

24 May 2024

CORPORATE JOINT COMMITTEES UPDATE

Purpose

1. To enable Leaders to share views on the way forward for Corporate Joint Committees (CJs) in light of recent comments by the Cabinet Secretary for Housing, Local Government and Planning, and her expectation that councils will come together where appropriate to deliver at a regional level, sharing expertise and knowledge.

Background

2. The Local Government and Elections (Wales) Act 2021 introduced a framework for regional collaboration through CJs. Whilst there were, and remain, mixed views on CJs amongst Leaders, the CJs are now legally established. They exist as separate corporate bodies and can employ their own staff, hold assets and budgets, and undertake functions.
3. Regulations created four CJs in Wales from 1 April 2021, based on geographical areas that reflected existing regional collaborative arrangements:
 - **North Wales** – covering Gwynedd, Denbighshire, Anglesey, Wrexham, Conwy and Flintshire.
 - **Mid Wales** - Powys and Ceredigion.
 - **South-East Wales** - Cardiff, Vale of Glamorgan, Monmouthshire, Rhondda Cynon Taff, Newport, Merthyr Tydfil, Caerphilly, Torfaen, Blaenau Gwent and Bridgend.
 - **South-West Wales** – Carmarthenshire, Pembrokeshire, Neath Port Talbot and Swansea.
4. How a CJ delivers its functions and operates is largely for determination by its members. This flexibility enables CJs to differ between geographical areas to meet the specific needs and ambitions of their region. The four CJs are therefore developing in different ways, whilst also sharing information and learning as they do so.
5. CJs have duties to prepare:
 - a **Strategic Development Plan (SDP)**; and
 - a **Regional Transport Plan (RTP)**.

6. CJs are also able to exercise an **economic well-being** power. This gives them the power to do anything to enhance or promote the economic well-being of their areas. This power makes it possible for CJs to bring **city and growth deal** work and governance arrangements alongside other strategic planning for the region. That is a step that has been taken recently in South East Wales and is being pursued in North Wales.
7. The 2021 Act requires the Leaders of each constituent council to be the members of their respective CJs. Leaders are making decisions within the CJs on behalf of the councils they are elected to represent.
8. The relevant National Park Authorities are members of the CJs for the purpose of preparing the Strategic Development Plans. CJs can engage and involve others in their work through co-option. Who is co-opted and for what purpose is for individual CJs to decide.
9. CJs are required to hold an AGM in each financial year, at which they confirm / appoint their chairperson and deputy chairperson. CJs have also had to establish a constitution and adopt Standing Orders.
10. CJs can establish **sub-committees** to support them in exercising their functions and/or to support governance and administrative arrangements. Guidance sets out an expectation that CJs will set up sub-committees for each of the key functional areas that they exercise.
11. CJC sub-committees can consist of members of the CJC itself or co-opted members. Sub-committees are led by a relevant member/portfolio holder from within the constituent councils' executives and they are attended by relevant portfolio members from the other councils in the region.
12. CJs are scrutinised by their constituent councils and are required to participate in local scrutiny. They must have due regard to recommendations made by the **scrutiny committees** of their constituent councils in relation to CJs.
13. All four CJs have now established their **Standards Sub-Committees** consisting of members of the CJs' constituent local authorities and independent members. They have also put in place their own **Governance and Audit sub-committees**, to review and scrutinise financial affairs, risk management and internal control.
14. CJs are subject to the same **Performance and Governance regime** as applies to principal councils, including undertaking an annual self-assessment proportionate to their functions.
15. CJs were designed to be 'part of the local government family'. As with any public sector body in Wales, a CJC is expected to comply with **duties that apply to**

public bodies, such as in relation to the Well-being of Future Generations (Wales) Act and Welsh language standards.

