

SOUTH EAST WALES CORPORATE JOINT COMMITTEE

31 JANUARY 2021

SOUTH EAST WALES CORPORATE JOINT COMMITTEE ANNUAL BUSINESS PLAN AND ANNUAL CJC GENERAL BUDGET REQUIREMENT 2021/22 & 2022/23 AND CJC STRATEGIC PLANNING BUDGET REQUIREMENT 2021/22 & 2022/23

- a) TEN CCR CONSTITUENT COUNCILS TO CONSIDER PART A RECOMMENDATIONS
- b) TEN CCR CONSTITUENT COUNCILS AND BBNPA TO CONSIDER PART B RECOMMENDATIONS

TO RECEIVE THE REPORT OF KELLIE BEIRNE AND CHRISTOPHER LEE

AGENDA ITEM 9

Reason for this Report

1. To set out the key principles and provisions underpinning the first interim Annual Business Plan for the SEW Corporate Joint Committee (CJC).
2. To seek approval of the CJC's annual budgets in respect of Financial Years 2021/22 and 2022/23 in-line with the CJC Establishment Regulations, which requires the CJC to have set its Strategic Development Plan Budget and its General Budget by the 31st January 2022.
3. To seek approval of the amounts payable by the Cardiff Capital Region (CCR) constituent councils, including a separate calculation involving the Brecon Beacons National Park Authority (BBNPA) in respect of the Strategic Development Plan Budget.
4. To set out the proposed funding strategy in respect of the amounts due from the 10 CCR constituent councils for the initial CJC period covering financial years 2021/22 & 2022/23.

Background

5. The South East Wales CJC Establishment Regulations came into force on 1 April 2021 and require the establishment of a corporate legal entity by the 10 Local Authorities constituting the Cardiff Capital Region (constituent councils) and for the purposes of the creation of the Strategic Development Plan (SDP) – the Brecon Beacons National Park Authority (BBNPA).

6. It has been a long-held ambition of Regional Cabinet to develop one integrated model of regional public investment – as per the OECD recommendations to Welsh Government in their review of Regional Economic Governance in Wales (2021). This would affect the evolution of Cardiff Capital Region City Deal CCRCD from a single funding programme supported through an ‘Accountable Body’ model, to a new corporate entity through which multiple programmes, investments and functions could be developed and delivered on a regional basis.
7. However, in view of a number of technical issues which are unresolved at this time, it is not possible to affect the above ‘lift and shift’ model of integrated regional governance through the CJC. As such, a pragmatic, proportionate and minimalistic approach has been developed to support the interim operation of the CJC – until such time the issues are resolved and the lift and shift model can be fully implemented. This is referred to as the ‘Bare Minimum’ approach.

Issues

Annual Business Plan 2022/23

8. The interim Annual Business Plan set out at Appendix 1, reflects this approach and establishes the set of activities proportionate to both scope and scale at this time, which will be activated and delivered during 2021/22 and 2022/23. Commensurately the CJC Annual Budgets set out in this report also reflects these principles and establishes budgets for the initial operation of the CJC on the basis of a ‘Bare Minimum’ approach.
9. Should it be the case that the outstanding technical issues are resolved within the financial year window, the regulations allow for the Business Plan and Budgets to be revised during the year to encompass the wider activity.
10. This will allow the transition to and operation of the integrated ‘lift and shift’ model and further detail to underpin the commencement duties in respect of both creation of a Strategic Development Plan and Regional Transport Plan. This will safeguard the position of all members of the CJC and will as far as possible, protect against detriment in this interim period, given the current operating model for CCR City Deal will continue to operate alongside the CJC on a twin-track basis.
11. The interim Annual Business Plan establishes an important set of principles which will underpin the operation of both ‘bare minimum’ CJC and into the future – the integrated ‘lift and shift’ model of governance and delivery. This is critical in terms of interlocking with CCR’s existing vision, mission and values and ensuring high degrees of synchronicity across both the CJC and the CCRCD Annual Business Plans.

