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County Hall
Rhadyr
Usk
NP15 1GA

Wednesday, 19 January 2022

Notice of meeting

County Council

Thursday, 27th January, 2022 at 2.00 pm,
County Hall, Usk - Remote Attendance

AGENDA

Prayers will be said prior to the Council meeting at 1.50pm. All members are welcome to join the Chairman for prayers should they wish to do.

Item No	Item	Pages
1.	Apologies for absence	
2.	Declarations of interest	
3.	Public Questions	
4.	Chairman's announcement and receipt of petitions	1 - 2
5.	Reports to Council:	
5.1.	COUNCIL TAX REDUCTION SCHEME 2022/23	3 - 8
5.2.	IMPLEMENTING THE SOUTH EAST WALES CORPORATE JOINT COMMITTEE	9 - 104
5.3.	RESPONDING TO INSUFFICIENCIES WITHIN THE PROVIDER MARKET FOR CHILDREN AND YOUNG PEOPLE WITH COMPLEX NEEDS	To Follow
6.	Motions to Council:	
6.1.	Submitted by County Councillor Martyn Groucutt This council acknowledges that many families in Monmouthshire will soon find themselves facing increasing financial hardship. Consequentially this will also lead to increases in wider social,	

emotional, and medical difficulties that will have the potential to blight the lives of residents and their families. The dramatic increases in the cost of fuel for cooking, and for heating and lighting our homes, the significant rise in the rate of inflation, and increases in some taxation from the start of April will put huge financial pressure on domestic budgets that has the potential to create a social crisis across our county.

Council welcomes the current Money Matters campaign, but also believes that we need to use emerging data coming from this and from other relevant evidence gathered from agencies such as Citizens' Advice, Mind Monmouthshire, and the Abergavenny Community Enterprise Centre in order to make the best possible response. It might also be possible to gather useful information from organisations such as the Bevan Foundation on the wider impacts of the developing cost of living crisis.

Council commits itself to respond to this potential crisis, and to working with other relevant groups and agencies. This will allow officers to best identify the main causes of immediate financial hardship, identifying communities that are being most severely affected and the groups who are being most damaged, as well as other, wider consequences of increasing financial hardships across the county.

Officers will report to council over the course of this year on ways in which they have developed their response to the crisis and how they have measured its effectiveness. This will include informing council on the ways in which support has been targeted to meet identified need, and the ways in which professionals from the range of agencies have collaborated to bring about the most effective response possible.

6.2. Submitted by County Councillor Tudor Thomas

It is imperative that all select committee chairs are provided with relevant and up-to-date information on all areas of a committee's portfolio particularly CYP on looked after children.

6.3. Submitted by County Councillor Armand Watts

This Council agrees that it is immoral and unfair for employees to be fired and rehired.

This motion requests that Monmouthshire County Council takes steps to end fire and rehire in the workplace. It looks to prevent the practice within the local authority and avoid entering into contracts with businesses known to use the tactic, where legally possible.

7. Members Questions:

7.1. From County Councillor Anthony Easson to County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services

After many months of waiting a clear response, would Cllr Pratt update me on

	<p>progress for the following matters. Firstly, in relation to requests by Caldicot Town Council to install two redundant bus shelters along Woodstock Way, Caldicot. Both funded by the Town Council.</p>	
7.2.	<p>From County Councillor Anthony Easson to County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services</p> <p>Would Cllr Pratt update me on progress made so far to bring the pedestrian crossings at both Sandy Lane, and Church Road back into proper working order. Both were installed as part of the “Safe Routes to school” when Castle Park School was opened. Both crossings should be fully maintained for the reasons that they were installed.</p>	
7.3.	<p>From County Councillor Tudor Thomas to County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services</p> <p>Allwch aelod y cabinet egluro pam mae'r newid polisi wedi i wneud o ran cadw arwyddion enw stryd yn Saesneg yn unig ac nid dros gyfnod o amser yn darparu arwyddion stryd dwyieithog ar draws yr awdurdod.</p> <p>Mae Sir Fynwy yn awdurdod yng Nghymru ac bydd y newid polisi hwn yn cael effaith negyddol ar iaith Gymraeg yn yr awdurdod.</p> <p>Translation:</p> <p>Can the Cabinet Member clarify why the policy change has been made regarding keeping street name signs in English only and not over a period of time providing bilingual street signs across the authority.</p> <p>Monmouthshire is an authority in Wales and this change of policy will have a negative effect on the Welsh Language in the authority.</p>	
8.	Minutes of the previous meeting	105 - 114
9.	Next Meeting: 3rd March 2022	

Paul Matthews

Chief Executive

**MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY**

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

County Councillor Dimitri Batrouni	St. Christophers;	Welsh Labour/Llafur Cymru
County Councillor Jeremy Becker	St. Mary's;	Liberal Democrats
County Councillor Debby Blakebrough	Trellech United;	Independent Group
County Councillor Louise Brown	Shirenewton;	Welsh Conservative Party
County Councillor Alan Davies	Green Lane;	Independent
County Councillor Lisa Dymock	The Elms;	Welsh Conservative Party
County Councillor Tony Easson	Dewstow;	Welsh Labour/Llafur Cymru
County Councillor Christopher Edwards	St. Kingsmark;	Welsh Conservative Party
County Councillor Ruth Edwards	Llantilio Crossenny;	Welsh Conservative Party
County Councillor David Evans	West End;	Welsh Labour/Llafur Cymru
County Councillor Mat Feakins	Drybridge;	Welsh Conservative Party
County Councillor Peter Fox	Portskewett;	Welsh Conservative Party
County Councillor Robert Greenland	Devauden;	Welsh Conservative Party
County Councillor Martyn Groucutt	Lansdown;	Welsh Labour/Llafur Cymru
County Councillor Linda Guppy	Rogiet;	Liberal Democrats
County Councillor Roger Harris	Croesonen;	Welsh Labour/Llafur Cymru
County Councillor Jim Higginson	Severn;	Welsh Labour/Llafur Cymru
County Councillor Giles Howard	Llanfoist Fawr;	Welsh Conservative Party
County Councillor Simon Howarth	Llanelly Hill;	Independent Group
County Councillor Richard John	Mitchel Troy;	Welsh Conservative Party
County Councillor Dave Jones	Crucorney;	Independent Group
County Councillor Laura Jones	Wyesham;	Welsh Conservative Party
County Councillor Penny Jones	Raglan;	Welsh Conservative Party
County Councillor Sara Jones	Llanover;	Welsh Conservative Party
County Councillor Bryan Jones	Goytre Fawr;	Welsh Conservative Party
County Councillor Paul Jordan	Cantref;	Welsh Conservative Party
County Councillor Malcolm Lane	Mardy;	Welsh Conservative Party
County Councillor Phil Murphy	Caerwent;	Welsh Conservative Party
County Councillor Paul Pavia	Larkfield;	Welsh Conservative Party
County Councillor Maureen Powell	Castle;	Welsh Conservative Party
County Councillor Jane Pratt	Llanelly Hill;	Welsh Conservative Party
County Councillor Richard Roden	Dixton with Osbaston;	Welsh Conservative Party
County Councillor Val Smith	Llanbadoc;	Independent Group
County Councillor Brian Strong	Usk;	Welsh Conservative Party
County Councillor Frances Taylor	Mill;	Independent Group
County Councillor Tudor Thomas	Priory;	Welsh Labour/Llafur Cymru
County Councillor Jamie Treharne	Overmonnow;	Welsh Conservative Party
County Councillor Jo Watkins	Caldicot Castle;	Liberal Democrats
County Councillor Armand Watts	Thornwell;	Welsh Labour/Llafur Cymru
County Councillor Ann Webb	St Arvans;	Welsh Conservative Party
County Councillor Kevin Williams	Llanwenarth Ultra;	Independent
County Councillor Sheila Woodhouse	Grofield;	Welsh Conservative Party

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Welsh Language

Mae'r Cyngor yn croesawu cyfraniadau gan aelodau'r cyhoedd trwy gyfrwng y Gymraeg neu'r Saesneg.
Gofynnwn yn barchus i chi roi rhybudd digonol i ni er mwyn darparu ar gyfer eich anghenion
The Council welcomes contributions from members of the public through the medium of Welsh or English.
We respectfully ask that you provide us with adequate notice to accommodate your needs.

Aims and Values of Monmouthshire County Council

Our purpose

Building Sustainable and Resilient Communities

Objectives we are working towards

- Giving people the best possible start in life
- A thriving and connected county
- Maximise the Potential of the natural and built environment
- Lifelong well-being
- A future focused council

Our Values

Openness. We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

Fairness. We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

Flexibility. We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

Teamwork. We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

Kindness: We will show kindness to all those we work with putting the importance of relationships and the connections we have with one another at the heart of all interactions.

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Chairman's Report 9th December 2021 – 18th January 2022

Thursday 9 th December	HRH Princess Royal Visit Chepstow Racecourse
Monday 13 th December	BEM Presentations Newport City Council
Wednesday 15 th December 10.30 a.m.	MCC Christmas Carol Service

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Subject: COUNCIL TAX REDUCTION SCHEME 2022/23

Meeting: Council

Date: 27th January 2022

Divisions/Wards Affected: All

1. PURPOSE:

1.1 The purpose of this report is to:

- present arrangements for the implementation of the Council Tax Reduction Scheme and to approve it for 2022/23
- agree to adopt the amendments to the Regulations, proposed by Welsh Government, as detailed in point 3.7
- affirm that annual uprating amendments will be carried out each year without a requirement to adopt the whole Council Tax Reduction Scheme

2. RECOMMENDATIONS:

2.1 To note the making of the Council Tax Reduction Scheme and Prescribed Requirements (Wales) Regulations ("the Prescribed Requirements Regulations") 2013 by the Welsh Government on 26 November 2013.

2.2 To adopt the provisions within the Regulations above ("the Prescribed Requirements Regulations") and any 'annual uprating regulations' in respect of its Scheme for the financial year 2022/23 including the discretionary elements previously approved as the Council's local scheme from 1st April 2022.

3. KEY ISSUES:

3.1 On 17th January 2019 Council adopted the Council Tax Reduction Scheme for 2019/20, in accordance with the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2013.

3.2 The Regulations approved by the Assembly are available as follows:

The Default Scheme

<http://www.legislation.gov.uk/wsi/2013/3035/contents/made>

The Prescribed Scheme

<http://www.legislation.gov.uk/wsi/2013/3029/contents/made>

The National Assembly are set to approve the Amendment Regulations incorporating the uprated benefits from April 2022 at a plenary session on 18th January 2022. The draft regulations are here:

[The Council Tax Reduction Schemes \(Prescribed Requirements and Default Scheme\) \(Wales\) \(Amendment\) Regulations 2022](#)

- 3.3 A failure to adopt a 'local' scheme by 31 January 2022 will result in the Default Scheme being imposed on the Council.
- 3.4 The Welsh Government's regulations for 2022/23 ensure claimants can continue to receive a reduction up to 100% of their Council Tax bill dependent upon their income and household circumstances.
- 3.5 Annual uprating regulations to increase benefits and personal allowances from April 2022 within the Council Tax Reduction Scheme has been considered by a plenary session of the Senedd of the National Assembly for Wales on 18th January 2022.
- 3.6 In addition to the annual uprating of allowances, there are a couple of other amendments to the 2013 CTRS Regulations. These make provision for the treatment of two other types of payments and ensure the 2013 Regulations remain up to date and fit for purpose.
- 3.7 These amendments allow for the following:
 - **Afghan nationals and UK nationals from Afghanistan** – the amendment to the regulations exempts this group from those counted as persons not being in Great Britain. Consequently making this group eligible for a CTRS discount if they meet the other CTRS requirements.
 - **Redress scheme for survivors of historical child abuse in Scotland** – applies to any survivors of historical child abuse in care in Scotland living in Wales. This allows for any redress payment received to be disregarded when calculating a CTRS applicant's capital.
 - **Pensioners reaching state pension age: personal allowance** – The 2013 CTRS Regulations provide for higher or lower personal allowance rates for pensioners depending on whether they are over or under 65 respectively. Within the meaning of the regulations there are no longer pensioners who are under the age of 65. An amendment is made to remove the redundant reference.

4. Background

- 4.1 It was reported to Council on 28th January 2013 that the Welfare Reform Act 2013 included provisions to abolish Council Tax Benefit on 31 March 2013. From 1st April 2013, the responsibility for arranging support towards paying Council Tax and the associated funding transferred from the Department for Work and Pensions (DWP) to local authorities in England, and to the Scottish and Welsh Governments. The UK Government's policy intention was to reduce expenditure on Council Tax and therefore to implement a 10 per cent funding cut.
- 4.2 The report to Council on 28th January 2013 referred to the Council Tax Reduction Scheme Regulations 2012 and the amending regulations 2013. Those regulations were for implementation during the 2013/14 financial year only and Council resolved to adopt a new scheme for subsequent years in accordance with new regulations approved by the Welsh Government.
- 4.3 The regulations for Council Tax Reduction include provision for support up to 100% of council tax. As noted when presenting this issue in January, the regulations control the implementation of reduction schemes across the whole of Wales and are

designed to ensure that each local authority consistently provides support for Welsh taxpayers.

5. The Reduction Scheme and discretionary areas

5.1 Although a national scheme has been approved, within the Prescribed Requirements Regulations there is limited discretion given to the Council to apply additional discretionary elements that are more generous than the national scheme and which provide for additional administrative flexibility. Council approved the discretionary areas to be applied (listed below in 5.2) following public consultation. It is not proposed to change them in any way therefore no further consultation is required at this stage.

5.2 It is recommended to adopt the Scheme in the Prescribed Requirement Regulations as noted in paragraph 3.2. and to exercise the previously approved discretions as follows:

- The ability to increase the standard extended reduction period of 4 weeks given to persons after they return to work where they have previously been receiving a council tax reduction that is to end as a result of their return to work - it is not recommended to increase the standard extended reduction period;
- Discretion to increase the amount of War Disablement Pensions and War Widows Pensions (including Armed Forces Independent Payments and Guaranteed Income Payment) which is to be disregarded when calculating income of the claimant - it is recommended to disregard the whole amount of War Disablement Pensions and War Widows Pensions;
- The ability to backdate the application of council tax reduction with regard to late claims prior to the new standard period of three months before the claim - it is not recommended to increase the backdated period;
- To provide above the minimum level of information to customers in order to ensure they are appropriately notified of their award in accordance with legislation - it is recommended that we maintain the current standard provision.

Council approved these discretions on 17th January 2019.

5.3 There are no additional monies available from the Welsh Government to fund discretionary elements but they are allowed for within our existing budget.

5.4 Changes to pensions, benefits and allowances normally take effect every April and sometimes during the year. The scheme has to reflect the changes to benefits in order to adjust calculations of entitlement. This is part of normal Benefits administration. We are advised that the Council need to approve the annual uprating regulations each year without formal adoption of the whole scheme.

5.5 As the uprating of benefits is not an area of discretion the Council is not able to consult on it.

6. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING)

6.1 There are no implications for sustainable development.

6.2 The scheme to be applied for 2022/23 does not contain any significant changes from the scheme that is currently operational.

- 6.3 The Welsh Government has undertaken a detailed 'regulatory' impact assessment, which includes equality impact assessment, and we understand that the findings reported were in line with their expectations.
- 6.4 Our Sustainability Community Officer has confirmed that under these circumstances there is no requirement to complete a Future Generations Evaluation.

7. OPTIONS APPRAISAL

This is not applicable as there are no changes to the scheme that is currently in place. The report has been presented as the uprating regulations are effectively amendments to the main scheme, for which we need to obtain overall approval.

8. EVALUATION CRITERIA

The scheme is largely prescribed by Welsh Government. Previous annual reports have reaffirmed the minimal discretions that the Authority can apply. These discretions have been found to be resilient and fair.

9. REASONS

- 9.1 To agree the council tax reduction scheme for the forthcoming financial year as required by legislation.
- 9.2 To affirm the annual uprating prescribed by the Welsh Government.

10. RESOURCE IMPLICATIONS

- 10.1 From 2014/15 onwards the Council Tax Reduction Scheme was funded through RSG. The Council therefore needs to manage the cost of the Scheme within its annual budget.
- 10.2 Any additional costs for growth in caseload and/or increases in entitlement attributable to a rise in the overall level of Council Tax have to be managed and are built into our budget proposals for 2022/23.
- 10.3 The impact of Covid 19 on work and incomes resulted in an increase in CTRS caseload and subsequent pressure on the CTRS budget in 2020/21 and again in 2021/22. In 2020/21, funding was provided by Welsh Government to mitigate this budget pressure. Whilst the pressure has started to ease a little during 2021/22 the budget remains under pressure. We currently await confirmation of any further funding from Welsh Government.
- 10.4 The provisional budget allocation, for 2022/23, of £7,435,005 is based on a 3.95% increase in Council Tax. Any subsequent changes in the council tax increase will be reflected in the final budget proposal report.

11. CONSULTEES:

Cabinet
Strategic Leadership Team
Chief Officer for Resources
Head of Legal

12. BACKGROUND PAPERS:

None

13. AUTHORS:

Richard Davies – Head of Benefits (Monmouthshire)

Ruth Donovan – Assistant Head of Finance: Revenues, Systems and Exchequer

14. CONTACT DETAILS:

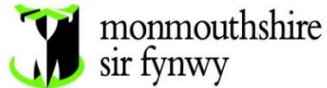
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SUBJECT: IMPLEMENTING THE SOUTH EAST WALES CORPORATE JOINT COMMITTEE

MEETING: FULL COUNCIL

DATE: 27TH JANUARY 2022

DIVISION/WARDS AFFECTED: ALL

- 1.1 To set out an interim governance and delivery model sufficient to implement the statutory requirements for establishment of the South East Wales Corporate Joint Committee (CJC). To set out the 'twin-track' approach to operating the Cardiff Capital Region (CCR) City Deal alongside the initial 'bare minimum' phase of CJC mobilisation ahead of the SE Wales CJC setting its first statutory budget on 31 January 2022.
- 1.2 To appraise Council of the next phases of progress in line with resolving the current barriers to full implementation of an integrated 'lift and shift' approach which seeks to eventually, bring together the CCR City Deal and the CJC into one coherent model of regional economic governance.

2. RECOMMENDATIONS:

- 2.1 It is recommended that Council:
 - a) Notes the interim governance and delivery model for implementation of the SE Wales Corporate Joint Committee and the 'twin track' arrangements proposed across operation of CCR City Deal, alongside initial enactment of a 'bare minimum' CJC – and until such time the proposed 'lift and shift' approach can occur
 - b) Notes the requirement for the CJC to set and approve a budget on or before 31 January 2022 and the steps set out in the report to enable this
 - c) Notes the risks and issues set out in the report which require ongoing monitoring, mitigation and management
 - d) Notes the request made by CCR of WG to amend the CJC regulations to change the date on which immediate duties commence under the Regulations from 28 February 2022 to 30 June 2022
 - e) Notes the draft Standing Orders at Appendix 1 which set out the initial requirements and operating model for the CJC as well as initial business for the inaugural meeting on 31 January 2022
 - f) Notes the work ongoing by CCR and its constituent Councils to work with WG, Audit Wales and advisors as appropriate, to help inform resolution of the remaining issues wherever possible

- g) Supports the Leader of the Council in his duty to consider and set the first budget of the SE Wales CJC on 31 January 2022 in order to ensure the Council is complying with the legislation as required

3. KEY ISSUES:

3.1 Summary

3.1.1 The report provides an update to Council on Welsh Government Regulations to establish Corporate Joint Committees and sets out the interim governance and delivery model to implement the statutory requirements for CJC's as set out by Welsh Government.

3.1.2 The report sets out the next phases of progress via the implementation of a "lift and shift" approach which seeks to eventually bring together the CCR City Deal and CJC into one coherent model of regional economic governance.

3.1.3 The detail within the report is in a common format which is being presented to all 10 CCR member Councils through January 2022 with the aim of agreeing the common set of recommendations.

3.2 History of the Cardiff Capital Region City Deal

3.2.1 The Welsh Government's SEW Corporate Joint Committee Regulations 2021 establish a Corporate Joint Committee (CJC) for the ten Councils that constitute the Cardiff Capital Region. The legislation came into effect on 1 April 2021 and the first statutory duty of the CJC for SE Wales is to set its budget on or before 31 January 2022. A set of immediate 'commencement duties' requiring the CJC to begin work on preparation of a Strategic Development Plan, a Regional Transport Plan and enactment of economic wellbeing powers were due to be adopted by the SE Wales CJC on 28 February 2022.

3.2.2 A significant body of work has been undertaken by CCR and its constituent councils in preparation for enactment of a corporate entity CJC, given this objective has been a matter of long-term collective endeavour. The direction set through successive business plans, has set the course for evolution from a single funding programme – City Deal – to the multiple funding functions and accountabilities of a wider City Region via a CJC. Work to date has scoped the vision, functions and mission to decipher the 'best fit' opportunities; assess the current Joint Cabinet Committee model to appraise benefits, limitations and opportunities; assess options for a new delivery structure via a CJC; and determine optimal processes for implementation.

3.2.3 On inception of CCRCD in March 2016, the mission was to make CCR more investable, competitive and resilient – promoting inclusive growth and the aim of 'no place gets left behind'. It recognised the 'think local, act regional' mandate and the principle, that through working together everyone achieves more. This

is particularly pertinent in the case of market facing functions such as the economy, housing, land-use and transport where markets don't respect administrative boundaries and where supply chains, connectivity, clusters and innovation diffusion 'spill over' and straddle geographies.

- 3.2.4 In this way, the establishment and underpinning ambition of the CCR City Deal has already accomplished shared purpose across all 10 Councils and much of the heavy lifting to translate this into projects and programmes has been done. Trust, strong relationships, and a commitment to place-based priorities has reinforced the profile, partnerships and reputation. The operation of the Investment and Intervention Framework Fund provides an incentive for continued co-operation and collaboration.
- 3.2.5 Following successful passage through Gateway Review #1, Regional Cabinet has scaled up ambitions through a new 5-year strategic business plan and an Investment Prospectus that sets out asks and offers in the order of £4.2BN investment to deliver 33,500 high skill jobs, £3.75BN leverage and £2.5BN GVA. This is significant because in a new world of Levelling-up, Connecting the Union, the UK as a Science Superpower and a new Programme for Welsh Government – investment will be secured competitively. It follows that CCR must be able to compete to win resources; develop new financial flexibilities and develop propositions to work with Welsh and UK Governments to address challenges of Covid, Climate and low growth-productivity.

3.3 **Core Principles of Regional Economic Governance in the CCR**

- 3.3.1 Whilst CCRCDC has achieved much to date, there are also constraints. CCR City Deal is supported by an Accountable Body delivery structure and as effective as this has been, relies upon complex back-to-back arrangements with constituent Councils and does not afford the benefits of being able to act direct; to have its own balance sheet; to acquire and hold assets and importantly, to borrow. CCR has thus outgrown its initial structure and operating model and needs to evolve to properly capitalise on investment and opportunities for the region.
- 3.3.2 Notwithstanding support for evolution, the CCR City Deal Joint Working Agreement (JWA) – its core values, principles and ways of working – must be maintained. Experience shows that regional collaboration works best when Councils retain absolute control over CCR decision-making, and it follows that any future CJC should follow the principles behind the current JWA. Efficiency of structures streamlined governance and having a future-proofed approach which is capable of providing CCR with optimum flexibility to partake in additional investment programmes beyond the City Deal are therefore key objectives for the CJC. The hard work has already been undertaken since the CJC is not the vision or strategy – it is simply the vehicle or mechanism for

optimal delivery of CCR's vision and strategy. Core principles are thus intended to:

- Retain the principles and ways of working set out in the JWA, emphasising concurrence with local arrangements, building additionality over time and on a case-by-case basis and as required by the CJC
- Establish a strong system of multi-tier governance and distributed leadership, with the CJC setting its own compelling vision and aims and objectives
- Recognise that devolution has many faces and the need to work with both Welsh and UK Governments & ensure CCR has access to all available investments & opportunities
- Reinforce a positive-sum game. The uniqueness of the model of LA democratic legitimacy and localism sits at the heart of CJC which will be controlled and led by LAs.
- Pose no threat to LA services with the assumption that functions, services and resourcing are pulled from the centre not local authorities. No local power, functions, services or resources will be lost or displaced – unless a case is made and supported by LAs (such as Regional Bus) - and LAs will also deal directly with UK Government and Welsh Government and continue to deliver large-scale projects including those of regional, national and international significance and supported by both governments. This will emphasise absolute concurrence and compatibility with local arrangements.
- CJC is capable of adopting Welsh Government's policy position and ambitions for a system of regional economic governance – and is equally able to respond in the face of the growing presence of UK Government in Wales. CCR is able to act as a neutral space in the middle, working positively with both bodies to ensure the region is positioned optimally to see challenges and opportunities through the prism of 'place' and adopt a sense of enlightened self-interest. With regional investment and 'localism' central to developing policy, CCR must deliver for the region, Wales & UK.

