

CYNGOR GWYNEDD

REPORT TO A MEETING OF GWYNEDD COUNCIL CABINET

Date of Meeting:	7 March 2017
Cabinet Member:	Councillor Mandy Williams-Davies, Cabinet Member for Economy & Community
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Title of Item:	Regional Governance Model for the delivery of the Growth Vision for the Economy of North Wales

1. INTRODUCTION

- 1.1. This report sets out progress with development of the Growth Vision for the Economy of North Wales endorsed by Cabinet on 13th September 2016 and outlines the proposed regional governance model.
- 1.2. Following endorsement of the Growth Vision for the Economy of North Wales by all 6 North Wales councils in autumn 2016, North Wales has been formally invited to develop the strategy into a 'Growth Bid' for national investment and the conferment of powers to the region by the UK and Welsh Governments.
- 1.3. Work is ongoing to prioritise the content of the strategy for inclusion in a formal bid. The six councils have reached an outline agreement on a governance model for the regional economic strategy. The preferred regional governance model of a statutory joint committee is set out in the report.

2. DECISION SOUGHT

- 2.1 To endorse the preferred regional governance model of a statutory joint committee for further development.
- 2.2 Instruct officers to work with colleagues in partner councils to develop a detailed constitution and inter-authority agreement for the proposed Joint Committee and to bring it back for consideration of the Council entering into a statutory joint committee model with the five partner councils, within the first three months of the new Council term.

3. REASONS FOR RECOMMENDING THE DECISION

- 3.1. To ensure that the appropriate governance model will be in place to deliver the Growth Vision for the Economy of North Wales.

4. DEVELOPING A GROWTH BID

- 4.1 The Growth Vision for the Economy of North Wales was endorsed by all 6 North Wales Council in autumn 2016. A copy is re-attached for reference (**Appendix 1**). The vision sets out a clear ambition for North Wales for infrastructure development, skills and employment, and business growth. The strategy aspires to increasing the value of the regional economy from £12.8 billion to £20 billion by 2035 with the creation of 120,000 new employment opportunities.
- 4.2 Selected regions of England, and the Cardiff Capital City Region and the Swansea Bay City Region, have been invited by the UK Government to develop a 'Growth Bid' for approval. North Wales was invited to develop a bid by the UK Government in mid-2016. This Governmental commitment to support a regional bid was restated in the Chancellor's autumn statement in November 2016.
- 4.3 A Growth Bid is a formal proposal for Government investment and the conferment of devolved powers. Bidding regions are required to have a legal, resilient and accountable governance model for the planning and implementation of their strategy. Regions are expected to be prepared to invest in their own strategies, alongside Government(s), in capital allocations, sharing in capital borrowing, the use of land and assets, and in resourcing professional and project capacity. Each bid will have negotiated objectives and targets. For North Wales, the Cardiff Capital City Region and the Swansea Bay Region the bidding process involves both the UK and Welsh Governments.
- 4.4 For North Wales there is a Governmental expectation that there is close joint strategic planning with the immediate North West of England and with the wider Northern Powerhouse network. Our vision and strategy builds on the strong alliances and joint planning both within the region, through the work of the North Wales Economic Ambition Board, and cross-border through the Mersey Dee Alliance and joint work with the Cheshire and Warrington Local Enterprise Partnership. The North Wales and the Cheshire and Warrington growth bids are being developed together and there is a co-dependency for their success. North Wales is also making contributions to the wider strategy of the Northern Powerhouse network, for example the nomination of prime strategic sites for business growth and inward investment. Road and rail infrastructure and connectivity, and wider transport planning including bus routes, are central to the strategy. The Growth Track 360 plan which makes the case for cross-border rail

investment is progressing through the Governmental case-making and decision-making stages.

- 4.5 North Wales is a united region with a strong sense of identity. The strategy is supported by the leaders and Chief Executives of all six unitary authorities within the region, the North Wales Business Council, Bangor University, Wrexham Glyndŵr University, Coleg Cambria and Coleg Grwp Llandrillo – Menai. The strategy is also supported by the North Wales Economic Ambition Board, which has a broad membership representing the public, private, education and third sectors. The Economic Ambition Board will remain an important stakeholder network.
- 4.6 Local government is expected to lead the planning and implementation of the strategy and the pivotal role of local government in Wales in regional planning has been reinforced by statements made by the Cabinet Secretary for Local Government and Finance, and latterly in the white paper for local government reform.
- 4.7 Alongside the Economic Ambition Board a legal, resilient accountable governance model is required for the critical stages of (1) developing a formal Growth Bid from the strategy (2) agreeing an investment plan and (3) setting and overseeing an implementation plan.