Objectives

12. The interim Plan sets out a clear set of objectives to guide efforts and progress from inception and throughout 2022/23. Given the nature of the current set of live and unresolved technical issues; again, the objectives reflect the need to lay foundations only at this stage. Once the issues are addressed and the optimal governance and delivery model established, further work will be undertaken to set out how the pillars of activity and underpinning tasks will be developed and

taken forward. This will be both in relation to activating the full 'lift and shift' model, as well as allowing the CJC to develop further its arrangements in respect of its commencement duties, principally regarding the Strategic Development Plan and the Regional Transport Plan.

Monitoring and Review

13. As a result of the live issues which remain under review with work going on across Welsh Government and national bodies such as HMRC and HMT – the development of the CJC is being kept under close review. At the time at which issues are resolved sufficiently to allow for integration and activity of the preferred governance and delivery model, both the Annual Business Plan and Annual Budgets will be revised to accommodate the adaptations required.

CJC Budget

14. The CJC's Standing Orders are being considered by the CJC Cabinet at its meeting of the 31st January 2022. If approved, Part 3 – Finance and Budget requires:

16. **BUDGET**

16.1 *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**”)*

16.2 *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.*

16.3 *Revisions can be made to the budget during the financial year to which that budget relates.*

16.4 *The Strategic Development Plan Budget requirement must be paid by the 10 CCR Constituent Councils and the Brecon Beacons National Park Authority – the proportion to be paid by each is to be decided by unanimous agreement of the 10 CCR Council Members and the Brecon Beacons Member.*

16.5 *The General Budget requirement must be paid by the 10 CCR Constituent Councils – the proportion to be paid by each is to be decided by unanimous agreement of the 10 CCR Council Members.*

17. GENERAL FUND

- 17.1 *The CJC must establish and maintain a fund to be known as the CJC's General Fund.*
- 17.2 *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.*
- 17.3 *The CJC must keep an account of receipts into and payments out of its General Fund.*

18. FINANCIAL ADMINISTRATION

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

CJC Set-up and Establishment Costs

15. The Welsh Government has provided an Implementation Grant of £250,000 in 2021/22 to support the “the initial transition to CJC, including activities in relation to setting-up and establishing the CJC”. The claim for the first two quarters has been approved, with the claim for Quarter 3 due to be submitted imminently, along with the projection for Quarter 4. This indicates that the grant will be fully drawn down and spent by the deadline date of 31st March 2022.
16. Therefore, most of the costs incurred during 2021/22 have been met through this one-off grant arrangement, which will be fully accounted for within the accounts of the CCR City Deal (grant recipient). However, the grant terms and conditions are clear regarding the use of the grant and any revenue costs associated with the operation of the CJC must be funded separately through the annual budget approval process. For this reason, a nominal budget is proposed in 2021/22 to capture the CJC operational costs from the mid-January to 31st March 2022.

CJC Commencement Duties

17. The CCR Regional Cabinet Report of the 13th December 2021 outlined that only the ‘Bare Minimum’ level of activities would be undertaken, so that any detriment incurred by the CJC whilst the technical issues remained outstanding are minimised e.g. activities which attract VAT, which is irrecoverable at this time. Therefore, the proposed CJC Budgets include a nominal amount of resource in relation to the Commencement Duties, but will be supplemented through existing CCRCD arrangements that will allow the:
- commencement of the Strategic Development Plan (SDP);
 - commencement of the Regional Transport Plan (RTP); and
 - consideration of wider the Economic Well-being function (EW).
18. For this reason, a minimal allowance has been included within the budgets to review the arrangements for setting-up the various CJC sub-committees that will need to be established under the regulations, once fully implemented e.g. Governance & Audit Sub-committee, Standards Sub-committee, Joint Scrutiny &

Overview Sub-committee, etc. In addition, whilst the CJC operates on a Bare Minimum basis, the work programme for these sub-committees would be severely limited and decisions around the formal commencement date for these sub-committees will be considered later in the year. The associated resources can be considered as part of a revised budget, should this be necessary.