3.4 **Making Progress**

3.4.1 With the above principles in mind, at its meeting of the 20 September 2021, Regional Cabinet approved a report that established the 'Lift and Shift' principle (Appendix 2). This meant moving across the CCR City Deal Funding Agreement into the CJC, as the preferred model for CCR's transition to one integrated model of regional public investment. The report further set out a comprehensive Transition Plan to oversee the process of evolution and a critical path for achieving key milestone dates.

3.4.2 The report described a number of live risks and issues, relating to a series of unresolved matters concerning the implications of CJsCs' financial status for taxation purposes and borrowing and their impacts. It was stated that work

would continue to be undertaken with CCR's advisory team and WG to resolve the issues sufficiently in allowing for Lift and Shift model to be implemented in early 2022. A letter was also provided from the WG Minister for Finance and Local Government to reiterate this intent and the report sought to commit to a 'no worse off' principle, on this basis as at the point of transition.

- 3.4.3 In the intervening period, it has become clear that the risks and issues highlighted will not be resolved sufficiently to support 'lift and shift' of the CCR City Deal into the CJC – and by the date of CJC budget setting on 31 January 2022. This is mainly because the issues that require resolution, namely s.33 (VAT) status, need the approval of bodies such as HMRC and HM Treasury (HMT) and these clearly sit outside the sphere of direct influence and control of WG. In addition, further issues have arisen in respect of Corporation Tax. This is a complex matter not addressed so far in the Regulations; and could have significant implications to the CCR operating model unless similarly addressed through an application to HMT for relevant dispensations. Work is underway on addressing this, with CCR supporting WG's business case application to HMRC for the relevant dispensations.
- 3.4.4 In other words, there remain a number of substantially unresolved matters, that unless addressed and resolved prior to full 'lift and shift' implementation and are understood and mitigated against ahead of 'bare minimum' implementation – could have a significant impact. On the latter point, even basic activities under a 'bare minimum' CJC may still incur a level of irrecoverable VAT and as such an initial scaled back approach which reduces such a potential risk is proposed.
- 3.4.5 The impacts of all these issues are not standalone and consideration will need to be given to the matter of seeking UKG support regarding the timing and transfer of the existing CCRC Funding Agreement to the CJC. In addition, it must be understood that these are complex and inter-connected issues and there are no 100% guarantees of success. Wider financial status issues are bound up within making the case for s33 status and in essence, the need to demonstrate the intent and effect of the CJC legislation, which is for them to be 'creatures of LAs' and 'part of the LG family'.
- 3.4.6 CCR has made representations to WG on these issues, including seeking a re-setting of the statutory budget timeframe. WG has advised that this is not possible due to timescales and the need to carry out statutory consultation on any proposed changes. However, the issues raised are recognised and understood and implementation on the basis of a pragmatic and proportionate provisional approach is supported. Additionally, legal advice has been taken on the risks and challenges posed to CCR of 'doing nothing' and it is clear that CCR's constituent Councils must be minimally compliant at this stage.

3.4.7 The 'bare bones' implementation of the CJC legislation will therefore need to be 'twin-tracked' with continuation of the current Joint Committee/Accountable Body-led model for delivering the CCR City Deal for the time being. This dual approach is unavoidable and will provide business continuity for City Deal delivery.

3.4.8 WG has also set out that the date of commencement of immediate duties around preparation of the Regional Transport Plan, Strategic Development Plan and economic wellbeing powers, can be changed from the original date set for SE Wales of 28 February 2022 to 30 June 2022 – thus, falling in line with other CJC regions. This report recommends that this later date is accepted in order to better align with the proposed bare minimum approach.

3.4.9 Further background information pertinent to this is set out in the Report to Regional Cabinet of 13 December 2021 (Appendix 3).

3.5 **Next stages**

3.5.1 Whilst the above issues are complex and require the re-doubling of efforts across WG with support from CCR and its technical and legal advisory team and its constituent LAs, it is recognised that where progress can be made, then it should be made.

3.5.2 The 'bare minimum' model proposed in this report, thus offers a pragmatic way of enabling the ten member Councils of CCR, to begin implementing the CJC requirements and adopting statutory duties – whilst at the same time – supporting WG to progress the resolution of issues, which are preventing a transition to Lift and Shift at this time.

3.5.3 This means putting in place a series of steps that will define the critical path between now and 31 January 2022 (the date by which the CJC must approve its budget), in order to ensure compliance with the legislation, but in ways which protects CCR's ten constituent Councils' short and long-term position and wherever possible, safeguards against any detriment.

3.5.4 On the basis of external advice and technical support, the proposed 'bare minimum' model will enable CCR to demonstrate it has commenced transition, ensuring compliance with the legislation and regulations. It is essentially creating the outline of the CJC as an absolute statutory minimum and as an interim holding position only. It will include:

- Setting minimal nominal budgets and the amounts payable by each constituent local authority for the operation of the CJC no later than 31 January 2022;
- Agreeing with the Auditor General for Wales the CJC audit scope and fee, which is proportionate and reflects the CJC's bare minimum operations;

- Adopting model Standing Orders and any basic supplements – i.e. scheme of delegations (draft attached at Appendix 1);
- Arrangements to place any staff at disposal of CJC – again this will be on the basis of proportionality;
- Establish statutory sub-committees e.g. Audit and Governance Committee etc.;
- Appoint Chair/ Vice Chair/s – which can mirror existing CCR arrangements; and,
- Establish practical arrangements in respect of the CJC’s basic infrastructure as a separate legal entity – accounting & reporting requirements, bank account, VAT registration, minimum insurances, proportionate records scheme etc.

3.5.5 The bare minimum model will operate on the expectation that the absolute minimal operational activity required will be undertaken. Therefore, any extraneous activity such as production of a business plan; meetings of the CJC beyond initial budget setting/ ‘establishment’; meetings of the Audit and Governance Committee; and staffing arrangements beyond those linked to the above – is unlikely to take place.

3.5.6 In order to provide a level of certainty to all CJC stakeholders and constituent councils, the bare minimum model, will be predicated on being in place until the 31 March 2023. However, should the issues be resolved sooner, there is provision for the budget requirement to be re-visited in-year and as ‘lift and shift’ becomes do-able and is supported through the relevant financial status issues being resolved. This means that for the initial operating period - a nominal budget is set – with the clear expectation of minimal expenditure against it. This is an important principle. If even low-level expenditure can be justified, the advice is there is a strong case to avoid incurring such expenditure if it can be demonstrated that it would “prejudice the CJC’s position or suffer any detriment”.

3.5.7 Therefore, whilst a provisional budget can be set, and actions taken to set-up and ‘ready’ the CJC – it does not follow that enactment beyond this is necessary – at least until such time the CJC is ready to be operable and lift and shift can occur. The timeframe outlined above will be kept under constant review throughout the year as the outstanding matters are progressed and future reports will be brought back to Cabinet and/or Council as required.

3.5.8 The CJC will be required to comply with all necessary regulations and legal requirements. The principle of ‘proportionality’ will be adopted in assessing bare minimum compliance, along with the requirement to minimise any adverse budgetary impacts. It should be noted that the two duties to begin preparation

of both a Regional Transport Plan and Strategic Development Plan will commence in 2022/23. As set out within this report, it is now proposed this date is re-set as 30 June 2022 and this has been communicated with Welsh Government. Whilst there are no immediate actions required in relation to the commencement duties, some progress will need to be demonstrated from July 2022 and plans for such will be presented to the CJC during the year.

3.5.9 This pragmatic, proportionate and reasonable approach will require key stakeholders to adopt a shared endeavour approach. As a result, consultation and engagement is ongoing with Audit Wales and Welsh Government.

3.5.10 It is envisaged that once a timescale is known to enable to re-commencement of 'lift and shift' – the original Transition Plan and arrangement set out in the report of 20 September 2021, can be re-activated.

3.5.11 It should also be noted that in setting this process in plan, the clear milestone to work towards is budget setting for the CJC on or before 31 January 2022. Approval of the budget requires unanimous support of CJC constituent councils. Brecon Beacons National Park Authority will feature as part of this in relation to the estimated budget for preparing an SDP and as such, ongoing communication and engagement is taking place.

3.5.12 Whilst work led by WG on behalf of all regions/ constituent CJCs in Wales, is underway with HMRC and HM Treasury on the outstanding issues named in this report, there are further updates to note. The SE Wales CJC is not a 'levying body' with an expectation that 'Connected Body' status can be secured to enable access to the LG Pension Scheme. In relation to access to Public Works Loan Board borrowing, at the relevant future point, WG has had initial positive discussions with HMT that suggest borrowing capability through this medium, can be considered and potentially, developed.

3.5.13 Work continues to be put in place regarding arrangements for interim accounting systems, processes and relevant systems infrastructure for the CJC. This is being carried out in partnership with RCT Council, which will be providing basic 'transactional services' for the initial period of 'bare minimum' CJC operation. CCR City Deal will continue to be supported by the 'Lead Council/ Accountable Body' mechanism. This reflects the arrangements underpinning the twin-tracking approach which will be needed, at least initially and until the remaining issues are resolved.

3.6 Risks and Issues

3.6.1 There are several risks related to the proposed approach. However, if the bare minimum model principles set out above are adopted and risks continually mitigated against by the detailed technical work that is ongoing and continued

liaison WG and Audit Wales, it is suggested that these can be kept in check, monitored and managed. This means that Value for Money issues can be responded to in as much, that the CJC keeps expenditure to the bare minimum during this interim period and on the basis of no significant detriment to its short or long-term operating model.

- 3.6.2 Other risks concern the resources now needed to implement 'bare minimum' with the aim being to meet these nominal costs from existing resources, albeit there will be some effect given efforts that will need to now be fully channelled to getting work done in an ever-decreasing timeframe. Timeframes present a further risk in that at this time, there is no clear point at which lift and shift occurring can be accurately estimated – however, this could be clarified via WG shortly. Arguably, the bigger issue is guaranteeing successful outcomes – although it is anticipated a strong case will be made to both HMRC and HMT and it remains the strong intent, and wider effect, of the WG legislation for CJs to be part of the LG landscape and treated as if a Local Authority.
- 3.6.3 It should also be noted that the identification of risks to date, has arisen through work 'on the job'. Further risks that only become apparent through the process of application and implementation cannot be ruled out.
- 3.6.4 Potential risks around potential for double taxation at the point of lift and shift are unpreventable, with work needed ongoing to develop the conversations, flexibilities where they exist and pragmatism to deal with such eventualities. The possibility of fragmented legacy accounts also requires analysis and conclusions to be presented at the relevant time.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

- 4.1 This report is by the Chief Executive on behalf of the Cardiff Capital Region City Deal therefore an integrated Impact Assessment Document is not provided in the normal format.
- 4.2 However, in developing the Plan for the CJC and in considering its endorsement, regard should be had to:
 - (a) The Welsh Language (Wales) Measure 2011 and the Welsh Language Standards;
 - (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations

on the basis of protected characteristics. Protected characteristics are a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief, and.

(c) the Well Being of Future Generations (Wales) Act 2015. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCDD) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:

- look to the long term.
- focus on prevention by understanding the root causes of problems.
- deliver an integrated approach to achieving the 7 national well-being goals.
- work in collaboration with others to find shared sustainable solutions.
- involve people from all sections of the community in the decisions which affect them.

5. OPTIONS APPRAISAL

- 5.1 An options appraisal has not been undertaken as this report sets out the implementation of the statutory requirements for the establishments of the South East Wales Corporate Joint Committee.

6. REASONS:

- 6.1 The formation of CJC's as provided for in the Local Government and Elections (Wales) Act and will, over time, alter the landscape and governance of some strategic economic well-being, strategic planning and transportation functions

currently undertaken by the constituent councils making up the CJC across the South East Wales Region or Welsh Government or another Welsh Government sponsored public body. WG hope they act as the catalyst to the development and implementation of collaborative arrangements across local government, where regional planning and delivery makes sense, using them as a means of maximising outcomes for the people of Wales by maintaining local democratic accountability, reducing complexity and making the best use of resources.

6.2 WG has published the regulations to establish the South East Wales CJC and set out, at a macro level, how the CJC would operate. Further detail and discussion will continue between the Welsh Government and 22 Welsh councils to set out clearly, the scope of the functions the CJs will be responsible for.

6.3 In South East Wales, the Cardiff Capital Region Joint Cabinet has sought to be proactive and has agreed to transfer the functions under the City Deal agreement, previously approved by UK Government, Welsh Government and the ten councils in March 2016, to the South East Wales Corporate Joint Committee

7. RESOURCE IMPLICATIONS:

7.1 CJC's will ultimately be funded by their constituent councils. The interim position in relation to the setting of the first CJC nominal budget by 31ST January 2022, standing orders and audit arrangements are set out in paragraphs 3.5.4, 3.5.6 and 3.5.7 above.

7.2 The CJC will ultimately have the flexibility to agree the staffing and resourcing required and to determine the approach it takes to such matters.

7.3 As set out in paragraph 3.5.4 above the current position in the creation of the outline of the CJC as an absolute statutory minimum and as an interim holding position it will include making arrangements to place any staff at the disposal of the CJC on the basis of proportionality.

8. CONSULTEES:

CCR Regional Cabinet;
Strategic Leadership Team
All Members Seminar 17th January 2022

9. BACKGROUND PAPERS: N/A

10. AUTHOR:

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Appendices

Appendix 1: Draft CJC Standing Orders

Appendix 2: Report to Regional Cabinet – Establishment of CJC Preferred Governance and Delivery Option & Transition Model – 20 September 2021

Appendix 3: Report to Regional Cabinet – Reframing Approach to SE Wales CJC – 13 December 2021

APPENDIX 1

STANDING ORDERS

SOUTH EAST WALES CORPORATE JOINT COMMITTEE GOVERNANCE STANDING ORDERS

PART 1 - GENERAL

1. SOUTH EAST WALES CORPORATE JOINT COMMITTEE (CJC) MEMBERSHIP

1.1 The members of the CJC are the executive leaders of the 10 Constituent Councils:

1.1.1 Cardiff County Council

1.1.2 Monmouthshire County

1.1.3 Blaenau Gwent County Borough Council

1.1.4 Bridgend County Borough Council

1.1.5 Caerphilly County Borough Council

1.1.6 Merthyr Tydfil County Borough Council

1.1.7 Newport County Borough Council

1.1.8 Rhondda Cynon Taff County Borough Council

1.1.9 Torfaen County Borough Council

1.1.10 The Vale of Glamorgan County Borough Council

(“the **Council Members**”) and

1.1.11 the Brecon Beacons Member; and

1.1.12 any Co-opted Member

(together, the “**CJC**”).

1.2 The Brecon Beacons Member will be appointed by the Brecon Beacons National Park Authority (the “**Authority**”) and must be one of the following office-holders:

1.2.1 The chairman of the Authority;

1.2.2 The deputy chairman of the Authority; or

1.2.3 The chairperson of a committee with responsibility for planning matters as may be established by the Authority.

1.3 Provisions in the regulations establishing and regulating the CJC (the “**Establishing Regulations**”) in relation to the suspension of Council Members and/or the Brecon Beacons Member will apply.

1.4 Each Council Member will act as a member of the CJC in relation to all of the CJC’s functions.

1.5 The Brecon Beacon Member will act as a member of the CJC only in relation to the Strategic Development Plan Function.

1.6 The CJC can co-opt one or more individuals as members of the CJC ("**Co-opted Members**" and each a "**Co-opted Member**"). Provisions in the Establishing Regulations will apply in relation to such Co-opted Members.

1.7 Council Members, the Brecon Beacon Member and any Co-opted Member of the CJC (together the "**Members**" and each a "**Member**") shall have a duty to comply with the Members Code of Conduct.

2. GOVERNANCE AND AUDIT SUB-COMMITTEE

2.1 The CJC must establish a sub-committee (known as the Governance and Audit Sub-committee) to

2.1.1 review and scrutinise the CJC's financial affairs;

2.1.2 make reports and recommendations in relation to the CJC's financial affairs;

2.1.3 review and assess the risk management, internal control and corporate governance arrangements of the CJC;

2.1.4 make reports and recommendations to the CJC on the adequacy and effectiveness of those arrangements;

2.1.5 oversee the CJC's internal and external audit arrangements;

2.1.6 review any financial statements prepared by the CJC;

2.1.7 exercise such other functions as the CJC may specify.

2.2 The terms of reference of the Governance and Audit Sub-Committee are adopted by the CJC as set out in Schedule 1Appendix 1 and may be amended by the CJC from time to time.

3. STANDARDS COMMITTEE

3.1 The CJC will appoint a Standards Committee in accordance with the terms of reference adopted by the CJC as set out in Schedule 1Appendix 2 which may be amended by the CJC from time to time.

4. OTHER SUB-COMMITTEES

4.1 The CJC may establish sub-committees. Provisions in the Establishing Regulations apply to such sub-committees.

4.2 Any delegation to a sub-committee will be subject to Standing Order 6 below.

5. DELEGATION

5.1 Subject to Standing Order 6 below, the CJC may arrange for the discharge of its function by-

5.1.1 A sub-committee;

5.1.2 A member of staff;

5.1.3 Any other corporate joint committee;

5.1.4 Any county or county borough council in Wales.

5.2 Subject always to Standing Order 6 below, the CJC delegates operational decisions on the discharge of its functions and anything that is required to facilitate or is conducive or incidental to the discharge of its functions as set out in the Scheme of Delegation appended at Schedule 1Appendix 3.

6. RESTRICTIONS ON DELEGATION

- 6.1 The CJC may not delegate any of the following to any other person or sub-committee:
- 6.1.1 Its function in relation to developing policies under the relevant provisions of the Transport Act 2000 (“Transport Policy Function”);
 - 6.1.2 Its function in relation to preparing a Strategic Development Plan (the “Strategic Development Plan Function”);
 - 6.1.3 The decision to agree the CJC budgets and contributions of the Constituent Councils and the Authority; and
 - 6.1.4 Other specific decisions and responsibilities set out in the Establishing Regulations.

7. POLICIES AND PROCEDURES

- 7.1 Where there is an operational need for a policy or procedure other than as set out in these Standing Orders or the Establishing Regulations, the CJC will refer to the policies and procedures of one of its Constituent Councils as determined by the Executive Team and with such amendments necessary for and applicable to the circumstances of the CJC.

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PART 2 - MEETINGS AND PROCEEDINGS**8. CHAIRING MEETINGS**

- 8.1 At the first CJC meeting the appointment of a chairperson and vice-chairperson is to be the first business transacted.
- 8.2 The first CJC meeting must be chaired by the Council Member for Blaenau Gwent County Borough Council until the chairperson is appointed (and the chairperson is to chair the remainder of the meeting).
- 8.3 The appointment of the chair and vice-chairperson must be confirmed, or a new chairperson and vice chairperson must be appointed at each annual general CJC meeting.
- 8.4 The chairperson and vice-chairperson must each be a Council Member and must be appointed, or confirmed by the Council Members, and any other Member entitled to vote on the matter.
- 8.5 A person appointed as chairperson or vice chairperson may at any time resign that office by notice in writing given to the other Member.
- 8.6 Arrangements in the Establishing Regulations for dealing with a vacancy in the post of chairperson or vicechairperson will apply.

9. ANNUAL GENERAL MEETINGS AND OTHER MEETINGS

- 9.1 The CJC must hold an annual general meeting in each financial year on a date determined by the CJC.
- 9.2 The CJC may hold other meetings on dates specified in the standing orders. An extraordinary CJC meeting may be called at any time by any person entitled to vote on a matter to be decided at that meeting.

10. QUORUM

- 10.1 All persons entitled to vote must be present for:
- 10.1.1 a meeting to decide the amounts payable by the relevant CJC Members for the Strategic Development Plan Budget and for the General Budget; and
 - 10.1.2 for decisions to change voting procedures.
- 10.2 For any other matters, no fewer than 70% of the persons entitled to vote must be present.

11. VOTING

- 11.1 The number of Co-opted Members entitled to vote may not exceed the number of other Members entitled to vote.
- 11.2 Each person entitled to vote has one vote.
- 11.3 Other than the matters listed in 11.4 and 11.5 below, any vote to be decided by simple majority and if a vote is tied the matter is not carried.
- 11.4 The funding of budget decisions shall be determined by the unanimous agreement of the Members entitled to vote. If the Members cannot reach agreement, the proportions are to be determined by the Welsh Government.
- 11.5 Any change to voting arrangements requires unanimous agreement of all Members entitled to vote on the matter.

11.6 Where the matter relates to strategic planning and a vote is tied, the chairperson has the casting vote.

11.7 The CJC may adopt an alternative voting procedure for any decision other than the decision on the budget and the decision to change the voting procedure itself.

12. LOCATION OF MEETINGS

12.1 A CJC meeting may be held

12.1.1 at a location determined by the CJC;

12.1.2 by remote means; or

12.1.3 partly by remote means and partly at a location determined by the CJC.

12.2 CJC meetings must be open to the public unless the public are excluded for applicable confidentiality reasons or if the nature of the business is exempt information.

13. NOTICE OF MEETINGS AND SUMMONS TO ATTEND

13.1 A CJC must give public notice of a CJC meeting

13.1.1 at least three clear days before the meeting, or

13.1.2 if the meeting is convened at shorter notice, at the time the meeting is convened.

13.2 The notice must be published electronically.

13.3 Where the meeting is called by one of the Members of the CJC, the notice must specify the business proposed and be signed by the Member(s) calling the meeting or signify the approval of those Members by electronic means.

14. ACCESS TO AGENDA AND CONNECTED REPORTS

14.1 Copies of the agenda for a CJC meeting and copies of any report for the meeting must be published by the CJC

14.1.1 electronically, and

14.1.2 at least three clear days before the meeting, or, if the meeting is convened at shorter notice, then at the time it is convened. However, such documents must be available to the Members of the CJC before they are published.

14.2 An item of business may not be considered at a CJC meeting unless either

14.2.1 copy of the agenda including the item (or a copy of the item) is published electronically at least three clear days before the meeting, or, if the meeting is convened at shorter notice, at the time it is convened, or

14.2.2 by reason of special circumstances, which must be specified in the minutes, the chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency.

15. MINUTES

15.1 The names of the Members present at a CJC meeting must be recorded.

15.2 Minutes of the proceedings of a CJC meeting must be drawn up and recorded. The minutes must be approved by the person chairing the CJC meeting or the person chairing the next suitable such meeting by signing the minutes, or by electronically signifying approval.

16. INSPECTION AND PUBLICATION OF MINUTES AND OTHER DOCUMENTS AFTER MEETINGS

16.1 After a CJC meeting the CJC must

16.1.1 Publish the minutes, or a copy of the minutes, where applicable a summary of proceedings in consequence the of the exclusion of material which discloses exempt information, a copy of the agenda for the meeting and a copy of any report for the meeting as relates to any item during which the meeting was open to the public.

16.1.2 ensure that those documents remain accessible electronically to members of the public until the expiration of the period of six years beginning with the date of the meeting.

