

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**

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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.

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## **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 CJCs 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**

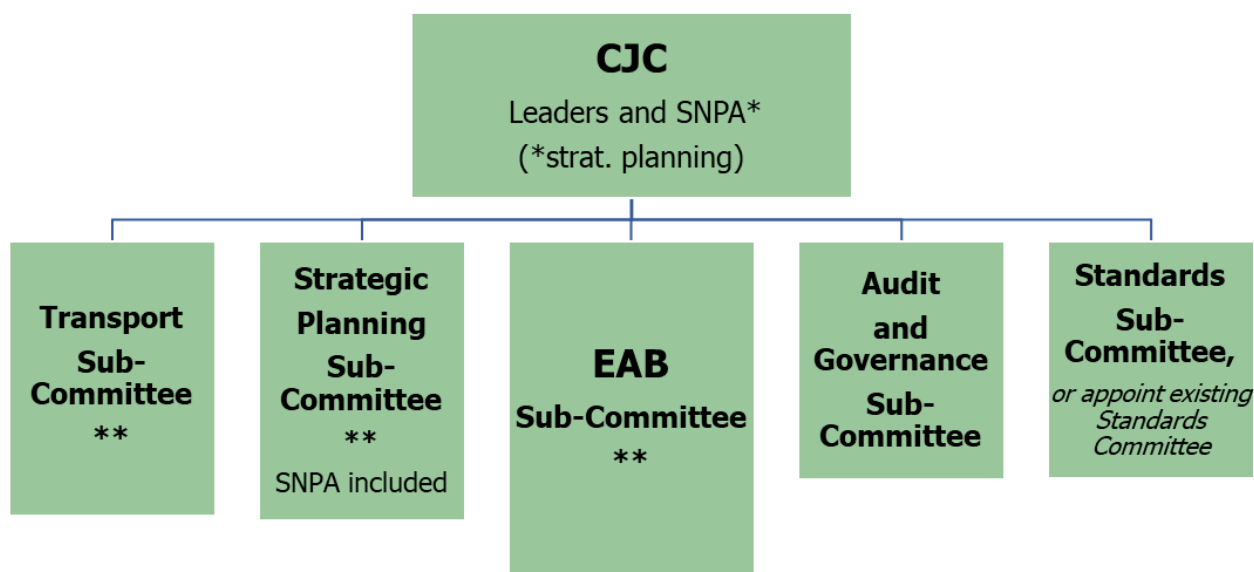
9. Staff directly employed by the CJC are currently minimised. The North Wales CJC must appoint statutory officers, i.e. a Chief Executive, a Monitoring Officer, and a Chief Finance Officer (CJCs have the same financial reporting and disclosure requirements as local authorities). However, rather than 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 costs associated with this arrangement could be funded within the CJC’s current year budget. 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 may directly employ their own staff, or the CJC may consider ‘seconding-in’ existing capacity from the authorities to do the strategic work on the ‘immediate duties’ which must be delivered for the CJC, or the CJC may fund increased capacity at individual authorities to lead and deliver these regional planning and transport functions. The CJC, as a corporate entity, could make agreements with various third parties as required.

### **The CJC’s Members and Committees**

13. The CJC’s committee members are –

<b>Leader</b>	<b>Authority</b>	<i>CJC Role</i>
Cllr. Dyfrig L Siencyn	Gwynedd Council	<i>Chair</i>
Cllr. Mark Pritchard	Wrexham County Borough Council	<i>Vice-chair</i>
Cllr. Llinos Medi Huws	Isle of Anglesey County Council	
Cllr. Charlie McCoubrey	Conwy County Borough Council	
Cllr. Jason McLellan	Denbighshire Council	
Cllr. Ian B Roberts	Flintshire Council	
Cllr. 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 <b>Planning</b>	<b>Council</b>	Cabinet Members for <b>Transport</b>
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 most recent CJC Regulations allow for the authorities' Scrutiny Committees to scrutinise the CJC's work. This does not extend to calling in decisions, but does place a duty on the CJC to respond to scrutiny and formally consider any recommendations which stem from the process. Current scrutiny arrangements for the Economic Ambition Board are managed through a protocol within GA2, and a similar model could be adopted for

scrutinising the CJC. 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. Proposals regarding scrutiny arrangements are still to be developed, but once we've firmed up the options there will be an opportunity for the authorities / Members to provide input.

## 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 each authority, allocated based on the relevant population, with each authority's amounts as analysed below –

	<b>Strategic Planning</b>	<b>Other functions</b>	<b>Total 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>

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 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 CJCs 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 to the CJC would require a formal decision by each of the local authorities, and agreement with the other parties 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.