19. Instead, the CJC Budgets proposed at this time are largely in relation to CJC Management and Support costs necessary to operationalise the CJC and convene meetings to comply with the minimal CJC regulations e.g. set the budget. Furthermore, the budget includes sums to allow the CJC to be compliant with wider legislation such as the preparation and audit of its accounts under the Accounts & Audit Regulations 2014.

20. Management and support overheads have been allocated on the following basis:

- 2/3rd allocated to the CJC General Budget (RTP and EW duties);
- 1/3rd allocated to the CJC Strategic Development Planning Budget (SDP duties)

The appropriateness of these allocations will be reviewed on an annual basis as part of the CJC's budget setting process.

21. Therefore, on the basis of the information set out in this report, the proposed CJC General Budget in respect of Financial Years 2021/22 and 2022/23 are set out in Table 1 below.

Table 1.		2021/22	2021/22	2021/22	2022/23	2022/23	2022/23
CJC General Budget Requirement (REVENUE)		Net	VAT	Total	Net	VAT	Total
		£s	£s	£s	£s	£s	£s
1.	CCR SLA: CJC Officer & Cabinet Support	3,832	766	4,598	19,925	3,985	23,910
2.	CC SLA: Statutory Officers & HR Advisory	1,411	282	1,693	7,337	1,467	8,804
3.	RCT SLA: Transactional support & systems	494	99	593	10,227	2,045	12,273
4.	CJC Insurances & Broker Fees	2,034	-	2,034	12,206	-	12,206
5.	Contingency (incl. Audit Wales)	2,779	556	3,335	10,005	2,001	12,006
CJC General Budget Requirement		10,551	1,703	12,254	59,701	9,499	69,199
Funded By :-							
CCR 10 Constituent Local Authorities (100.0%)				12,254			69,199

22. With the future Lift & Shift model in mind, it is proposed that the existing CCR methodology (population basis) is adopted as the basis on which the 10 CCR constituent councils will each contribute to meeting the cost of the CJC General Budget Requirement. On this basis the proposed CJC General Budget Contributions in respect of Financial Years 2021/22 and 2022/23 are set out in Table 2 below.

Table 2. CJC General Budget Requirement (REVENUE)						
		CCR	21/22	22/23	Total	
		Current	Budget	Budget		
			£s	£s		£s
1	Blaenau Gwent	4.6%	566	3,197		3,763
2	Bridgend	9.4%	1,157	6,532		7,688
3	Caerphilly	12.0%	1,467	8,282		9,748
4	Cardiff	23.7%	2,907	16,418		19,325
5	Merthyr	3.9%	483	2,727		3,210
6	Monmouthshire CC	6.1%	753	4,251		5,004
7	Newport	9.8%	1,203	6,793		7,996
8	RCT	15.8%	1,933	10,913		12,846
9	Torfaen	6.1%	748	4,222		4,969
10	Vale of Glam	8.5%	1,039	5,865		6,904
		100.0%	12,254	69,199		81,453

23. Furthermore, the proposed CJC Strategic Development Planning (SDP) Budget in respect of Financial Years 2021/22 and 2022/23 are set out in Table 3 below.