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PART 3 - FINANCE AND BUDGET**17. BUDGET**

- 17.1 For each financial year, the CJC must calculate its budget for its functions:
- a) Strategic Development Plan Function (the “**Strategic Development Plan Budget**”)
 - b) Other functions (the “**General Budget**”)
- 17.2 The budget shall be agreed no later than 31st January 2022 for the first financial year and no later than 31st January for each subsequent year.
- 17.3 Revisions can be made to the budget during the financial year to which that budget relates.
- 17.4 The Strategic Development Plan Budget requirement must be paid by the Constituent Councils and the Authority – the proportion to be paid by each is to be decided by unanimous agreement of the Council Members and the Brecon Beacons Member.
- 17.5 The General Budget requirement must be paid by the Constituent Councils – the proportion to be paid by each is to be decided by unanimous agreement of the Council Members.

18. GENERAL FUND

- 18.1 The CJC must establish and maintain a fund to be known as the CJC's General Fund.
- 18.2 Any sums received or paid by the CJC, other than for specific external funds set out in the Establishing Regulations, must be done so through the CJC's General Fund.
- 18.3 The CJC must keep an account of receipts into and payments out of its General Fund.

19. FINANCIAL ADMINISTRATION

- 19.1 Provisions in the Establishing Regulations will apply to the financial administration of the CJC.

PART 4 STAFFING**20. STAFFING**

20.1 The CJC will make arrangements in relation to staffing as are necessary for the proper discharge of its functions. Provisions in the Establishing Regulations apply to the CJC's arrangements for staffing.

21. DUTY TO APPOINT CHIEF EXECUTIVE OFFICER

21.1 The CJC will appoint a chief executive officer.

21.2 The chief executive must

21.2.1 Keep review of how the CJC exercises its different functions, the CJC's arrangements and staffing matters, and

21.2.2 where appropriate to do so, make a report to the CJC setting out the chief executive's proposals in respect of any of those matters.

21.3 Provisions in the Establishing Regulations in relation to the direct employment of a chief executive officer will apply.

22. DUTY TO APPOINT CHIEF FINANCE OFFICER AND REPORTING FUNCTIONS

22.1 The CJC will appoint a chief finance officer.

22.2 The CJC's chief officer will have the same duties and obligations for the CJC as a local authority's chief finance officer for their authority.

23. DESIGNATION AND REPORTS OF MONITORING OFFICER

23.1 The CJC must designate a monitoring officer, who will not be the same individual as the CJC's chief executive officer or chief finance officer.

23.2 The CJC's monitoring officer will have the same duties and obligations for the CJC as a local authority's monitoring officer for their authority.

PART 5 - DOCUMENTS AND RECORDS

24. RECORDS

- 24.1 The CJC will make arrangements for the proper care, preservation and management of the CJC's records, and make and maintain a scheme setting out those arrangements which are approved by the CJC and set out at Appendix 4 (the "Records Scheme").
- 24.2 Provisions in the Establishing Regulations relate to the preparation, retention, publications and facilitation of access to documents and records by the CJC.

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PART 6 – STANDARDS

25. CODE OF CONDUCT

- 25.1 The CJC will adopt a code of conduct for Members (the “**Members Code of Conduct**”) as appended at Appendix 5.
- 25.2 Provisions in the Establishing Regulations in relation to a code of conduct for paid officers employed by CJC will apply.

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APPENDIX 1 – GOVERNANCE AND AUDIT SUB-COMMITTEE TERMS OF REFERENCE

**[PM NOTE: TO BE ADDED, BASED ON SIMILAR TERMS OF REFERENCE FROM ONE OF THE
CONSTITUENT COUNCILS]**

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APPENDIX 2- STANDARDS COMMITTEE TERMS OF REFERENCE

**[PM NOTE: TO BE ADDED, BASED ON SIMILAR TERMS OF REFERENCE FROM ONE OF THE
CONSTITUENT COUNCILS**

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APPENDIX 3 - SCHEME OF DELEGATION

All decisions are to be taken by the CJC except as set out below:

<p>Decisions to incur expenditure up to a maximum aggregate of £50,000 where this is:</p> <ul style="list-style-type: none"> a) Within the approved budget of the CJC for that financial year; and b) In accordance with the CJC's Standing Orders. 	<p>Director, Cardiff Capital Region</p>
<p>Decisions on the management, allocation, direction and supervision of staff resources made available to the CJC where this is:</p> <ul style="list-style-type: none"> a) In accordance with the staffing arrangements put in place with the employers of any staff made available to the CJC; and b) In accordance with the CJC's Standing Orders 	<p>Director, Cardiff Capital Region</p>
<p>The engagement (and terms of engagement of) any individual person as a consultant where the value of the appointment does not exceed £50,000 per accounting period</p>	<p>Director, Cardiff Capital Region</p>

APPENDIX 4 – RECORDS SCHEME

[PM NOTE: TO BE ADDED, BASED ON SIMILAR ARRANGEMENTS IN ONE OF THE CONSTITUENT COUNCILS]

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APPENDIX 5 – MEMBERS CODE OF CONDUCT

[PM NOTE: TO BE ADDED, BASED ON SIMILAR CODE FROM ONE OF THE CONSTITUENT COUNCILS]

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20 SEPTEMBER 2021

ESTABLISHMENT OF CORPORATE JOINT COMMITTEE – PREFERRED GOVERNANCE & DELIVERY OPTION & TRANSITION MODEL

REPORT OF CARDIFF CAPITAL REGION DIRECTOR & PROGRAMME BOARD

AGENDA ITEM 6

Appendix 1 to this report is exempt from publication because it contains information of the kind described in paragraph 16 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of part 4 of Schedule 12A to the Local Government Act 1972

Reasons for this Report

1. To set out and seek the approval of the Regional Cabinet for a preferred governance and delivery option to underpin the evolution of the current City Deal Joint Committee from a contractual structure to a corporate body via a statutory Corporate Joint Committee (CJC) ahead of commencement of functions on 28 February 2022.
2. To cement the core principles on which the model to establish the CJC will be based, emphasising concurrence with local delivery structures and arrangements which maintain and build on the principles and integrity of the current set-up, under the Joint Working Agreement. This will simply see a continuation of the direction established through City Deal – albeit better supported to evolve and adapt the structures, powers and levers provided by the CJC legislation.
3. To set out and seek endorsement of a set of functions, inclusive of the ‘immediate duties’ prescribed in the legislation, proposed to be delivered through the CJC as it develops and matures. The other potential functions outlined in this paper will need to be negotiated with Welsh Government.
4. To establish all transition arrangements, including governance, planning, monitoring and reporting, alongside an overview of the resources and capacity required to deliver, by way of a Transition Plan which incorporates the establishment of a Transition Board which will report to and advise Regional Cabinet and oversee progression towards and beyond the 28 February 2022 (‘go live’ date).
5. To present all relevant HR and TUPE considerations, as prescribed in the regulations and in order to create a sustainable operating platform for the CJC.
6. To describe the risks that are present at this time and mainly emerge as a result of the ongoing work by Welsh Government to consult on and conclude putting in place the

regulatory framework within which CJs will operate. To set out how such issues are being mitigated and the approach to seeking to ensure that on inception of the CJC, CCR is in a 'no worse position' (than at present) with the finalised sets of regulations providing optimal structures and provisions for the CCR to achieve its stated aims and objectives over time.

Background – History of Cardiff Capital Region

7. The Welsh Government's SEW Corporate Joint Committee Regulations 2021 (Regs) establish a Corporate Joint Committee (CJC) for the CCR. The functions the CJC will exercise come into effect on 28 February 2022 by when CCR will transition to the CJC.
8. The process leading up to this, must be future-proofed and aligned with CCR's long-term objectives in order to reinforce collective endeavour. The direction set through successive annual business plans and more recently, a new 5-year Strategic Business Plan, has set the course for evolution from a single funding programme – City Deal – to the multiple funding functions and accountabilities of a wider City Region. Work to date has scoped the vision, functions and mission to decipher the 'best fit' opportunities; assess the current Joint Cabinet Committee model to appraise benefits, limitations and opportunities; assess options for a new delivery structure via a CJC and determine optimal processes for implementation. This report reflects the culmination of this work, as well as the need to continue working proactively with WG to shape the regulations in ways which help realise synergistic benefits.
9. On inception of CCRCD in March 2016, the mission was to make CCR more investable, competitive and resilient – promoting inclusive growth and the aim that 'no place gets left behind'. It recognised the 'think local, act regional' mandate and that through working together everyone achieves more. This is particularly pertinent in the case of market facing functions such as the economy, housing, land-use and transport where markets don't respect administrative boundaries and where supply chains, connectivity, clusters and innovation diffusion 'spill over' and straddle geographies.
10. In this way, the establishment and underpinning ambition of the CCRCD has already accomplished shared purpose across all 10 Councils and much of the heavy lifting to translate this into projects and programmes has been done. Trust, strong relationships, and a commitment to place-based priorities has reinforced the profile, partnerships and reputation. The operation of the Investment and Intervention Framework Fund provides an incentive for continued co-operation and collaboration.
11. Following successful passage through Gateway Review #1, Regional Cabinet has scaled up ambitions through a new 5 year strategic business plan and an Investment Prospectus that sets out asks and offers in the order of £4.2BN investment to deliver 33,500 high skill jobs, £3.75BN leverage and £2.5BN GVA. This is significant because in a new world of Levelling-up, Connecting the Union, the UK as a Science Super Power and a new Programme for Welsh Government – investment will be secured competitively. It follows that CCR must be able to compete to win resources; develop new financial flexibilities and develop propositions to work with Welsh and UK Governments to address challenges of COVID, Climate and low growth-productivity.

Core Principles

12. Whilst CCRCD has 'outgrown' its initial structure and operating model, the blueprint of the Joint Working Agreement (JWA) – its core values, principles and ways of working – must be maintained. Experience shows that regional collaboration works best when

Councils **retain absolute control** over CCR decision-making and the new governance model must therefore follow the principles behind the current JWA. Efficiency of structures, streamlined governance and having a future-proofed approach which is capable of providing CCR **with optimum flexibility** to partake in additional investment programmes beyond the City Deal – are key objectives. The hard work has already been undertaken since the CJC is not the vision or strategy – it is simply the vehicle or mechanism for optimal delivery of CCR’s vision and strategy. Core principles are thus:

- The option underpinning the governance/ delivery model (as set out below) is one of ‘lift and shift’ – building upon 4 years of regional public investment under the JWA and continuing the trajectory established by City Deal
- Retaining the principles and ways of working set out in the JWA, emphasising concurrence with local arrangements, building additionality over time and on a case by case basis and as required by the Regional Cabinet or CJC
- A strong system of multi-tier governance and distributed leadership, with the CJC setting its own compelling vision and aims and objectives
- Setting out the part needing to be played by Welsh Government in respect of the adopted OECD recommendations on a system of National Regional Governance
- Recognising that devolution has many faces and the need to work with both governments & ensure CCR has access to all available investments & opportunities
- A positive-sum game. The uniqueness of the model of LA democratic legitimacy and localism sits at the heart of the CJC which will be owned, controlled and led by LAs. The CJC & LAs are one and the same – with CJC being developed for, with & by LAs.
- There is no threat to LA services with the assumption that functions, services and resourcing are being pulled from the centre not local authorities. No local power, functions, services or resources will be lost or displaced – unless a case is made and supported by LAs (such as Regional Bus) - and LAs will also deal directly with UK Government and Welsh Government and continue to deliver large-scale projects including those of regional, national and international significance and supported by both governments. This will emphasise absolute concurrence and compatibility with local arrangements.
- CCR CJC is capable of adopting Welsh Government’s policy position and ambitions for a system of regional economic governance – and is equally able to respond in the face of the growing presence of UK Government in Wales. CCR is able to act as a neutral space in the middle, working positively with both bodies to ensure the region is positioned optimally to see challenges and opportunities through the prism of ‘place’ and adopt a sense of enlightened self-interest. With regional investment and ‘localism’ central to developing policy, CCR must deliver for the region, Wales & UK

Governance & Delivery Options

13. Building upon all of the above, CCR’s appointed legal advisors Pinsent Masons, has been commissioned to undertake an independent appraisal of governance and delivery options – attached at Appendix 1. This has been shared and debated extensively within the membership of Regional Cabinet.

14. Four main options have been assessed. These are:
- I. **Do nothing** – stay as is. This option is insufficient since it is contrary to WG policy. In addition, it would fail to address the current barriers of CCR’s existing operational and delivery model and would not provide scope for growth beyond CCRD – a factor that is ever critical in the post-Pandemic world.
 - II. **Like for like** - the CJC acts as the decision maker (in place of the Regional Cabinet) and the Accountable Body continues to act as the conduit for project delivery. This option is straightforward with continuity benefits. However, it equally fails to address the current barriers of CCR’s existing delivery model (which stem from an over reliance and burden on the Accountable Body); fails to take advantage of the CJC opportunities and the ability to deliver via a corporate body distinct to the Councils; and places a continued requirement upon the Accountable Body, as well as continuation of protracted back-to-back agreements.
 - III. **Lift and Shift** – progressive and developmental option. The CJC acts as the decision maker (in place of the Regional Cabinet) and acts as the conduit for project delivery (in place of the Accountable Body). This is an efficient and viable option that moves out of the Accountable Body-led approach and satisfies the immediate requirement to transition to a CJC (albeit existing projects would need to remain with the Accountable Body – subject to assessment). There are risks in that a wide range of risk profiles will sit under one body meaning limited scope to shield the CJC from project delivery risk. Further, the scope for future-proofing is limited. It does however, provide scope for the CJC model to evolve and establish subsidiary delivery vehicles on a project-by-project basis where there is a compelling case to do so. In other words, to mitigate risks presented, the delivery structure would need to continually evolve over time.
 - IV. **Holding-Company** structure – group structure approach. This would see the CJC act as the decision maker and hold-co/ strategic anchor. The CJC, as a separate legal entity, would incorporate two wholly owned subsidiaries to deliver current and pipeline CCR projects, which, mirrors the existing arrangement under the JWA (i.e. separation of decision-making and project delivery) – albeit in a corporate guise. This is akin to a Committee/sub-Committee approach and would bring a number of financial benefits and ability to mitigate risk. It is also in line with the approach taken to date, with trading vehicles established and equity share (e.g. CSC Foundry Ltd) .
15. Having debated the options – the emerging preferred option is #3 above – to lift and shift. However, it should be recognised that this will need to operate as an evolutionary and dynamic model in view of legal advice to mitigate the risks presented. In that, Option 3 offers safe harbour for the transition but can evolve over time and on a business case by business case basis where inevitably, a compelling case will be presented to establish a subsidiary delivery vehicle in the short term. This has the benefits of limiting the extent of change and satisfying immediate requirements in a consensual way, with the capability to evolve as projects come forward and require optimal delivery structures to maximise benefits. Option 3 is highly likely to quickly require subsidiaries to be established and this must be understood, given prospects for limited partnerships and joint ventures to house proposals currently in the pipeline, requiring the CJC to hold the interest direct. However, it should be stressed that such proposals and others in the future, will not be implemented until compelling Outline and Full Business Cases have been presented and approved by the CJC.

Decision-making

16. The South East Wales Corporate Joint Committee Regulations 2021 (the Establishment Regulations) came into force on 1 April 2021 to establish the body corporate known as the South East Wales Corporate Joint Committee and the functions the CJC will undertake once they come into force on 28 February 2022.
17. The Establishment Regulations contains key provisions in respect of the CJC, including its membership and how it makes decisions. Under the Regulations the CJC's membership comprises 10 council members, one for each constituent council which constitute the CCR, and a member from the Brecon Beacons National Park Authority who is only permitted to vote on matters relating to the strategic planning function. The Regulations also provide that the member for each Council shall be the executive leader or the elected mayor (depending how the Council operates).
18. As such, it is the members of the CJC (executive leaders of the constituent councils) which make decisions on behalf of the CJC as a separate corporate body. The Establishment Regulations provide that the members vote in relation to any matter to be decided by the CJC and that each member shall have one vote (save for the Brecon Beacons National Park Authority which can only vote on matters relating to the strategic planning function and with discussions will be ongoing). The CJC makes decisions by majority, save for certain decisions which require the member's unanimous approval. This is consistent with the manner in which the CCR has operated to date under the JWA and the clear intention is to follow the same governance model under the CJC. The Regulations also provide that determining an alternative voting procedure for the CJC or how the CJC's budget will be funded are decisions requiring unanimous approval.
19. The CJC is required under the Establishment Regulations to make standing orders for the regulation of its proceedings and business to supplement the constitutional provisions set out in the Regulations. As such, the standing orders which supplement the Regulations are intended to mirror and codify the existing governance provisions under the JWA. The standing orders will then be approved and adopted by the CJC's members which are the authorised decision-makers of the CJC under which each Council will be represented and each Council will have an equal vote. To be clear, the standing orders and the Regulations themselves will then replace and supersede the existing JWA (and no further JWA or any other form of articles of association will be required). The JWA will, from that point, have served its purpose and will cease to have effect; on the clear understanding that the principles and terms contained within the JWA will have been transposed into the governance model for the CJC via the Establishment Regulations and the standing orders.
20. Although the JWA will not apply to the CJC, it is in essence a contract between the ten Councils. Therefore in order to bring the contract to an end formally, under the terms agreed by each Council when signing up to the JWA, each Council will be required to provide formal written notice of termination of the JWA. This will require a decision of each Council to instruct an appropriate officer to serve formal written notice in accordance with Clause 2.1.2 of the JWA. This can be done at any point after the inception of the CJC and is purely a formality of contractual administration
21. There is therefore no requirement for each Council to separately decide upon a matter in respect of the CJC before this decision can be passed and adopted by the CJC. Instead, such authority and power is vested in the CJC's members to make decisions on behalf of the CJC (including approval and adoption of the standing orders).

Proposed initial functions

22. The initial functions for the CCR CJC, as prescribed by the Establishment Regulations, relate to preparation of Regional Transport Plan, Strategic Development Plan and the exercise of Economic Wellbeing powers (already utilised by CCRCD).
23. Other potential functions are aspirations to be negotiated with Welsh Government as enacted 'transfers of power' over agreed periods of time. These include: City-region tourism and place branding, Inward Investment, future iterations of the Valleys Taskforce and Regional Park, aspects of business support, regional engagement, Regional Bus and strategic planning and delivery around regional-Energy. Alongside this, there may well be longer-term aspirations that will see the CJC evolve and build its maturity and delivery credentials. Finally, there will be scope for alignment of property/ housing funds, and the adjacency benefits of Innovation and R&D given the developing funding landscape, R&D Places Strategy, Innovation Strategy and emergent Innovation Deals.
24. Economic Development/ Place Leads within the region have contributed to this thinking and there is a strong sense of compatibility. There is a shared view that the proposals below are made on a 'no threat' basis to LAs which remain best placed to undertake local and hyper-local activity around economic development, planning, transport with LAs retaining all existing wellbeing powers and ability to determine local planning with the CJC empowering and supporting local, regional and national delivery. Where it is requested that functions be devolved to regions – this is about a decentralisation approach and achieving alignment and concurrency with local arrangements.
25. Capturing the above ambition in a consensual way, will be achieved via the development of the Regional Economic Framework. This will play the role of further supporting Welsh Government's continued work with the OECD on establishing optimal structures for instituting a national system of Regional Economic Governance within Wales. From a UK Government perspective, this structure and approach gives confidence of the region's ability to act directly, as a single regional entity and access wider resources and collaborations.

Model for Transition

26. The process for establishing the CJC will not be straightforward, particularly given the need to balance legacy issues, with new statutory requirements; continuing to focus on delivery of CCRD while opening doors to new opportunities and potential – all whilst continuing to build the support, backing and assistance of multiple stakeholders, partners and networks. The work will be complex and will involve legal and regulatory tasks that will inform the framework of wider actions – relating to existing projects, investments and structures – whilst paving the way for new ones. It will include a strong focus on financial mechanisms and building human capital and investing in culture – alongside providing for stakeholder needs, partner engagement and a robust approach to communication and marketing. Developing a transition model must therefore be focussed on key interconnected areas of activity:
 1. Legal and Regulatory;
 2. HR, People and Culture;
 3. Finance and Resourcing;
 4. Stakeholder engagement, partnerships and communications; and

5. Functions and strategy.

27. A draft of the full Transition Plan with detail on each of the workstreams, is attached at Appendix 2 and it is intended that this is a living and dynamic document. It is proposed a CCR Transition Board is established to oversee progress in all 5 areas, developing the intersects and maximising connections, sequence and alignments. It is proposed the Transition Board is a sub-group of Regional Cabinet with support of wider stakeholders. The Transition Board will have the power only to make recommendations and provide advice to Regional Cabinet as decision-makers:
- I. CCR Cabinet Chair (Chair)
 - II. CCR Cabinet Vice Chairs and Leader of WLGA as relevant
 - III. Chair of RTA
 - IV. CCR Director and COO
 - V. CCR Monitoring Officer
 - VI. s151 Officer representative
 - VII. 1 member of Programme Board/ 1 Economic Development Lead
 - VIII. Chair of REGP/ Investment Panel
 - IX. Prof Kevin Morgan – (OECD alignment)
 - X. Supporting officers, representatives of Audit Wales, WG and UKG's as relevant and advisory team members to attend and participate as required. Any Member of Cabinet is able to join Transition Board meetings at any time and will receive all necessary documentation.
28. Draft Terms of Reference are attached at Appendix 3. It is proposed that the Board reports into the wider CCR Cabinet/ Shadow CJC. It is further proposed that under the overarching Transition Board, operational workstream groups based on activity programmes that will align and connect across the Transition Board's scope of work. It is suggested that members of the REGP, Programme Board, Economic Development/ Place leads, Accountable Body, core staff members and wider partners and stakeholders as is appropriate, take places as part of this more detailed work and activity – to be driven by the Programme Team and CCR's advisory team.

Resourcing the Transition Plan

29. CCR comprises a strong team drawn from all areas of the public, private, government and HEI sectors. With individuals drawn from the likes of Innovate UK, financial services industry, HEIs and the region's industrial clusters – there is a strong focus on business discipline and commercial-experience. This is matched by the talents of proud long-standing entrepreneurial public servants. Supported by private sector members of Investment Panel, REGP and the Business Council who continue to give of their valuable time pro bono – as well as an expert advisory support team and a highly effective Accountable Body – Team CCR has been carefully established to be more than the sum of its parts.
30. The Programme Team will be led by the CCR Director with day-to-day operational leadership of the programme team being provided by the Chief Operating Officer. This

will be supported by a small, technical team, for which a Project Manager will be appointed to provide oversight and co-ordination. The role of the Accountable Body in this regard, will continue to provide assurances to Regional Cabinet on the robustness of process and play a key role in stress-testing structures and procedures. The core programme team will be able to draw on expertise of the wider CCR team – both employees and members of the various advisory boards – and professional advisors as necessary. Appendix 4 outlines the planned use of Welsh Government resources to support the transition programme along with a matched contribution from the core CCR budget up to March 2022.

31. As outlined above, there is a body of work required to support the immediate transition from a CCR City Deal accountable body model to a CCR CJC model by 28 February 2022. This is seen as the first phase of the transition, and it is expected that the new CCR CJC team will continue to be supported by the Transition Board for the first 12-18 months of operation to ensure that the appropriate due diligence is undertaken on the programmes and functions that is proposed to be transition to the CCR CJC. This additional support from the Transition Board during this period will provide the headroom for the CJC to build its expertise to undertake these functions.
32. It should be noted the core principles and ways of working in the current JWA will be maintained in line with the 'lift and shift' delivery option. Any additionality will be developed on a case by case basis. CCR will adopt the Regulations provided by WG, with any remaining gaps to be supplemented and codified in line with existing JWA, in the form of CJC Standing Orders which will be brought back to Regional Cabinet once Regulations are finalised. As such the budget affordability envelope and assumptions upon which the current CCR City Deal programme operates – remain unchanged. This will be set out in the Business Plan for the CJC and the Revenue Budget which will be set ahead of 31 January 2022. Should the case be made for changes or additionality, this will be set out on a proposal-by-proposal basis and developed through the annual business plan mechanism and fully engaged and consulted upon via the programme network of Chief Executives and S151 officers.

