

20 SEPTEMBER 2021

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

REPORT OF CARDIFF CAPITAL REGION DIRECTOR & PROGRAMME BOARD

AGENDA ITEM 6

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

Reasons for this Report

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

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

Background – History of Cardiff Capital Region

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

Core Principles

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

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

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

Governance & Delivery Options

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

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

Decision-making

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

Proposed initial functions

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

Model for Transition

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

5. Functions and strategy.

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

Resourcing the Transition Plan

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

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

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

HR and Staffing Implications

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

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

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

Risks & Issues

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

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

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

Financial Implications

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

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

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

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

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

- where there are additional or reductions in budgetary requirements from local authorities;
- whether additional activities are to be paid for as part of grant support from Welsh Government and or other grant funding providers;
- where additional costs are to be met from within existing budgets;
- where there are commitments to support credit arrangements or similar liabilities arising as part of approved investment plans.

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

Legal Implications

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

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

Well-being of Future Generations (Wales) Act 2015

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

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

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

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

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

Equality Act 2010

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

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

RECOMMENDATIONS

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

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

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

Appendices

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

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

Appendix 3
Appendix 4
Appendix 5

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

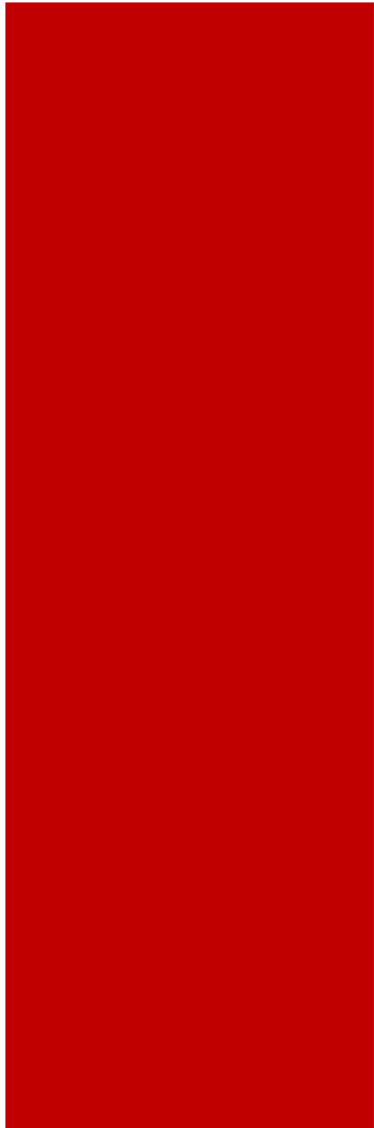


Cardiff City Deal Capital Region

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



DRAFT: Transition Plan



1. Background and purpose

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

The JWA:-

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

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

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

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

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

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

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

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

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

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

PART 1 – CJC ROADMAP

1. Vision and key principles

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

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

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

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

2. The Journey...

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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PART 2 – PROJECT PLAN FOR STAGE 2 LIFT & SHIFT

1. Key Information

1.1 Project

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

1.2 Project Team

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

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

1.3 Key Stakeholders

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

(and together the "Key Stakeholders") and

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

1.4 Key Dates

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

1.5 CJC: Approach to future subsidiary delivery vehicles

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

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

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

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2. Project Plan to 'Go Live'

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

Item 6 Appendix 2 - CORPORATE JOINT COMMITTEE TRANSITION PLAN

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

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

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

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

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

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

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

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

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

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

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

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

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

PURPOSE

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

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

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

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

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

MEMBERSHIP

The membership will comprise:

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

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

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

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

REMIT

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

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

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

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

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

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

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

Wider duties will require:-

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

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

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

FREQUENCY OF MEETINGS

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

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

1. Introduction and Context

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

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

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

2. Proposal for funding

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

2.1 Programme Resources

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

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

2.1.1 *Project Management Capability*

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

2.1.2 *Regional Economic Policy*

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

2.1.3 *Specialist external advice*

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

2.1.4 *Communications and Engagement Support*

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

3. **Desired Outcome**

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

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

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

4. **Resource Summary**

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

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

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

17 May 2021

Future Generations Assessment Evaluation

(includes Equalities and Sustainability Impact Assessments)

<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: to set out the proposed strategic principles and approach for transition to CCR CJC.</p>
<p>Proposal: CCR CJC Governance and Delivery arrangements – Transition Plan</p>	<p>Date Future Generations Evaluation form completed: 20 September 2021</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 and appendices set out a progressive approach for driving prosperity within the region as it evolves its functions to embed CJC provisions and regulations. The focus on a delivery and governance model provides for a stable platform for regional economic governance.</p>	<p>In order to maintain business continuity and a seamless transition the report is focused on concurrence and the principles of transition and adaptation through life and shift and future evolution.</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>The central contention of the report is that COVID-19, climate and low growth all poses a conundrum about the forward and how some of the behaviours around working together, innovating quickly and</p>	<p>A CJC will allow more freedom and flexibility and it is envisaged that climate and renewable energy for clean growth will be a key focus.</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?
	rapidly adapting can be maintained as a positive legacy in the new working arrangements.	
A healthier Wales People's physical and mental wellbeing is maximized and health impacts are understood	Inclusion is a core theme of the approach and balancing a focus on levelling up the region with other regions in the UK to ensure CCR accesses all of the opportunities available to it – thus supporting not just sectors and industries but communities and people.	ESG and equality and diversity focus to ensure emphasis on societal and community needs.
A Wales of cohesive communities Communities are attractive, viable, safe and well connected	Putting in place a framework for regional cohesion whilst enhancing localism will support delivery of scale projects that make a difference across the geography, in tandem with local policies and levers that ensure citizens can benefit.	Reference is made to two key documents – 5 year business plan and Levelling-up Prospectus which further enhances the positive aspects of a place based focus.
A globally responsible Wales Taking account of impact on global well-being when considering local social, economic and environmental wellbeing	The principles look outward and focus on the FDI and international opportunities, which will be particularly important post-EU exit.	Proposal for radical decentralization of business functions and units currently operating at national level.
A Wales of vibrant culture and thriving Welsh language Culture, heritage and Welsh language are promoted and protected. People are encouraged to do sport, art and recreation	The document represents a distinctive regional strategic approach to developing the economy – foundational and tradeable and projects a distinctively Welsh approach to doing so.	The new corporate entity will require a full suite of bespoke policies and procedures in respect of the Welsh language.
A more equal Wales People can fulfil their potential no matter what their background or circumstances	The approach focuses on economic inclusion, levelling-up and a mission-driven approach capable of not just tackling economic problems – but societal ones too.	The CJC has at the heart of its purpose a commitment to 'no place is left behind' and

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

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

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

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

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

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

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

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 should have a profoundly positive impact on ability to safeguard the future of our residents		This is dependent upon the brief for regional education consortia and whether or not, it is intended to be grouped within CJsCs.
Corporate Parenting	Not directly relevant – however building strength in the economy should create opportunities for all of the young people entrusted in our care and makes a direct contribution to wellbeing.		

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

As above.

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

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

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

The impacts of this proposal will be evaluated on:

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