

MEETING	COUNCIL
DATE	12 July 2018
TITLE	North Wales Growth Bid – Governance Arrangements
CABINET MEMBER	Councillor Dyfrig Siencyn – Council Leader
PURPOSE	To receive the Councils approval for the Scrutiny Arrangements for the Growth Bid Joint Committee.
RECOMMENDATION	That the Council approves the scrutiny arrangements for the Growth Bid Joint Committee (“North Wales Economic Ambition Board”) to be incorporated in the first stage Governance Agreement
AUTHOR	Iwan Trefor Jones , Corporate Director Iwan Evans, Monitoring Officer

1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to present the governance agreement which needs to be put in place in order to formalise the constitutional arrangements for the North Wales Economic Ambition Board, together with giving decision-making powers to the Board, with prescribed limits.
- 1.2. The Ambition Board co-ordinates the "Growth Deal" bid for North Wales, which involves targeting significant resources and new powers for the region, specifically in order to strengthen the economy and create employment.
- 1.3. On the 3rd of July a report was submitted to the Cabinet seeking approval of the Governance Agreement (first stage) subject to ratification of the scrutiny arrangements by the Full Council.

Decision

- a. That progress on the development of a Growth Deal Bid is noted and welcomed.
- b. That the first stage Governance Agreement and establishment of a Joint-Committee for the Growth Bid is approved **subject to Council's approval (at its meeting on 12 July) of the arrangements for Scrutiny.**
- c. That the Council the final draft of the Growth Plan be presented for approval to the Council in October 2018 prior to the stage of reaching Heads of Terms with UK Government and Welsh Government.
- d. That delegated authority be given to the Corporate Director and Head of Legal Services, in consultation with the Leader to make minor necessary changes to the draft first stage Draft Governance Agreement as necessary to complete the agreement.

2. BACKGROUND

- 2.1. In September 2016, the Cabinet adopted the "Growth Vision for the Economy of North Wales" which sets out a strategic ambition for the region, and the development of transport and infrastructure, skills and employment, promoting innovation and business growth. The Cabinet and the five other partner Councils in the region similarly adopted the strategy.
- 2.2. A second report was submitted to the Cabinet in March 2017 noting that North Wales had been formally invited to develop the strategy into a Growth Deal Bid for national investment by UK and Welsh Governments. At the time, a statutory Joint-Committee model was adopted, as the preferred model for governance.
- 2.3. In September 2017, the Cabinet confirmed its support to the Joint-Committee model and the Leader was authorised to represent the Council on the "Shadow Joint-Committee" during the interim period.
- 2.4. There is now a need to move from a "Shadow Joint Committee" to a Joint Committee with delegated powers. The Joint-Committee will be known as the North Wales Economic Ambition Board. The Cabinets of the 6 Local Authorities in North Wales are considering the template report **Appendix 1**.
- 2.5. The draft Governance Agreement (first stage), **Appendix 2**, covers executive and non-executive arrangements. The powers being delegated to the Joint Committee are Cabinet matters. It is important to also note that the main decisions relating to strategic direction, commitment of resources and the form of the partnership are reserved for decision by individual Partners.
- 2.6. However, the scrutiny structure for the Joint Committee are matters which the Cabinet cannot approve and the Council is requested to confirm them. It is emphasised that these are arrangements for the initial agreement and detailed consideration to appropriate scrutiny arrangements which will relate to implementing and governing the Growth Plan following its approval.

"SCRUTINY

Decisions of the Joint Committee shall be subject to scrutiny and call in by any of the councils.

The councils may from time to time convene a group ("the scrutiny co-ordinating group") consisting of the chairs of the relevant overview and scrutiny committee with responsibility for the growth deal in order to:

- **Co-ordinate any planned scrutiny of the work undertaken or to be undertaken by and/or any decisions made or to be made by the Joint Committee**
- **Co-ordinate any call in of a decision made by the Joint Committee**
- **Agree arrangements for inviting councillors from any or all of the councils to attend a meeting of one council's overview and scrutiny committee in order to scrutinise the work and decisions of the Joint Committee"**

- 2.7. It is important that the governance arrangements have credibility, and that they are clear and robust and recognised by both governments. Clearly, this is crucial if we are to attract resources to the region, and the conferment of additional powers. The Governance

Agreement (first stage) achieves this and, having received the support of the Local Authorities, the Joint-Committee will move from its "shadow" form to be a "actual" one.

- 2.8. The first stage of the Governance Agreement refers to the planning and delivery period (until April 2019). A new and more detailed Governance Agreement will be required for the second stage, which will deal with the implementation period and from April 2019 onwards.
- 2.9. The main issues which have been included in the Governance Agreement (first stage) are:-
- terms of reference and membership
 - voting and decision-making arrangements
 - sharing of risks
 - reserved matters
 - scrutiny arrangements

The "Governance Map" is also presented as **Appendix 3** which shows the links with Sub-boards and other Forums.

- 2.10. This report does not attempt to present the content of the proposed Growth Deal in detail, as its main purpose is to present the governance arrangements for adoption.
- 2.11. A draft of the Ambition Board's full bid for resources and powers from UK and Welsh Governments via the Growth Deal will be submitted to the Council in October 2018, prior to the process of reaching Heads of Terms (with both governments).
- 2.12. A report on the proposed governance arrangements was submitted to the Education and Economy Scrutiny Committee on 21 June 2018. The main messages from members of the Committee were as follows:

"Committee members were grateful for the update by the Leader regarding the North Wales Economic Growth arrangements. Committee members have expressed their support for the direction of the deal from the beginning, and remain supportive. However, the main messages today focus more on the risks which need to be considered as the deal evolves.

FINANCIAL RISKS

As a result of the report and discussions today, the members identified the potential risks and financial implications for the Council as a result of the deal. Assurances are needed that:

- *the benefits of the deal outweigh the financial risks*
- *all Gwynedd members are satisfied that every possible step has been taken to minimise the financial risks*
- *the business plans and project plans are resilient, and are managed carefully in order to minimise risks of partners withdrawing from projects and the associated financial risk that would fall on the authority*
- *that members need to be able to scrutinise the projects often to ensure that business risks (financial and delivery) are managed*

GOVERNANCE RISKS

Again, as a result of the information to hand and today's discussions, the following messages and risks were noted regarding the proposed governance arrangements:

- *there is support to scrutinising the Growth Deal in each authority*
- *concern was expressed regarding delegating rights to the Leader, while also accepting that this is necessary. However, it must be ensured that the Leader regularly feeds information to Gwynedd Members and is accountable to the members about the direction of the deal, progress on projects and how the risks are managed.*

OTHER RISKS

Some other risks that should be considered were also noted

- *political risks, such as a change of direction from Welsh Government, and the need to be awake to this*
- *continue to note the political risks of collaborating across North Wales authorities*

However, crucially, it was noted that one of the main risks would be not working Regionally. By collaborating Regionally, Gwynedd Council can ensure a strong voice to insist that developments materialise as a result of the deal for Gwynedd as a whole. A request was also made to consider the benefits and implications of Gwynedd becoming the host authority for the Deal”.

Appendices:

Appendix 1	Template Report
Appendix 2	Draft Governance Agreement
Appendix 3	Governance Map

Background Documents:

None.