HR and Staffing Implications

33. The proposed Corporate Joint Committees (General) (No. 2) (Wales) Regulations 2021 ("the Proposed Regulations") which have recently been consulted on require the CJC to appoint three statutory officers, comprising a Chief Executive, a Chief Finance Officer and a Monitoring Officer ("Executive Staff"). The Establishment Regulations allow flexibility how the CJC may employ staff (including Executive Staff) in that it may employ them directly or it may enter into arrangements with constituent Councils for their staff to be placed at the disposal of the CJC.
34. In addition to the above, prior to the transfer of the CCR functions to the CJC, detailed consideration will need to be given to whether and to what extent TUPE applies.
35. Currently staff working for the CCR are employed by constituent authorities as CCR does not have the ability to employ staff directly. Those staff are subject to the terms and conditions, policies and procedures of the constituent authorities. The CJC is its own legal entity, and therefore will have liability for any staff it employs. Further, the Establishment Regulations state that staff employment by constituent authorities and placed at the disposal of the CJC will be treated as a member of staff of the CJC for the purposes of any enactment relating the CJC. Therefore, prior to the transfer of CCR functions, and prior to the direct employment of staff by the CJC or the placing of any

staff at its disposal, the CJC will need to develop a comprehensive suite of employment policies and procedures that will apply to CJC's employees, as well as template employment contracts for the staff that it employs directly.

36. In considering the above, the CJC will need to comply with the requirement in the Establishment Regulations that staff employed by the CJC must be appointed on terms and conditions (including terms and conditions as to remuneration) that are 'substantially similar to those of officers within a constituent council undertaking responsibilities which the CJC considers to be reasonably comparable.' Given that there are ten constituent Councils, each with its own different structures, employment terms and conditions, policies and procedures, the CJC will need to consider how best to comply with this obligation, whether it be adopting the most advantageous of these terms and conditions, or adopting a median position.
37. Further clarity is required from Welsh Government and the LGPS in relation to access of CJC staff to the LGPS, including the relevant fund as Constituent Councils currently overlap between The Cardiff & Vale of Glamorgan Pension Fund, The Greater Gwent (Torfaen) Pension Fund, and the Rhondda Cynon Taf Pension Fund. This whole area of HR/TUPE activity will be led on by the relevant employing organisations' Chief Executive Officers with the Chair of Programme Board.

Risks & Issues

38. Notwithstanding the timeframe for the commencement of the substantive functions of the CJC (28 February 2022), the supplementary sets of regulations to put in place the underpinning regulatory framework CJs will operate within continue to be developed and consulted upon. Whilst this creates a potential mis-alignment of timeframes in some respects, in others it provides an opportunity to co-develop and shape the provisions. There are however, some identified issues that remain to be resolved which CCR has highlighted and continues to work collaboratively with WG on. These include but are not limited to:
 - the guiding principle is that the CJC will 'be part of the local authority family' and will benefit from the existing powers that the CCR have relied upon to date; the process and timing for ensuring that all such powers are afforded to the CJC are to be confirmed with WG;
 - the 'public body' status of the CJC and important points of detail around the VAT status and implications for accounting, investment planning, pension arrangements and systems operations;
 - the timing and process for the novation of the City Deal funding agreement to the CJC;
 - the application of the Public Procurement Regulations and the Subsidy Control Regime to the CJC, as we expect to be the case, to be confirmed.
39. There is a potential risk of misalignment and the ramifications of issues such as VAT exemption status and the need for the regulations to be in place in order to create a stable platform from which CCR can plan and deliver. Meetings are therefore ongoing with WG officials to co-develop and shape regulations accordingly, to tease out key principles, apply legal tests and challenges and identify potential for unintended consequences. WG officials have confirmed that the spirit of the regulations

accommodates CCR's requirements and objectives – however acknowledge more work is needed to more fully develop the regulations to effect this. CCR has supplied a framework of the powers, considerations and flexibilities used to date and those that will be required in the future – in order to mitigate this risk and WG have provided a safeguard that they are seeking to ensure that as of 28 February 2022, CCR will be in a 'no worse off' position under the CJC compared to the current Accountable Body led model. Written confirmation to this effect is sought from WG and CCR Cabinet will be updated on progress and further report on this matter will take place as required.

40. A timeframe for negotiations with Welsh Government on additional powers and flexibilities will need to follow, in order to demonstrate enhancements will be made in line with their commitment to CJs being enabling tools that optimise regional delivery. In other words, there has to be a tangible benefit for the additional burdens and duties that will be placed upon the CJC, in order to demonstrate a positive 'net gain' position.

Financial Implications

41. The report considers the approach to the transition of the Current Joint Committee, to a new Corporate Joint Committee entity for the South East Wales Region from 28 February 2022. Enabling legislation is in place which has created the new Corporate Joint Committee, with its associated powers and functions, and detailed supplementary regulations are being consulted upon by Welsh Government to support the operationalising of the entity. This includes appointment of key officers such as Responsible Finance Officer. The Corporate Joint Committees have the same financial reporting and disclosure requirements as existing local authorities, including compliance with relevant codes of practice where deemed to be relevant and proportionate. Together with WG as part of the consultation on regulations, it is essential that areas that could cause a concern to the effective operation or potential future development of CJC's are identified and considered at an early stage. This includes the entity's status in terms of VAT, scope of levying status and associated pensions arrangements (e.g. a 'Scheduled Body' or an 'Admitted Body'). This also needs to consider financial responsibility for any borrowing, lease, financial guarantee and similar future liabilities and risks.
42. Following the approval of the Joint Working Arrangement establishing the Joint Committee, Cardiff Council has been the accountable body. It has also separately taken the lead role in entering into relevant contracts on behalf of the partner authorities. This includes activities such as grant and loan agreements, ownership of assets, employment of staff and provision of services under Service Level Agreements. As part of the work towards transition and novation, any financial impacts on the accountable body in the short and very long term in respect to any residual liabilities will need to be considered. A sum of £250,000 has been made available by Welsh Government and Regional Cabinet have also allocated £250,000 from Joint Committee resources to support the activities of transition including professional advice. The Joint Committee allocation will be met from Reserves held and also any identified underspends in the 2021/22 revenue budget.
43. The accountable body has highlighted a number of initial areas for inclusion in the Finance and Resourcing activity, which may cut across other activities to be undertaken as part of the a transition plan set out in the report. These are listed below. The role of the Accountable body as part of the transition plan will continue to be that of supporting existing business as usual activities of the Regional Cabinet, provide assurance on the transition planning approach to a Corporate Joint Committee and

playing its part in provision of any technical advice as relevant as part of regional working groups supporting transition activities.

VAT / TAX - Systems	Funding / Grant Transfers
Contract Novation and Structures including City Deal Grant Novation	Insurance / Risk / Pensions
Statutory / Other returns	Accounting impacts and disclosures
Enterprise Resource Systems / SLA's / Staffing and Tupe	External and Internal Audit
Treasury Management and Banking	Scope, Budget setting and Business Plan development
Financial Policies / Procedures / Delegations / Governance	Strategic Finance / Resilience
CIPFA Codes – TM / Prudential Code / Fin Management	Accountable Body and other L.A impacts

44. As the report indicates, the structure and activities of the Corporate Joint Committee may evolve over time, subject to projects and activities undertaken. Some of the above requirements may need to be established in a proportionate way, seeking relevant advice and guidance where required. The above activities need to be considered in detail as part of the transition work over the next few months, including impact on staff, Financial Procedures and Governance processes. As part of such activities, one of the key requirements is to set a budget and business plan by 31 January 2022 in accordance with the requirements of the Establishment Regulations. The approach to setting a business plan and budget for City Deal is already in place as part of the processes of the Regional Cabinet where annual and 5 year rolling budgets and business planning takes place.
45. In respect to the delivery of the City Deal, the existing Joint Working Arrangements sets out each Local Authority's Revenue contributions towards the costs of operating the Regional Cabinet and Core City Deal Office functions. It also sets out maximum permitted increases. This is also supplemented where relevant by use of the Wider Investment Fund Top Slice where use is for City Deal activities. In respect to the latter and funds provided by WG and HMT towards City Deal, it is essential that eligibility of Wider Investment Fund grant resources for activities continues to be assessed, with clear criteria developed for use. The budget envelope and assumptions upon which the current CCR City Deal programme operates – remains unchanged and will be financial commitments already agreed by the 10 partner authorities.
46. The report sets out examples of initial functions and potential future activities as the Corporate Joint Committee matures to meet longer term aspirations and optimal delivery of regional objectives. Should the case be made for changes or additionality, this will be set out on a proposal-by-proposal basis and developed through the annual business plan mechanism and fully engaged and consulted upon via the budget process. Where additional activities are undertaken which are not currently within the

scope of existing Joint Committee operating revenue budgets and Revenue and Capital contributions agreed as part of the City Deal Wider Investment Fund, the costs and income of these activities will need to be costed and identified as part of CJC budget proposals by 31 January 2022 and annually thereafter. This is to include:

- where there are additional or reductions in budgetary requirements from local authorities;
 - whether additional activities are to be paid for as part of grant support from Welsh Government and or other grant funding providers;
 - where additional costs are to be met from within existing budgets;
 - where there are commitments to support credit arrangements or similar liabilities arising as part of approved investment plans.
47. This should be considered for revenue costs as well as the approach in respect to the servicing costs of any liabilities undertaken for capital expenditure and the operating costs of any financial or physical assets.
48. This will need to be considered as part of the annual budget setting process for the Corporate Joint Committee for inclusion in respective local authority budgets.
49. The budget for the Corporate Joint Committee is scheduled to be considered by Regional Cabinet at its meeting ahead of 31 January 2022.
50. The current Joint Working Arrangement and the principles of the financial model in respect to delivery of City Deal activities set out Local Authority Contributions towards the wider investment fund. The move to a Corporate Joint Committee does not change the quantum of the financial obligations of each authority in respect to the Wider Investment Fund, but may result in additional options in determining how such contributions can be managed, subject to confirmation of the sources of finance and terms upon which the CJC may be able to borrow (noting that the CJC will not have access to the PWLB).
51. The report sets out the preferred initial model for transition to a Corporate Joint Committee. Any future changes in delivery structures will be a matter for the Corporate Joint Committee, but where additional subsidiary type delivery structures are to be created, this should be done after clear options appraisal, consideration of the need for the structure to deliver the outcomes and associated financial implications. Such structures will need to be accompanied by robust governance processes for management and performance reporting for such delivery vehicles.

Legal Implications

52. In 2021, the Senedd Cymru passed the following legislation:-
1. Local Government and Elections (Wales) Act 2021, Part 5 (Collaborative Working by Principal Councils) provides for process by which Corporate Joint Committees can be established, or amended; and
 2. The South East Wales Corporate Joint Committee Regulations 2021, Part 1 (Establishment and Area) of such regulations established a body corporate to be known as the South East Wales Corporation Joint Committee (“CJC”) for the purposes of CCR (together the “Establishment **Regulations**”).

53. The Establishment Regulations were made in order to provide the CCR with a corporate entity by which it can deliver the Cardiff Capital Region City Deal and attain wider economic growth in South East Wales.
54. The Establishment Regulations came into force on 1 April 2021 and established the CJC. The Regulations set out the CJC's functions which are to: prepare, review and revise a Strategic Development Plan; develop a Regional Transport Plan; and to undertake the economic well-being function.
55. The Regulations make clear that these functions of the CJC come into force on 28 February 2022. As such, CCR must be ready to 'go live' and operate via the CJC to discharge these functions by 28 February 2022. The Transition Plan appended at Appendix 1 sets out at Part 2 a project plan to implement CCR's initial transition to the CJC by the 'go live' date.
56. It should be noted that the standing orders and the Regulations themselves will replace and supersede the existing JWA (and no further JWA or any other form of articles of association will be required). This is on the clear understanding that the principles and terms contained within the JWA will have been transposed into the governance model for the CJC via the Establishment Regulations and the standing orders. The JWA will, from that point, have served its purpose and will cease to have effect. For completeness and to remove any ambiguity or uncertainty as to the role of the JWA, the Councils are to note that the JWA will lapse from this point.

Well-being of Future Generations (Wales) Act 2015

57. In developing the proposals and in considering its endorsement regard should be had, amongst other matters, to:
 1. the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards,
 2. Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are : a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief and

(c) the Well Being of Future Generations (Wales) Act 2015. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRCD) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should

consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way that seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:

- look to the long term;
- focus on prevention by understanding the root causes of problems;
- deliver an integrated approach to achieving the 7 national well-being goals;
- work in collaboration with others to find shared sustainable solutions;
- involve people from all sections of the community in the decisions which affect them.

58. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 5.

Equality Act 2010

59. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet must in making decisions have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are:

- age;
- gender reassignment;
- sex;
- race – including ethnic or national origin, colour or nationality;
- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief.

RECOMMENDATIONS

60. It is recommended that the Cardiff Capital Region Joint Cabinet:

- (1) approve and endorse the establishment of Option 3 as the preferred 'lift and shift' model for the transition of CCR City Deal to the CJC and notes the core principles and rules of engagement that underpin it;
- (2) acknowledge that the CJC will evolve on a project-by-project basis and will have the authority to establish a subsidiary delivery vehicle(s) where there is a compelling case to do so (as approved by the CJC at the relevant time);
- (3) acknowledge that the CJC will approve and adopt the standing orders, to reflect the terms of the JWA and the provisions set out above;
- (4) acknowledge that the JWA will lapse and have no further effect from the date that the CJC adopts the standing orders (as explained above);
- (5) approve the proposed scope of functions for the CJC set out above and recognise that in addition to confirmed 'Immediate Duties' these will be subject to negotiation and established on an incremental basis;
- (6) approve the Transition Plan and delegate authority to the Director of Cardiff Capital Region City Deal, to implement the matters within such Transition Plan;
- (7) approve the Terms of Reference for, and approve the establishment of, the Transition Board;
- (8) agree the £500k funding contribution for the Transition Plan and process, with 50% secured from Welsh Government and 50% of CCR resources to be funded through both financial and staffing contributions;
- (9) request that the Councils each note the contents of this report and the decisions made hereunder to give effect to the CJC; and
- (10) bring forward a future report – to be led by the relevant Chief Executives and Chair of Programme Board on all HR and TUPE implications.

Kellie Beirne & Programme Board
Director, Cardiff Capital Region
20 September 2021

Appendices

Appendix 1 to this report is exempt from publication because it contains information of the kind described in paragraph 16 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of part 4 of Schedule 12A to the Local Government Act 1972

EXEMPT Appendix 1 Governance and Delivery Options Report on CJC by Pinsent
Masons
Appendix 2 Transition Plan

Appendix 3
Appendix 4
Appendix 5

Transition Board Terms of Reference
Resourcing Plan Sept 2021-February 2022
Well-being of Future Generations Assessment



Cardiff City Deal Capital Region

**Transition to the South East Wales
Corporate Joint Committee**

DRAFT: Transition Plan

1. Background and purpose

To date Cardiff Capital Region (“**CCR**”) has operated via a contractual structure. The ten local authorities comprising CCR (“**Partner Councils**”) entered into a joint working agreement dated March 2017 (“**JWA**”) which governs the relationship between the Partner Councils and their respective obligations and contributions in relation to delivering the Cardiff Region City Deal (“**CRCD**”).

The JWA:-

- established the Joint Committee to oversee and co-ordinate the discharge of the Partner Councils’ obligations in respect of the CRCD and to make decisions on behalf of CCR;
- appoint Cardiff Council to act as the Accountable Body and to implement and investments / projects approved by the Joint Committee on behalf of CCR.

The CCR therefore does not currently operate as a separate legal entity.

In 2021, the Senedd Cymru passed the following regulations:-

- Local Government and Elections (Wales) Act 2021, Part 5 (Collaborative Working by Principal Councils) of which provides the Welsh Ministers with the ability to establish a Corporate Joint Committee; and
- The South East Wales Corporate Joint Committee Regulations 2021, Part 1 (Establishment and area) of which establishes a body corporate to be known as the South East Wales Corporate Joint Committee for the purposes of the CCR (the “**CJC**”) (together the “**Regulations**”),

The Regulations were passed in order to provide the CCR with a corporate entity by which it can deliver the CRCD and attain wider economic growth in South East Wales (the “**Region**”). The Regulations came into force on 1 April 2021 and established the CJC.

The Regulations provides that the CJC’s functions are as follows:-

- preparing, reviewing and revising of a Strategic Development Plan;
- developing a Regional Transport Plan; and
- economic well-being function – the power to do anything which the CJC considers is likely to promote or improve the economic wellbeing of its area.

The functions of the CJC come into force on 28 February 2022 which means CCR must be ready to ‘go live’ and operate via the CJC by 28 February 2022.

The purpose of this Transition Plan is to provide CCR with:-

- **Part 1 - A roadmap for CCR’s transition to the CJC;** and
- **Part 2 - A project plan for “Stage 2 – Lift and Shift” to implement CCR’s initial transition to the CJC by 28 February 2022.**

PART 1 – CJC ROADMAP

1. Vision and key principles

- To build regional institutional capacity to drive economic wellbeing in the Region that builds on the key principles, values and integrity of the current CRCD establishment. This would be an evolution and maturity to galvanising a regional approach to economic development and to accelerate the pace of delivery – with the ability to think local, see the world and act in the best interest of the Region.
- Reinforce that place is the prism through which CCR sees the world, and cities and regions as pragmatic enablers of progress due to their proximity to the real world challenges of their communities.
- Ensures that the Region ‘looks both ways’, is non-tribal and that the CCR is able to access all the investment/funds available to it – regardless of where these sit.
- Builds upon the good work going on at local level and ensures absolute concurrency with local arrangements, in order to build capacity and capability for those things done best at regional scale.
- Relies upon commitment to the Organisation for Economic Co-operation and Development’s (“**OECD**”) recommendations and the role of Welsh Government (“**WG**”) in establishing optimal national frameworks for regional development and regional public investment.
- To provide an appropriate legal framework and corporate delivery structure through which to continue to grow our aspirations for the Region and to secure funds and investments aligned to our core objectives which are open to other regions, but currently NOT to us, since the current underpinning legal framework is limited to the delivery of CRCD.
- To provide a route map for securing wider appropriate powers, in so much as they pertain to core purpose, to allow for strategic acquisitions, autonomy through balance sheet, borrowing power and wider levers and abilities. This is critical if we are to move beyond seeking a bigger slice of the pie, to making a fundamentally bigger pie.

Regions are best placed to deliver co-ordinated strategic impact and will be a critical footprint for the dimensions of economic development that do not respect administrative boundaries – infrastructure, agglomeration, R&D, clusters, net-zero and innovation.

There are 3 critical components to the CCR Prospectus for Evolution and Delivery:

- 5 year Strategic Business Plan which sets out objectives for regionalism and building regional institutional capability;
- The CCR Investment Prospectus for Place which is aligned to the recently published HMG Plan for Growth and makes a series of asks and offers in respect of regional investment, regional powers and regional development; and
- Passenger Rail Vision is a sub-set of the above, but makes a standalone case for investment in rail – for which successive studies demonstrate serious underfunding and in light of the Union Connectivity Review – immediate opportunities are presented.

2. The Journey...

There are four main stages to the evolution and transition required.

Stage 1 – Identifying the Opportunity: Stage 1 is the process of self-reflection on how CCR currently operates and whether it is suited to the evolving local government landscape and regional challenges (that have been exacerbated by the impact of Covid-19). The CRCD delivered within the narrow confines of the JWA that has been established with a single funding programme in mind. The current JWA does not provide for wider regional powers, fiscal levers/ incentives, borrowing, programmes, direct acquisition and accounting and is thus, not a receptacle for receipt of funds beyond CRCD. This means the CCR is at a competitive disadvantage vis-a-vis other UK regions and Combined Authorities that have these powers and operating models. If CCR is to seize the opportunities available to comparable organisations / delivery vehicles across the UK and beyond just the delivery of CRCD in an environment in which new investment, opportunities and funding is rapidly developing and growing – wider development is urgently required.

Stage 2 – Lift and Shift: Stage 2 is simply about lifting and shifting the current set-up, structure and JWA into the corporate body of a CJC. Whilst ‘lift and shift’ can sound like for like, the difference here is that in line with the publication of the Regulations, at this point, CCR would become a corporate body – rather than just the vessel for CRCD, and, automatically

acquire the ability to act as a corporate regional structure with the 18 new statutory instruments attributed to it and the ability to apply as a Region directly for new and additional investment (albeit, initially, within the governance arrangements codified under the JWA).

Stage 3 – Evolving & Optimising the CJC: Stage 3 will focus on refining and optimising the CJC delivery model to enhance the impact we can make in the region and the pace of delivery. This will include reflecting on the existing barriers to delivery and learning and applying the lessons from other comparable organisations across the UK. This means ensuring adaptability for the future, adding powers in line with purpose and scope and scaling up ambitions and additionality. This will be an important phase as the CJC will start to bed in and find its place providing real co-ordinated strategic impact for the Region.

Stage 4 – Future Plus: Stage 4 is what we call ‘Future Plus’. The CJC, to be successful, should never stand still. It will need to continually adapt to fit future challenges and ensure alignment with investing and opportunity horizons. At this stage, the model and structure is optimised and consideration should be given to future development – for example, evolution of the CCR Office into a regional development entity and pursuing broader powers to facilitate our core objectives.

It should be noted the Transition Plan is a live, dynamic and iterative document. The Regulations are still being developed and consulted upon and as such, the document will need to be continually updated with the oversight of the Transition Board and Cabinet. All tasks listed below are therefore subject to the regulations.