Points for discussion

16. A number of developments make it timely to put what has been the controversial topic of CJs on the agenda for discussion once again at Executive Board. The **new Welsh Government Cabinet** is placing a strong emphasis on the role of CJs. The Cabinet Secretary for Housing, Local Government & Planning (CSHLG&P), Julie James, has referred to CJs being conceived with local government as an alternative to reorganisation, avoiding the upheaval that would be involved. As such, the Cabinet Secretary has an expectation that councils will come together where appropriate to deliver at a regional level, sharing expertise and knowledge to ensure scarce resources and skills are used to maximum effect.
17. Concerns have already been raised about the **level of funding available** to undertake the duties on CJs. WG has provided some funding for work on RTPs and has indicated that councils can use some of that funding to support work on SDPs. However, overall, councils have stressed that more funding is needed to carry out the full and thorough work required to develop high quality plans. The more the CJs take on, the greater the likely demands to **shift resources** (funding and staff) from constituent councils. That is clearly challenging at a time when unpalatable service cuts are having to be made by councils.
18. Other Cabinet Secretaries, including Ken Skates (North Wales and Transport), Jeremy Miles (Economy, Energy and Welsh Language) and Huw Irranca-Davies (Climate Change and Rural Affairs) support, and have actively encouraged, regional approaches. This has included floating the prospect of **devolving powers and funding** to the regions. This is a potentially significant area to explore as, to date, the focus has been almost exclusively on functions, funding and staff moving upwards, from councils to the regions. The scope for devolution of funding, and potentially some powers (e.g. in relation to energy), extends to the UKG as much as to WG (along the lines of **devolution and trailblazer deals** anticipated with the UKG in an English context).
19. Regional allocation(s) of funding to enable regional development plans to be progressed could provide a focus for multi-level governance arrangements, as advocated by the OECD. UK Government, WG, CJs and local authorities could work collaboratively to reach collective agreement on plans, outputs and outcomes for a region. There is already a precedent in the shape of the **City and Growth Deal** approaches, where the three tiers of government worked together until agreements were reached.

20. Successors to the current **Shared Prosperity Fund (which replaced EU funding)** and to the wider levelling up policy are unclear at present. The situation is unlikely to be resolved until after a UK General Election now. Cllr Rob Stewart, WLGA Economy Spokesperson, has written to the Chancellor of the Exchequer seeking clarification and calling for a one-year extension of the SPF programme with additional funding, to avoid a hiatus in support for regional development whilst changes are agreed.
21. Looking ahead, there are indications that any **successor regional development fund arrangements** will have a strong regional focus, potentially giving CJsCs access to significant amounts of revenue and capital funding for economic development and regeneration activities. That would resurrect discussions that took place (including at WLGA Executive Board) on a 'Regional Investment Framework for Wales' before the UKG decided to manage SPF centrally instead
22. WG plans to progress the refresh of the Regional Investment Framework as part of WG Economy's 'Economic Mission Deep Dives'. That work will commence soon and will provide an important opportunity for local government to input views.
23. This could include building on the regional working that has taken place overseeing SPF projects, where a combination of 'regional co-ordination and local delivery' has worked effectively. Inevitably, though, there will be other organisations (including WG itself) keen to influence how any such successor funding is managed. Having a clear local government position on what should be the nature and extent of involvement of CJsCs would be helpful in that respect.
24. CJsCs are still relatively new bodies. Given this, and because of the 'twin hatted' roles of Leaders and in some cases officers providing support to the work of CJsCs, there can be **confusion over 'who is responsible for what?'**. For example, when Regional Transport Plan guidance was being drafted, WG sought informal feedback and views from councils. One of the CJC Chief Executives wrote at the time to WG to highlight that the duty to produce RTPs rests with the CJsCs, not councils, yet they had not been engaged directly in the discussion. Amongst many backbench Members, there are concerns that important decisions with a significant impact in their local area could be taken in future by a CJC or one of its sub-committees but with them and their council having little or no input (other than scrutiny).
25. Similarly, given that economic well-being is a 'concurrent' function, with powers to act at both levels, there can be **tension over what should be done regionally and what is best done locally**. Generally, regeneration activity is place-based and localised but investments still benefit from dialogue at a higher spatial level to achieve complementary interventions and avoid competition between areas (e.g.

over town centre retail and entertainment ‘niches’). Some aspects of Economic Development such as business support and employability provision may lend themselves to a more strategic, regional approach, linked to regional transport and land use plans. That **balance between regional and local** will differ *between* regions and this is being worked through by the constituent councils in each region. This will influence the nature of CJs and clearly ‘one size does not fit all’.

