
NORTH WALES CORPORATE JOINT COMMITTEE

21 February, 2025

TITLE: Transfer of Growth Deal to the Corporate Joint Committee

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1. PURPOSE OF THE REPORT

- 1.1. To update CJC members on progress made to transfer the Growth Deal, its funding, and the Portfolio Management Office (PMO) to the CJC.

2. DECISION SOUGHT

- 2.1. The CJC accepts the update, progress made to prepare for the proposed transfer of the Growth Deal, its funding and the PMO into the CJC on 1st April, 2025.
- 2.2. That a further decision report will be submitted to the next CJC meeting on the 21st March, 2025 to provide its formal decision to accept the transfer and enter into the Delivery and Financing agreement for the transfer of the Growth Deal to the CJC.

3. REASON FOR THE DECISION

- 3.1. The decision is to transfer the implementation of the Growth Deal from the North Wales Economic Ambition Board to the CJC. The role of Accountable body, with responsibility for the delivery of the North Wales Growth Deal and funding arrangements for the Growth Deal will be transferred to the CJC. This report advises as to progress on the programme for delivery of this transfer.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. Between December 2021 and January 2022, the Cabinets and Executives in each of the six Local Authorities, agreed, in principle, that the functions of the North Wales Economic Ambition Board (NWEAB) should transfer to the CJC. It was explained that securing an in-principle decision allowed for the work towards transfer to begin. It was explained that the statutory framework was in place, and the establishment of the CJC as an operational entity meant that there was a sufficient governance structure to support the proposed transfer.
- 4.2. As outlined at the CJC meetings on the 6th September and 22nd November 2024, to affect the transfer, there were specific legal steps required:
- i. Agreement with the Governments on the transfer (novation) of the Growth Deal funding across to the CJC and the model for achieving this. The principle of the transfer has Government support.

- ii. Formal decisions by the parties to GA2 and the CJC to agree to the transfer of the Growth Deal functions and the Accountable Body function to the CJC.
- iii. 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.

5. UPDATE ON PROGRESS TO TRANSFER THE GROWTH DEAL TO THE CJC

5.1. An internal Implementation Board has been created to project manage the transfer of the Growth Deal and the various related constitutional, governance and establishment matters that are required to be in place to support transfer. Currently the following matters are the remaining key steps to effect transfer:

- A letter to government to request agreement in principle to transfer was sent in December 2024. A positive response has been received.
- Partner transfer papers have been sent in January 2025 for approvals through all formal governance processes. A letter from the Chair and Vice-Chair has been sent to all Leaders and the equivalent in the Universities and Colleges supporting and emphasising the importance of the transfer date.
- A draft novation agreement has been shared with Welsh Government (3 February) and we are awaiting comments. The agreement can then proceed to be completed in parallel with the transfer process.

5.2. The pathway to transfer also includes the successful and safe TUPE transfer of the PMO team (including Portfolio Director) to ensure Growth Deal programme plans are unaffected which, includes business readiness interdependencies such as finance systems, HR benefits, payroll, and pensions. This work is on-going and critical to support the delivery of the Growth Deal on transfer. There has been a recent focus on the requirement to bring in additional support to underpin Growth Deal delivery. This has provided confidence that the transfer process will not be adversely affected. The extended work programme is proceeding and provides confidence for the transfer process.

5.3. The effective transfer date is set for 1 April, but the dependencies as outlined at paragraphs 5.1 and 5.2 are progressing accordingly.

6. FINANCIAL IMPLICATIONS

6.1. The CJC implementation project is being supported through the provision of specialist support provided through Cyngor Gwynedd and by a number of contract resources targeted at supporting programme management, finance, legal and democratic services. Some of the contracted capacity will be required until transfer of the Growth Deal and the implementation of Service Level Agreements with Cyngor Gwynedd. Certain other roles will require permanent recruitment into specific posts.

7. LEGAL IMPLICATIONS

7.1. The transfer is to a pre-existing corporation in the form of the CJC. This will entail certain key and overarching changes with the Joint Committee arrangements being no longer required. The agreement is no longer based on delegation, but on a novation/assignment of delivery of the Growth Deal to the CJC.

- 7.2. A concurrent and separate Novation agreement to transfer funding will be concluded with Welsh Government, Cyngor Gwynedd and the CJC. As part of the transfer process as there is no need for a host authority Cyngor Gwynedd drops away from the accountable body role to be replaced by the CJC.
- 7.3. The mutual commitments are based on the Delivery and Financing Agreement (which supersedes GA2) and not on delegation and reserved matters. However, in return for the funding the parties will retain an overarching role in the shape of the Growth Deal in return for the funding.
- 7.4. The CJC will be responsible for its own staff and other structures. Its commitment will be to the delivery of the Growth Deal and it will need utilise the resources it is given to deliver. Growth Deal finance is ring fenced from the CJC's other functions and the levy. This also means that the CJC 's commitment to deliver will reflect the resource it is given or can access. Whilst the funding model is retained the CJC is a separate entity and has to set its own balanced budget by law.
- 7.5. As a standalone levying body the CJC is required to set a balanced budget having regard to all its functions. It assumes the accountability to governments for the delivery of the Growth Deal and responding to their requirements. Any increases in the revenue costs of delivery which could not be financed from other sources would either be financed by agreed revised contributions of the partners or as a default position the CJC would have to review its budget and the levy.

APPENDICES:

None

STATUTORY OFFICERS RESPONSE:

i. **Monitoring Officer:**

Joint author of the report.

ii. **Statutory Finance Officer:**

"Officers from the Finance Service continue to provide support to facilitate the further development of the CJC. The budgets and expenditure of both the CJC and the Growth Deal are the subject of regular review, and I am confident that the financial arrangements are robust."