
NORTH WALES CORPORATE JOINT COMMITTEE

6 September, 2024

TITLE: CJC Establishment Update and Proposed Governance Model

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1. PURPOSE OF THE REPORT

- 1.1. To update CJC members on progress made to establish the North Wales Corporate Joint Committee (CJC), which includes the transfer of the Growth Deal, its funding, and the Portfolio Management Office (PMO), and to introduce the principles underpinning the proposed governance model for the CJC.

2. DECISION SOUGHT

- 2.1. That the CJC accepts the update and progress made to prepare for the proposed transfer of the Growth Deal, its funding and the PMO into the CJC.
- 2.2. That the CJC support the suggested governance structure as a basis for discussion with partners pending a further report.

3. REASON FOR THE DECISION

- 3.1. The CJC will be a party to the agreements which will enable the transfer of the Growth Deal into its management. It needs to be advised of this programme and progress but also to provide an initial view on the proposed post transfer governance arrangements to facilitate the discussions with Growth Deal partners.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. Between December 2021 and January 2022, the Cabinets and Executives in each of the six Local Authority, had agreed in principle that the functions of the North Wales Economic Ambition Board (NWEAB) should be transferred by way of a delegation agreement to the CJC. It was explained that the decision of this report allowed for the transfer to begin and be completed. It was explained that the statutory framework and the establishment of the CJC meant that the proposed transfer needed to be progressed.
- 4.2. The overall strategic impetus to transfer stemmed from the correlation in membership between the NWEAB and the CJC, the wish to avoid a multiplicity of regional bodies with similar functions, and the various legal and operational advantages and efficiencies of the CJC being its own corporate entity.

- 4.3. The original decision was an in-principle decision as the legislation relating to CJC was continuing to develop and indeed the final set of initial Regulations came into force on 1 April 2023. These regulations being of direct relevance and implication for the proposed transfer particularly around taxation and staffing. It is recognized that we were unable to secure some anticipated statutory provisions particularly around delegation agreements. However, it is considered that the proposed transfer arrangements will provide a governance framework which will meet and address the matters raised albeit by a different pathway.
- 4.4. On 1st June 2024, item 9, Appendix 1 provided an update to the CJC on progress to establish the CJC. This included the Regional Transport Plan, the Investment Zone for Flintshire and Wrexham, as well as the Strategic Development Plan. It referenced the need for the CJC to undertake statutory duties and functions, such as the Welsh Standards and to comply with the duties of public bodies such as the Future Generations Well-being Act and the Socio-economic Duty. It was expressed that an Operational Project Board needed to be created for the North Wales CJC to transfer the functions to the CJC.

5. PROPOSED GOVERNANCE STRUCTURE – ECONOMIC WELL BEING FUNCITON

- 5.1. Members will be aware of the power the CJC has to promote the economic wellbeing of the region. This is a power not a duty and co-exists with the roles which the Constituent Councils and other bodies have in relation in economic development. The original in-principle decision in relation to the Growth Deal transfer envisaged an Economic Ambition Board Sub-Committee. However, the CJC as a whole has now adopted the Ambition North Wales brand, and it is proposed that an Economic Well-being Sub Committee is established to support the work of the CJC and delivery of this function. The proposed model can be found in **Appendix 1** of this report.
- 5.2. The key supporting arguments for adopting this structure are:
- It will enable the CJC itself to maintain a strategic role across all of its functions.
 - The CJC will remain in control of the contents of the portfolios, allocation of funding and project selection.
 - It addresses a capacity risk as the CJC assumes an active role across its functions and duties. The report on the Investment Zone and the increasing demands on the CJC reflects the way this issue is developing.
 - The Economic Well-being Sub-Committee can concentrate on the implementation of the CJC's programmes, and particularly the Growth Deal's Project Business case approvals.
 - It will facilitate co-option which reflects the Economic Ambition Board model within the Economic Well-being function.
- 5.3. One of the aims of the transfer was to maintain as far as practicable current arrangements around Governance Agreement 2 (GA2). Consequently, it proposed that the current support and consultative arrangements, the Executive Group, the Portfolio Board, and the Private Sector board currently identified as the Business Delivery Board are retained and act as advisors to the CJC and the Sub-Committee. Given that the CJC has a wider remit than the Growth Deal, it is proposed that the current Business Delivery Board's Terms of Reference and membership is revised to reflect this wider remit and that the Chair of the Private Sector Advisory Board is recruited as an Operational Non-Executive Director. It also suggested that representatives who act as Advisers to the EAB would be co-opted onto the Economic Well-being Sub-Committee on a non-voting basis. But also, that a representative of Eryri National Park Authority and the chair of the Regional Skills Partnership are also co-opted on the same basis.

