

27 MARCH 2023

TRANSITION PLAN - SOUTH EAST WALES CORPORATE JOINT COMMITTEE STATUTORY SUB-COMMITTEES

REPORT OF THE INTERIM CHIEF EXECUTIVE AND THE INTERIM MONITORING OFFICER

AGENDA ITEM: 4

Reasons for Report

1. The South East Wales Corporate Joint Committee (the CJC) is required to establish a Standards Sub-Committee and a Governance & Audit sub-committee. This report sets out the relevant requirements and the options open to the CJC in relation to the establishment of those sub-committees.

Background

2. Under s.53 of the Local Government Act 2000 ("LGA 2000") every relevant authority must establish a Standards Committee. Regulation 3 of the Corporate Joint Committees (General) (Wales) Regulations 2022 amends section 49(6) the LGA 2000 to include CJC's in the definition of 'relevant authority.' As the CJC is already a Committee, the statutory guidance refers to the body as a Standards Sub-Committee.

Issues

Standards Sub-Committee

3. The Statutory Guidance to the CJC Regulations makes it clear that the CJC has some discretion in relation to how it can meet the requirement to establish a Standards Sub-Committee, which includes establishing its own Standards Sub-Committee or utilising the Standards Committee of one of its constituent authorities.
4. The CJC Standards Sub-Committee is required to meet by the 5th August 2023 in order to approve a Code of Conduct for CJC members. The only other legal requirement at this stage is for the CJC Standards Sub-Committee to prepare an annual report to the CJC in relation to matters within its terms of reference.
5. Given the current stage of the CJC, its minimal operational function, the workload burden for the CJC Standards Sub-Committee is very likely to be low. Therefore, during the short-term transition phase, it is proposed that the CJC utilises the

Standards Committee of a constituent authority in order to comply with the statutory requirements, whilst also avoiding the disproportionate cost and administrative burden of establishing its own Standards Sub-Committee.

6. As the Monitoring Officer function of the CJC is provided by a Legal Services SLA with Cardiff Council for the use of its member of staff, it is proposed that the CJC makes a request to Cardiff Council for the CJC to utilise their Standards Committee as the CJC Standards Sub-Committee.
7. If this proposal was approved the CJC would need to enter into an SLA with Cardiff Council to cover any associated costs of resourcing the additional function. It is proposed that this arrangement would be in place for a period of 12 months from July 2023, with a further report brought back to members for them to consider whether it should continue, or whether it would be appropriate for the CJC to establish its own Standards Sub-Committee at that time.
8. This approach will allow the CJC to comply with the statutory requirement to establish a Standards Sub-Committee, without incurring the cost and administrative burden of appointing and resourcing its own Standards Sub-Committee, and also allowing flexibility to review the position as the transition phase progresses.
9. Initial discussions have taken place with Cardiff Council, who have indicated that they are in agreement with the proposal in principle, should the CJC decide to proceed on the basis of the recommendations in this report. However, the proposal would require the approval of Cardiff Council's Standards & Ethics Committee and of full Council.
10. Therefore, if the CJC approves this proposal, the Standards & Ethics Committee of Cardiff Council would consider the request at its next meeting in May, with a view to seeking the approval of the full meeting of Cardiff Council in June.

Governance & Audit Sub-Committee

11. The Corporate Joint Committees (General) (No. 2) (Wales) Regulations 2022 requires the CJC to appoint a Governance & Audit Sub-Committee. The Statutory Guidance to the Regulations require that membership of the Sub-Committee must be constituted in the following way:
 - a) two thirds of the members must be members of the constituent councils; and
 - b) one third of the members must be persons who are not a member of a county council or county borough council in Wales.
12. Further, the guidance also states that members of a CJC Governance and Audit Sub-Committee cannot be a member of the CJC, a member of the executive of a constituent council or a co-opted member.
13. The Governance and Audit Sub-Committee will be required to meet at least once a year. Its scope and functions are set out within the Regulations and Statutory

Guidance. These requirements have been replicated into terms of reference document (Appendix 2) which the CJC required to approve and will form part of the CJC's Standing Orders.

Reason for Recommendations

14. For members to make a decision on how it wishes to establish a Standards Sub-Committee and a Governance & Audit Sub-Committee in order to comply with the statutory requirements set out above.
15. To provide appropriate delegations and instructions to relevant officers to make arrangements to implement the decision of the CJC in respect of the matters set out in paragraph 14.

