

**COUNCIL:**

**19 JULY 2018**

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**REPORT OF DIRECTOR OF GOVERNANCE & LEGAL  
SERVICES & MONITORING OFFICER**

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**CARDIFF CAPITAL REGION (CCR) CITY DEAL: JOINT OVERVIEW AND  
SCRUTINY COMMITTEE**

**Reason for this Report**

1. This report seeks approval for the establishment of a Joint Overview and Scrutiny Committee (JOSC) for the Cardiff Capital Region (CCR) City Deal, including agreement on who the nominated representative and deputy to the JOSC for Cardiff Council will be. It provides Members with an opportunity to consider proposals and seeks views on the following:
  - a. The draft terms of reference for the JOSC
  - b. The length of appointment for the nominated representative and deputy to the JOSC
  - c. Whether or not to pay a salary, in line with the 2018 Annual Report of the Independent Remuneration Panel for Wales, should our nominated Member be put forward as Chair of the JOSC.

**Background**

2. The Cardiff Capital Region (CCR) Joint Working Agreement (JWA) states, in paragraph 10.19.2, that "*The Councils shall work together to create and agree terms of reference for, to the extent permissible by law, a Joint Audit Committee and a Joint Overview and Scrutiny Committee (JOSC) and how the same will be resourced and funded*".
3. The statutory power to establish a Joint Overview and Scrutiny Committee is set out in Section 58 of the Local Government (Wales) Measure 2011 and Regulations made thereunder.
4. At their meeting on 20 November 2017, the CCR Joint Cabinet considered a report, attached at **Appendix B**, which proposed the establishment of, and governance arrangements for, a JOSC for the CCR City Deal. The CCR Joint Cabinet agreed all the recommendations of the report.

## Issues

5. It is a decision for each of the ten authorities that are parties to the Joint Working Agreement if they wish to establish a JOSC for the CCR City Deal. Statutory guidance, issued under Section 58 of the Local Government (Wales) Measure 2011, attached at **Appendix C**, states, at paragraph 3.1, *“that in establishing a JOSC which is additional to a Council’s existing scrutiny committee(s) a report setting out its role, responsibilities, terms of reference and intended outcomes to be generated by the joint exercise should be considered by each of the participating authorities’ appropriate scrutiny committees (or sub-committees) before being endorsed by full Council”*.
6. In line with the statutory guidance, attached at **Appendix C**, Cardiff Council’s Economy and Culture Scrutiny Committee has considered the proposals set out in this report and appendices. The views of the Committee are detailed in the letter from the Chair, Councillor Nigel Howells, attached at **Appendix D**, and are summarised below:
  - a. Members of the Economy & Culture Scrutiny Committee support the establishment of a JOSC, with a non-executive representative from each of the 10 local authorities within the CCR City Deal area
  - b. Members of the Economy & Culture Scrutiny Committee believe the JOSC should decide who the Chair and Vice Chair will be, rather than relying on alphabetical order; this would require an amendment to the draft terms of reference for the JOSC.
  - c. Members of the Economy & Culture Scrutiny Committee feel that the nominated representatives should be experienced scrutineers, who have knowledge of the City Deal and professional skills that will be of value and assistance to their role on the JOSC
  - d. Members of the Economy & Culture Scrutiny Committee feel that an annual appointment for nominated representatives is best, in line with our existing arrangements
  - e. Members of the Economy & Culture Scrutiny Committee hold the view that payment is not needed for nominated representatives if they become Chair of the JOSC, particularly if the representative already receives a special responsibility allowance

### Establishing a JOSC

7. The report to the CCR Joint Cabinet, attached at **Appendix B**, proposes the establishment of a JOSC, consisting of one non-executive Member from each of the ten local authorities, known as ‘*appointing authorities*’. Local authorities are also able to appoint a deputy for its Member representative, who shall only be entitled to speak and vote at meetings of the JOSC in the absence of their principal representative. The length of appointment is a matter for each appointing authority.
8. The report to the CCR Joint Cabinet includes draft Terms of Reference (attached as **Appendix 1 of Appendix B**), which state that one of the

JOSC's main functions would be '*To perform the Overview and Scrutiny function for CCR City Deal .. on behalf of the ten local Authorities*'. The draft Terms of Reference also make clear that the '*establishment of the CCRCJ Joint Scrutiny Committee shall not serve to exclude a local authority's right to carry out its own individual Scrutiny of any decision of the Regional Cabinet or City Deal matter.*'

