

## MID WALES CORPORATE JOINT COMMITTEE

4th July 2022

### REPORT OF THE MONITORING OFFICER

**Report Title: Adoption of a Constitution for the Mid Wales Corporate Joint Committee**

<b>Purpose of Report</b>	To adopt a Constitution for the Mid Wales Corporate Joint Committee
<b>Decision Sought:</b>	
<b>It is recommended that Members:</b>	
	<ol style="list-style-type: none"><li>1. Adopt the Constitution for the Mid Wales Corporate Joint Committee as set out in Appendix 1 of the report.</li><li>2. Delegate the power to the Monitoring Officer to make minor editorial changes if required) to the Constitution for its publication on the CJC website.</li><li>3. To require the Constitution approved under recommendation 1 to be translated into Welsh and published on the CJC website as soon as is reasonably practicable.</li><li>4. That the implementation of the creation of the Economic Well-Being – Regional Economic Development (Mid Wales Growth Deal) Sub-Committee be delayed to a future meeting of the CJC to enable HM Treasury to put in place an Order to allow the four Welsh Corporate Joint Committees to be admitted into the Section 33 VAT refund scheme and for Corporation Tax issues to be clarified.</li></ol>
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#### Background:

1. The Local Government and Elections (Wales) Act 2021 (“the LGE Act”) created the framework for a consistent mechanism for regional collaboration between local authorities through Corporate Joint Committees (CJCs). The LGE Act provides for the establishment of a Mid Wales CJCs through Regulations and at its inaugural meeting on 25<sup>th</sup> January 2022, the CJC was established, approved a budget for 2022/23 and approved Standing Orders which were to be replaced by a formal Constitution in due course.
2. The purpose of this report is for the CJC to consider for approval a draft Constitution drafted by the Monitoring Officer in consultation with the Monitoring Officers of Ceredigion CC and the Brecon Beacons National Park Authority.
3. To consider a recommendation that the implementation of the creation of the Economic Well-Being – Regional Economic Development (Mid Wales Growth Deal) Sub-Committee be delayed to a future meeting of the CJC to enable HM Treasury to put in place an Order to allow the four Welsh Corporate Joint Committees to be

admitted into the Section 33 VAT refund scheme and for Corporation Tax issues to be clarified.

### **The Draft Constitution**

4. The draft Constitution is based on a revised New Model Constitution for Welsh Local Authorities provided by Browne Jacobson Solicitors in December 2021 at the cost of WLGA which has been amended as appropriate to make it suitable for the Mid Wales CJC.
5. The Constitution (if approved and adopted by the CJC) will be constantly monitored and reviewed by Officers and amendments to the Constitution will be brought back to the CJC for consideration and/ or approval as and when required.
6. In essence, the Constitution sets out the overarching structure of the CJC and its various sub-committees so that key decisions can be made.
7. The purpose of the Constitution is to:
  - provide a framework for good governance.
  - enable decisions to be taken efficiently and effectively;
  - create a powerful and effective means of holding decision-makers to public account;
  - ensure that no one will review or scrutinise a decision in which they were directly involved;
  - ensure that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions; and
  - provide a means of improving the delivery of service to the community.
8. Attached at **Appendix 1** is the proposed constitution of the CJC for members to consider and adopt and includes sections dealing with the following:

<b>Section</b>	<b>Title</b>
01	Introduction
02	Purpose Definition Interpretation
03	Getting Information and Getting Involved
04	CJC Procedure Rules
05	Sub-Committees

06	Officers
07	Scheme of Delegation
08	Access to Information Procedure Rules
09	Code of Conduct
10	Budget, Finance and Procurement
11	Contracts and Legal Matters
12	Contracts Procedure Rules
13	Indemnities for Members and Officers

9. The Draft Constitution has not yet been translated into Welsh, but once approved and adopted it will be translated as soon as is reasonably practicable and published on the CJC's website.
10. Delayed implementation of the creation of the Economic Well-Being – Regional Economic Development (Mid Wales Growth Deal) Sub-Committee.

10.1 They should be made aware that all CJC's in Wales and the Welsh Government are concerned that at present all CJC's are currently unable to recover the VAT incurred on non-business activities, as do all other Local Authorities. WG and Councils have been lobbying HM Treasury to bring CJC's into the same position as other public bodies and HM Treasury have recently announced that they will make an Order to allow the four Welsh Corporate Joint Committees to be admitted into the Section 33 VAT refund scheme. However, the Order is unlikely to be in place before the Autumn and the Treasury has made it clear that there can be no retrospective application of the Order before the date the Order has been made. There are also issues which need to be clarified in relation to Corporation Tax.

10.2 In light of the VAT disadvantage to the Councils and the CJC if the Economic Well-Being – Regional Economic Development (Mid Wales Growth Deal) Sub-Committee were to subsume the role of the Growing Mid Wales Board, it is recommended that the implementation of the creation of the Economic Well-Being – Regional Economic Development (Mid Wales Growth Deal) Sub-Committee be delayed to a future meeting of the CJC to enable H M Treasury to put in place an Order to allow the four Welsh Corporate Joint Committees to be admitted into the Section 33 VAT refund scheme and for Corporation Tax Issues to be clarified.

### **Financial Impacts:**

11. The financial impacts of adopting this Constitution and associated documents will be incorporated into the annual budget for the MWCJC.

### **Integrated Impact Assessment:**

12. The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
  - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.

- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favorably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

13. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals.
14. There is no requirement for an Integrated Impact Assessment for this report as the setting up of the CJC is underpinned by legislation and that this report is to establish governance arrangements in accordance with legislation. This will be kept under review with any future reports considering whether impacts require consideration.

#### **Workforce Impacts:**

15. There are no workforce impacts associated with this report.

#### **Legal Impacts:**

16. Part 5 of the LGE Act provides for the establishment, through regulations, of CJsCs and compliance will be had with this and other legislative obligations in the establishment of CJsCs. In particular, the Mid Wales Corporate Joint Committee Regulations came into force on 1<sup>st</sup> April 2021 and set out an initial framework for example, that the CJC should be established and the timeframes for the discharging of specific functions. However, a series of further Regulations are being drafted and consulted on by Welsh Government. The Welsh Government has concluded its consultation on the Corporate Joint Committees (General) (No.2) (Wales) Regulations 2021. The Welsh Government is also currently consulting on draft statutory guidance. A third stage of Regulations will put in place further legislation for the operation of the CJsCs and its functions, which Welsh Government are currently being consulted on. A fourth stage will put in place any remaining provisions that a CJC might need.

#### **Risk Management Impacts:**

17. Failure to constitute the CJC means the CJC will be unable to take any decisions, including setting a budget for the 2022/2023 financial year and accordingly would be in breach of the legal requirements imposed under the Local Government and Elections (Wales) Act 2021 (exposing each constituent council and national park authority to challenge) along with the reputational risks that such non-compliance will bring.

**Consultation:**

18. There is no requirement for consultation in respect of this report.

**Reasons for Proposed Decision:**

19. To ensure appropriate governance arrangements are in place for the CJC to make decisions and compliance is had to the legislative requirements that are applicable to the CJC.

**Implementation of Decision:**

20. This decision is proposed for immediate implementation.

**Appendices:**

21. Appendix 1 - Draft Constitution for the Mid Wales CJC