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD	Stage 2 - Lift & Shift to CJC	Stage 3 – Evolving & Optimising	Stage 4 - Future Plus
	NOW	July 2021-February 2022	February 2022-September 2023	September 2023 ongoing...
ACTIVITIES REQUIRED – LEGAL, REGULATORY AND FINANCE	<ul style="list-style-type: none"> Managing the Wider Investment Fund (“WIF”) for CRCD – developing, assessing, managing and monitoring project delivery Partnership provisions - oversee, coordinate and 	<ul style="list-style-type: none"> JWA is adapted and amended to incorporate the new CJC provisions. CJC will broadly be subject to the same powers and duties as principal councils in the way they operate 	<ul style="list-style-type: none"> Group governance structure to be developed, building on the guiding principles of the JWA, to align with the nature of future investment activity (e.g. corporate 	<ul style="list-style-type: none"> Whilst the core legal and regulatory structure ought to be settled by this point, the CJC will need to continually adapt and evolve to meet the dynamic and evolving

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD NOW	Stage 2 - Lift & Shift to CJC July 2021-February 2022	Stage 3 – Evolving & Optimising February 2022-September 2023	Stage 4 - Future Plus September 2023 ongoing...
	<p>provide support to CRCD governance Regional Transport Authority, Regional Economic Growth Partnership, and Regional Business Council with an eye to future synergies and efficiencies.</p> <ul style="list-style-type: none"> • Continue to operate via an Accountable Body model with Cardiff Council acting as the Accountable Body and contracting on CCR's behalf • Cardiff Council to continue financial management function for CCR and to monitor any impact on its own treasury function and borrowing capacity / headroom • Partner Councils to continue deploying resources / staff and support as required 	<ul style="list-style-type: none"> • WIF novates across to CJC for all new investments and, where practicable / appropriate, existing investments • Project-by-project due diligence is undertaken to assess suitability to transfer across existing projects/investments to the CJC (e.g. tax implications) • Procurement and State aid assessments to be undertaken for existing projects to ensure novation is permissible • Initial preparatory work to begin on immediate duties (transport plan, SDP and general power of competence) • Determine budget requirements for first two financial years of CJC in line with the Regulations • Annual business plan to take new shape as CJC business plan 	<p>fund structures and investment boards) and schemes of delegation allocated to appropriate sub-groups / subsidiary vehicles to promote greater efficiencies within clear safeguards and to be done on a case by case basis</p> <ul style="list-style-type: none"> • Accounting treatment and tax implications of any new SPVs or structures to be assessed to ensure no unintended negative consequences • Ability to comply with funding conditions for wider sources of funding to be assessed • Annual business planning to be undertaken and the development of the five year strategic vision for the CJC building upon 	<p>needs of the Region. This will involve ongoing monitoring and operating ahead of the curve to ensure the CJC is positioned to capitalise on new funding opportunities and helps to set the agenda</p> <ul style="list-style-type: none"> • Continual assessment of other comparable organisations and drawing on lessons learnt in pursuit of CCR objectives

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD NOW	Stage 2 - Lift & Shift to CJC July 2021-February 2022	Stage 3 – Evolving & Optimising February 2022-September 2023	Stage 4 - Future Plus September 2023 ongoing...
	<ul style="list-style-type: none"> • Accountable Body to continue to employ staff and second to CCR Project Team as required (subject to Cardiff pay terms and conditions which may not necessarily support new CCR roles e.g. investment fund manager) • CCR to continue to call on Partner Councils to rely on their respective powers and local policies to support CCR projects / interventions (e.g. borrowing powers) • Continue to operate in absence of a joined up and strategic policy framework and powers across the region 	<ul style="list-style-type: none"> • CJC Annual Revenue (operating) Budget to be set by 31st January 2022 • Meeting with UK Government to confirm all arrangements (given WIF funds partly HMT underwritten) and seek necessary approvals • Transfer of all existing governance arrangements to the CJC – including scrutiny, audit, partnerships and advisory bodies. • Establishment of sub-committee structure, Terms of Reference and operating models • Production of REF in line with OECD requirements and WG policy implementation • The role of the Accountable Body to be assumed by the new CJC (save for any existing projects where not practical to novate across) 	<ul style="list-style-type: none"> existing JWA business plan • Annual revenue budget planning and production • Annual accounts audit for CJC • External and internal audit regimes • Legal advice and assessments on a project-by-project and business case basis 	

	Stage 1 – <i>Identifying the Opportunity & Continuing Status as CRCD</i> NOW	Stage 2 - <i>Lift & Shift to CJC</i> July 2021-February 2022	Stage 3 – <i>Evolving & Optimising</i> February 2022-September 2023	Stage 4 - <i>Future Plus</i> September 2023 ongoing...
		and regulated by new CJC board		
NEW POWERS AND LEVERS AND DEVELOPMENTAL / PROGRAMMES	N/A	<ul style="list-style-type: none"> • Confirmation that CJsCs will be afforded existing Powers and Levers to ensure a ‘no worse position’ • Economic wellbeing powers & comprehensive borrowing powers (akin to the Greater London Authority and Greater Manchester) • Signing off list of powers, levers and considerations with WG – ahead 28 February 2022 	<ul style="list-style-type: none"> • Co-ordinated CCR Place Branding – sectoral/cluster development coordination; inward investment; and regional tourism promotion. This would be a front door for the region (not detracting from LA ability engage with investors) • Economic development capabilities – including business support and development services that compliments local delivery and draws from Welsh Government resources 	<ul style="list-style-type: none"> • Strategic land use planning at a regional implementation scale • Incorporate other regional initiatives that contribute to the economic well-being of the Region into the CJC e.g. Regional Valleys Park, Valleys programmes and InFuSe, and training and other potential programmes – subject to Regs

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD NOW	Stage 2 - Lift & Shift to CJC July 2021-February 2022	Stage 3 – Evolving & Optimising February 2022-September 2023	Stage 4 - Future Plus September 2023 ongoing...
			<ul style="list-style-type: none"> • Tax Increment financing capability – subject to Regs • Economic wellbeing and regeneration capacity for the Region – Net Zero Carbon focus digital infrastructure; and strategic land acquisitions • Subject to regulations - assessment of borrowing capabilities and fiscal powers – to support e.g. borrowing, access to LGPS and wider initiatives – to be agreed • Co-ordinated regional submissions to new UKG investment funds 	

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD NOW	Stage 2 - Lift & Shift to CJC July 2021-February 2022	Stage 3 – Evolving & Optimising February 2022-September 2023	Stage 4 - Future Plus September 2023 ongoing...
			<p>under the banner of Plan for Growth</p> <ul style="list-style-type: none"> • Strategic Regional Transport Planning – building on the RTA experience to date, and taking leadership on the commissioning of implementing the plans Regional Transport Plan • Working towards CCR SDP and SEWSPG • Manage multiple investment funds and programmes • Oversee, coordinate and provide support to the Regional Skills Partnership • Finalisation of all regulations for adoption 	

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD NOW	Stage 2 - Lift & Shift to CJC July 2021-February 2022	Stage 3 – Evolving & Optimising February 2022-September 2023	Stage 4 - Future Plus September 2023 ongoing...
HR ISSUES	<p>N/A given structure plans approved for CRCD as part of Joint Committee Revenue Budget for 2021/22.</p>	<ul style="list-style-type: none"> • Executive team appointments and appointments to statutory roles. This will be a key consideration for the Joint Committee. • Address any TUPE implications of existing staff transferring to the CJC (e.g. LGPS pension obligations and responsibility for any shortfall) • Joint Committee to take a view on the extent to which Accountable Body model continues to operate in particular, in regard to direct appointments to statutory roles vis-a-vis continued temporary reliance on Accountable Body • All relevant employment considerations, including arrangements for administering the payroll from the 28th February 	<ul style="list-style-type: none"> • Scaling up of structures commensurate with growth and, in particular, recruit specialist staff (e.g. fund operation manager) • Any T&C issues associated with regional economic development entity and moving away of individual partner council policies to new CJC policies (e.g. pay grading and performance bonus to attract and retain the appropriate specialist staff) • Wider organisational development and cultural considerations – policy environment, cultural conditions, ‘tone’ and identity 	<p>Should be natural evolution of scaling at this point commensurate to need and growth demands</p>

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD NOW	Stage 2 - Lift & Shift to CJC July 2021-February 2022	Stage 3 – Evolving & Optimising February 2022-September 2023	Stage 4 - Future Plus September 2023 ongoing...
		2022 and linkages to the CJC’s accounting system and appropriate external bodies e.g. HMRC etc. <ul style="list-style-type: none"> • Relevant arrangements regards shared liabilities for costs and team structure 		
STAKEHOLDER ENGAGEMENT & GOVERNANCE	N/A	<ul style="list-style-type: none"> • Development of a Transition Board and shared programme board arrangements with WG, identifying key check-in points and areas of continued policy development • Strategic utilisation of programme board to offer oversight and advice to Joint Committee • Production and implementation of a comprehensive Stakeholder Engagement Plan for WG/ UKG/ partnerships, business, HE and community sector 	<ul style="list-style-type: none"> • Alignment of economic strategy and purpose with new powers and incentives in order there is a clear sense of ‘why’ • Roll-out of next phase of comms and engagement – particularly pertinent to any decision on a regional development entity • Continued evolution of sub-committees, partnerships and advisory structures 	Ongoing communication vertically and horizontally across structures and governance and colleague focus. This phase will be about building ‘the story’ of the CCR of which, CRCD will be one part.

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD NOW	Stage 2 - Lift & Shift to CJC July 2021-February 2022	Stage 3 – Evolving & Optimising February 2022-September 2023	Stage 4 - Future Plus September 2023 ongoing...
		partners, Councils, WLGA and so on <ul style="list-style-type: none"> Establishment of core workstreams as per the proposed model of governance and partnerships (including Governance and Audit Sub-Committee as per the Regulations) 		
OPERATING IMPLICATIONS	Business as usual	Base JWA model + additions, enhancements, new powers and provisions	<ul style="list-style-type: none"> At this stage, the operating model will grow and develop in line with strategy and objectives and begin to bed in. Cultural considerations and tone/identity will be important at this stage. This phase of work is also likely to be aligned with outcomes of LG Elections 	Scaling and continued evolution. At this point, the structure operates as group of entities and business units with CRCD being just one of many funding and investment programmes.

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD NOW	Stage 2 - Lift & Shift to CJC July 2021-February 2022	Stage 3 – Evolving & Optimising February 2022-September 2023	Stage 4 - Future Plus September 2023 ongoing...
POLICY WORK	N/A	<ul style="list-style-type: none"> • Looking outward to best practice models across UK, Europe and beyond • Fiscal levers and incentives • Continuation of RIW/ OECD work agreed for new WG administration • One Region strategic plan for CCR – evolution from REF • New reporting and monitoring arrangements • Thematic development work as required from the Investment Prospectus • Continued work on regional public investment development and structures • Membership of OECD international regional observatory • COP 26 as CCR • MIPIM 2022 as CCR • Western Gateway development • Clusters strategy for CJC 	<ul style="list-style-type: none"> • This phase of work should align with the completion of the next phase of work by OECD with WG on regional economic governance and the continued development of Regional Investment Wales. 	Continual adaptation to policy environment

Item 6 Appendix 2 - CORPORATE JOINT COMMITTEE TRANSITION PLAN

	Stage 1 – <i>Identifying the Opportunity & Continuing Status as CRCD</i> NOW	Stage 2 - <i>Lift & Shift to CJC</i> July 2021-February 2022	Stage 3 – <i>Evolving & Optimising</i> February 2022-September 2023	Stage 4 - <i>Future Plus</i> September 2023 ongoing...
		<ul style="list-style-type: none"> Continued support via REGP/ Cardiff University-led Partnership 		
TRANSITION BUDGET	N/A	<ul style="list-style-type: none"> Welsh Government approval of £250,000 funding package, associated grant offer letter and completion of quarterly returns Cabinet approval of £250,000 match funding (staff and funds) to match WG £250,000 commitment and appropriate arrangements to track , account for and report against approved transition budget 	<ul style="list-style-type: none"> Consideration of future transition budget requirements, if any 	N/A
RESOURCE IMPLICATIONS	N/A	<ul style="list-style-type: none"> Execute Project Team arrangements in-line with the above 	Will need to be subject to comprehensive assessment of work programme and activity ongoing	Will need to be commensurate with new portfolios and programmes of activity moving into the region
COMMUNICATIONS PLAN	N/A	<ul style="list-style-type: none"> Evolution of CCR Comms and Marketing work to a comprehensive plan for 	Evolving communications plan in line with the growing	Evolving communications plan in line with the

Item 6 Appendix 2 - CORPORATE JOINT COMMITTEE TRANSITION PLAN

	Stage 1 – Identifying the Opportunity & Continuing Status as CRCD NOW	Stage 2 - Lift & Shift to CJC July 2021-February 2022	Stage 3 – Evolving & Optimising February 2022-September 2023	Stage 4 - Future Plus September 2023 ongoing...
		engagement/ comms for CJC • Business Council front and centre in relation to all communications and engagement with business community	scope and scale of provision	growing scope and scale of provision

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PART 2 – PROJECT PLAN FOR STAGE 2 LIFT & SHIFT

1. Key Information

1.1 Project

The incorporation of and transition to the CJC, as the new stewardship and decision making entity for the CRCDD, which will supersede and replace the current Joint Committee. The CJC will also act as conduit for delivery of projects / investments approved by the CJC (in place of the Accountable Body). The CJC may determine to incorporate subsidiary delivery vehicles on a project-by-project basis where there is a compelling case to do so. The intention is for the CJC's remit to extend beyond the CRCDD and to assume responsibility and stewardship for wider investment programmes that the CRCDD partners may secure from time to time.

1.2 Project Team

- (a) CCR (Kellie Beirne ("**KB**"); Rhys Thomas ("**RT**"); James Williams ("**JW**"); Nicola Butler ("**NB**"); Hrijinder Singh ("**HS**") Anil Hirani ("**AH**") and HR Officer (TBC)); and
- (b) Pinsent Masons LLP ("**Pinsents**").
- (c) Key service inputs will be required to support the work of the Project Team in the following areas:

Taxation assessment, VAT accounting & returns, accounting system, financial reporting, banking, pensions, information governance, insurances, procurement, payroll & tax returns, accounts payable, accounts receivable, ICT support & services, internal audit and external audit.

1.3 Key Stakeholders

- (a) Cardiff County Council, Monmouthshire County Council, Blaenau Gwent County Borough Council, Bridgend County Borough Council, Caerphilly County Borough Council, Merthyr Tydfil County Borough Council, Newport City Council, Rhondda, Cynon, Taff County Borough Council, Torfaen County Borough Council and The Vale of Glamorgan County Borough Council (the "**Partner Councils**");
- (b) The Brecon Beacons National Park Authority (the "**Authority**");

(and together the "Key Stakeholders") and

- (c) The Welsh Government ("WG").

1.4 **Key Dates**

- (a) 20 September - December 2021/ January 2022 – obtain Key Stakeholder approvals;
- (b) 31 January 2022 – agree annual budget for financial years 2021-2023 and annual business plan for financial year 2022-2023; and
- (c) 28 February 2022 - functions of the CJC come into effect.

1.5 **CJC: Approach to future subsidiary delivery vehicles**

CCR's current intention is to implement a Lift and Shift structure such that the CJC becomes the decision-making entity and the conduit for delivery for future CCR projects / investments. The CCR project team will undertake due diligence in respect of CCR's existing projects and investments to determine whether these should remain with the Accountable Body for delivery on CCR's behalf or transition to the CJC at the appropriate time. There is no expectation to transition any existing projects to the CJC in the immediate term.

The transition of the decision-making and project delivery function will satisfy CCR's immediate requirements to transition to the CJC. This will serve to improve CCR's existing operational model by: stepping away from the Accountable Body approach which impacts upon the Accountable Body's balance sheet / treasury management and requires entry into back-to-back agreements; and improved future proofing by ring-fencing any associated delivery risks for CCR projects / investments within the CJC rather than with the Partner Councils.

The intention is that future CCR projects and investments will be delivered by the CJC. It is, however, recognised that certain projects may require a separate corporate entity (e.g. joint venture or new investment programme). As such, the CJC will have the ability to incorporate subsidiary delivery vehicles if required on a project-by-project basis as part of the CJC's approval process.

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2. Project Plan to 'Go Live'

No.	Action	Action	Responsibility	Deadline
1.	Workstream 1 – Preparation of and transition to the CJC entity			
1.1	Proposed Delivery Structure Report	<p>Options appraisal to be prepared to determine the optimal delivery structure by which the CJC may efficiently deliver existing and future CCR projects (e.g. 'Like for Like' vs 'Lift and Shift' vs Holding Company structure).</p> <p>Financial advice required to consider and advise upon tax and accounting treatment along with any transfer pricing considerations (if any) in respect of the options.</p>	<p>Pinsents</p> <p>KPMG</p>	<p>June-July 2021</p> <p>September – October 2021</p>
1.2	Engagement with WG	<p>Engagement with WG to:</p> <ul style="list-style-type: none"> • secure buy-in of CCR proposals for optimal delivery model for the CJC; • agree scope of powers to be granted to CJC at the outset and process to lobby for further powers in due course; • ensure the WG Implementation Regulations are aligned with and provide for CJC to incorporate delivery subsidiaries for individual projects / investments (and associated vires) (where required); • agree timeframe for and nature of WG Implementation Regulations (e.g. automatic novation of contracts and functions?). 	CCR and Pinsents	July-December 2021

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No.	Action	Action	Responsibility	Deadline
1.3	Governance Arrangements / Standing Orders	Engagement with Key Stakeholders to agree key principles in respect of governance arrangements and standing orders of CJC ¹ .	CCR / Monitoring Officer sub-group	July-December 2021
1.4	Funding transfer	<p>CCR Finance Sub-Group to consider and advise upon the most appropriate route to transfer the following funding streams to the CJC:-</p> <ul style="list-style-type: none"> • HMT / WG Funding Agreement for the CCR Funding currently in place between WG and Cardiff Council (as the Accountable Body) which is due to be refreshed following the Gateway Review; • £120m funding commitment of the Constituent Councils under the JWA; • Outstanding funding commitments payable under 'live' projects / investments (if to be transitioned from the Accountable Body to the CJC); and • Existing CCR operational budget. 	CCR Finance Sub-Group / AH / HS	July-December 2021
1.5	Existing CCR Employees	Consideration of whether the CJC should become the employer of the existing employees of the Constituent Councils that are engaged as members of the CCR Project Team and any associated TUPE or secondment considerations.	CCR / Pinsents	July-September 2021

¹ [PM/DN: We note that The South East Wales Corporate Joint Committee Regulations 2021 (the "Regulations") provides for the members of the CJC, which are responsible for decision-making, the quorum requirements, frequency of meetings, voting procedure, etc. However, there is still a requirement for the CJC to make standing orders for the regulation of its proceedings and business, which are not regulated by the Regulations and will need to be aligned with the terms of the JWA.]

Item 6 Appendix 2 - CORPORATE JOINT COMMITTEE TRANSITION PLAN

No.	Action	Action	Responsibility	Deadline
1.6	Consideration of Services Requirements of CJC	<p>Consideration of:-</p> <ul style="list-style-type: none"> • services required by the CJC (e.g. back-office support, IT services, finance/payroll services, HR services, etc); • staffing requirements of the CJC; • property requirements of the CJC (including lease / licence of CCR's project team's office and any associated contracts); • how each of the above will be provided (e.g. via Constituent Councils or otherwise); and • any external services required by CJC in respect of any existing projects to be transitioned and/or upcoming projects (e.g. fund advisory or management services). 	CCR / Pinsents	July-September 2021
1.7	CJC Sub-Committees (Governance & Audit, Standards, RTA, SDP, Scrutiny)	Engagement with Key Stakeholders to determine the scope and composition of the governance / terms of reference for the required sub-committees and effective date/s for operation (guided by the Regulations).	CCR	September-December 2021
1.8	Determining Budget for CJC	Engagement with CCR Finance Sub-Group to determine budget requirements of CJC for financial years 2021-2022 & 2022-23.	CCR	September-December 2021
1.9	Key Stakeholder approvals	Key Stakeholders to obtain necessary approvals in connection with the implementation of the CJC to allow for legal documentation to be drafted and finalised ahead of the February 2022 deadline.	CCR	September – December 2021
1.10	Development of Key Policies and Business Plans	Initial drafts of Transport Policies, Strategic Development Plan, the CJC Business Plan, other key policies of the CJC (including any policies relating to the governance and audit sub-committee, CJC policy in relation to the approach to contracting between CJC, Constituent	CCR / Pinsents	September – December 2021

Item 6 Appendix 2 - CORPORATE JOINT COMMITTEE TRANSITION PLAN

No.	Action	Action	Responsibility	Deadline
		Councils and any future delivery subsidiaries to ensure compliance with procurement, vires and subsidy control, conflicts of interest policy, etc.) and policies required by law.		
1.11	Operational Matters	<p>Consideration of operational requirements of the CJC to be put in place prior to 28 February 2022, such as:-</p> <ul style="list-style-type: none"> • setting up of a bank account(s) (approximate timeframes / information requirements); • review of existing insurance provision for CCR (e.g. officer and directors insurance, property insurance) and transferability to CJC; and • PAYE registration, Workplace Pension registration² and (if applicable) VAT registration. 	CCR	October 2021
1.12	CJC Governance Agreement	Initial draft of CJC Governance Agreement which will supplement the standing orders and set out governance arrangements for the CJC, based on the terms of the JWA, to be prepared and shared with Key Stakeholders.	Pinsents	September - November 2021
1.13	Employment Documentation	Initial drafts of any employment contracts / secondment agreements to be prepared.	CCR / Pinsents	September - December 2021
1.14	Property Documentation	Initial drafts of any property contracts required (e.g. lease between CJC and Constituent Council to service property requirements e.g. office space) to be prepared.	CCR / Pinsents	September - December 2021

² [PM/DN: We have assumed that any employees will be employed by the CJC and hence requirement for PAYE / Workplace Pension registration – to be confirmed)

Item 6 Appendix 2 - CORPORATE JOINT COMMITTEE TRANSITION PLAN

No.	Action	Action	Responsibility	Deadline
1.15	Service Level Agreements	Initial drafts of service level agreements for services required by CJC from Constituent Councils or otherwise to be prepared.	CCR / Pinsents	September - December 2021
1.16	Applying for Wider Investment Programmes / HMT Grants	Reviewing suitability and ability to apply for wider investment programmes and HMT grants in name of CJC.	CCR	September 2021 - Ongoing
1.17	Initial CJC Meeting	First CJC meeting to be held to enter into relevant documentation (including governance documentation), adopt key policies and budget for financial years 2021-2023.	CCR / Constituent Councils (to determine rotation basis and who will support/host the first meeting)	December - February 2022
2.	Workstream 2 – Existing / Pipeline CCR Projects			
2.1	Due diligence exercise³	<p>Due diligence exercise to be undertaken in relation to existing CCR projects and CCR projects in the pipeline to understand:-</p> <ul style="list-style-type: none"> • which existing projects (if any) are suitable for transfer to CJC (e.g. from a financial perspective, suitability and any tax implications of any transfers and how these may be structured (e.g. transfers of land) to avoid negative tax implications); • if suitable for transfer, any key contracts requiring early stakeholder engagement for the purposes of obtaining all necessary consents to novate); • if suitable for transfer, any requirements for funder consents; 	CCR / Pinsents / Financial Advisers	August – October 2021

³ [PM/DN: We are not anticipating the transfer of existing CCR projects to the CJC where this is not suitable (e.g. transfer of CSC Foundry Limited to the CJC due to the negative tax implications).]

Item 6 Appendix 2 - CORPORATE JOINT COMMITTEE TRANSITION PLAN

No.	Action	Action	Responsibility	Deadline
		<ul style="list-style-type: none"> • if suitable for transfer, identifying contracts which may be assigned rather than novated; and • [identifying any CCR projects in pipeline which is likely to justify incorporation of a subsidiary delivery vehicle, and if so, identifying operational requirements and intra-group services requirements of such subsidiary (e.g. bank account, insurances, PAYE registration, VAT registration back-office support, IT services, finance services, staffing requirements, property requirements, etc.) and how these will be provided (by CJC or otherwise).] 		
3.	[Workstream 3 – Establishment of Required Subsidiary⁴]			
3.1	Governance Arrangements⁵	Preparation of template group Articles of Association. ⁶	Pinsents	November 2021
3.2	Intra-Group Service Level Agreements	If required, initial drafts of service level agreements for services required by a subsidiary delivery vehicle from CJC or otherwise (e.g. Constituent Council).	Pinsents	November 2021
3.3	Development of Business Plan and CJC Policies	Preparation of Business Plan of any required subsidiary and CJC's key policies in anticipation of any future subsidiary vehicle (including procurement policy, FOIA policy, conflicts of interest policy, etc) and policies required by law.	CCR	December 2021
3.4	Initial Incorporation Information	Summary document to be produced setting out the basic incorporation information for the required subsidiary to include:-	Pinsents to produce	November 2021

⁴ [PM/DN: We note this workstream will only be required if it is determined under Workstream 2 that there is a CCR project in the pipeline, which is likely to justify incorporation of a subsidiary delivery vehicle.]

⁵ [PM/DN: We anticipate that any subsidiary's governance arrangements will reflect the CJC's governance arrangements and will accede to the CJC's Governance Agreement) agreed with the Key Stakeholders under Workstream 1.]

⁶ [PM/DN: This will be a 'vanilla' set of bespoke articles of association. We anticipate that the detailed governance arrangements of any new subsidiary will be set out in the CJC Governance Agreement that will be kept confidential and that the articles of association, shared publicly, will simply mirror what is set out in the CJC Governance Agreement in a simplified form for Companies House.]