Financial Implications

16. At its meeting of the 30th January 2023, the CJC approved its annual budget for financial year 2023/24. This budget report recognised that the CJC will be adopting a 'Building Foundations' approach in 2023/24 and the approved revenue budget of £255,662 was costed on this basis.
17. The 2023/24 budget includes a sum of £8,000 to cover 'Governance & Sub-Committee expenditure'. Subject to members approval of the recommendations set out in this report, further work will be undertaken to progress the proposals in relation to the two sub-committees detailed in this report.
18. Work will be progressed with Cardiff Council in relation to the Standards Committee, with the proposed arrangements and costs being incorporated within a Service Level Agreement for consideration and approval.
19. Separately, the report seeks approval for interim Chief Executive to make the necessary arrangements to establish the Governance & Audit Sub-Committee along with the identification of the costs involved. It is understood that amongst other things, this will necessitate a recruitment exercise to identify and appoint a 'Lay Chair' and a 'Lay Vice Chair'. The recruitment exercise will need to consider the CJC Regulations and any supplementary guidance issued by Welsh Government on matters such as remuneration, attendance allowance etc relevant to these roles, as well the wider sub-committee membership.
20. A further update report will be brought back to the CJC for consideration, which will set the proposed arrangements in respect of both sub-committees, along with details of the part-year costs applicable to the 2023/24 financial year, the full year costs due in future years, as well as the proposed funding arrangements. In addition to the budget outlined above, the CJC approved a contingency sum of £30,000, to further support activities during 2023/24, as required.

Legal Implications

21. The statutory duty to establish the two sub-committees are set out within the body of this report.

22. Further reports will be brought to members as the proposals progress, providing further information and seeking the necessary approvals.

Well-being of Future Generations (Wales) Act 2015

23. 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 CJC) must set and publish 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 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 CJC must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, they 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.
24. The CJC must be satisfied that the proposed decision accords with the principles above. To assist the 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

25. 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 CJC 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

26. It is recommended that the SEW CJC:

- (1) approves the proposal to utilise Cardiff Council's Standards & Ethics Committee to carry out the statutory function of the Standards Sub-Committee for the South East Wales Corporate Joint Committee;
- (2) authorises the Interim Chief Executive to instruct officers of the CJC to make arrangements with officers at Cardiff Council to obtain the required approval and consent of the relevant officers and members to implement the proposal set out in recommendation 1;
- (3) authorises the Interim Chief Executive to instruct officers of the CJC to prepare and enter into an appropriate Service Level Agreement with Cardiff Council to cover costs associated with the additional work for Cardiff's Officers in facilitating a joint standards committee;
- (4) notes the statutory requirement to establish a Governance & Audit Sub-Committee:
 - a) authorises the Interim Chief Executive to make arrangements to establish the Governance & Audit Sub-Committee and constitute its membership;
 - b) approves the terms of reference of the proposed Governance & Audit Sub-Committee as attached at Appendix 1.

Kellie Beirne
Interim Chief Executive
South East Wales Corporate Joint Committee
27 March 2023

James Williams
Interim Monitoring Officer

Appendices

Appendix 1 Proposed Terms of Reference Governance & Audit Sub-Committee
Appendix 2 Well-being of Future Generations Assessment

**South East Wales Corporate Joint Committee (“CJC”)
Governance and Audit Sub-Committee
Terms of Reference**

1. PURPOSE OF SUB-COMMITTEE

- 1.1 The Governance & Audit Sub-Committee is a key component of the CJC’s corporate governance. It is important that political decision-making within the CJC is transparent and the CJC is able to be held to account and is able to be challenged for the decisions that it takes. The purpose of the Governance & Audit Sub-Committee is to review and scrutinise the CJC’s financial affairs and to provide an independent focus on the audit, assurance, performance and reporting arrangements that underpin good governance and financial standards.

2. SPECIFIC RESPONSIBILITIES

The Governance & Audit Sub-Committee will:

- 2.1 Review and scrutinise the CJC’s financial affairs;
- 2.2 Make reports and recommendations in relation to the CJC’s financial affairs;
- 2.3 Review and assess the risk management, internal control, performance management and corporate governance arrangements of the CJC;
- 2.4 Make reports and recommendations to the CJC on the adequacy and effectiveness of those arrangements;
- 2.5 Review and assess the CJC’s ability to handle complaints effectively;
- 2.6 Make reports and recommendations in relation to the ability of the CJC to handle complaints effectively;
- 2.7 Oversee the CJC’s internal and external audit arrangements;
- 2.8 Review any financial statements prepared by the CJC;
- 2.9 Exercise such other functions as the CJC may specify;
- 2.10 Review any draft self-assessment report prepared by the CJC setting out its consultations as to the extent to which it met the performance requirements during that financial year, and make any recommendations it sees fit;
- 2.11 Review any draft response to a report prepared by any panel appointed by the CJC to assess the extent to which the CJC is meeting its performance requirements;
- 2.12 Review any report from the Auditor General produced following a special inspection of the CJC, and review any response from the CJC to such report;
- 2.13 Have regard to any guidance issued by the Welsh Government in relation to any functions relating to the assessment of the CJC’s performance requirements;

