



Report of the Director of Place

Governance & Audit Committee – 14 September 2021

Update Report South West Wales Corporate Joint Committee

Purpose:	To provide the Governance & Audit Committee with an update on the current status and progress in relation to the new SWW Corporate Joint Committee.
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For Information	

1. Background

1.1 Part 5 of the Local Government and Elections (Wales) Act 2021 (“the Act”) provides for the establishment, through regulations, of CJsCs. This can be achieved by two routes: at the instigation of two or more principal Councils; and at the instigation of Welsh Ministers, but only in relation to certain functions or functional areas which are specified on the face of the Act.

1.2 Establishment Regulations have now been approved by the Senedd to establish four CJsCs in Wales including the South West Wales Region –

- Carmarthenshire County Council;
- Neath & Port Talbot County Council;
- Pembrokeshire County Council;
- Swansea Council.

- 1.3 In addition for the strategic planning functions the CJC would include both Brecon Beacons and Pembrokeshire National Parks.
- 1.4 Governance will be a key element of CJs and a number of factors must be considered by CJs.
- 1.5 The Cabinet report approved on the 20th May 2021 and attached in appendix A outlines the requirements for composition, membership, and meetings so that detail is not repeated here. However, in determining governance two aspects are outlined further in this briefing note.
- 1.6 Co-opted members - The CJC will be able to co-opt such members to the CJC and determine/agree the terms of membership of any co-opted participant (e.g. voting rights, role, funding contribution etc.).
- 1.7 Sub committees – CJs will be able to establish sub committees if they wish to do so and decide who sits on them. These could consist of members of the constituent principal councils other than those members on the CJC itself (e.g. relevant Cabinet Members). Other partner organisations may also be invited/co-opted to be sub-committee co-opted participants should a CJC wish to do so and this is likely to include representatives from the universities and Health Boards.
- 1.8 Initial discussion amongst leaders have indicated that the starting point for the CJC is to commence with the statutory functions as set out in the regulations namely:
 - strategic development planning;
 - regional transport planning; and
 - the power to do things to promote or improve the economic well-being of the areas covered by the principal councils within the region.
- 1.9 **There are current and effective regional arrangements already in place for these activities and it is proposed that these be utilised as the transitional arrangements into the new CJC governance structure.**

2. **Key activities and Milestones**

- 2.1 Welsh Government requested bids from the region for funding for the regions to develop the transitional arrangements. Swansea made the bid on behalf of the region and this has been approved in the sum of £250k which will be claimed on a quarterly basis up until the end of March 2022.
- 2.2 As part of the funding agreement the Region was expected to set out its delivery plan which is summarised as follows:-

2.2.1 Legal activities

- Final constitutional matters including position on co-opted members, joint committees, recruitment and employment matters and private sector representatives 31st October 2021;
- Tranche 2 regulations consultation issued with closing date of the 6th September. Assumed decision by WG end of end of 2021 although this shouldn't delay progression of the project deliverables;
- Tranche 3 regulation consultation on operation of CJC's and its functions expected in the Autumn of 2021;
- Tranche 4 regulation consultation on provisions CJC's may need to deliver functions expected Spring of 2022;
- Consultation on statutory guidance ends 4 October to be published later this year;
- Finalise all CJC legal and governance agreements, date to be in line with further Welsh Government Guidance and likely to be by the end of December 2021;
- Confirm new proposed regional arrangements for scrutiny and audit by December 2021.

2.2.2 Delivery mechanism

- Finalise proposed governance arrangement and structure for CJC delivery including recruitment strategy private sector engagement and proposed financial implications of new arrangements end of October 2021;
- Appoint or arrange secondment of staff to new arrangements 31st January 2022.

2.2.3 Priorities

- Develop and agree programme for statutory activities strategic land use planning, strategic transport planning and economic development end October 2021.

2.2.4 Financial Milestone

- Draft budget setting (based on governance structure and costs) by 31st December 2021;
- Final budget to be drafted by end of January 2022.

2.2.5 CJC meetings

- Shadow meetings commenced;
- First formal CJC must take place prior to 31st January 2022 to approve the budget;
- Assume full details by end of June 2022 in line with legislation.

2.3 It is intended for further reports to be issued to Cabinet when any decisions are required with the next report expected in October.

3. **Governance and Audit Sub-Committee**

3.1 Each CJC **must** establish a governance and audit sub-committee. The terms of reference of the committee will be to:

- review and scrutinise the CJC's financial affairs;
- make reports and recommendations to the CJC in relation to financial affairs;
- review and assess the risk management, internal control and corporate governance arrangements;
- make reports and recommendations on the adequacy and effectiveness of those arrangements;
- oversee the internal and external audit arrangements;
- review any financial statements prepared by the CJC;
- exercise such other functions as the CJC may specify.

3.2 The membership of the CJC governance and audit sub-committee will comprise:

- at least one member who is not a member of a county council, or county borough council in Wales;
- at least 2/3rd membership constituted by members of the constituent councils (but not members of the council's executives) and

3.3 The members of the CJC governance and audit committee cannot be a member of the CJC, a member of the executive of a constituent council or a co-opted participant.

3.4 It is anticipated that the governance and audit committee will be required to meet once in every calendar year as a minimum. It is intended that the chair of the governance and audit committee is the lay member.

4. **Legal Implications**

4.1 There are no direct legal implications arising from the report.

5. **Financial Implications**

5.1 As this is for information there are no direct financial implications arising from the report. Future costs including the formal levy from the CJC will be built into the budget setting round for 22-23.

6. **Integrated Assessment Implications**

6.1 This is a status report and therefore an assessment is not required.

Background Papers: None.

Appendices: Appendix 1 – Cabinet Report 20th May 2021