Table 3.		2021/22	2021/22	2021/22	2022/23	2022/23	2022/23
CJC SDP Budget Requirement (REVENUE)		Net	VAT	Total	Net	VAT	Total
		£s	£s	£s	£s	£s	£s
1.	CCR SLA: CJC Officer & Cabinet Support	1,913	383	2,296	9,948	1,990	11,937
2.	CC SLA: Statutory Officers & HR Advisory	704	141	845	3,663	733	4,396
3.	RCT SLA: Transactional support & systems	247	49	296	5,106	1,021	6,127
4.	CJC Insurances & Broker Fees	1,016	-	1,016	6,094	-	6,094
5.	Contingency (incl. Audit Wales)	1,388	278	1,665	4,995	999	5,994
CJC SDP Budget Requirement		5,267	850	6,118	29,805	4,742	34,548
Funded By :-							
CCR 10 Constituent Local Authorities (99.4%)				6,081			34,341
BBNPA Contribution (0.6%)				37			207
				6,118			34,548

24. There has been much debate around the role of the National Parks within CJC across all four CJC areas, and how best their strategic development planning representation is reflected within budget contributions. However, the general consensus reached is that a 'population' related basis seems the most appropriate basis at this time.
25. Therefore, for the purpose of setting the initial budgets only, it is proposed that the 2018 Sub-national Population Projections are used as the basis for allocating the SDP Budget to the 10 constituent councils and the Brecon Beacons National Park Authority. This methodology will be reviewed on an annual basis as the role and remit of CJCs evolves and collectively, there is a better understanding of how CJC costs should be reflected in member contributions.

26. Therefore, the proposed CJC SDP Budget Contributions in respect of Financial Years 2021/22 and 2022/23 are set out in Table 4 below.

Table 4. CJC SDP Budget Requirement (REVENUE)					
		2018	21/22	22/23	Total
		Sub-National	Budget	Budget	
			£s	£s	£s
1	Blaenau Gwent	4.5%	278	1,571	1,849
2	Bridgend	9.5%	578	3,265	3,844
3	Caerphilly	11.8%	723	4,080	4,802
4	Cardiff	23.8%	1,454	8,210	9,664
5	Merthyr	5.7%	346	1,952	2,298
6	Monmouthshire CC	3.9%	239	1,347	1,585
7	Newport	10.0%	612	3,455	4,067
8	RCT	15.6%	955	5,392	6,347
9	Torfaen	6.1%	371	2,097	2,469
10	Vale of Glam	8.6%	528	2,979	3,506
11	Brecon Beacons NPA	0.6%	35	199	234
	Adjusted Total	100.0%	6,118	34,548	40,666

CJC Capital Programme Budget and Treasury Management Strategy

27. The Local Government Act 2003 refers to affordability and the requirement that local authorities in England and Wales determine and keep under review the amount of money they can afford to borrow for capital investment (Prudential Code for capital finance in local authorities (2021 edition)).
28. It is proposed that the CJC sets a nil capital budget for Financial Years 2021/22 and 2022/23, for the reasons outlined in this report. However, the requirement in respect of capital resources will need to be considered carefully as part of future budget setting processes, particularly the wider capital financing implications of the Lift & Shift model, once in place.
29. In respect of treasury management and the extent that such activities are required during the bare minimum period, it is proposed that these follow in line with the approved Treasury Management Strategy of Rhondda Cynon Taf County Borough Council.

Financial Implications

30. The report seeks approval of the CJC's first interim Annual Business Plan and inaugural Revenue Budgets in respect of financial years 2021/22 and 2022/23. In addition, the CJC Cabinet are due to consider further reports in respect of the CJC's interim Standing Orders and interim Management and Support Arrangements. This suite of documents has been prepared on the basis of the 'Bare Minimum' approach, until such time as the preferred 'Lift & Shift' model can be implemented.