9. Each of the ten local authorities and the JOSC will review the draft Terms of Reference and may propose amendments. Any changes to the agreed Terms of Reference would need to go back to each Local Authority for approval.
10. Subsequent to their meeting on 20 November 2017, the CCR Joint Cabinet agreed that Bridgend County Borough Council would host the Joint Overview and Scrutiny Committee providing, as the Joint Cabinet report states at point 3.4, **Appendix B**, '*such dedicated support and advisers, within a pre-determined sum to be funded out of the annual budget of the Regional Cabinet.*'
11. As the Joint Cabinet report states, at point 4.3, **Appendix B**, the 2017/18 Joint Cabinet Budget contains a contingency budget of £69,500, an element of which has been set aside to meet the costs of developing the JOSC arrangements. Based on initial estimations provided by Bridgend County Borough Council for the first year costs of establishing the JOSC, it was agreed to allocate £25,000 to Bridgend County Borough Council for 2018/19, as the host authority for the JOSC.
12. During the first year of the JOSC, there will be a need for Members and Scrutiny Officers to attend training and briefing sessions prior to them undertaking scrutiny of the CCR City Deal. This will help ensure that all Members have the same knowledge base and understanding from which to start. However, it may mean that there is a limited amount of scrutiny work undertaken in the first year. The training and briefing sessions will be organised by the JOSC host authority, Bridgend County Borough Council.
13. Following training and briefing sessions, it is proposed that two meetings be held within the first year, as follows:
  - a. Meeting One:
    - To review the JOSC Terms Of Reference and officially adopt and take ownership of them (subject to any recommended changes)
    - To have initial discussions regarding the Forward Work Programme.
  - b. Meeting Two:
    - To develop in detail their Forward Work Programme and future focus.
    - To undertake annual monitoring of the CCR City Deal Business Plan and/ or Programme Plan.

14. The JOSC will use the first year to develop a detailed and informed Forward Work Programme, which will not only focus their work but also assist greatly in determining the workload and needs for the future, including the number of meetings and future budget required.
15. The draft Terms of Reference enable any member of the JOSC to refer to the committee any matter which is relevant to its functions (provided it is not a local crime and disorder matter, as defined in section 19 of the Police and Justice Act 2006), and subject to a number of conditions and provisos. In addition, any member of any of the Appointing Authorities may refer to the committee any matter which is relevant to the functions of the JOSC, subject to a number of conditions and provisos. Therefore, as stated above, the Forward Work Programme, determined by the JOSC Members, will indicate the needs and growth of the Committee.
16. In all instances, the JOSC has the power to make any reports and recommendations to the Regional Cabinet and/or to any of the Appointing Authorities and to any of their executives in respect of any function that has been delegated to the Regional Cabinet pursuant to the Joint Working Agreement.
17. The 2018 Annual Report of the Independent Remuneration Panel for Wales makes provision for the remuneration for Joint Overview and Scrutiny Committees in Section 4 of the report – attached as **Appendix D**. Their report states that *‘the remuneration of chairs of JOSCs (or a sub-committee of JOSCs) is not prescribed and is a matter for the constituent councils to decide whether such a post will be paid. However, if a senior salary is paid, it must be at the level set out in section 4 of the IRP report.’* Members will note that a payment made to a Chair of a JOSC or a Chair of a JOSC Sub Committee is additional to the maximum number of Members eligible to be paid a Senior Salary (i.e. 25% of membership), provided the statutory limit of 50% of a council’s membership is not exceeded. Each Council will therefore need to decide on whether they would agree to pay the salary required under this legislation, should their nominated Member be put forward as Chair of the JOSC.
18. Having regard to the comments from the Economy & Culture Scrutiny Committee, the following proposals are put forward for approval by full Council:
  - a. Agree to the establishment of a JOSC for the CCR City Deal as set out in this report;
  - b. Amend Point 8 of the Draft Terms of Reference by removing the wording *‘in alphabetical order’* so that it reads *‘The Joint Scrutiny Committee shall elect a Chair and Vice Chair, which appointments will rotate annually between the Appointing Authorities’*. This is set out in **Appendix A** - Amended Draft Terms of Reference. For the

avoidance of doubt, there are no other amendments proposed to the Draft Terms of Reference;

- c. Agree that representatives will be appointed annually;
- d. Nominate and appoint, for this municipal year, a non-Executive Member to be the Council's representative and a non-Executive Member to be their deputy;
- e. Agree that no additional payment will be made to this Council's representative, in the event that that he or she is elected as Chair of the Joint Overview and Scrutiny Committee.