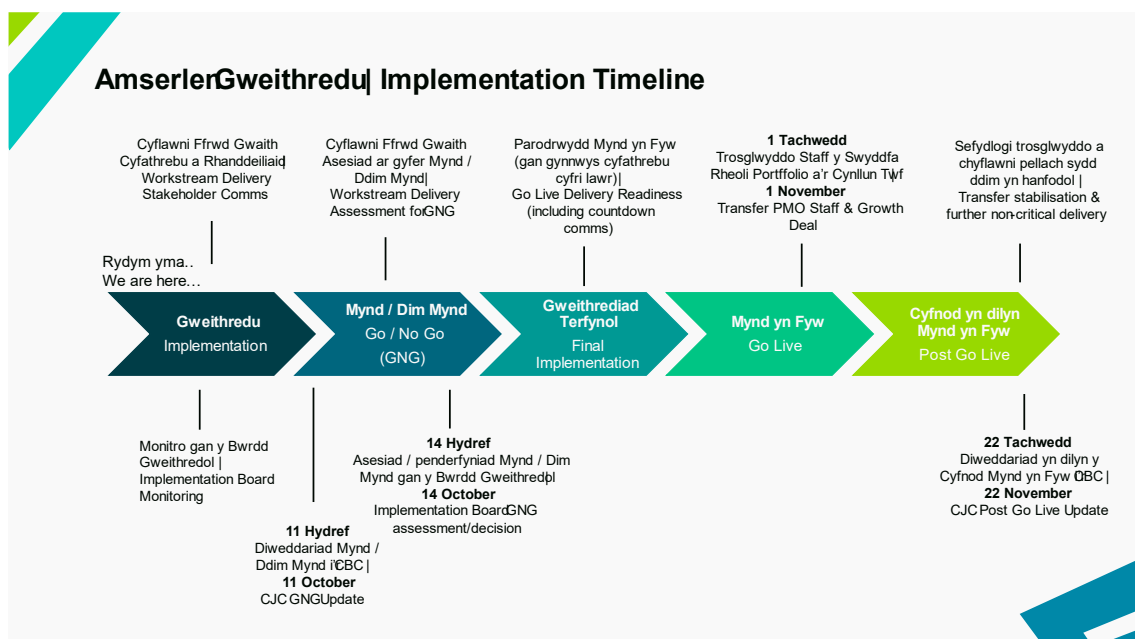
5.4. The CJC will, in due course (within this financial year) have to review its overall governance, who it co-opts and to which body. However, there are a number of factors to be considered in addressing co-option. These issues have to be looked at in the context of the wider powers and duties of the CJC and possible roles for other partners and stakeholders. The Statutory Guidance on CJC places an emphasis on “Involving Others”. The Guidance identifies a range of stakeholders across sectors who might be co-opted or support and participate in the CJC. However, this needs to be considered and developed holistically. For this reason, the proposed co-option arrangements in the structure are essentially aimed at facilitating the transfer of the Growth Deal and maintaining, as far as possible, the current model to be found in the EAB. But it will need to be revisited as part of the overall development of the governance of the CJC.

6. UPDATE ON PROGRESS TO ESTABLISH THE CJC

6.1. An officer on a contract basis has been appointed to undertake the CJC Implementation Programme Lead role. This commenced on 15th July to replace seconded resource from Welsh Government to undertake the role which concluded on 7th June.

6.2. An implementation programme board has been established with planning reviews aligned to each implementation workstream being conducted during July/August to identify and address delivery confidence/challenges. The programme board is focused on workstreams comprising legal and governance, Human Resources, IT and Digital, Finance, Systems and Resources and Communications all of which relate to the proposed transfer of the Growth Deal, its funding and the PMO.

6.3. The targeted transfer Go Live date is the 1st of November, which is dependent on receiving the required approvals for transfer. The implementation board also monitors and manages risks, issues, and dependencies (internal and external) associated with the transfer of functions and readiness for Go Live. A summary of the implementation timeline is included here.



- 6.4. A separate report is presented to provide progress updates on the Regional Transport Plan, the Investment Zone and the Welsh Language Standards. Timeline for Development of the Strategic Development Plan is under review. It is likely that external contract support will be required to support development of the North Wales Delivery Agreement. A further update will be presented to the CJC in future. Work is underway to plan the inaugural meeting of the Planning Sub-Committee in due course.
- 6.5. In order to effect the transfer there are key legal matters which are being developed:
- i. Agreement with the Governments on the transfer (novation) of the Growth Deal across to the CJC and the model for achieving this. The principle of the transfer has government support.
 - ii. The creation of Joint Working Agreement between the parties to GA2 and the Corporate Joint Committee. The agreement will be a successor to GA2 and in many respects will reflect the current arrangements. However, the different corporate status of the CJC will mean that aspects of the agreement will need to be approached differently. These reflect the fact that GA2 created a Joint Committee of the Constituent Councils with delegated powers whereas the CJC (notwithstanding its name) is a statutory corporation. The aim however is to reflect and seek to replicate the partnership arrangements within the “lift and shift” transfer model. The proposed governance arrangement set out above is intended to pave the way for this work to continue.
 - iii. The work on establishing a scrutiny framework for the CJC across all its functions is ongoing and it is intended that this work is progressed in parallel with the transfer project.

7. FINANCIAL IMPLICATIONS

- 7.1. The purpose of this report is to provide an update on progress and to seek approval for the governance structure as set out in the report. Whilst there clearly will be costs associated with the governance of the CJC going forward, these have already been budgeted for, either as part of the budget of the CJC or the North Wales Economic Ambition Board. The decision sought does create new spending commitments.

8. LEGAL IMPLICATIONS

- 8.1. The report sets out the legal and governance implications of the decision sought.

APPENDICES:

Appendix 1: Proposed Governance Structure

STATUTORY OFFICERS RESPONSE:

- i. **Monitoring Officer:**
Joint author of the report

ii. **Statutory Finance Officer:**

“I am satisfied that the information contained in this report is an accurate reflection of the current situation in terms of the establishment of the Corporate Joint Committee and the next steps which are to be pursued.”