31. The proposed budgets for 2021/22 and 2022/23 are based on the bare minimum CJC activity levels anticipated for each year and provided via Service Level Agreements with three provider organisations. The scope and level of services to be provided are detailed within the Roles & Responsibilities Matrix and Supporting Note and the proposed budgets have been prepared on this basis.
32. One of key outstanding technical issue to be resolved relates to the CJC's application to secure section 33 status in respect of HMRC's VAT Refund Scheme. A business case has been submitted by Welsh Government on behalf of all four CJC areas and a decision on the outcome is expected during 2022/23. Until such time as the application is approved and the necessary legislative and practical arrangements are in place, the CJC is unable reclaim VAT in respect of its non-business expenditure. Therefore, arrangements which are deemed to be a 'supply' to the CJC will attract VAT at the prevailing rate and the proposed budgets include the necessary provisions in this regard.
33. In-line with the requirements of the Regulations, Table 1 sets out the requirement in respect of the CJC's General Budget, whilst Table 2 sets the proportion to be paid by the 10 CCR Council Members based on the existing CCR population methodology.
34. Similarly, Table 3 sets out the requirement in respect of the CJC's Strategic Development Budget and Table 4 sets the proportions to be paid by the 10 CCR Council Members (99.4%) and the Brecon Beacons National Park Authority (0.6%). These contributions have been calculated using the 2018 Sub-national Population Projections but will be reviewed on a regular basis to ensure that the contributions established are fair and equitable.
35. In-light of the 'Do Minimum' approach to CJC activities in 2021/22 and 2022/23 and the resulting nominal nature of the proposed budgets, the CCRCD Cabinet have agreed that the funding contributions due from its 10 constituent councils will be met from the CCR General Reserve. This Reserve is marked as being available to fund future Regional Cabinet requirements and the necessary governance arrangements to utilise this Reserve will be actioned.
36. The SLA with RCT includes provisions in respect of CJC accounting arrangements, including banking and control, treasury management and accounting for VAT. These arrangements will establish and maintain the CJC's 'General Fund' to ensure that all sums received and paid by the CJC are appropriately accounted for, through its General Fund, as set out in the CJC Regulations. Furthermore, CJCs are required to follow proper practices and will need to prepare their accounts in line with the Code of Practice on Local Authority Accounting in the UK and meet the reporting requirements of the Accounts and Audit (Wales) Regulations 2014.
37. There is a nil requirement for capital resources in 2021/22 and 2022/23, however, this area of the CJC resource requirement will need to be carefully thought through in future years, particularly once the Lift & Shift model is in place. CJCs are required to comply with the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003, which in turn gives rise to a number of considerations around prudential borrowing, associated KPIs and the proposed financing arrangements.

38. The report outlines the intention to reinstate the Transition Plan once the outstanding technical issues are resolved and an effective date for implementing the preferred CJC 'Lift & Shift' model can be established. The costs of the Transition Plan will be met from the Cardiff Capital Region City Deal revenue budget. However, future CJC budget reports will need to consider the evolution and associated costs of the CJC moving from the proposed Bare Minimum approach to a fully integrated Lift & Shift model, along with increasing requirements of the CJC, as further regulations are approved and come into force.
39. The 2022/23 Welsh Government Settlement for local government indicated that an unhypothecated sum is now included in respect of CJCs and accordingly, members will need to meet the costs of CJC budgets going forward.
40. The CJC regulations include provisions for the approved budget to be revisited during the year where this is deemed necessary. Therefore, as further information becomes available, the adequacy of the proposed budgets can be reviewed and amended if required, subject to unanimous agreement as set out in the CJC's Standing Orders.

Legal Implications

41. Section 16 of The South East Wales Corporate Joint Committee Regulations 2021 required the CJC to calculate and agree budgets in relation to:
 - a) it's strategic planning functions (s.16(1)(a)); and
 - b) it's other functions.
42. In relation to its first financial year, these budgets need to be agreed by 31 January 2022.
43. Member should note that if the Budget is not agreed at the meeting, Welsh Ministers may direct the proportion payable by each constituent council or each constituent council and the Brecon Beacons National Park Authority.

Well-being of Future Generations (Wales) Act 2015

44. 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.

(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 SEW CJC 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 SEW CJC must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, SEW CJC 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.

