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North Wales Corporate Joint Committee

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Dear Colleagues

Commentary on CJsCs' progress – North Wales Corporate Joint Committee

Further to my recent summary report on the Corporate Joint Committees' progress in developing their arrangements, this letter sets out the findings pertinent to the North Wales Corporate Joint Committee. It is structured around the following areas as per the summary report:

- understanding of the Welsh Government's aims for the CJsCs
- evolving governance arrangements.
- CJC's plans to deliver the Welsh Government aims and meet their statutory obligations.
- How the CJC relates to existing partnership arrangements.
- CJC's plans to meet their requirements under the WFG Act, including setting their well-being objectives.

My team will be happy to attend a meeting of the CJC to talk through the findings.

Understanding of Welsh Government's aims for the CJsCs

- North Wales CJC generally understands the Welsh Government's aims for the CJsCs. However, when I did my initial work in autumn 2022, I found that the CJC was accepting, rather than embracing, of these aims.
- Appetite for the CJC and commitment to it was mixed amongst the constituent bodies. There was some scepticism about the benefits of the CJsCs. As a result, I was concerned that there was a risk that the CJC would not develop effectively for the benefit of the region and exist in name only.
- As I mention in my summary report, I recognise that there was a strong sense of frustration about the preparedness of Welsh Government to support the implementation of the CJsCs. This included the phased approach to legislation and guidance, but notably the financial status issues around VAT and borrowing, and the pace at which these issues were resolved. And that these

issues have influenced the CJC's appetite for the CJC and impacted on its ability to develop and underpin some of the limited areas of progress I will cover later in this letter.

- I am aware that the CJC proactively raised these issues with Welsh Government. That it also expressed concerns about the pace of their resolution and the potential impact, such as increased costs.
- Later in this letter I highlight that over the last few months, I can see some signs of the CJC moving forward. I hope that the CJC will make the most of the powers and responsibilities it has been given as a new local government body.

Governance arrangements

- **The CJC has established its core governance arrangements commensurate with its minimal operation to date. Further aspects of its constitution are still to be developed and some arrangements are not yet active.**
- The CJC agreed elements of its constitution in January 2022. This included its standing orders. The CJC has been meeting regularly since then.
- In terms of statutory posts, it has maximised the flexibility to tailor its arrangements. It has appointed the Portfolio Director for the North Wales Economic Ambition Board to the role of the CJC Chief Executive on a part-time and interim basis until September 2023. The Section 151 and Monitoring Officer roles are held by the respective officers from Gwynedd Council.
- It agreed its 2023-24 budget as required in January 2023.
- As its activities have been limited to date, some of its governance arrangements are not yet active. I recognise that the CJC had not wanted to progress its arrangements until the financial status issues had been resolved.
- The statutory guidance on the CJC sets out the expectation that the CJC will set up specific sub-committees for its key functions. The CJC has done this and agreed terms of reference for its Strategic Planning and Strategic Transport sub-committees. There was an informal briefing session with the members of these sub-committees in March 2023, but they have not met formally yet.
- The CJC is required to have a Governance and Audit Committee. It has agreed standing orders and terms of reference for this committee. But as of May 2023, the CJC has not appointed members, including lay members to this sub-committee so it has not yet met.
- The six Council members of Ambition North Wales (ANW) have decided in principle to transfer the functions of the ANW to the CJC as a sub-committee recognising the opportunities to reduce duplication and streamline governance arrangements. If the transfer happens, the CJC will have a much larger budget and increased responsibility and the role of the GAC will have greater significance. I would, therefore, expect that it constitutes its Governance and

Audit Committee at the earliest opportunity so that there is the necessary scrutiny and oversight of its finances and arrangements.

- Since the financial issues have been resolved, the CJC is making progress to develop and agree further aspects of its governance arrangements. For instance, in March it agreed its Pay Policy and in May 2023, its Members' Code of Conduct, and Contract and Legal matters order.
- It has also taken the opportunity to use some of its constituent bodies' existing arrangements. For example, it has adopted Gwynedd Council's contract standing orders and procurement rules. The CJC has also agreed that the membership of its Standards Committee will be independent members nominated from the councils' and Eryri National Park Authority' Authority's existing Standards Committees.
- Further aspects of its governance arrangements are still to be developed.
- The CJC is required to co-operate with, and provide assistance to, the scrutiny undertaken by constituent bodies or via a joint scrutiny committee. The CJC intends to explore the options for scrutiny as it begins the process to transfer ANW to the CJC. The CJC may find it helpful to look at my [discussion paper on scrutiny](#) as it does this. It will be important for the CJC to be held to account for its activities. The constituent bodies and the CJC needs to determine how this will happen including over the next 12 months whilst the transfer happens.
- I would expect that the CJC now advances the development of its governance arrangements. I will be monitoring their development over the next 12 months. I would expect to see that they are operating in practice to help provide the necessary checks and balances in line with the principles of good governance.

Progress and clarity of plans

- **The CJC is starting to clarify its plans and ambitions. I was initially concerned that it didn't have a clear direction due to the lack of consensus about its purpose. But I am now more optimistic that the CJC is beginning to move forward preparing for the delivery of its core functions and powers.**
- In autumn 2022, the varied level of appetite for the CJC amongst the constituent bodies was manifesting in the CJC's progress and level of ambition. The CJC did not have any clear plans or agreed direction and there had been limited progress with its core functions.
- I am aware that the CJC feels that this is linked to the delays in resolving the financial status issues. Also, that Welsh Government had not finalised the RTP guidance.
- Welsh Government has engaged with the CJCs about the strategic development and transport planning functions so the CJC should have some understanding of expectations. For example, Welsh Government officers shared advisory notices recommending early preparation for the strategic

development plans in August 2021. There was also an event in January 2022 to discuss expectations.

