

## **REPORT TO THE NORTH WALES CORPORATE JOINT COMMITTEE**

**28/01/2022**

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**Title:** North Wales Corporate Joint Committee 2022/23 Budget and Levy on Constituent Authorities

**Authors:** Dewi A Morgan, CJC Chief Finance Officer  
Dafydd L Edwards, CJC Project Lead Officer  
Sian Pugh, CJC Group Accountant

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### **1. PURPOSE OF THE REPORT**

- 1.1 It is a statutory requirement for the North Wales Corporate Joint Committee (CJC) to approve its budget for its first financial year, namely 2022/23, at a meeting of the CJC by 31 January 2022.
- 1.2 The budget which is included in the Appendix, has been divided to reflect the structure of the CJC, namely the Strategic Planning, Transport and CJC, and has been analysed per expenditure heading. This allows the constituent authorities' contributions to be levied separately for 'Planning' and 'Other' functions.

### **2. DECISIONS SOUGHT**

- 2.1 **To confirm the Budget of no expenditure for 2021/22 and therefore no levy will be charged.**
  - 2.2 **To approve the Budget for 2022/23 for the North Wales Corporate Joint Committee (CJC) as presented in the appendix, with totals:**
    - **Strategic Planning £87,950 (6 Leaders and Chair of the Park - simple majority, quorum = 5)**
    - **Other Functions of the CJC including Transport £274,310 (6 Leaders - simple majority, quorum = 5 ).**
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**2.3 To approve the levy on the constituent authorities, as noted below:**

- **Strategic Planning (Unanimity, quorum = 7)**
- **Other Functions (Unanimity, quorum = 6)**

|                                   | <b>Strategic<br/>Planning</b> | <b>Other functions</b> | <b>Total<br/>Levy</b> |
|-----------------------------------|-------------------------------|------------------------|-----------------------|
|                                   | <b>£</b>                      | <b>£</b>               | <b>£</b>              |
| 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)               |
| <b>Total Levy</b>                 | <b>(87,950)</b>               | <b>(274,310)</b>       | <b>(362,260)</b>      |

**3. REASONS FOR THE DECISION**

- 3.1 Regulations 16 and 17 of The North Wales Corporate Joint Committee Regulations 2021 set out the details of the process to be used to agree and fund the costs.
- 3.2 This budget has been drawn up on a minimum basis for the first year of operation, but also aims to be sufficient in order to allow the CJC to be administrated appropriately and fulfil its statutory functions in the fields of Planning and Transportation (it would be possible to return for a revised budget and additional levy half way through a financial year, but clearly, I would prefer to avoid having to do this).
- 3.3 Having considered the options, for 2022/23, it is recommended that this minimum budget is funded via a levy distributed between the constituent authorities based on the population relevant to the field of work. The contributions of the Economic Ambition Board (EAB) constituent authorities for borrowing costs are also based on population, and it is expected that re-visiting these costs will reduce the contributions by an amount similar to the costs of the CJC for the councils.

#### **4. BACKGROUND**

- 4.1 Our region's CJC already exists as an independent corporate body, and its initial functions will come into force on 30 June 2022.
- 4.2 The budget is based on the CJC's 'initial functions', namely preparing, monitoring, reviewing and amending the Strategic Development Plan and developing a Regional Transportation Plan.
- 4.3 Although the Economic Ambition Board (EAB) could be within the economic well-being power of the CJC, a separate budget will be established for it at present as several regulatory matters are yet to be resolved and further clarification needed regarding the CJC's rights to borrow, invest and operate commercially, tax and VAT status.
- 4.4 When managers will have been appointed to take responsibility for the planning and transportation duties, regular budget monitoring reports will be discussed with them, and reviews will be carried out during the year and submitted to the CJC, and any issues will be highlighted and appropriate steps taken.

