- 6.3. In terms of GA2 the proposed secondment does not require that EAB resources and contributions are provided to support the CJC. There also provision in the interim for maintaining capacity for supporting the work of delivering the EAB's functions. It is also relevant that the transition of the EAB's functions to the CJC needs to be properly planned and resourced to ensure that when the functions transferred this can be achieved effectively and efficiently. Provided the EAB is assured of these matters then it can appropriately approve the secondment within GA2.

APPENDICES:

Appendix 1 CJC September Update

STATUTORY OFFICERS RESPONSE:

- i. **Monitoring Officer – Host Authority:**
"I have advised on this matter and in particular the "Legal Implications" section of the report. The report properly advises the EAB on its functions and constraints. It also properly reflects the fact that although there may an element of common membership of the BUE and the CJC they are separate bodies with differing governance resourcing and, in the case of the EAB partnership requirements which need to be considered. The EAB needs to come to a decision this matter within its own governance framework and having regard to it's functions as set out in GA2."
- ii. **Statutory Finance Officer (the Host Authority's Section 151 Officer):**
"I can confirm the accuracy of Part 5 of the report. The Finance Service will act to ensure that this arrangement remains cost-neutral for Ambition North Wales during the current financial year."

Title: The North Wales Corporate Joint Committee (CJC)

Purpose: To update Authority Members regarding developments

Cabinet Member: Council Leader

Contact Officers: The Chief Executive and the Monitoring Officer

Further to Welsh Government legislation establishing the North Wales Corporate Joint Committee (CJC), the region's 6 Councils and the National Park have made appropriate arrangements, held four CJC meetings, agreed the budget for 2022/23, and are preparing to deliver the CJC's initial functions.

Background

1. Regulations were made by the Welsh Government on 17 March 2021 creating four Corporate Joint Committees in Wales, and the North Wales Corporate Joint Committee (CJC) was established on 1 April 2021. The CJC must exercise functions relating to strategic development planning and regional transport planning, and are also be able to promote economic well-being.
2. In contrast to other joint committee arrangements, the CJC is a separate corporate body which can employ staff and hold assets. In the past, reservations were expressed because CJsCs might lead to "another layer of bureaucracy", but it is here now and we have no choice other than to make it work.
3. There are three initial functions prescribed to be discharged by the CJC, two are which are mandatory, and one currently carried out concurrently by each individual local authority and by the North Wales Economic Ambition Board:
 - the CJC must prepare, monitor, review and revise a regional Strategic Development Plan;
 - the CJC must develop a Regional Transport Plan with policies for regional transport; and
 - the CJC may do anything which is likely to promote economic wellbeing (regional economic well-being is currently a function of the NWEAB).
4. In December 2021 / January 2022, the Cabinet (or equivalent) in each of the region's 6 Councils agreed in principle that the functions of the North Wales Economic Ambition Board be transferred by way of a delegation agreement to the CJC, when the CJC establishes a Sub-Committee, with membership to be agreed with the Councils, to undertake the functions of the Economic Ambition Board. This transition is proposed in order to achieve a streamlined governance model, avoiding duplication.
5. Further regulations will follow and the Welsh Government are liaising with the UK Government and HMRC, etc, regarding details of the CJC's VAT status, etc.
6. Establishing the CJC was a legal requirement, but the timetable remains challenging, particularly to discharge the 'immediate duties' prescribed in the legislation (producing a Regional Transport Plan, and a regional Strategic Development Plan).

7. Under the Welsh Government's Regulations, while developing proposals and discharging its duties, the CJC will be subject to the Equalities Act, Future Generations Act, language standards under the Welsh Language Measure 2011, and other legislation, in the same way as local authorities.
8. This update report is submitted simultaneously to elected members at the 6 Councils: Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd and Wrexham, and members of Snowdonia National Park Authority.