45. The SEW CJC must be satisfied that the proposed decision accords with the principles above. To assist the SEW CJC 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

46. 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

47. The recommendations to this report are set out in two parts which reflect the requirements included within the CJC Regulations. Part A recommendations relate to the responsibility of the 10 CCR constituent councils ONLY, whilst Part B recommendations relate to BOTH the 10 CCR constituent councils AND the Brecon Beacons National Park Authority.

PART A - RECOMMENDATIONS

48. It is recommended that the SEW CJC (as defined in paragraph 46 above):
- (1) notes and approves the interim Annual Business Plan for 2022/23 as set out at Appendix 1;
 - (2) considers and approves the CJC's General Budget requirement as set out in Table 1 of this report in respect of Financial Years 2021/22 & 2022/23;
 - (3) considers and approves the amounts payable by the 10 CCR constituent local authorities as set out in Table 2 of this report in respect of Financial Years 2021/22 & 2022/23, noting that these amounts will be met from the CCR General Reserve;
 - (4) notes the CJC Capital Programme Budget position and approves for CJC treasury management activities, where required during the bare minimum period, to be undertaken in line with the approved Treasury Management Strategy of Rhondda Cynon Taf County Borough Council;
 - (5) approves to receive further updates and revisions during 2022/23 in the event that outstanding issues are resolved sufficiently to allow for implementation of the preferred governance and delivery model.

PART B - RECOMMENDATIONS

49. It is recommended that the SEW CJC (as defined in paragraph 46 above):
- (6) considers and approves the CJC's Strategic Planning Budget requirement as set out in Table 3 of this report in respect of Financial Years 2021/22 & 2022/23;
 - (7) considers and approves the amounts payable by the 10 CCR constituent local authorities and the Brecon Beacons National Park Authority as set out in Table 4 of this report in respect of Financial Years 2021/22 & 2022/23;
 - (8) notes that the amounts payable by the 10 CCR constituent local authorities in respect of Recommendation (6) will be met from the CCR General Reserve;

- (9) approves to receive further updates and revisions during 2022/23 in the event that outstanding issues are resolved sufficiently to allow for implementation of the preferred governance and delivery model.

Kellie Beirne and Chris Lee
31 January 2022

Appendices

Appendix 1

CJC Annual Business Plan

Appendix 2

Well-being of Future Generations Assessment

South East Wales Corporate Joint Committee (CJC) – Interim Annual Business Plan

Background

The South East Wales CJC Regulations came into force on 1 April 2021 and require the establishment of a corporate legal entity by the 10 Local Authorities constituting the Cardiff Capital Region and for the purposes of the creation of the Strategic Development Plan (SDP) – the Brecon Beacons National Park Authority (BBNPA).

The first statutory duty of the CJC is to set a budget on or before 31 January 2022 with the commencement duties around development of a SDP, Regional Transport Plan and economic wellbeing powers to be conferred to the CJC on 30 June 2022.

It has been a long-held ambition of Regional Cabinet to develop one integrated model of regional public investment – as per the OECD recommendations to Welsh Government in their review of Regional Economic Governance in Wales (2021). This would affect the evolution of CCR from a single funding programme supported through one lead accountable body Council (City Deal), to a new corporate entity through which multiple programmes, investments and functions could be developed and delivered (City Region).

Given the nature of a number of technical issues which are unresolved at this time, it is not at this juncture, possible to affect the above ‘lift and shift’ model of integrated regional governance through the CJC. As such, a pragmatic, proportionate and minimalistic approach has been developed to support the interim operation of the CJC – until such time the issues are resolved and lift and shift can occur. At this point, the Business Plan and budget will be capable of revision to encompass the wider activity of operating the integrated ‘lift and shift’ model. This will safeguard the position of all members of the CJC and will as far as possible, protect against detriment in this interim period, given the current operating model for CCR City Deal will continue to operate alongside the CJC on a twin-track basis.