MEMBERSHIP OF THE SUB-COMMITTEE

Membership of the Governance & Audit Sub-Committee will be constituted in the following way:

- 4.1 The Governance & Audit Sub-Committee will have 12 members.
- 4.2 None of the members of the Governance & Audit Sub-Committee can also be a Member of the CJC.
- 4.3 None of the members of the Governance & Audit Sub-Committee can also be a member of any other sub-committee of the CJC.
- 4.4 A minimum of one third of the total membership must be persons who are not also members of a county council or county borough council in Wales.
- 4.5 A minimum of two thirds of the total membership must be members of the 10 Constituent Councils but cannot be either a Member of the CJC or a member of the executive of a Constituent Council.
- 4.6 Where a member of the Governance & Audit Sub-Committee is also a member of one of the 10 Constituent Councils, they will cease to be a member of the Governance & Audit Sub-Committee if they cease to be a member of a Constituent Council.

MEETING PROCEDURE RULES

- 5.1 **Chairperson / Deputy Chairperson:** A Chairperson and Deputy Chairperson will be nominated and appointed from amongst the members of the Governance & Audit Sub-Committee during the first meeting.
- 5.2 The Chairperson must be an independent member who is not a member of a county council or county borough council in Wales.
- 5.3 If the Chairperson is absent, the Deputy Chairperson can chair the meeting. In the absence of both the Chairperson and the Deputy Chairperson, the Governance & Audit Sub-Committee can appoint any of its members present to chair the meeting.
- 5.4 **Quorum:** No business is to be transacted in relation to a matter to be decided at a meeting of the Governance & Audit Sub-Committee with fewer than 70% of the persons entitled to vote being present.
- 5.5 **Voting:** Each member of the Governance & Audit Sub-Committee will carry one vote. Matters will be decided by a majority vote. Members can only abstain from voting where a conflict of interest exists. In the event of a tie, the Chairperson, or Deputy Chairperson in the absence of the Chairperson, will have the casting vote.

MEETING ARRANGEMENTS

- 6.1 The Governance & Audit Sub-Committee is required by law to meet once in every calendar year as a minimum. More meetings can be scheduled as and when the need arises.
- 6.2 In addition to the requirements in 6.1, the Governance & Audit Sub-Committee will be required to meet if the CJC determines that it will meet or if at least one third of the Governance & Audit Sub-Committee members send a request for a meeting in writing to the Chairperson.

- 6.3 Meetings will normally take place remotely, but arrangements may be made for in person meetings, provided hybrid arrangements are in place to facilitate remote attendance by members who wish to do so.
- 6.4 Support officers, representatives of Audit Wales and advisory team members can attend and participate as required. Members and staff of CJC may be required by the Governance & Audit Sub-Committee to attend meetings and answer questions and will have a duty to comply with this requirement within limits.
- 6.5 Meetings will be held in public and arrangements for the publication of and access to documents will be the same as for meetings of the CJC as set out in the CJC's Standing Orders and the relevant legislation.

REPORTING

- 7.1 The Governance & Audit Sub-Committee will report to a meeting of the CJC at least annually on matters within the remit of the Terms of Reference.
- 7.2 The Governance & Audit Sub-Committee will issue reports to external bodies as required but will need to notify the CJC of any such reports and to whom and for what reason they are being issued.

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact Assessments)