Employment of Chief Officers and Staff

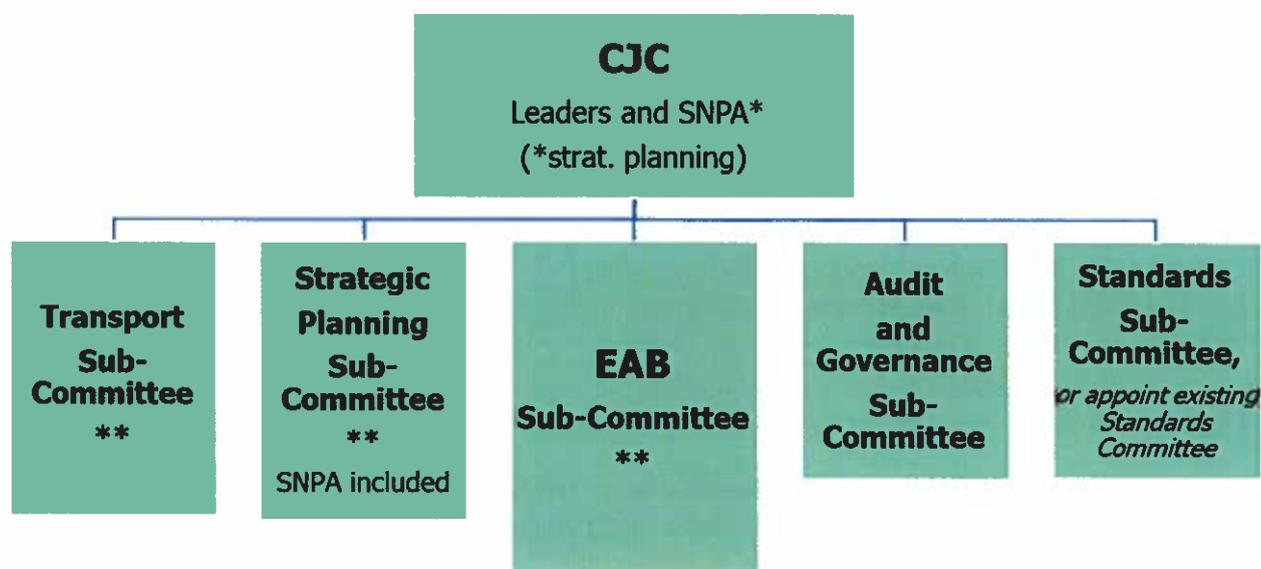
9. Staff directly employed by the CJC are currently minimised. The North Wales CJC must appoint statutory officers, i.e. a Chief Executive, a Monitoring Officer, and a Chief Finance Officer (CJCs have the same financial reporting and disclosure requirements as local authorities). However, rather than employing these directly, the CJC has made arrangements with constituent authorities for their officers to be placed at the disposal of the CJC.
10. At the 17 June CJC meeting, it was agreed to extend the CJC's statutory officer appointments made at the 14 January CJC meeting, i.e. the Chief Executive Officer (Dafydd Gibbard), Chief Finance Officer (Dewi Morgan) and Monitoring Officer (Iwan Evans) being provided by Gwynedd Council, and to approve the ongoing arrangements for Gwynedd Council to provide support services for the CJC.
11. The 22 July CJC meeting considered an options appraisal was for filling the CJC's Chief Executive Officer role on a more permanent basis. Bearing in mind the likelihood that the EAB will be incorporated as part of the CJC in future, it was agreed to submit a request to the North Wales Economic Ambition Board to release part of their Portfolio Director's time to fulfil the Corporate Joint Committee's Chief Executive's role until 31 March 2023. The NWEAB will formally consider this request in September.
12. Subsequently, the CJC may make 'delivery' decisions on a case by case basis for each individual function, i.e. planning, transport, etc. The CJC could employ staff or there could be seconding-in of some existing capacity from the authorities to do the strategic work on the 'immediate duties' which must be delivered for the CJC. In principle, it may be practical for individual authorities to lead and deliver the planning and transport functions, with the CJC funding these authorities' increased capacity / regional responsibility. The CJC, as a corporate entity, could make agreements with third parties as required.

The CJC's Members and Committees

13. The CJC's committee members are –

Leader	Authority	<i>CJC Role</i>
Clr. Dyfrig L Siencyn	Gwynedd Council	<i>Chair</i>
Clr. Mark Pritchard	Wrexham County Borough Council	<i>Vice-chair</i>
Clr. Llinos Medi Huws	Isle of Anglesey County Council	
Clr. Charlie McCoubrey	Conwy County Borough Council	
Clr. Jason McLellan	Denbighshire Council	
Clr. Ian B Roberts	Flintshire Council	
Clr. Annwen Hughes	Snowdonia National Park Authority	

14. The CJC's proposed committee structure is shown in the following chart, including the anticipated growth deal delivery vehicle (EAB sub-committee). The Snowdonia member is entitled to vote on matters to be decided by the CJC about strategic planning functions.