Core principles

Notwithstanding the delays to achieving the desired optimal governance and delivery model – there are a number of central principles and ‘rules of engagement’ to which the CJC will subscribe both in putting the first footings in place and in the future development of the CJC:

- the desire to further build upon and develop the effective model of regional investment put into place by CCR moving forward with the ability to act direct, borrow, acquire and hold assets and operate a balance sheet;
- the requirement to retain and enhance the powerful principles of collaboration, partnership and alignment enshrined in the current CCRCJ Joint Working Agreement;
- the requirement for LAs to retain control over decision making and ensuring all activity through the CJC is complementary to and current with, local arrangements;

- the emphasis on a positive sum-game and recognition that CCR operates in a multi-level governance environment and hence, the need to work in close partnership with both Welsh and UK Governments;
- the need to ensure the region is able to access all of the investment and opportunities available to it;
- The focus on delivering added value to local services and functions – with ‘no threats’ to local service delivery – with powers, functions and resources pulled from central delivery;
- the focus on clarifying strategic and operational working relationships – the ‘who is best placed to do what’ and using the future development of the Regional Economic Frameworks to be clearer about contributions and fits across the local areas, the region, Welsh and UK Governments.

Objectives for 2022/23

Given the above context and the ‘holding pattern’ established by the initial and interim arrangements for the CJC, objectives in the first instance are limited to building strong foundations upon which the pillars of future growth can be laid at the relevant time:

- establishing the minimalistic CJC operating model approved by Regional Cabinet in December 2021. This includes:
 - establishing a base set of Standing Orders;
 - approving the 2022-23 budget and business plan;
 - establishing interim staffing arrangements;
 - establishing initial operating and support arrangements;
 - establishing early arrangements for new statutory sub-committees.
- commencing initial planning work on a Strategic Development Plan and a Strategic Transport Plan;
- re-initiating the Transition Plan to commence the process of ‘lifting and shifting’ the City Deal Funding Agreement into the new CJC;
- explore funding opportunities with institutions such as the UK Infrastructure Bank;
- explore trade and investment opportunities with the new UK Trade Hub in Wales;
- develop the final version of the Regional Economic Framework with Welsh Government.

Monitoring and Review

As stated, this document reflects an interim position for the CJC. Once the issues currently preventing lift and shift to the optimal governance and delivery model are resolved, the Annual Business Plan and corresponding budget, will be reviewed and revised accordingly. There is currently no exact timeframe for this, given the issues requiring resolution sit with national and UK-level bodies. As such, the situation will be kept under close review, with regular contact maintained with CJC members throughout.

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact Assessments)

<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne Christopher Lee</p> <p>Phone no: 02920 72300 (Christopher Lee) 07826 919286 (Kellie Beirne)</p> <p>E-mail: christopher.lee@cardiff.gov.uk Kellie.Beirne@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal</p> <p>To set out in detail and agree the various arrangements for the CJC's inaugural Annual Business Plan and supporting budgets under the 'Bare Minimum' model approach, along with proposed funding contributions it be made by the CJC's Members in respect of the various budgets proposed.</p>
<p>Proposal: To agree and ratify the CJC interim Annual Business Plan for 2022/23 and associated budgets for 2021/22 and 2022/23.</p>	<p>Date Future Generations Evaluation form completed: 31 January 2022</p>

1. 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?
<p>A prosperous Wales Efficient use of resources, skilled, educated people, generates wealth, provides jobs</p>	<p>The report details the Bare Minimum arrangements to be put in place for the South East Wales Corporate Joint Committee (SEW CJC).</p> <p>Initial CJC activity will be kept to a minimum, however, CJC Regulations at this time set out the commencement duties in respect of Strategic Development Planning (SDP), Regional Transport Plan RTP) and wider Economic well-being functions. Once the CJC is fully functioning the core functions of the SEW CJC and as such will significantly impact the prosperity of the region.</p>	<p>Will be addressed as part of the work undertaken on the Commencement Duties (come into effect on the 30th June 2022) and in-line with the prescribed timescales for full implementation (from 2023 onwards).</p>
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>Activity around the strategic development planning, regional transport planning and economic well-being will all contribute to enhancing and strengthening the resilience of the region. The SEW CJC provides new powers for the region to directly impact upon and implement activity in these areas.</p>	<p>As above</p>