Item 6 Appendix 2 - CORPORATE JOINT COMMITTEE TRANSITION PLAN

No.	Action	Action	Responsibility	Deadline
		<ul style="list-style-type: none"> • company name; • company registered office; • company accounting period; and • company directors. 	summary document CCR to help starting to compile information from Key Stakeholders	
3.5	Incorporation of Required Subsidiary (if any)	Incorporation of required subsidiary (if any).	Pinsents	January 2022
3.6	Ancillary Documents for Trading Subsidiaries	Incorporation board minutes, companies house forms and statutory registers for required subsidiary (if any).	Pinsents	January 2022
3.7	Company Secretary	Appointment of company secretary to the required subsidiary (if any). <i>(We would propose the same company secretary to ensure a consistent approach. We also note company secretary services may be undertaken by one of the Constituent Council's legal departments under intra-group SLA).</i>	CCR	TBC Post February 2022
3.8	Auditors	Appointment of auditors.	CCR	TBC Post February 2022

Cardiff Capital Region (“CCR”)
Corporate Joint Committee (“CJC”) Transition Board
Draft Terms of Reference

PURPOSE

The Transition Board’s principal role is to support, oversee and co-ordinate the transition of CCR’s existing operational model which entails decision-making via the Joint Cabinet Committee and project delivery via Cardiff Council as the Accountable Body to the CJC, in line with The South East Wales Corporate Joint Committee Regulations 2021 (the “**Regulations**”).

The purpose of the Transition Board will be to act as an advisory board and report to Regional Cabinet, as the ultimate decision makers on behalf of all 10 Partner Councils, in respect of the ongoing transition to the CJC and BBNPA in respect of the SDP.

The Transition Board will have a key role in facilitating the evolution and full transition, via oversight of a detailed Transition Plan that will have five key workstreams (as detailed below). In other words, the Transition Board will oversee and monitor the day-to-day matters undertaken by CCR’s professional advisors and project team in respect of the transition to the CJC across the five key workstreams and provide ongoing updates to the Regional Cabinet along with regular reports to Regional Cabinet in respect of any required decision making to be undertaken by Regional Cabinet in respect of the process. The key workstreams are:

- Legal and Regulatory;
- Finance and Resourcing;
- HR, People and Culture;
- Stakeholder engagement, communications and partnerships; and
- Functions.

The Transition Board will be responsible for ensuring the Transition Plan is implemented and will provide strategic support; channelling the expertise of CCR’s appointed professional advisors, with wider input from a range of external and internal stakeholders – to ensure the transition process is as seamless, effective and efficient as possible. The Transition Board will be a dynamic and engaged group of appropriate stakeholders with the ability to drive progress and recommend further activities and actions to be carried out.

MEMBERSHIP

The membership will comprise:

- I. Chair of Regional Cabinet (Chair)
- II. Vice Chairs of Regional Cabinet and Leader of WLGA
- III. Chair of Regional Transport Authority
- IV. Director of CCR and Chief Operating Officer of CCR
- V. CCR’s Monitoring Officer
- VI. Representative s151 Officer

- VII. 1 Member of CCR Programme Board / 1 Economic Development Lead
- VIII. Chair of REGP / Investment Panel
- IX. Professor Kevin Morgan, Cardiff University and Organisation for Economic Co-operation and Development Regional Investment Wales lead
- X. Supporting officers, representatives of Audit Wales, Welsh Government, UK Government as relevant and advisory team members to attend and participate as required

*note any Member of Regional cabinet can attend at any time and will receive all documentation.

Support officers, representatives of Audit Wales and advisory team members will attend and participate as required.

REMIT

The remit of the Transition Board will continue until the transition of CCR's decision-making and delivery function to the CJC is complete. It is anticipated that the first phase of the transition will be complete in order to enable the CCR to act via the CJC from and including 28 February 2022 (the 'go live' date under the Regulations when the functions of the CJC take effect).

Beyond this point, the Transition Board will continue to meet to oversee delivery of the second phase of the Transition Plan which will finalise the transition to the CJC beyond the immediate requirements for the 'go live' date under the first phase.

Responsibility	Workstream lead/ Assessment
<p>Legal and Regulatory:</p> <ul style="list-style-type: none"> • Preparation of options appraisal of optimal delivery structure for CCR via the CJC; • Supporting CCR's project team in respect of its engagement with Welsh Government in respect of the more detailed regulations to be issued to supplement the Regulation; • Advising in respect of governance arrangements of the CJC; • Legal due diligence of existing CCR projects and investments and associated legal documentation to understand legal documents required to effect transition (e.g. novations, notices of assignment, any service level agreements, any property contracts to service CJC's property requirements); • State aid/ procurement appraisals 	<p>Pinsent Masons supported by Accountable Body and CCR's Monitoring Officer – wider liaison with Monitoring Officer's Group as required</p>

<ul style="list-style-type: none"> • General legal advice in respect of transition (including employment matters and implications of transfer of existing CCR employees to the CJC (e.g. TUPE considerations)); • Drafting legal documentation to effect any transition of existing CCR projects and investments; • Drafting governance documentation (including transposing existing Joint Working Agreement to create CJC Governance Agreement and input into wider constitutional documents (e.g. standing orders); • Development of certain policies and procedural matters of the CJC (e.g. Conflicts of Interest policy, any delegations policy, procurement policy, policies relating to the Governance and Audit Sub-Committee etc.); • Advising in respect of the Governance and Audit Sub-committee and any other sub-committees to be established by the CJC; • Input into the Business Plan for CJC; • Supporting CCR project team in respect of operational matters; • General legal advice to signpost any risks which arise during the transition process; and • If applicable, advising CCR in respect of the incorporation of any subsidiary delivery vehicle by the CJC if required by a CCR project; • Any other Legal or Regulatory matter as detailed in the Transition Plan. 	
<p>Finance and Resourcing:</p> <ul style="list-style-type: none"> • Advise upon the most appropriate route to transfer existing CCR funding streams to the CJC (HMT/WG Funding Agreement; 	<p>Head of Finance, Risk & Assurance supported by Accountable Body and s151 Officer Sub-group</p> <p>Professional advisers to be appointed to lead on certain aspects of this</p>

<p>Partner Councils' Funding; existing CCR funding commitments under live projects (if to be transitioned to the CJC) and existing CCR operational budget);</p> <ul style="list-style-type: none"> • Advising on the CJC's budget requirements for its first two financial years (2021-2023) as required by the Regulations; • Setting financial planning arrangements in place (including setting up of bank account(s) for the CJC (approximate timeframes and collating information required by banks, PAYE registration and (if applicable) VAT registration); • Undertaking financial due diligence in respect of existing CCR projects in connection with any proposed transfer of the same to the CJC; • Advice on accounting treatment and application of tax matters (including tax advice in respect of any adverse tax implications of transferring any existing CCR projects to the CJC); • Financial modelling; • Balance sheet establishment and all necessary 'start-up' provisions; • Input into the Business Plan for CJC; • Liaison with UKG and WG on all financial/ T&C issues; and • General advice in respect of any risks which arise during transition process from financial perspective; • Any other Finance or resourcing matter as detailed in the Transition Plan. 	<p>workstream (e.g. to provide tax and accounting advice).</p>
<p>HR, People and Culture:</p> <ul style="list-style-type: none"> • Undertaking review of CCR's existing staffing arrangements (including terms of employment, benefits, pension, etc.) and 	<p>Relevant employing CEXs and Chair of Programme Board</p> <p>Pinsent Masons to provide legal advice in respect of employment matters (e.g. TUPE considerations).</p> <p>Relevant</p>

<p>collating information for legal workstream to analyse;</p> <ul style="list-style-type: none"> • Advising on CJC's requirements (including executive team arrangements); • Creating cultural conditions and ethos/ value-set of the CJC; and • Producing HR policies and procedures for the CJC (including in respect of equality, diversity and inclusion); • Any other HR, People or Culture matter as detailed in the Transition Plan. 	
<p>Stakeholder engagement, communications and partnerships:</p> <ul style="list-style-type: none"> • Establishing processes in respect of ongoing partnership/ collaborations; • Ensuring consistency of any communications of CCR in respect of its transition to the CJC; • Communications with key stakeholder groups in respect of the transition to the CJC (e.g. engagement with Partner Councils and Welsh Government); • Performance frameworks; • Investment strategy; and • Wider communications, storytelling and engagement with key groups (e.g. engaging with key stakeholders of existing CCR projects) • Any other Stakeholder engagement, communication or partnership matter as detailed in the Transition Plan.. 	<p>Vice Chair of Regional Cabinet with support from REGP and the Communications Lead in CCR</p>
<p>Functions:</p> <ul style="list-style-type: none"> • Agreement of initial functions of the CJC; • Consultation with relevant stakeholders (e.g. Brecon Beacons National Park Authority); • Negotiation with relevant bodies; 	<p>Programme Board lead & COO</p>

<ul style="list-style-type: none"> • Agreement of medium-longer aspirations and how these translate to potential 'transfers of functions'. 	
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WIDER DUTIES

Wider duties will require:-

- regularly liaising with CCR's appointed advisors and the key workstreams in respect of progress of the transition;
- full participation in regular meetings tasked with ongoing monitoring of the five key workstreams to implement the transition to the CJC;
- taking all reasonable steps to ensure the purpose of the Transition Board is adhered to and objectives of CCR in respect of the transition to the CJC are delivered upon;
- regularly reporting to the Regional Cabinet in respect of the progress of the transition of CCR to the CJC;
- making recommendations of the Transition Board in respect of the transition to the CJC to Regional Cabinet with all relevant supporting documentation to enable a decision to be made by Regional Cabinet; and
- Communicating effectively with wider partners and stakeholder in order that the wider 'CCR' family of bodies, groups, advisory boards and partnerships remain well-informed, highly engaged and understand their contribution and fit.

As such, the role of the Transition Board and its respective duties require sufficient time for input, contributions and ongoing 'steer' in respect of the transition to the CJC given the high-profile and important nature of the work to be undertaken.

The Transition Board, by its nature, will inevitably be a fast moving and fast-changing body, in order to mirror the issues and matters that will need to be effected. For this reason, it can be reasonably expected for the focus of the remit to shift and alter from time-to-time and as the evolution of the transition requires.

FREQUENCY OF MEETINGS

The Transition Board will meet at least monthly which shall be supplemented by such additional meetings as is required to fulfil the Transition Board's purpose and duties. Workstream activity will be ongoing during this period. It is anticipated that meetings will be held remotely but can be held in person / hybrid form where discussion requires intensity of interaction or a creative process.

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Resourcing Plan Sept 2021 – February 2022: Establishment of the South East Wales CJC

1. Introduction and Context

In order to ensure that the proposal for funding is seen in the correct context, it's important to reinforce at the outset the vision that the ten Leaders of the Local Authorities (CCR Regional Cabinet) in the Cardiff Capital Region (CCR) have set out in their work to date with the Cardiff Capital Region City Deal. The work to date with the CCR City Deal has set solid foundations and the move to a Corporate Joint Committee (CJC) is seen to build regional institutional capacity to further drive economic wellbeing in the Cardiff Capital Region. It builds on the key principles, values and integrity of the current CCR City Deal establishment and is seen as evolving and maturing to galvanise a regional approach to economic development and to accelerate the pace of delivery – with the ability to think local, see the world and act in the best interest of the region.

The CJC would reinforce that *place* is the prism through which CCR sees the world, and cities and regions are pragmatic enablers of progress due to their proximity to the real world challenges of their communities; and finally the CJC must ensure that the region 'looks both ways', be non-tribal and ensure that the CCR is able to access all the investment/funds available to it – regardless of where these sit.

The [CCR 5 year Strategic Business Plan](#) (approved December 2020) sets out a clear set of objectives for regionalism and building regional institutional capacity.

2. Proposal for funding

In light of the invitation to submit a proposal for funding to the Welsh Government to support the set-up costs of establishing a Corporate Joint Committee in the Cardiff Capital Region, the CCR Regional Cabinet submits the following proposal.

2.1 Programme Resources

The CCR City Deal is already operating as a Joint Committee (known as CCR Regional Cabinet), and the experience of establishing the joint committee in 2016 is influencing the resource request for this endeavour. Strong programme management with a clear view on the desired outcome is crucial. As a result we propose to establish a strong programme management team with robust transition governance in place. The process will be overseen by a Shadow CJC from the summer onwards (the ten local authority leaders) and will be supported by a Programme Transition Board, chaired by a Chief Executive of one of the local authorities, supported by an operational programme team managed by the CCR City Deal team.

The programme management team will include experienced project management capability, supplemented by specialist expertise in regional economic policy, specialist external advice (legal, financial and HR), and communications and engagement support. The resource requirements for these areas are set out below.

2.1.1 *Project Management Capability*

The core project management capability will be provided by an experienced project manager supported by a dedicated project administrator. This capability is in the process of being sourced and is anticipated to be in place by 1st June 2020.

2.1.2 *Regional Economic Policy*

Entities such as Corporate Joint Committees are common practice in other nations across the United Kingdom and further afield in Europe. There is significant learning and input required from subject matter experts to ensure that the CCR CJC is established in such a way that it is fit for purpose to deliver against the strategic objectives as set out in the CCR five year strategic business plan. We will therefore buy-in expert regional economic policy advice to supplement the knowledge gained to date in operating the CCR City Deal.

2.1.3 *Specialist external advice*

In order to establish a fit for purpose CJC in the CCR, it is imperative that appropriate and relevant high quality legal, financial and HR advice is sought. Working with our advisors, we will consider the incorporation of, and transition to, the CCR CJC, as the new stewardship and decision making entity for the Cardiff Region City Deal, which will supersede and replace the current CCR Regional Cabinet, and the establishment of wholly owned subsidiaries of CJC for the sole purpose of implementing any projects / investments approved by the CJC (in place of the Accountable Body). The intention is for the CJC's remit to extend beyond the CCR City Deal and to assume responsibility and stewardship for new statutory duties (Regional Transport Planning, Strategic Development Planning and Economic Wellbeing), and wider investment programmes that the CCR partners may secure from time to time.

2.1.4 *Communications and Engagement Support*

The Cardiff Capital Region consists of approximately 50% of the Welsh population, ten of the twenty two local authorities (consisting of over 600 local councillors), and accounts for approximately 50% of the economic output of Wales. It is therefore crucial that the programme for establishing the CCR CJC is well articulated, communicated and engaged by a vast stakeholder group. We will therefore commit dedicated resources to this crucial endeavour.

3. **Desired Outcome**

The desired outcomes of the funding from Welsh Government, supplemented by a matching contribution from the ten partner local authorities, are:

- the development of a detailed business plan and budget for the CCR CJC for 2022/23;
- the development of operating policies for the CCR CJC;
- a suite of legal documents supporting the establishment of the CCR CJC and its operating subsidiaries;
- the novation of CCR City Deal activity and contracts, where appropriate, to the CCR CJC; and

- well executed stakeholder engagement ensuring all relevant partners across the region are signed up to the CCR CJC.

4. **Resource Summary**

The CCR Regional Cabinet request the following resources to support the effective establishment and implementation of the CCR CJC:

Activity	WG funding request	CCR contribution	RC	TOTAL
Programme Management Capability	£41,250	£41,250		£82,500
Regional Economic Policy	£27,500	£27,500		£55,000
Specialist external advice (Legal, Financial, HR)	£156,750	£156,750		£313,500
Communications & Engagement Support	£24,500	£24,500		£49,000
	£250,000	£250,000		£500,000

We confirm that the activity proposed above is additional too, and complementary too, the core CCR City Deal activity and that the CCR City Deal nor the ten partner local authorities are in receipt of other funding for such activity from Welsh Government or the Welsh European Funding Office.

17 May 2021

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact Assessments)

Name of the Officer completing the evaluation: Kellie Beirne Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk	Please give a brief description of the aims of the proposal: to set out the proposed strategic principles and approach for transition to CCR CJC.
Proposal: CCR CJC Governance and Delivery arrangements – Transition Plan	Date Future Generations Evaluation form completed: 20 September 2021

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Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal.


Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs	The report and appendices set out a progressive approach for driving prosperity within the region as it evolves its functions to embed CJC provisions and regulations. The focus on a delivery and governance model provides for a stable platform for regional economic governance.	In order to maintain business continuity and a seamless transition the report is focused on concurrence and the principles of transition and adaptation through life and shift and future evolution.
A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)	The central contention of the report is that COVID-19, climate and low growth all poses a conundrum about the forward and how some of the behaviours around working together, innovating quickly and	A CJC will allow more freedom and flexibility and it is envisaged that climate and renewable energy for clean growth will be a key focus.

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
	rapidly adapting can be maintained as a positive legacy in the new working arrangements.	
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Inclusion is a core theme of the approach and balancing a focus on levelling up the region with other regions in the UK to ensure CCR accesses all of the opportunities available to it – thus supporting not just sectors and industries but communities and people.	ESG and equality and diversity focus to ensure emphasis on societal and community needs.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Putting in place a framework for regional cohesion whilst enhancing localism will support delivery of scale projects that make a difference across the geography, in tandem with local policies and levers that ensure citizens can benefit.	Reference is made to two key documents – 5 year business plan and Levelling-up Prospectus which further enhances the positive aspects of a place based focus.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The principles look outward and focus on the FDI and international opportunities, which will be particularly important post-EU exit.	Proposal for radical decentralization of business functions and units currently operating at national level.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	The document represents a distinctive regional strategic approach to developing the economy – foundational and tradeable and projects a distinctively Welsh approach to doing so.	The new corporate entity will require a full suite of bespoke policies and procedures in respect of the Welsh language.
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The approach focuses on economic inclusion, levelling-up and a mission-driven approach capable of not just tackling economic problems – but societal ones too.	The CJC has at the heart of its purpose a commitment to 'no place is left behind' and

Well Being Goal	Does the proposal contribute to this goal? Describe the positive and negative impacts.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
		promoting economic inclusion and addressing economic inequalities.

2. How has your proposal embedded and prioritized the sustainable governance principles in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Long Term</p> <p>Balancing short term need with long term and planning for the future</p>	<p>The CJC is a long-term construct and requires thinking ahead to provide a long-term platform for regional public investment.</p>	<p>Establishment of a Transition Board and Plan to broaden engagement and involvement.</p>
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>The principles of the structure recommended situate partnerships and the building of new institutional capacity at the heart of the new framework. One of the work streams established is on partnerships and engagement specifically.</p>	<p>Structures for sub committees, partnerships and advisory boards to be replicated and established.</p>
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The plan will be backed by a wider comms plan which has already included meeting with the various CCR Partnership groups.</p>	<p>Challenge funds will be another perspective to bring to bear in this context with the opening up of the civic innovation process.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The mission-driven/ challenge-led approach embedded will be a key means of experimenting in the prevention space</p>	<p>In addition, the CJC will be a long term construct and will develop and further evolve over time.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>The proposed impact assessments will give a comprehensive and ongoing overview of benefits, costs and results. Outcome focused reporting and accountability will be key to this.</p>	<p>This can be further reinforced in the CJC setting and when Cabinet and partners have access to greater freedoms and flexibilities.</p>

3. **Are your proposals going to affect any people or groups of people with protected characteristics?** Please explain the impact, the evidence you have used and any action you are taking below.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age	<p>Not relevant in this context since the principles, approach and ways of working apply to all prospective interests and stakeholders as will governance and delivery arrangements.</p>		<p>A full ESG agenda and diversity and inclusion reviews into partnerships and groups will help ensure this agenda is embedding in ways of working and the culture that is created.</p>
Disability	As above	As above	As above.
Gender reassignment	As above	As above	As above.
Marriage or civil partnership	As above	As above	As above.
Pregnancy or maternity	As above	As above	As above.

Protected Characteristics	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Race	As above	As above	As above.
Religion or Belief	As above	As above	As above.
Sex	As above	As above	As above.
Sexual Orientation	As above	As above	As above.
Welsh Language	As above	As above	As above.

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5. Safeguarding & Corporate Parenting. Are your proposals going to affect either of these responsibilities?

	Describe any positive impacts your proposal has on safeguarding and corporate parenting	Describe any negative impacts your proposal has on safeguarding and corporate parenting	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
Safeguarding	Not directly relevant –however, building the future economy should have a profoundly positive impact on ability to safeguard the future of our residents		This is dependent upon the brief for regional education consortia and whether or not, it is intended to be grouped within CJsCs.
Corporate Parenting	Not directly relevant – however building strength in the economy should create opportunities for all of the young people entrusted in our care and makes a direct contribution to wellbeing.		

5. What evidence and data has informed the development of your proposal?

As above.

6. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

As above, the main implications will be in the delivery of this work.

7. MONITORING: The impacts of this proposal will need to be monitored and reviewed. Please specify the date at which you will evaluate the impact, and where you will report the results of the review.

The impacts of this proposal will be evaluated on:

Quarterly via the IIF reports to Cabinet and quarterly performance and new annual business plan and budget all ahead of 31 January 2022.

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13 DECEMBER 2021

REFRAMING THE APPROACH TO DEVELOPING THE SOUTH EAST WALES CORPORATE JOINT COMMITTEE

REPORT OF CARDIFF CAPITAL REGION DIRECTOR

AGENDA ITEM 4

Appendix 1 to this report is exempt from publication because it contains information of the kind described in paragraph 16 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of part 4 of Schedule 12A to the Local Government Act 1972

Reason for this Report

1. To appraise Regional Cabinet of the realisation of a number of issues that require a re-defining and re-directing of the approach CCR has proposed to take to the establishment of the South East Wales Corporate Joint Committee (CJC) along with a number of risks which remain live.
2. To set out an interim way forward that recognises in a pragmatic way, the need to make progress with initial implementation steps on a 'bare minimum' basis, in so far as they ensure compliance with the legislation and that CCR incurs no worsening of its position in relation to the unresolved issues.
3. To re-set the critical path towards the statutory budget setting date of on/before 31 January 2022, establishing all resource and sequential reporting requirements; and, in the interim period, standing down the Transition Board, until such time, the new path to 'lift and shift' is resolved, understood and resurrected.
4. To appraise Regional Cabinet of the work that continues to be undertaken with Welsh Government (WG), Audit Wales (AW) and other bodies, with a view to supporting resolution of the issues that currently prevent full transition to the 'lift and shift' model agreed by Regional Cabinet, which is predicated on ensuring a 'no worse-off' position.

Background

The Issues

5. At its meeting of the 20 September 2021, Regional Cabinet approved a report that established Governance and Delivery Option 3 'Lift and Shift' as the preferred model for CCR's transition to one integrated model of regional public investment

and economic governance under the CJC. The report further set out a comprehensive Transition Plan and Transition Board model to oversee the process of evolution and a critical path for achieving key milestone dates.

6. The report described a number of live risks and issues, relating to a series of unresolved matters concerning the implications of CJsCs' financial status for tax purposes and borrowing and their impacts. It was stated that work would continue to be undertaken with CCR's advisory team and WG to resolve the issues sufficiently in allowing for Lift and Shift model to be implemented from 28 February 2022 – the date on which the functions exercised by the CJC (Regional Transport Plan, Strategic Development Plan and economic wellbeing power) commence. A letter was also provided from the WG Minister for Finance and Local Government to reiterate this intent and the report sought to commit to a 'no worse off' principle, on this basis as at the point of transition.
7. In the intervening period, it is clear that the risks and issues highlighted at this time, cannot be resolved to comply with the timescales set out and allow for Lift and Shift. This is mainly because the issues that require resolution, need the approval of bodies such as HMRC and HM Treasury (HMT) and these clearly sit outside the sphere of direct influence and control of WG. In addition, further issues have arisen in respect of Corporation Tax. This is a complex matter not addressed so far in the Regulations; and could have significant implications to the CCR operating model unless similarly addressed through an application to HMT for relevant dispensations. Work is underway on addressing this, with CCR supporting WG's business case application to HMRC for the relevant dispensations.
8. In other words, there remain a number of substantially unresolved matters, that unless addressed and resolved prior to full 'lift and shift' implementation and are understood and mitigated against ahead of 'bare minimum' implementation – could have a significant impact. On the latter point, even basic activities under a 'bare minimum' CJC may still incur a level of irrecoverable VAT and as such an initial scaled back approach which reduces such a potential risk is proposed.
9. The impacts of all these issues are not standalone and consideration will need to be given to the matter of seeking UKG support to transfer the existing CCRCD Funding Agreement to the CJC. In addition, it must be understood that these are complex and inter-connected issues and there are no 100% guarantees of success. Wider financial status issues are bound up within making the case for s33 status and in essence, the need to demonstrate the intent and effect of the CJC legislation, which is for them to be 'creatures of LAs' and 'part of the LG family'.
10. CCR has made representations to WG on these issues, including seeking a re-setting of the statutory budget timeframe. WG has advised that this is not possible due to timescales and the need to carry out statutory consultation on any proposed changes. However, the issues raised are recognised and understood and implementation on the basis of a pragmatic and proportionate provisional approach is supported. Additionally, legal advice has been taken on the risks and challenges posed to CCR of 'doing nothing'. This report is thus, framed in this context and of being minimally compliant.
11. The 'bare bones' implementation of the CJC legislation will therefore need to be 'twin-tracked' with continuation of the current Joint Committee/Accountable Body-

led model for delivering the CCR City Deal for the time being. This dual approach is unavoidable and will provide business continuity for City Deal delivery.