5. THE PREFERRED GOVERNANCE MODEL

- 5.1 There are few governance models available to the partner six councils. Whilst a combined authority model, which has growing popularity in England may be possible in the future, there is currently no legislative capacity for this model in Wales. The preferred governance model recommended by the leaders and chief executives of the partner councils, and supported informally by civil servants from Welsh Government, the Wales Office and UK Government departments, is a statutory joint committee.
- 5.2 The statutory joint committee model is a known and dependable model. It is a model with limitations, however. To support the joint committee a host authority will need to be nominated to provide legal, secretarial and administrative support, as well as host authority statutory officer roles (monitoring officer and s.151), finance support including a full statement of accounts, etc, which will need to be resourced. One host authority will need to be nominated, but other authorities may be nominated where professional officers may manage the programmes and projects within strategy implementation. Joint committees are a familiar model in the region with recent examples being the GWE School Improvement Consortium and the North Wales Residual Waste Treatment Project. A relevant past example is Taith as the former transport consortium and joint committee.
- 5.3 An outline of the suggested terms of reference is set out in **Appendix 2**. The joint committee will require a constitution, which will include the terms of reference for its functions, and will be underpinned by an Inter Authority Agreement (IAA). An IAA is a joint agreement which sets out how the joint committee will be governed, the limitations of decision-making and the matters which are reserved for individual council approvals, the roles of host authorities, how financial contributions to the joint committee and the host authorities are to be apportioned, and how risks and benefits will be shared.

- 5.4 The recommended membership of the joint committee is the leaders of each of the six councils. Each leader would have a nominated deputy. The committee would be advised by lead professionals and the chief executives. There is the option to co-opt representative from key partner organisations including the North Wales Business Council, higher education and further education. Close working relationships with the Cheshire and Warrington Local Enterprise Partnership will be important and a form of cross-border joint co-ordinating group, without decision-making powers, is proposed.
- 5.5 A detailed constitution and Inter Authority Agreement will be developed in readiness for the new council term. This work will involve Chief Executives and the respective professional leads for economic development, the Monitoring Officers and the Finance Managers/Section 151 Officers.

6. NEXT STEPS AND TIMETABLE

- 6.1 In the interim period prior to the local elections work will be completed on a draft constitution and Inter Authority Agreement.
- 6.2 Work continues in preparing for a formal Growth Bid with civil servants with the expectation that formal negotiations over a bid will begin by July once the joint committee is in being.

7. ANY CONSULTATIONS UNDERTAKEN PRIOR TO RECOMMENDING THE DECISION

7.1. Views of the Statutory Officers:

i. The Chief Executive:

"Clearly, considerable work has taken place in developing the vision and Governance Arrangements around it. Clearly, what is important is that this Council has a strong voice in those arrangements to protect the interests of area."

ii. The Monitoring Officer:

"As the report notes the Cabinet supported starting on this course in September 2016.

The Joint Committee model proposed for going forward appears appropriate and reflects the type of governance arrangement which has been adopted or proposed for similar projects in Wales. There is an appropriate acknowledgement that a further report to Cabinet will be needed when the detailed work of forming the partnership arrangements needs to be formally adopted."

iii. The Head of Finance Department:

"Developing a 'Growth Bid' will have substantial consequences for the north Wales region, with several associated risks and opportunities for Gwynedd. Also, the proposed model may manage influential programmes and several large projects. Consequently, it is essential that the governance is set up appropriately and I support the establishment of a statutory joint committee as proposed in the report.

As noted in para. 5.2, a host authority will need to provide finance support to the joint committee, along with legal, admin, and statutory officers' support, which will all need to be adequately resourced. I support the establishment of one

joined-up host authority, but other authorities may be nominated to manage other aspects, particularly specific programmes and projects within strategy implementation.”

7.2. Views of the Local Member:

7.2.1 Not a local matter.

7.3. Results of Any Consultation:

7.3.1 None to note.

Appendices:

Appendix 1 The Growth Vision for the Economy of North Wales

Appendix 2 Outline Terms of Reference