** Delegation to statutory sub-committees, which are also subject to the transparency requirements which apply to executive function bodies.

Sub-committees for Strategic Planning and Strategic Transport

15. There was clear consensus that we need a governance structure with sub-committees of the CJC for Strategic Planning and Strategic Transport (alongside the EAB as another sub-committee if/when it transfers).
16. At the 17 June CJC meeting, it was agreed to establish a Strategic Planning Sub-Committee and a Strategic Transport Sub-Committee, and to approve the membership and voting rights as follows –
- i. The Strategic Planning Sub-Committee with 7 voting members, one from each of the constituent authorities (6 Councils and SNPA).
 - ii. The Strategic Transport Sub-Committee with 6 voting members, one from each of the 6 Councils.
 - iii. Membership of the Strategic Planning Sub-Committee to be comprised of the relevant Cabinet member from each constituent Council who holds the portfolio for Planning Policy, and the SNPA representative.
 - iv. That the membership of the Strategic Transport Sub-Committee to be comprised of the relevant Cabinet member from each constituent Council who holds the portfolio for Transport Policy.

17. The Strategic Planning Sub-Committee and/or the Strategic Transport Sub-Committee could recommend that the CBC consider co-option of additional members from partner organisations in due course, as required.
18. Snowdonia National Park Authority will need to nominate their representative on the Planning Sub-Committee. See below the region's local authority Cabinet Members for Planning and Transport –

Cabinet Members for Planning	Council	Cabinet Members for Transport
Cllr Nicola Roberts	Anglesey	Cllr Dafydd Rhys Thomas
Cllr Emily Owen	Conwy	Cllr Goronwy Edwards
Cllr Win Mullen-James	Denbighshire	Cllr Barry Mellor
Cllr Christopher Bithell	Flintshire	Cllr Dave Hughes
Cllr Dafydd Meurig	Gwynedd	Cllr Dafydd Meurig
Cllr Terry Evans	Wrexham	Cllr David A Bithell

19. This delegated governance model should enable the sub-committees to do the heavy lifting, but there are certain matters which cannot be delegated by the CJC, around the governance structure, budget decisions, and certain key decisions in relation to the adoption of the statutory plans.
20. In respect of the two initial duties prescribed to be discharged by the CJC, it will set the direction and priorities, and it will need some concurrent functions, while the CJC's regional Strategic Development Plan and Regional Transport Plan will set a policy framework which the local authorities must have regard to. However, the individual local authorities will remain best placed to undertake local activity around planning and transport functions, with the CJC empowering and supporting local, regional and national delivery.
21. Planning policy managers in north Wales' local authorities will need to work with the Strategic Planning Sub-Committee to look at delivery options and cost implications for producing the north Wales region's Strategic Development Plan and the Strategic Planning Sub-Committee will need to make timely recommendations to the CJC in order to draft the CJC's 2023/24 budget.
22. Similarly, Transport professionals in north Wales will need to work with the Strategic Transport Sub-Committee to consider how a compliant and suitably robust Regional Transport Plan (RTP) could be developed. We understand that the Regional Transport Plan will have to be completed by the first half of 2024, so the necessary resources must be identified soon.
23. There are number of other statutory obligations, including the need for the CJC to establish a Governance and Audit Sub-Committee, and a Standards Committee. These will receive attention in 2022, along with scrutiny arrangements. The Chairs of the 7 standards committees in the 'constituent' authorities could form one Standards Sub-Committee for the CJC.
24. The current scrutiny arrangements for the Economic Ambition Board are within the statutory framework for scrutinising the CJC's executive decision making, and GA2 includes a protocol for managing the relationship. These arrangements could be adopted for scrutinising the CJC, bearing in mind that Welsh Government guidance notes the role

of local authorities' overview and scrutiny arrangements, as part of the governance and democratic accountability framework which needs to be established during 2022/23.