<p>Name of the Officer completing the evaluation:</p> <p>Kellie Beirne</p> <p>Phone no: 07826 919286 E-mail: kellie.beirne@cardiff.gov.uk</p>	<p>Please give a brief description of the aims of the proposal:</p> <p>1. The South East Wales Corporate Joint Committee (the CJC) is required to establish a Standards & Ethics sub-committee and a Governance & Audit sub-committee. This report sets out the relevant requirements and the options open to the CJC in relation to the establishment of those sub-committees.</p>
<p>Proposal: CJC – Statutory Sub-Committees</p>	<p>Date Future Generations Evaluation form completed: 27 March 2023</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 is setting out how the CJC it will fulfil its statutory responsibilities to have a Standards and Ethics Sub-Committee and a Governance and Audit Sub-Committee.</p> <p>As the CJC will have responsibility for economic wellbeing in the region, a CJC that is set up and governed appropriately will be in the best position to deliver upon this wellbeing goal.</p>	n/a
<p>A resilient Wales Maintain and enhance biodiversity and ecosystems that support resilience and can adapt to change (e.g. climate change)</p>	<p>The report is setting out how the CJC it will fulfil its statutory responsibilities to have a Standards and Ethics Sub-Committee and a Governance and Audit Sub-Committee. A CJC, with robust Standards, Governance and Audit approaches will add value in this space by being more resilient.</p>	n/a
<p>A healthier Wales People’s physical and mental wellbeing is maximized and health impacts are understood</p>	<p>The report is setting out how the CJC it will fulfil its statutory responsibilities to have a Standards and Ethics Sub-Committee and a Governance and Audit Sub-Committee.</p>	n/a

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?
	This will have neither a positive or a negative impact on this goal.	
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	The report is setting out how the CJC it will fulfil its statutory responsibilities to have a Standards and Ethics Sub-Committee and a Governance and Audit Sub-Committee. This will have neither a positive or a negative impact on this goal.	n/a
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The report is setting out how the CJC it will fulfil its statutory responsibilities to have a Standards and Ethics Sub-Committee and a Governance and Audit Sub-Committee. This will have neither a positive or a negative impact on this goal.	n/a
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 report is setting out how the CJC it will fulfil its statutory responsibilities to have a Standards and Ethics Sub-Committee and a Governance and Audit Sub-Committee. This will have neither a positive or a negative impact on this goal.	n/a
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The report is setting out how the CJC it will fulfil its statutory responsibilities to have a Standards and Ethics Sub-Committee and a Governance and Audit Sub-Committee. This will have neither a positive or a negative impact on this goal.	n/a

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>Balancing short term need with long term and planning for the future</p> <p>Long Term</p>	<p>The CJC is a long-term construct and requires thinking ahead, however in the short-term a 'bare minimum' model is being put in place.</p> <p>The setting up of the Standards and Ethics Sub Committee and the Audit and Governance Sub Committee shows that the CJC is developing its capacity and capability for the long term</p>	<p>The Standards and Ethics Committee is proposing a short-term solution of utilizing an existing committee from one of the constituent authorities, therefore a longer-term solution will be required to be developed.</p>
 <p>Working together with other partners to deliver objectives</p> <p>Collaboration</p>	<p>The principles of the governance structure, its partnership approach and the building of new institutional capacity are all at the heart of the CJC.</p> <p>These are the principles under which the proposal has been put forward.</p>	<p>Not at this time but may change over the longer term.</p>
 <p>Involving those with an interest and seeking their views</p> <p>Involvement</p>	<p>The approach here will be backed by a wider corporate plan which will be consulted upon during its development</p>	<p>The production and consultation on the wider corporate plan will be an important step in the CJC's development and a robust consultation approach will be important in getting a wider view of how well it is managing that development.</p>
 <p>Putting resources into preventing problems occurring or getting worse</p> <p>Prevention</p>	<p>The two sub committees being established by this proposal will be at the heart of the CJC operation and have statutory duties to help the CJC improve.</p>	<p>As the committees mature, they will provide essential input into the CJC, including lessons learned activities that will support this objective even further.</p>
 <p>Considering impact on all wellbeing goals together and on other bodies</p> <p>Integration</p>	<p>The proposals will help the CJC be a robust, well governed regional organisation and support the delivering of the Regional Economic and Industrial Plan and with that the CJC's wellbeing objectives.</p>	<p>Continuing to develop the partnership approach taken to date will be critical to closer align wellbeing objectives across the region to the wellbeing goals.</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	Not relevant in this context since the principles, approach and ways of working apply to all prospective interests and stakeholders	As projects and programmes develop under the CJC, each will be subject to comprehensive assessments against the plans and procedures put in place to protect certain characteristics.	<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> <p>A full training and development programme will also be devised in order to embed and 'bring to life' such considerations – not just as part of project assessments, but in seeking to address such concerns and issues as part and parcel of project business cases that are developed.</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.
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.

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	n/a		
Corporate Parenting	n/a		

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?

The proposal in general should have a positive impact. Setting the CJC up for success and robust governance should bring long term regional benefits, more partnership working and clearer, joined up priorities on transport, land use planning and economic wellbeing. Although these elements are not directly delivered by this proposal, having sound structures and governance will support them

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:

This will be revisited in approximately 12 months' time as part of the Transition Plan and will be reviewed at that point.