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 healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	The SEW CJC will contribute towards meeting the well-being objectives set by each of the ten constituent local authorities in order to achieve the national wellbeing goals for the region.	As above
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The conferment of powers to the SEW CJC to develop and implement a Regional Transport Plan will significantly improve and enhance community travel and connectedness for the Cardiff Capital Region.	As above
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	Not directly applicable although the conferred powers of the SEW CJC will impact the region and in tandem with the other three CJs, will have a positive impact across the Welsh nation and will therefore present Wales as a destination for local, social, economic and environmental well-being.	As above
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	Not directly applicable but see above.	As above
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The key functions of the SEW CJC around regional transport planning and economic well-being will impact on our communities by creating better connectivity and better quality of life for them. The strategic development planning aspect will help bring business and community together as the well-being of the region is scaled up. Partnering with the Brecon Beacons National Park Authority (BBNPA) on the rail and Strategic Development Plan will allow the region to achieve additional support in reaching these goals.	As above

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 interim 'Bare Minimum' twin track model moving towards the 'Lift & Shift' model means that activity around and implementation of the core functions of the SEW CJC will be staggered. Once Commencement Duties begin on the 30 June 2022 future reports will provide evidence of the necessary balance between short-term need and long-term planning.</p>	
 <p>Collaboration</p> <p>Working together with other partners to deliver objectives</p>	<p>A cornerstone of the region's process is the strength of partnership working. The BBNPA will be aligning with the Cardiff Capital Region around the Strategic Development Plan.</p>	
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>Communications and engagement remain a feature of our work and the region will continue with its regular communication updates disseminating the information to the wider public sector, private sector and local communities to ensure transparency of process.</p>	
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>The Bare Minimum' twin track model moving towards the 'Lift & Shift' model will allow the region to maintain equilibrium until the region can move into one integrated model of regional public investment and economic governance under the SEW CJC.</p>	
 <p>Integration</p> <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p>Regional partnership working and close liaison with UK and Welsh Governments and the private sector, within and outside Wales, will help ensure we meet this goal.</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	The report is seeking approval to proceed with the proposed CJC arrangements for 2021/22 and 2022/23. The protected characteristic assessments related to specific activity in the SEW CJC will need to be drawn out in the relevant documentation at the appropriate time.	None arising at this time.	
Disability	As above	As above	
Gender reassignment	As above	As above	
Marriage or civil partnership	As above	As above	
Pregnancy or maternity	As above	As above	
Race	As above	As above	
Religion or Belief	As above	As above	
Sex	As above	As above	
Sexual Orientation	As above	As above	
Welsh Language	As above	Not at this time but the situation will be kept under review.	

4. 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 and effecting the well-being elements of the SEW CJC should have a profoundly positive impact on the region's ability to safeguard the future of its residents.		
Corporate Parenting	Not directly relevant; however, building the future economy and effecting the well-being elements of the SEW CJC should create opportunities for all of the young people entrusted in our care.		

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

- Legislation as set out by UK Government.
- Legislation as set out by Welsh Government.
- Discussion and advice from Audit Wales.
- Discussion and approval on activity in line with the legislation from the Cardiff Capital Region Joint Cabinet.
- Extensive legal advice and other legal due diligence.
- Legislation around financial matters relating to tax, financial status, borrowing powers, etc.

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?

The areas requiring attention and focus are set out and follow-up actions will be assessed and monitored ongoing through a reporting mechanism to be agreed in light of the 'Bare Minimum' approach being taken at this time.

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:	At least annually in light of the 'Bare Minimum' approach being taken at this time.
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