12. WG has also set out that the date of commencement of immediate duties around preparation of the Regional Transport Plan, Strategic Development Plan and economic wellbeing powers, can be changed from the original date set for SE Wales of 28 February 2022 to 30 June 2022 – thus, falling in line with other CJC regions. This report recommends that this later date is accepted in order to better align with the proposed bare minimum approach.

Making Progress

13. Whilst the above issues are complex and require the re-doubling of efforts across WG with support from CCR and its technical and legal advisory team, it is recognised that where progress can be made, then it should be made.
14. The minimalist model proposed in this report, thus offers a pragmatic way of enabling CCR to begin implementing the CJC requirements and adopting statutory duties – whilst at the same time – supporting WG to progress the resolution of issues, which are preventing a transition to Lift and Shift at this time.
15. This means putting in place a series of steps that will redefine the critical path between now and 31 January 2022 (the date by which the CJC must approve its budget), in order to ensure compliance with the legislation, but in ways which protects CCR's short and long-term position and wherever possible, safeguards against any detriment.
16. On the basis of external advice and technical support, the proposed 'bare minimum' model will enable CCR to demonstrate it has commenced transition, ensuring compliance with the legislation and regulations. It is essentially creating the outline of the CJC as an absolute statutory minimum and as an interim holding position only. It will include:
 - setting minimal nominal budgets for the operation of the CJC no later than 31 January 2022;
 - agreeing with the Auditor General for Wales the CJC audit scope and fee, which is proportionate and reflects the CJC's bare minimum operations;
 - adopting model Standing Orders and any basic supplements – i.e. scheme of delegations (draft attached at Appendix 1);
 - arrangements to place any staff at disposal of CJC – again this will be on the basis of proportionality;
 - establish statutory sub-committees e.g. Audit and Governance Committee etc.;
 - appoint Chair/ Vice Chair/s – which can mirror existing CCR arrangements; and,
 - establish practical arrangements in respect of the CJC's basic infrastructure as a separate legal entity – accounting & reporting requirements, bank account, VAT registration, minimum insurances, proportionate records scheme etc.

17. The minimalist model will operate on the expectation that the absolute minimal operational activity required will be undertaken. Therefore, any extraneous activity such as production of a business plan; meetings of the CJC beyond initial budget setting/ 'establishment'; meetings of the Audit and Governance Committee; and staffing arrangements beyond those linked to the above – is unlikely to take place.
18. In order to provide a level of certainty to all CJC stakeholders and constituent councils, the bare minimum model, will be predicated on being in place until the 31 March 2023. However, should the issues be resolved sooner, there is provision for the budget requirement to be re-visited in-year and as 'lift and shift' becomes do-able and is supported through the relevant financial status issues being resolved. This means that for the initial operating period - a nominal budget is set – with the clear expectation of minimal expenditure against it. This is an important principle. If even low-level expenditure can be justified, the advice is there is a strong case to avoid incurring such expenditure if it can be demonstrated that it would "prejudice the CJC's position or suffer any detriment".
19. Therefore, whilst a provisional budget can be set, and actions taken to set-up and 'ready' the CJC – it does not follow that enactment beyond this is necessary – at least until such time the CJC is ready to be operable and lift and shift can occur. The timeframe outlined above will be kept under constant review throughout the year as the outstanding matters are progressed. An update report will be brought back Regional Cabinet for further consideration, as soon as sufficient information is available to do so.
20. The CJC will be required to comply with all necessary regulations and legal requirements. The principle of 'proportionality' will be adopted in assessing bare minimum compliance, along with the requirement to minimise any adverse budgetary impacts. It should be noted that the two duties to begin preparation of both a Regional Transport Plan and Strategic Development Plan will commence in 2022/23. As per paragraph 12 above, it is now proposed this date is re-set as 30 June 2022 and this has been communicated with Welsh Government. Whilst there are no immediate actions required in relation to the commencement duties, some progress will need to be demonstrated from July 2022 and plans for such will be presented to the CJC during the year.
21. This pragmatic, proportionate and reasonable approach will require key stakeholders to adopt a shared endeavour approach. As a result, this report has been shared with Audit Wales and Welsh Government, both of which have been consultees to this report and understand the scope and provisions of the 'bare minimum' model.
22. Given the process to put this new set of actions and revised critical path in train, will be fairly clear, time-limited (until the end of January 2022) and require no reference to the Transition Plan for lift and shift – it is proposed that the Transition Board is stood down. The Transition Board and Plan for lift and shift can be resurrected at such time as clarity on timeframes for resolving the issues around VAT, means that this substantive work can be re-started.
23. It should also be noted that in setting this process in plan, the clear milestone to work towards is budget setting for the CJC on or before 31 January 2022. Approval of the budget requires unanimous support of CJC constituent councils. Brecon Beacons National Park Authority will feature as part of this in relation to

the estimated budget for preparing an SDP and as such, ongoing communication and engagement is taking place.

Update on Work to Resolve Issues

24. Work led by WG on behalf of all regions/ constituent CJs in Wales, is underway with HMRC and HM Treasury on the outstanding issues named in this report. An update has been provided to clarify that CCR CJC is not a 'levying body' with workarounds being put in place with respect to access to LGPS as a 'connected body' instead. In relation to access to PWLB at the relevant future point, WG has had initial positive discussions with HMT that suggest borrowing capability through this medium, can be considered and potentially, developed.
25. On the s.33/ VAT front, WG has developed and submitted a business case application to HMRC to enable CJs to be able to re-claim non-business VAT in the same way that local authorities do. CCR has contributed to this process with input from technical financial and legal advisors. As yet, there is no emergent timeframe for full resolution of the issues, though the indicative timeline provided by HMRC for considering applications is 6 months (which would be May 2022) – further confirmation is awaited on timescale matters
26. Work continues to be put in place regarding arrangements for interim accounting systems, processes and relevant systems infrastructure for the CJC. This is being carried out in partnership with RCT Council, which will be providing basic 'transactional services' for the initial period of 'bare minimum' CJC operation. CCR City Deal will continue to be supported by the 'Lead Council/ Accountable Body' mechanism. This reflects the arrangements underpinning the twin-tracking approach which will be needed, at least initially and until the remaining issues are resolved.

Risks and Issues

27. There are several risks related to the proposed approach. However, if the bare minimum model principles set out above are adopted and risks continually mitigated against by the detailed technical work that is ongoing and continued liaison WG and Audit Wales, it is suggested that these can be kept in check, monitored and managed. This means that Value for Money issues can be responded to in as much, that the CJC keeps expenditure to the bare minimum during this interim period and on the basis of no significant detriment to its short or long-term operating model.
28. Other risks concern the resources now needed to implement 'bare minimum' which will be met from existing budgets, albeit there will be some effect given efforts that will need to now be fully channelled to getting work done in an ever-decreasing timeframe. Timeframes present a further risk in that at this time, there is no clear point at which lift and shift occurring can be estimated – however, this could be clarified via WG shortly. Arguably, the bigger issue is guaranteeing successful outcomes – although it is anticipated a strong case will be made to both HMRC and HMT and it remains the strong intent, and wider effect, of the WG legislation for CJs to be part of the LG landscape and treated as if a Local Authority.

29. It should also be noted that the identification of risks to date, has arisen through work 'on the job'. Further risks that only become apparent through the process of application and implementation cannot be ruled out.
30. Potential risks around potential for double taxation at the point of lift and shift are unpreventable, with work needed ongoing to develop the conversations, flexibilities where they exist and pragmatism to deal with such eventualities. The possibility of fragmented legacy accounts also requires analysis and conclusions to be presented at the relevant time.
31. It is also noted that Councils upon whom the duty to implement CJC legislation falls, also need to report progress, current status and next steps on this matter into their individual decision-making processes. This report and the approach suggested, now provides the means for constituent CCR Councils to do this.

Financial Implications

32. The report considers the approach to the transition of the Current Joint Committee to a new Corporate Joint Committee entity for the South East Wales Region. Enabling legislation is in place which has created the new Corporate Joint Committee with its associated powers and functions continuing to be the subject of detailed regulations determined by Welsh Government to support the operationalising of the entity.
33. The report recommends the implementation of a 'bare minimum' interim solution, until a lift and shift of existing CCR activities can take place and following resolution of issues identified in this report. Movement to a bare minimum will require the establishment of practical arrangements in respect of the CJC's basic infrastructure as a separate legal entity – accounting & reporting requirements, bank account, VAT registration, minimum insurances, etc. It will also include appointment of key officers such as Responsible Finance Officer with the approach to remuneration etc. being the subject of a future report. Corporate Joint Committees have the same financial reporting and disclosure requirements as existing local authorities, including compliance with relevant codes of practice where deemed to be relevant. A bare minimum approach to the CJC will need to consider and work with partners such as Welsh Government and Audit Wales at an early stage to determine approach to compliance in a proportionate way.
34. It should be noted that regulations require the CJC to determine a capital and revenue budget by 31 January 2022. This is for the 2021/22 and 2022/23 financial year. It is proposed that any budget set will be on a bare minimum basis and will be a minimal nominal budget.
35. This is to be the subject of a future report to CCRC Regional Cabinet and similar approval by the CJC in accordance with the deadlines.
36. Where activities are undertaken within the scope of the Corporate Joint Committee, the expenditure and income of these activities will need to be costed and identified as part of CJC budget proposals by 31 January 2022 and annually thereafter. This is to include:

- where there are increases or reductions in budgetary requirements from local authorities;
 - whether additional activities are to be paid for as part of grant support from Welsh Government and or other grant funding providers;
 - where additional costs are to be met from within existing budgets
 - where there are commitments to support credit arrangements or similar liabilities arising as part of approved investment plans
37. This should be considered for revenue costs as well as the approach in respect to the servicing costs of any liabilities undertaken for capital expenditure and the operating costs of any financial or physical assets. This will need to be considered as part of the annual budget setting process for the Corporate Joint Committee for inclusion in respective Local Authority budgets.
38. This report will also need to include the basis on which any budget requirement, not funded by external grant or similar, is to be met by CJC Constituent Councils and the Brecon Beacons National Park Authority where relevant.
39. It should be noted that in accordance with the regulations establishing CJCs, the budget must be agreed on a unanimous basis by constituent Councils of the CJC, with Welsh Government determining contributions in any scenario where a budget cannot be agreed. Any assets or liabilities entered into by the CJC are the liabilities of the constituent Councils and will need to be included as part of the budget setting processes of respective local authorities.
40. The current Joint Working Arrangement and the principles of the financial model in respect to delivery of City Deal activities set out Local Authority Contributions towards the Wider Investment Fund. The establishment of the bare minimum Corporate Joint Committee does not change the quantum of the already agreed financial obligations of each authority in respect to the Wider Investment Fund.

Legal Implications

41. The constituent local authorities are obliged to comply with the Regulations surrounding CJC's. Enacting the 'bare minimum' model which comprises the actions listed in paragraph 15 of this report is sufficient to ensure that members and their authorities comply with their statutory duty and are not acting unlawfully.

Well-being of Future Generations (Wales) Act 2015

42. In developing the Plan and in considering its endorsement regard should be had, amongst other matters, to:
- (a) the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards;
 - (b) Public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are a. Age; b. Gender reassignment; c. Sex; d. Race – including ethnic or

national origin, colour or nationality; e. Disability; f. Pregnancy and maternity; g. Marriage and civil partnership; h. Sexual orientation; i. Religion or belief – including lack of belief, and.

(c) the Well Being of Future Generations (Wales) Act 2015. The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Councils comprising the CCRC) must set and published wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. When exercising its functions, the Regional Cabinet should consider how the proposed decision will contribute towards meeting the wellbeing objectives set by each Council and in so doing achieve the national wellbeing goals. The wellbeing duty also requires the Councils to act in accordance with a 'sustainable development principle'. This principle requires the Councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Regional Cabinet must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, Regional Cabinet must:

- look to the long term.
- focus on prevention by understanding the root causes of problems.
- deliver an integrated approach to achieving the 7 national well-being goals.
- work in collaboration with others to find shared sustainable solutions.
- involve people from all sections of the community in the decisions which affect them.

43. Regional Cabinet must be satisfied that the proposed decision accords with the principles above. To assist Regional Cabinet to consider the duties under the Act in respect of the decision sought, an assessment has been undertaken, which is attached at Appendix 2.

Equality Act 2010

44. In considering this matter, regard should be had, amongst other matters, to the Councils' duties under the Equality Act 2010. Pursuant to these legal duties the Regional Cabinet must in making decisions have due regard to the need to (1) eliminate unlawful discrimination (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. Protected characteristics are:

- age;
- gender reassignment;
- sex;
- race – including ethnic or national origin, colour or nationality;

- disability;
- pregnancy and maternity;
- marriage and civil partnership;
- sexual orientation;
- religion or belief – including lack of belief.

RECOMMENDATIONS

45. It is recommended that the Cardiff Capital Region Joint Cabinet:

- (1) notes the contents of this report and the realisation of risks and issues that now prevent full implementation of the chosen Governance and Delivery option to 'Lift and Shift' on the previously proposed timescale; and the revised arrangements to be reported through CCR's ten constituent local authorities, along with draft CJC Standing Orders;
- (2) approves the re-direction and re-purposing of the principles contained in the report of 20 September 2022 and agrees the implementation of the 'bare minimum' interim solution set out in the report, allowing CCR to be compliant with the CJC legislation, until such time transition via 'lift and shift' can be resurrected and in tandem with outstanding issues being resolved.
- (3) approves re-setting of the critical path in relation the tasks and activities which will need to be undertaken in the run-up to budget setting before 31 January 2022 and resolves to stand down the Transition Board in this period;
- (4) agrees to ask the Welsh Government to amend the regulations to change the date on which immediate duties commence under the Regulations from 28 February 2022 to 30 June 2022; and,
- (5) notes the work ongoing to resolve the remaining issues and the position of WG and Audit Wales in supporting this approach, as well as being mindful of the risks and issues, which require constant attention and mitigation wherever possible.

Kellie Beirne
Director, Cardiff Capital Region
13 December 2021

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Appendices

EXEMPT Appendix 1 Draft CJC Standing Orders
Appendix 2 Well-being of Future Generations Assessment

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SUBJECT: Responding to insufficiencies within the provider market for children and young people with complex needs

MEETING: Council

DATE: 27th January 2022

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

To set out a proposal that allows Council to respond flexibly and promptly to emergency situations that arise to safeguard children and young people with very complex needs when there are no available 'looked after child' placements within the provider market.

2. RECOMMENDATIONS:

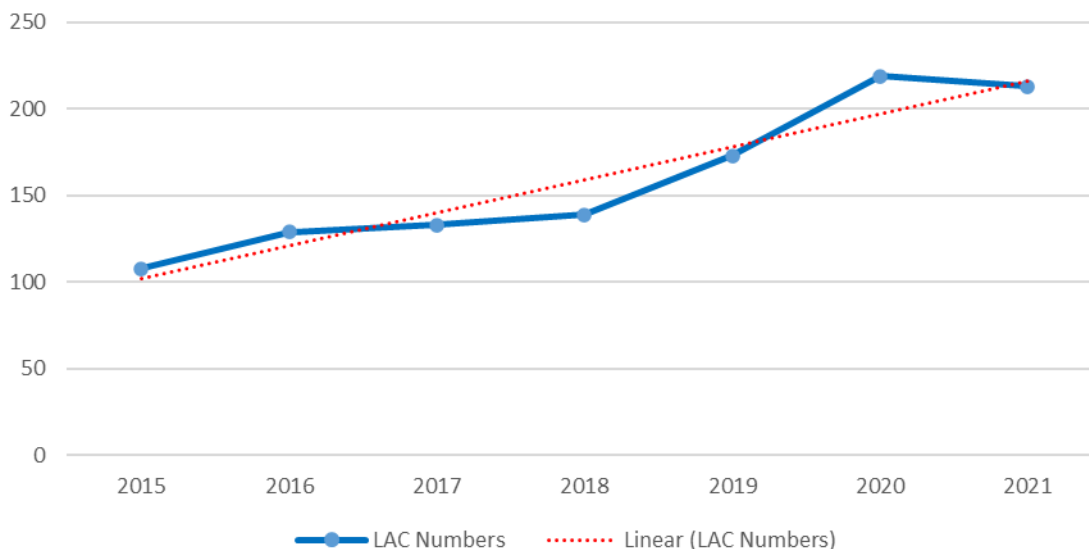
This report recommends that:

- 2.1 Council agrees to establish £2m borrowing headroom to enable specific property acquisition and remodelling to take place and where the Council is unable to identify suitable supply in the provider market for children and young people with very complex needs.
- 2.2 The Chief Officer Social Care and Health's delegated power to "secure" accommodation for children looked after when necessary includes the ability to purchase appropriate property or land following an appropriate business case and consultation with the Cabinet Member for Social Care, Safeguarding and Health.
- 2.2 Delegated authority is given to the Deputy Chief Executive / Chief Officer for Resources (as S151 officer of the Council), in consultation with the Cabinet Member for Resources, to consider business cases that look to draw on the borrowing headroom for the stated purpose.
- 2.3 The Council continues to work in partnership with Welsh Government, the Aneurin Bevan Health Board, Registered Social Landlords and other Local Authorities, such as to secure funding and/or suitable alternative provision that would look to mitigate or avoid the need for the borrowing headroom to be drawn upon.
- 2.4 The decision reports and business cases that support any properties acquisitions made and that fall within the circumstances outlined in this report are reported into the next available meeting of the Children and Young People's Select Committee.

3. KEY ISSUES:

Local context of Children Looked After

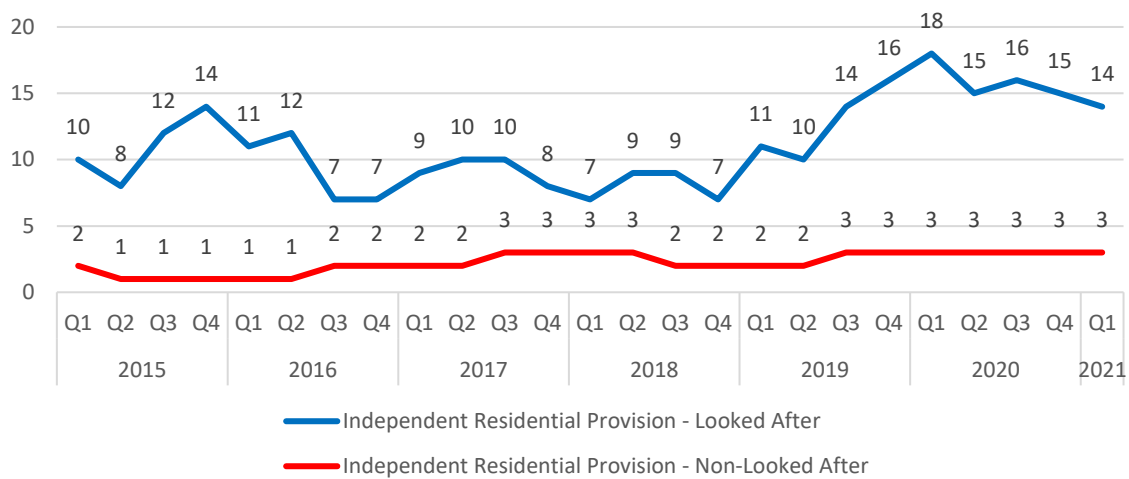
3.1 At the end of 2019/20 the number of Children Looked After stood at 213. It has since fallen to 205 at the end of month 9, remaining unchanged since month 6. However, new children have required high-cost residential placements, as opposed to those leaving which have been more in the lower cost fostering/kinship/family placements.



3.2 Within Monmouthshire there is a small number of children with very complex needs including issues associated with childhood trauma and attachment difficulties, Autistic Spectrum Disorders and Learning Disabilities, high risk or challenging behaviours requiring multi-agency involvement and a multi-disciplinary approach to their care and support over significant period. More often than not, children who enter residential placements often have a combination of such issues.

3.3 The graph below highlights the rise in residential placements amidst the aforementioned context.

Graph 20 – Number of Residential Placements over the period Mar 2015 – Mar 2021



Source: Monmouthshire Quarterly Baseline Data Returns

National context

- 3.4 The national shortage of placements for children who are looked after has become increasingly prominent within public and political discourse over recent months. For children and young people, particularly those with more complex or challenging needs, the impact of placement insufficiency can be significant and result in children and young people being placed outside of the Local Authority area and at some distance from their home and community causing disruption to their care, support and treatment arrangements.
- 3.5 Placement insufficiency is most keenly felt for children who require residential placements; for a small, but growing number of children, there is simply no placement available in the provider market. In these situations, Local Authorities across England and Wales, respond by putting in place bespoke ‘patch-up’ arrangements to try and meet the care and support needs of the individual child in the best way possible without the benefit of a regulated placement. This places Local Authorities in situations where they are operating outside of RISCA regulations. Care Inspectorate Wales, and in some cases Family Courts, then exert pressure on the Local Authority to take prompt actions to address the situation.

Issues within the Provider Market

- 3.6 Challenges within the provider market is a key contributing factor to placement insufficiency, particularly with regards to residential placements. Challenges within the provider market have arisen through a number of overlaying factors. These include:
- Local Authorities are often competing for placements, with many more children requiring placements than there are placements available. For border counties, including Monmouthshire, this includes competition from English authorities.
 - The market has not kept pace with the overall national increase in Children Looked After over recent years.
 - The increase in ‘solo’ placements being sought in response to the complex needs of individual young people when the market is more aligned to ‘standard’ residential children’s home placements.

- Loss of confidence within the provider market because of the Welsh Government commitment to eliminate profit from the care of children looked after.
- The many barriers to developing new services, and the time that it takes, are off-putting to providers.

3.7 Issues arising from reliance on the provider market across Wales are set out in the Welsh Government White Paper Rebalancing Care and Support issued in January 2021

3.8 Nationally, regionally, and locally steps are being taken to re-shape the market and address placement insufficiency: however, this will take time. Over the short to medium term, there is a high likelihood of the situation worsening, with Local Authorities increasingly struggling to find suitable placements for a small number of children with very complex needs, before the impact of any improvements is felt. Moreover, in many respects the current proposal is in fact part of this re-shaping process and any property that is acquired and registered as a children's residential home will then form part of our local provision for future planning; an approach that has already proved effective for one recent case.

Local Situation

3.9 To date this financial year the Council has been in a situation on three occasions where, despite extensive nationwide searches a placement could not be procured for an individual child. Operationally the service has responded along the following lines.