#### **5. BUDGET HEADINGS**

##### Employees

- 5.1 The employee budget assumes employing/seconding two employees in the Transportation field from July 2022 and three employees in the Strategic Planning field from December 2022. They have been set on the assumption that an inflation increase of 1.75% will be given to local government salaries in 2021/22 and 4% inflation in 2022/23.
- 5.2 The cost of allowance for lay members of the CJC's Audit and Governance Sub-Committee is based on the corresponding payments to lay members in constituent authorities.

##### Travel

- 5.3 The staff travel budget is based on an estimate of essential staff travelling and subsistence allowances.

### Supplies and services

- 5.4 This heading includes budgets for tools and equipment, various supplies, engagement and meetings, audit fees, external consultants and insurance.
- 5.5 The insurance budget is an initial estimate that we have received from the insurance company based on the CJC's risk level in its initial year.

### Support Services

- 5.6 Support services are needed to facilitate the work of the Joint Committee, and the budget for 2022/23 includes the support of Finance, Legal (including the Monitoring Officer), Corporate Support (Committees, Translation and Human Resources) and Information Technology (one-off costs as well as support and licences) services.
- 5.7 After the year on a minimum budget, the range of services and cost estimates will be discussed again, and included in Service Level Agreements by 2023/24.

## **6. PARTNER CONTRIBUTIONS**

- 6.1 Partners' contributions have been divided based on 2022 population estimates which have been published officially by StatsCymru. In accordance with the legislation, the CJC's general budget and the Transportation budget will be funded by the six North Wales authorities, while the Snowdonia National Park Authority will also contribute towards the Strategic Planning budget (where they will have a vote).

## **7. IMPACT ASSESSMENT**

- 7.1 The Corporate Joint Committee is subject to duties under the Equality Act 2010 and the Well-being of Future Generations (Wales) Act (2015).
- 7.2 In accordance with the legal duties under the Equality Act 2010, when making decision, the Corporate Joint Committee must give due attention to the need (1) to eliminate unlawful discrimination (2) advance equality of opportunity and (3) encourage good relations based on the protected characteristics. As setting a budget falls within the decisions which can be considered strategically, there is a duty to give

due attention to operating in a way which is designed to minimise inequalities which stem from socio-economic disadvantage. As this is an initial budget regarding establishing the Corporate Joint Committee, it is not considered that any specific impacts stem from the decisions submitted.

- 7.3 The Well-being of Future Generations (Wales) Act 2015 involves improving the social, economic, environmental and cultural well-being of Wales. The act places a well-being duty on public bodies which is aimed at delivering the seven well-being goals, namely a prosperous, resilient, healthier, more equal Wales with cohesive communities and a vibrant culture and thriving Welsh language which is globally responsible. Given the context, the recommendations are in accordance with these duties.

## **8. LEGAL IMPLICATIONS**

- 8.1 Regulations 16 and 17 of The North Wales Corporate Joint Committee Regulations 2021 set out the details of the process to be used to agree and fund the costs. The regulations place specific requirements regarding approving a budget on the one hand and agreeing the levy contributions of the constituent authorities on the other hand. According to statute, the Corporate Joint Committee must adopt the Budget by 31 January 2022. If the Corporate Joint Committee fails to agree on the contributions, Welsh Ministers have statutory powers to instruct the distribution of contributions.
- 8.2 It is noted in the decisions sought that there are specific requirements regarding quorum and voting in relation to these decisions. Therefore, it must be ensured that voting is arranged in a way which reflects on the one hand the specific voting rights involved with setting the budget and on the other hand the need for unanimity on the decisions on the levy, again while separating both elements.

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## **APPENDICES**

Appendix 1 - North Wales Corporate Joint Committee 2022/23 Revenue Budget.

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**RESPONSE OF THE STATUTORY OFFICERS:**

**i. Monitoring Officer:**

The report summarises the technical requirements involved with these decisions together with the statutory duties involved with establishing the budget and levy.

**ii. Statutory Finance Officer:**

Author of this report.