26. Similarly, there have been discussions over **voting rights** and whether all councils should have an equal vote on some issues or if there should be weightings based on criteria such as, for example, land area or population size. The extent of National Park Authority involvement in different functions (over and above land use planning) is also an area for debate. Again, views will differ between regions (and their constituent councils) and there needs to be the flexibility to enable local determination of what works best for each region.
27. Whilst SDP production is a duty on CJs, WG has encouraged councils to consider if there are other planning functions that could be undertaken through regional collaboration. There are signs there could be calls for CJs to **take on additional functions** over time.
28. In an oral statement in the Senedd on 7th May the CSHLG&P said: “...*these are extremely challenging times, with public finances under immense pressure. My task is to make sure local government is in the best shape to deliver our shared priorities and local agendas, and this includes the need for local authorities to work together better in regions to make sure we can make the most of operational scale through larger services. I see the corporate joint committees as the vehicles through which we can achieve this, and I am keen to engage with the leadership of the CJs to ensure we make the most of the opportunities they provide, such as through pooled budgets and sharing essential personnel and skills*”. This echoes comments the Cabinet Secretary made at the meeting with the WLGA Executive Board on 26th April.
29. In previous discussions, Leaders have expressed concerns over the potential for ‘**mission creep**’ in relation to CJs. Councils have shown they are prepared to collaborate voluntarily where a case is proven. However, they want to avoid the complexities that can come with joint working arrangements if there is no clear evidence of added value. That would suggest decisions on collaboration, and whether or not to move functions to a regional level, should be based on analysis and consensus amongst the councils in each region. Councils also want the flexibility to collaborate with others in ways that may not align with the CJC regional footprints. For example, sub-regional arrangements may be preferred in some cases or there may be joint working on specific issues such as the ARFOR Programme and cross-border initiatives with English councils. The CSHLG&P has

indicated her desire to meet regularly with Leaders and this will provide a good opportunity to maintain an open and ongoing dialogue on such issues.

30. There are plans for **regular meetings of Cabinet Secretaries and CJC chairs** too. Alongside these, WG officials are meeting with the Chief Executive leads from each of the CJsCs. There are, therefore, **strategic engagement** opportunities that should help ensure a partnership approach to inform the way forward. The intention of this report is to encourage 'in-house' sharing of views so that councils can identify common ground in entering into these discussions on CJsCs.
31. Over time, as CJsCs become established in their respective regions Leaders *may* even want to consider a *wider* role for CJsCs. That could include, for example, the relationship with and democratic oversight of work of other partnerships operating in their area, such as **Public Service Boards** and **Regional Partnership Boards**.
32. Finally, as corporate bodies and members of the 'local government family', CJsCs are **subject to all the statutory requirements placed on councils** and other public bodies. That has seen CJsCs approached variously by Audit Wales, the Equality and Human Rights Commission, the Welsh Language Commission, the Future Generations Commissioner and others, all seeking evidence of compliance with relevant pieces of legislation. Whilst all of this clearly is important, the key is to achieve proportionality. Ensuring that CJsCs' work is aligned with and contributing to wider policies and goals is vitally important. Excessive and premature demands for reporting, on the other hand, risk diverting CJsCs' resources away from a focus on delivery.

Recommendations

33. Leaders are invited to:

- 33.1 **Share views on the discussion points raised in this report, or on any other aspect, relating to how they wish to progress CJsCs in light of anticipated developments in the period ahead; and**
- 33.2 **Identify priority areas where they require support from the WLGA in taking forward the CJsCs.**

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