- i) Sourcing the most suitable available property to accommodate the young person through RSLs, private arrangements, or from within the council's own estate. This is often not ideal with challenges such as the wrong location or the length of time the accommodation can be occupied on a temporary basis for example.
- ii) Sourcing a provider agency or agencies who can meet the day to day care and support needs of the young person as best as possible without the benefit of a having a permanent residential staff team as per a regulated placement.
- iii) Providing intensive support, oversight and coordination of services into the placement in lieu of the permanent management structure that would be part of a regulated residential provision, with implications for staff time and resources from within the social work teams.
- iv) Simultaneously, continuing to conduct searches for an appropriate and available regulated placement from within the market.
- v) Ensuring that there are contingency plans in place so that, in the event that a regulated placement cannot be procured, the Local Authority is able to satisfy CIW and the Family Courts that appropriate alternative steps are being taken. Contingency planning involves sourcing and acquiring a suitable property aligned to the child's needs that can then be adapted to meet the regulatory requirements to become a registered residential children's home; and, securing a care provider that is able to meet the care and support needs of the individual child.

3.10 The Council is now at a point where a more robust funding mechanism needs to be in place and to ensure that where contingency plans need to be acted upon that this can be done in a responsive manner. Officers need to be able to access Council resources

quickly via a streamlined decision-making process as proposed. In such situations there is considerable operational pressure associated with ensuring that the child's needs are met safely and appropriately often within timescales that are defined by CIW and the Family Courts.

- 3.11 In addition to this, the nature of the property market within the Monmouthshire area is such that delay in making an offer can result in losing the property, particularly relevant in cases where the search criteria is limited by the bespoke needs of the young person.
- 3.12 Being able to access funds relatively quickly in order to acquire property in these situations will have potentially positive impact on both the council, service and young people and as outlined in the table below.

Positive impacts		
Council	Children's Services	Young People
Acquisition of property as potential future asset	Develop local provision for medium to longer term planning	Enabled to remain near home and community and with known services
Protects Council from reputational damage (CIW and Court)	Able to plan and develop service in quicker time	Less delay in being provided with stable placement because of quicker decision making
An acquired property is attractive to care providers as this removes the burden of acquisition from the registration process		

- 3.13 It is right and necessary to also highlight the associated risks with the local authority establishing its own provision as distinct from this being provided through commissioned arrangements or through other arm's length arrangements (e.g. via an arrangement with an RSL). Clearly in acquiring a property from which to deliver the necessary care and support the Council takes on the associated landlord responsibilities. Whilst there exists a risk of an empty property being held if no longer required for the child, the Council would still be left with a decision to either sell or retain the asset for future use.
- 3.14 Depending on whether a child is then supported through direct care provision or a care provider would influence where wider responsibilities fall. Though the Council has robust arrangements in place around service delivery and furthermore insurance cover arrangements in place to safeguard both staff and the Council.
- 3.14 This report recommends that Council now acts by establishing £2m of initial borrowing headroom to enable specific property acquisition and remodelling to take place and where the Council is unable to identify suitable supply in the provider market for children and young people with very complex needs.

3.15 Furthermore the report recommends that delegated authority is given to the Deputy Chief Executive / Chief Officer for Resources (as S151 officer of the Council), in consultation with the Cabinet Member for Social Care, Safeguarding and Health and the Cabinet Member for Resources, to consider business cases that look to draw on the borrowing headroom. This will only be in situations where all other options have been exhausted in securing registered provision that can safely meet the needs of an individual child or young person. The delegation is best placed with the S151 officer as this officer has regard under the constitution for both the security of public funds and of assets.

3.15 Officers will continue to work in partnership with Welsh Government, the Aneurin Bevan Health Board, Registered Social Landlords and other Local Authorities, such as to secure funding and/or suitable alternative provision that would like to mitigate or avoid the need for the borrowing headroom to be drawn upon. This will either be through existing established partnership arrangements or networks or directly as required.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

4.1 The proposal supports the Council in its Safeguarding and Corporate Parenting responsibilities in its duty to provide safe and appropriate care to children who are looked after, and by helping to ensure that children remain close to their homes and communities.

4.2 By working in partnership with care providers the local authority is supporting local employment and development of a skilled local workforce as well as acquiring assets for that can be used in the longer term public interest.

4.3 An equality and future generations evaluation has been undertaken and is shown in appendix 1. The impact is seen as only having positive outcomes and as outlined in the valuation.

5. OPTIONS APPRAISAL

5.1 An option appraisal has been undertaken and can be summarised as followed:

- i) Go through a full council decision for each specific case - this would ensure that every capital decision is considered by elected members on its own merits and in relation to a specific individual situation. However, the disadvantages to this are that the timescales would carry the risk of causing delay in ensuring that the needs of individual children are met in accordance with relevant legislation. It is also likely to not offer the expediency needed to allow an offer to be secured on a property needing to be acquired.
- ii) Establish borrowing headroom and delegated authority to allow local authority provision to be developed expediently to address placement sufficiency – whilst this is something that is in progress at a regional level it is not something that can alleviate the current concerns quickly enough. This recommended option will in time provide greater resilience locally. But will also potentially and in time offer

greater resilience regionally and as we see children develop or move on from their existing placements.

- iii) Do nothing - essentially this would mean managing the emergency situation through 'patch-up' arrangements and rely on the market to eventually provide a placement without activating contingency plans. This would not require longer-term investment or borrowing by the Council. However, in 2 out of 3 of the recent cases even after many weeks of on-going searches the market has not provided a placement, and for this reason the 'do nothing' option is discounted.

5.2 The lack of unregistered placements for children is a UK-wide issue. Court cases have grown in frequency as Judges have more frequently been asked to use the inherent jurisdiction of the Court to deprive children of their liberty in identified locations other than registered placements. This issue has given rise to a growing challenge from the Courts to National Governments, the NHS and Local Authorities to find a solution to the issue and there has also been a legal case brought by the Good Law Project against, primarily, a number of named Local Authorities.

5.3 The way that the law is written and the way that case law has evolved brings the focus most intently on Local Authorities above all other partners, and this is reflected in the necessity for a nearby Local Authority to devote time and resource to a Supreme Court case to examine an issue related to this topic. To do nothing therefore raises the greatest legal, financial and reputational risk for MCC.

6. EVALUATION CRITERIA

6.1 This report looks to establish the funding, governance and decision-making framework that allows for accommodation to be secured through means of property acquisition. A key aspect of this framework is requiring business cases to be considered and approved before funding is drawn down. Each business case that considers the Council needing to establish its own local authority provision, whether the borrowing headroom needs to be accessed or not, will need to assess the underlying options as well as the suitability, risks and costs to the Council.

6.2 Furthermore, this proposal will be evaluated through ongoing monitoring of:

- i) The number of times within a financial year that the Council is required to respond to a situation where a placement cannot be procured for an individual child and where the council is providing accommodation and support to the child outside of RISCAs regulations.
- ii) The number of times within such scenarios whereby officers need recourse to council spending or borrowing because officers have not been able to access funds elsewhere (i.e. Welsh Government or any other capital grants). This will be reported as required through established capital budget monitoring reports and process.

7. REASONS:

7.1 As outlined in the report to put in place arrangements that allows the Council to respond flexibly and promptly to emergency situations that arise to safeguard children and young

people with very complex needs when there are no available 'looked after child' placements within the provider market.

8. RESOURCE IMPLICATIONS:

- 8.1 This report looks to establish £2m of borrowing headroom to enable specific property acquisition and remodelling to take place and where the Council is unable to identify suitable supply in the provider market for children and young people with very complex needs. The borrowing will only be required and at a time when business cases are submitted and subsequently approved by the S151 officer of the Council and in line with the report's recommendations. The borrowing costs will be met from existing Children's Services budgets.
- 8.2 Whilst this report only deals with the borrowing headroom being created it is worth noting that associated costs against this borrowing will involve the cost of acquisition as well as any resultant costs to modify the property to make it fit for purpose. All associated running costs will be met from existing Children's Services budgets.
- 8.3 Any use of the borrowing will result in the acquisition and development of property. The Council's Landlord Services teams will look to provide ongoing support and to ensure that any assets acquired are well maintained and to ensure that asset values are retained such that best value is derived upon any subsequent disposal. However, it is worth noting that any accommodation being vacated might not automatically lead to disposal as it might be retained at that point for future use, either locally or regionally.
- 8.4 As per recommendation 3 of the Council will work in partnership with Welsh Government, the Aneurin Bevan Health Board, Registered Social Landlords and other Local Authorities, such as to secure funding and/or suitable alternative provision that would look to mitigate or avoid the need for the borrowing headroom to be drawn upon.
- 8.5 The Chief Officer for Social Care, Safeguarding and Health is able to act under powers within the Social Services and Well-Being (Wales) Act 2014 to ensure that suitable accommodation is secured to meet care needs. The business case required to justify any acquisition will need to outline an independent valuation being undertaken by a qualified valuer. As a special purchaser the Council will need to ascertain whether there are any circumstances that might require a premium to be paid. The justification for which would need to be included in any business case.
- 8.6 In summary this report looks to respond to matters that look to allow the Council to respond to flexibly and promptly to emergency situations that arise to safeguard children and young people with very complex needs when there are no available 'looked after child' placements within the provider market. However, it will also provide an affordable means by which the Council can deliver against care needs and when set against the cost that the Council would have had to face in securing provision through the provider market.

Points to note:

- Ability to acquire asset done under SWB Act but noting need for valuation. And to confirm process leading to business case and completion

9. CONSULTEES:

Cabinet
Senior Leadership Team
Estates and Property Services
Children Services Leadership Team

10. BACKGROUND PAPERS:

Appendix 1 – Equality and Future Generations Evaluation

11. AUTHOR:

Jane Rodgers – Chief Officer, Social Care Safeguarding and Health

12. CONTACT DETAILS:

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Public Document Pack Agenda Item 8

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of County Council

County Hall, Usk - Remote Attendance on Thursday, 16th December, 2021 at 2.00 pm

PRESENT: County Councillor M. Feakins (Chairman)
County Councillor A. Webb (Vice Chairman)

County Councillors: D. Batrouni, J. Becker, L. Brown, A. Davies, L. Dymock, A. Easson, C. Edwards, P.A. Fox, R.J.W. Greenland, M. Groucutt, R. Harris, J. Higginson, G. Howard, S. Howarth, R. John, D. Jones, L. Jones, P. Jones, S. Jones, P. Jordan, M. Lane, P. Murphy, P. Pavia, M. Powell, J. Pratt, R. Roden, V. Smith, B. Strong, T. Thomas, J. Treharne, J. Watkins, A. Watts, K. Williams and S. Woodhouse

OFFICERS IN ATTENDANCE:

Paul Matthews	Chief Executive
Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Will McLean	Chief Officer for Children and Young People
Frances O'Brien	Chief Officer, Enterprise
Matt Phillips	Chief Officer People and Governance and Monitoring Officer
Richard Williams	Democratic Services Officer

APOLOGIES:

County Councillors P. Clarke, D. Blakebrough, R. Edwards, D. Evans, L. Guppy, S.B. Jones and F. Taylor

1. Declarations of Interest

None received.

2. Public Questions

None received.

3. Chairman's announcement and receipt of petitions

Council received the Chairman's report and noted that no petitions had been received.

Council also paid respect to the recent passing of former County Councillor Andrew James.

4. Cabinet Statement on the impact of COVID-19 on schools in Monmouthshire

Council received a Cabinet Statement on the impact of Covid-19 on schools in Monmouthshire.

In doing so, the following points were noted:

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- The Cabinet Member thanked learners, their families, and all school staff during this difficult period.
- Across Monmouthshire's schools there have been 1769 positive Covid-19 cases between 3rd September and 12th December 2021. This represents 16% of the school age population.
- There have been 805 cases in our secondary schools and 964 cases in our primary schools. Most affected were learners aged between 8 and 11 which accounted for 42% of all our cases.
- There was a slow start regarding cases in Monmouthshire before cases spiked around half-term. At that time there was a clear shift in cases moving from the secondary school sector to our primary schools. That has been significantly higher in the latter part of the term. This shift could be attributable to the introduction of vaccines to those aged between 12 and 15 from 4th October 2021 but we do not have clear data to underpin that.
- Covid-19 has not only impacted our learners but there has been an impact on school staff. Schools have reported the highest levels of staff cases and related absences of Covid-19 across Monmouthshire County Council. It has had a direct impact on teaching delivery this term and the changes around household isolation requirements has exacerbated the situation where staff were waiting for PCR tests and results.
- The impact of Covid-19 on Monmouthshire's schools has been more significant in the Autumn term compared to any previous term throughout the pandemic. At the same time, there has been a shortage of supply staff to fill the gaps in staffing capacity, placing additional pressure on our school staffing teams. Despite this, nearly all our schools have remained open throughout the term with only two instances of primary schools having to close a class for a very limited period of time.
- Currently, due to extreme staff shortages, one of our secondary schools has moved to remote learning for post 16 learners for the last week of term to allow face to face delivery for students in years 7 to 11.
- Since the start of the pandemic there has been a focus on the well-being of learners and staff across our schools. This term has not seen any change in this approach. Schools have been able to use some of the new grant streams to support enhanced and developing well-being provision with their schools. Achieving a sustainable balance between well-being and structured learning will be a challenge in the short, medium and longer term.
- The pandemic has impacted on the progress of our learners. This term officers and the Education Achievement Service (EAS) have increased their interaction with schools to understand where learners are and to identify specific areas of support that schools may need to enhance their provision and offer.

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- A series of professional discussions have taken place with 18 of our schools during the term which is the highest proportion across the region. The purpose of the meetings is to gain a deeper understanding of our schools and what is being planned to address their issues, to identify what support is needed with a view to moving forward.
- Feedback from headteacher discussions have been positive, especially looking at the new processes that will be implemented in the new year.
- Over the course of the year, we will meet with all schools, with 13 visits scheduled for the spring term and new year, with the remainder being held in the first half of the Summer term.
- New processes to support schools in need of higher levels of support have been established and implemented during the Autumn term. Currently, there are no Monmouthshire schools receiving the highest levels of support.
- The plans for next Summer's examination series remain as a return to formal examinations. There are alternative plans in place should they not be able to proceed. These decisions are with other parties beyond this Authority.
- All schools have continued their work preparing the implementation of the Additional Learning Needs (ALN) and Educational Tribunal Wales Act from January 2022 which has been supported by the team in Monmouthshire and the wider Regional ALN Implementation Team. Officers continue to work with Welsh Government to ensure an appropriately phased implementation of these changes. School governors are advised to make themselves aware of the new arrangements.
- Schools have continued to develop their thinking and approaches to the new Curriculum for Wales. This is a significant change to the current curriculum delivery with each school designing and creating its own curriculum responding to its own local context. The September 2022 introduction should be considered as the beginning of a process.
- The EAS is providing tailored professional learning to support our schools.
- The EAS has rationalised the professional learning offer to schools in recognition of the challenges the schools are facing this term but there remains a wide range of professional learning opportunities and most can be accessed on demand to ensure greater equity for all.
- Estyn has announced that inspections will recommence in the Spring term and schools identified for inspection will be notified at the start of the Spring Term with the current three-week notification period being maintained. It is anticipated that Estyn will visit some Monmouthshire schools on the list for inspection as some of our schools have not been visited for several years.

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- Welsh Government has identified that the first two days of the spring term will be designated as additional planning days. This will allow for data and intelligence to be obtained about the Omicron variant and contingency plans to be put in place for the return of children. Welsh Government will be meeting more frequently over the coming months and there could potentially be further updates during the Christmas Holiday period.
- Should there be a need to return to remote learning the blended learning provision has been developed and refined in our schools over the previous 20 months which will allow our students to continue to learn in the least disruptive way possible.

Having received the Cabinet Member's statement, the following points were noted:

- The First Minister has asked schools as part of their contingency planning in the first two days of the new term to ensure that examination years are prioritised for on-site provision and should they need to restrict in-person learning at any time that those plans are in place. In terms of revisiting those plans they have been asked to consider what arrangements might be needed in place for vulnerable learners and children of critical workers during any periods of disruption.
- Qualifications Wales is looking at rolling back some of the grade inflation. It is anticipated that we will have a better understanding of where we will be regarding Summer examinations by the end of January / early February 2022. Qualifications Wales is working on the premise that examinations will go ahead as normal this current academic year but will be guided by Public Health Wales, going forward.
- In terms of the EAS and its assessment of examinations grades, it was noted that we are working closely with our school improvement partners and our secondary schools to ensure that those steps to prepare our learners, as well as we can, are in place.
- The Cabinet Member informed Council that we have been working closely with Caldicot School to provide support to the student and to the student's family, as well as to the student's peers and staff who have been affected by the events that took place at the school earlier in the week. However, no further update could be provided as ongoing work was being undertaken by a range of agencies in respect of this matter.
- The ventilation of Monmouthshire's schools is critically important during the next school term due to the rapid spread of the Omicron variant. Welsh Government has announced that there will be several risk mitigations that will have to be brought in as part of that higher-level status. This will result in regular testing for students and staff, the wearing of face coverings in both classrooms and communal areas and staggered days. There will be in the region of 400 Carbon Dioxide monitors placed in our schools which will be important, particularly during the Winter months. Feedback from schools have indicated that these monitors

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are proving to be very effective as a mechanism of managing air flow in classrooms.

- In terms of Chepstow School funds have been invested, particularly over the previous months, renovating certain aged aspects of the school. The delivery of the new Chepstow School remains the same with the opening scheduled for 2024.
- In response to the query regarding the progress of children that have obtained Special Status within the Authority, the Chief Officer for Children and Young People informed Council that they would liaise with colleagues working on this matter and report back.
- The Gwent Incident Management Team raised the status of the region just before the October half-term to high. However, unlike other authorities in the region, Monmouthshire was not experiencing the same high levels of transmissibility at that time within the Authority and didn't have to make that provision. There are mechanisms in place to move to a blended learning offer in the new year should this be required.

The Chair thanked the Cabinet Member for his statement.

5. Notices of Motion:

5.1. Submitted by County Councillor Tudor Thomas

The Council accepts that current provision is unfit for purpose and that this Council totally upgrades and modernises the Abergavenny Bus Station as part of its commitment to 'Active Travel' and carbon reduction.

- *Access for people with mobility issues is installed.*
- *The bus shelters are replaced with shelters that protect travellers from the elements.*
- *Suitable devices to prevent cars and other vehicles from accessing the 'No Entry' lanes - currently signs are ignored and vehicles pose a threat to safety of travellers. Public Document Pack.*
- *Bus timetables are erected at a height at which wheelchair users can read and larger font sizes are used.*

Seconded by County Councillor M. Groucutt.

The Cabinet Member for Infrastructure and Neighbourhood Services thanked County Councillor Thomas for submitting the motion and subsequently updated Council on works already planned in this financial year.

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It was noted that:

- Works intended for Abergavenny bus station before 31st March 2022, weather permitting, have already been planned in this financial year following a successful bid to improve bus facilities from Welsh Government.
- At Abergavenny bus station, the stand 1 platform is to be increased in size to allow a larger new shelter to be installed. Information boards and tactile paving will also be installed.
- Stand 2 will be removed entirely to allow flow of traffic through the bus station.
- All dropped kerbs to platforms will have tactile paving and will be clearly marked between the platforms.
- With regard to the bus shelter itself, Covid-19 guidelines did not allow for the front of the shelter to be covered. As soon as this guidance is lifted the bus shelter will be provided with better coverage.
- The island at the end of stand 5 is to be removed to provide better access to the stand whilst keeping the taxi parking and pavement.
- Bays 2 and 3 of the coach parking are to be hatched out with no parking to ensure access for buses is maintained.
- Signage is to be provided at the no entry point and the bus station entrance is to be clearly marked with allowed vehicles.
- Signage to be provided at the rear of the coach parking bays to state parking conditions.
- There will be dedicated motorcycle parking bays outside the café area and lining will be reinstated to mark bays and no entry areas.
- This work is planned to be carried out and completed with funds received to be used in this financial year which addresses the points made by County Councillor Thomas. However, there is an additional proposal to carry out a study of the whole bus station area to look at the longer term ambition of providing a new transport hub in this area that will be sustainable for the future.
- The Cabinet Member considered that the motion could not be supported because all the points identified in the motion relate works planned for this financial year. Welsh Government funding has been received to improve Abergavenny bus station.
- The Cabinet Member has regular meetings with the Pro-Mobility Group.

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- Once this year's work has been completed the Authority will proceed with plans to create a sustainable transport hub at Abergavenny bus station by applying for funding to carry out a study.

Having received the motion and the response by the Cabinet Member, the following points were noted:

- Some Members considered that the motion was unnecessary as the works had already been scheduled to take place within this financial year with funding provided by Welsh Government.
- Other Members considered that the motion had been put forward in good faith and that Council should consider supporting it.

County Councillor Thomas summed up by stating that Abergavenny bus station had been in need of refurbishment for several years and therefore continued to stand by the motion.

Upon being put to the vote the motion was not carried.

6. Members' Questions:

6.1. From County Councillor Tudor Thomas to County Councillor Penny Jones, Cabinet Member for Social Care, Safeguarding and Health

Can the Cabinet Member for Social Care, Safeguarding and Health reassure the Council that there are sufficiently robust procedures in place to safeguard all children in the Authority?

This is in light of the case of Arthur Labinjo Hughes in Solihull who tragically lost his life at the hands of his step-mother and biological father.

The Cabinet Member thanked County Councillor Thomas and informed Council that much work has been undertaken across the Council over several years to ensure that safeguarding is embedded in the whole culture of Monmouthshire County Council. This was endorsed by the recent whole authority safeguarding report which was endorsed by the County Council. This is supported by a number of training programmes both for Members and Social Services.

There is good liaison between schools, Children and Young People and Children's Services which is supported by the lead officer for Safeguarding in Education and all head teachers at schools within Monmouthshire.

Referral rates have remained high throughout the Covid-19 pandemic which indicates that people are still reporting their concerns. All referrals into Children's Services are screened and then decisions are made within 24 hours with initial discussions about safeguarding being held via the multi-agency process.

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Social workers undertaking home assessments to investigate concerns are fully trained, supervised and most importantly supported. Families are able to access Early Help Services if they have concerns within the community with good liaison taking place between Early Help Services and Children's Services.

Part of the Regional Safeguarding arrangements are considered at a local level. Social Services will take the opportunity to identify any additional learning and further development of services arrangements or practices as seen fit in light of the recent tragic events as outlined in County Councillor Thomas' question.

The Cabinet Member congratulated and welcomed the new Head of Children's Services. Her knowledge and expertise, particularly in Children's Services, will be a positive outcome for Monmouthshire County Council.

6.2. From County Councillor Maureen Powell to County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services

Can the Cabinet Member confirm if the A465 from Gilwern to Brymawr is now fully open and can she reassure members that there is ongoing engagement between MCC, Costain and the Welsh Government, to rectify issues caused by the works, in the surrounding infrastructure?

The Cabinet Member thanked County Councillor Powell and informed Council that the A465 is now open with no more planned road closures. Officers have been working closely with Costain and Welsh Government to address the issues caused by increased traffic.

The Cabinet Member is liaising with Welsh Government regarding compensation claims to local businesses that have been affected by the works over the past seven years.

6.3. From County Councillor Laura Jones to County Councillor Jane Pratt, Cabinet Member for Infrastructure and Neighbourhood Services

Would the Cabinet Member please provide an update on the rollout of 20mph zones in Monmouthshire, including in Wyesham?

The Cabinet Member thanked County Councillor Laura Jones and informed Council that the Welsh Government's pilot projects in Abergavenny and Severnside are being prioritised with consultation for the traffic order scheduled to commence on 22nd December 2021 which will run for 28 days. The consultation period has been extended to account for the Christmas break. Provided there are no objections raised that cannot be resolved, the 20 mph zones will be implemented in February 2022.

The other 20mph zones agreed for this financial year are in Devauden, Mathern, Monmouth, Wyesham, Mynydd Bach and two areas of Chepstow. The 21 day consultation period for these traffic orders will commence in early February 2022. Provided there are no objections raised that cannot be resolved, the 20mph zones will be implemented in March 2022.

It is also proposed to make the Raglan and Tintern trial 20mph zones permanent.

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7. Confirmation of Minutes

Council approved the minutes of the meeting held on 4th November 2021.

8. Next Meeting:

Thursday 27th January 2022 at 2.00pm.

The meeting ended at 3.03 pm.

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