Financial Arrangements

25. There is a statutory obligation for the CJC to agree its budget requirements for the financial year at a meeting of the CJC by the preceding 31 January, and how this will be met (levied).
26. At the 28 January CJC meeting, the CJC's Budget for 2022/23 was approved, with totals for Strategic Planning £87,950 and Other Functions including Transport £274,310. Also on 28 January, the CJC approved the Levy for 2022/23 on the each authority, allocated based on the relevant population, with each authority's amounts as analysed below –

	Strategic Planning	Other functions	Total Levy
	£	£	£
Conwy County Borough Council	(14,270)	(46,220)	(60,490)
Denbighshire County Council	(12,030)	(37,530)	(49,560)
Flintshire County Council	(19,700)	(61,450)	(81,150)
Gwynedd Council	(13,090)	(48,910)	(62,000)
Isle of Anglesey County Council	(8,750)	(27,290)	(36,040)
Wrexham County Borough Council	(16,970)	(52,910)	(69,880)
Snowdonia National Park Authority	(3,140)		(3,140)
Total Levy	(87,950)	(274,310)	(362,260)

27. As noted in parts 21/22 above, north Wales authorities' planning policy officers and transport officers will need to work with their relevant Sub-Committees to identify delivery options and cost implications to produce the region's Strategic Development Plan and the Regional Transport Plan, then the Sub-Committees will need to make timely recommendations to the CJC in order to in order to agree the CJC's 2023/24 budget before 31/01/2023.
28. Legislative clarification is required regarding the scope of the CJC's ability to borrow, invest and act commercially, and the CJC's corporation tax and value-added tax (VAT) status. The Welsh Government have stated that their policy intention is that the CJC should be subject to the same powers and duties as principal local authorities in the way that they operate (including essentially the ability to borrow and reclaim VAT like unitary local authorities).
29. Solutions to these issues are still a 'work in progress', but crucially Welsh Government officials have advised us that the Financial Secretary to the Treasury has confirmed the UK Government will legislate to admit the four CJs into the Section 33 VAT refund scheme, so that the CJC will receive a refund of the eligible VAT incurred from the date that the Order is made. Both Governments are engaged with HM Treasury regarding this Order, and they expect it will be effective from December 2022. Until then, the CJC will be unable to reclaim the VAT paid to local authorities or other suppliers of goods and services. Hence, it is currently 20% more expensive to receive support services from

Gwynedd Council, etc. Further, as it will be more expensive to second professional staff capacity from the authorities, or to pay consultants to do that work, until this is resolved there is a disincentive to rush ahead with work on the CJC's Planning and Transport duties.

30. Welsh Government officials have also advised us that they are engaging with the UK Government regarding the ability of the CJC to borrow from the PWLB at preferential interest rates like local authorities, and the CJC's status regarding corporation tax (it was mentioned that both Governments were considering a 'Section 150 Order' to tie-up loose ends), but these solutions would require UK Government legislation and no specific timeline was promised. As the terms of borrowing are key to the growth deal, until this is resolved, the CJC is unable to move ahead with transferring EAB arrangements of into the CJC.

Transition of Growth Deal Arrangements

31. As noted above, solutions regarding some financial issues and some other regulatory issues are required before current Economic Ambition Board (EAB) arrangements may be transitioned into the CJC. Clarification is required regarding several matters, but the Welsh Government have stated that their policy intention is that the four regional CJs should be subject to the same powers and duties as principal local authorities in the way that they operate (including essentially the ability to borrow and reclaim VAT).
32. The aim is still to transfer the north Wales region's EAB and current Growth Deal arrangements into the CJC, avoiding duplication, but this is proving to be more challenging and complex than the Welsh Government originally anticipated, and solutions to some of the issues are still a 'work in progress'.
33. As well as the governance of the CJC and its sub-committees, we will need to further consider and moving on from the Economic Ambition Board's 'GA2', which will require significant specialist input from the local authorities' lawyers, even though there is not intended to be a material disparity between the manner in which the EAB currently operates and how the CJC could operate in respect of the Growth Deal / Growth Vision.
34. It is anticipated that various complexities may be solved by legislation, etc, allowing us to tailor operations to reflect the needs of the region, in line with the Economic Ambition Board and 'GA2', but transition of the Economic Ambition Board (with no material change to how it currently operates) to the CJC would require a formal decision by each of the local authorities, and the consent of the other partners to GA2.

Other Actions and Conclusion

35. Other tasks will require attention during late 2022/23, including creating a website and branding for the CJC, but the current priorities are resolving the Chief Executive's role on a more permanent basis, establishing the Planning and Transport sub-committees, and identifying the resources required to discharge the CJC's initial duties.