- So, despite the financial status issues, I would have liked to have seen more progress in these areas. I would expect to see further progress from this point forward particularly to kick start the SDP process which is complex and lengthy.
- In the last few months, I can see that the CJC is starting to determine how it is going to operate and deliver its core functions.
- It assessed a series of options to resource its strategic development planning (SDP) and regional transport planning (RTP) functions in March 2023. It agreed an initial staffing structure which includes officers to lead on the SDP and RTP processes overseen by a Statutory Functions Manager post. The CJC's budget for 2023-24 includes provision for staffing to support these functions. These staff would be directly employed by the CJC in line with its powers as a separate legal entity.
- Now the financial status issues, including those around VAT and borrowing, have been resolved, the CJC aims to transfer Ambition North Wales to the CJC by 1 April 2024. In its initial staffing structure, the CJC has taken steps to consider the future staffing model to facilitate this potential transfer. This includes the appointment of the Portfolio Director for the North Wales Economic Ambition Board (NWEAB) as the interim and part time Chief Executive of the CJC.
- The transfer of ANW to the CJC will require significant planning given the different legal bases and funding mechanisms. The CJC hasn't developed a plan to support this transfer. I would propose that it does so at the earliest opportunity particularly given the different bodies that will need to be involved to enable this to happen. I understand that initial work has begun to consider a range of matters.
- The CJC has agreed temporary arrangements to meet its Welsh language requirements, but it has not published its Child Poverty action plan or biodiversity report as required as part of its public sector duties. I understand the CJC's view is that it has been difficult to address its public sector duties without greater clarity from Welsh Government about the CJC's strategic development planning and transport related requirements, and resolution of the financial status issues. I have commented above on my view on this. I would expect to see the CJC addressing its public sector duties at the earliest opportunity albeit I appreciate this will be in a manner proportionate to its role.

Partnerships

- **The CJC is building on the partnership working developed through the North Wales Economic Ambition Board. But the CJC hasn't explored how it can work with other bodies and partnerships including how it can make the most of the involvement of the Eryri National Park Authority, beyond its role in strategic development planning.**

- I have commented frequently on the complex partnership landscape in Wales so am keen to see how CJsCs are exploring how they relate to and work with existing partnerships. To make the most of existing resources and to tackle challenges more collaboratively.
- The North Wales Economic Ambition Board (NWEAB) arrangements involve representatives from a range of different bodies including the private sector, universities and further education.
- The CJC is able to co-opt other members onto its arrangements. It has agreed the membership of its Strategic Planning and Transport sub-committees. These sub-committees have not met yet to be able to recommend other potential co-optees. It will be key for the CJC to explore how it can engage and work with other bodies to make the most of resources and expertise within the region.
- Eryri National Park Authority (ENPA) is a statutory member of the corporate joint committee. The CJC's standing orders state that the ENPA's role is limited to the statutory planning function. The NPA has nominated a representative to sit on the Planning sub-committee. But beyond this, the CJC has not taken the opportunity to involve the ENPA in its other roles and functions. Yet the ENPA also has requirements around economic development and has a significant reach geographically. The ENPA has the potential to help the CJC deliver its objectives and functions. The CJC would benefit from exploring how it can work with the ENPA to facilitate this.

Well-being of Future Generations Act

- **The CJC has not published its well-being objectives. It was required to do so by 1 April 2023. I would expect to see it progressing with these in line with legislative requirements.**
- Like the other named bodies under the WFG Act, the CJC must set and publish well-being objectives. It must act in accordance with the sustainable development principle when setting those objectives and when taking steps to meet them.
- The CJC indicated that it will be in a better position to draft its well-being objectives once it has received the final guidance on strategic development and regional transport planning from Welsh Government and appointed planning and transport officers. It has only recently agreed these posts.
- The CJC has also stated that its well-being objectives would be influenced by the transfer of the ANW into the CJC.
- I am aware that the CJC has discussed its approach and position with the Future Generations Commissioner.
- I appreciate the CJC wants to take a pragmatic approach to setting its well-being objectives and one that is proportionate to its roles and activities, which have been limited to date.

- The CJC has a clear set of functions and a broad understanding of its direction building on the work of the NWAEB to begin to shape its well-being objectives. I would have expected the CJC to have started to give some consideration to these and how it will apply the five ways of working in setting these. Doing so, provides the CJC with a clear opportunity to articulate its regional ambitions.
- I would expect the CJC to be making more progress in developing its well-being objectives over the next few months particularly as there is now greater clarity about expectations around its functions and transferring the NWA to the CJC. This would include working with other bodies, such as the Public Services Boards, and exploring the impact on the well-being objectives of other public bodies.
- More broadly, the CJC has a duty to act in accordance with the sustainable development principle. That framework has the potential to add value to how it plans and deliver its work. For example, the wider benefits of applying the sustainable development principle to meeting its transport, planning and economic development functions and powers. The CJC may find it helpful to draw on the range of resources on transport and planning available on the Future Generations Commissioner for Wales website.
- I will expect to see the CJC apply this principle in a meaningful way, across its functions. I will be undertaking examinations of the extent to which it has applied the sustainable development principle in future years, as required by the Act.
- My team has developed some positive indicators which provide an illustrative set of characteristics of what good looks like when organisations act in accordance with the sustainable development principle. The constituent bodies will be familiar with these, and it will be useful for the CJC to draw on these as it delivers its well-being objectives.

The CJC should consider this letter in tandem with my summary report, which provides an assessment of the collective position of the four CJCs.

I intend to do further work over the next 18-24 months to assess the CJCs' progress.

Yours sincerely



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Auditor General for Wales