## **Legal Implications**

19. The Joint Working Agreement entered into by the Council in respect of the Cardiff Capital Region (CCR) City Deal committed each Council to work together to create a Joint Scrutiny Committee (Joint Working Agreement paragraph 10.19.2). The statutory power to establish a joint overview and scrutiny committee (JOSC) is set out in Section 58 of the Local Government (Wales) Measure 2011 ("the Measure") and Regulations made thereunder (the Local Authorities (Joint Overview and Scrutiny Committees) (Wales) Regulations 2013, 'the 2013 Regulations'. ) Statutory guidance has been issued under Section 58 of the 2011 Measure, which must also be taken into account in considering this matter.
20. The statutory guidance, paragraph 3.1 states "that in establishing a JOSC which is additional to a Council's existing scrutiny committee(s) a report setting out its role, responsibilities, terms of reference and intended outcomes to be generated by the joint exercise should be considered by each of the participating authorities' appropriate scrutiny committees (or sub-committees) before being endorsed by full Council". The proposals have accordingly been considered by the Economy & Culture Scrutiny Committee and the views of that Committee are set out in the body of the report and Appendix D.
21. Where two or more authorities appoint a JOSC, the 2013 Regulations prescribe that they must enter into an agreement, which addresses a number of prescribed matters. The draft terms of reference, set out in Appendix A to the report, have been prepared having regard to these requirements and more generally the provisions of the 2013 Regulations and Statutory Guidance issued. The terms of reference are important because a JOSC is only able to exercise functions in relation to matters, which are identified by the appointing authorities. It is therefore important that the local authorities participating in the JOSC (referred to in the legislation and guidance as 'the appointing authorities') are clear from the outset about the role, responsibilities and terms of reference of JOSC.
22. The draft terms of reference empower the JOSC to perform the Overview and Scrutiny function for CCR City Deal on behalf of the ten local Authorities; and to make a report or recommendation in respect of any City

Deal Joint Cabinet function to any of the appointing authorities, their executives or the Regional Cabinet.

23. The proposed membership of the JOSOC is set out in the draft terms of reference and the proposal (which is 1 non-executive member from each authority) reflects the following paragraph of the Statutory Guidance:- *3.5 In order to ensure JOSOCs represent fairly the interests of each appointing local authority, it is recommended that an equal number of Committee seats be allocated to each of the participating Councils. Although that would mean larger authorities agreeing to have the same membership as smaller ones, this would appear to be in the best interests of effective partnership.*
24. A JOSOC must appoint its Chair and may appoint a Deputy Chair from among its members. Arrangements may provide for the Chair's term of office and for rotation of the Chair between the appointing authorities. The Chair has a casting vote if there is an equality of votes (Regulation 7).
25. The JOSOC is not regarded as a body to which the political balance rules apply, but each appointing authority must ensure that, as far as practicable, the members of the JOSOC reflect the political balance of the appointing authority (Regulations 5(3) and (4) of the 2013 Regulations.)
26. The draft terms of reference, at paragraph 15, set out the provisions regarding referring matters to the JOSOC.
27. The joint scrutiny committee will require appropriate resource and the body of the report sets out the proposals in this regard, including the financial implications.
28. As the decision to establish the JOSOC proposed and its terms of reference must be approved by each of the participating authorities, similar reports are being considered by each of the participating authorities.

### **Financial Implications**

29. The financial provisions relating to the establishment and ongoing running of Joint Overview and Scrutiny Committee will be met by the Cardiff Capital Region City Deal Joint Cabinet's revenue budget, which is considered and approved annually. For 2018/19, resources amounting to £25,000 have been set aside to fund costs incurred by the host authority during the year.
30. The recommendations seek approval that 'no additional salary shall be payable to this Council's representative, in the event that he or she is elected as Chair of the Joint Overview and Scrutiny Committee'. All other costs associated with the Council's representative e.g. travelling etc. can be met from within the existing Scrutiny Services budget.

## RECOMMENDATIONS

The Council is recommended to:

- i. Note the recommendations of the Economy and Culture Scrutiny Committee with regard to the establishment of a Joint Overview and Scrutiny Committee for the Cardiff Capital Region City Deal;
- ii. approve the establishment of a Joint Overview and Scrutiny Committee for the Cardiff Capital Region City Deal, as set out in this report;
- iii. agree the draft terms of reference for the City Deal Joint Overview and Scrutiny Committee, set out in **Appendix A**, subject to approval by each of the other participating authorities;
- iv. seek nominations for, and agree the appointment of, a non- Executive Member to be Cardiff Council's representative on the Joint Overview and Scrutiny Committee for the Cardiff Capital Region City Deal;
- v. seek nominations for, and agree the appointment of, a non-Executive Member to be Cardiff Council's deputy representative on the Joint Overview and Scrutiny Committee for the Cardiff Capital Region City Deal;
- vi. agree that the appointments of the Council's representative and deputy shall be reviewed annually; and
- vii. agree that no additional salary shall be payable to this Council's representative, in the event that that he or she is elected as Chair of the Joint Overview and Scrutiny Committee.

**Davina Fiore**

**Director of Governance and Legal Services & Monitoring Officer**

**12 July 2018**

*The following Appendices are attached:*

**Appendix A** – *amended draft terms of reference*

**Appendix B** – *report to CCR City Deal Joint Cabinet, including draft terms of reference at **Appendix 1***

**Appendix C** – *Statutory Guidance issued re Section 58, Local Government (Wales) Measure 2011*

*<https://gov.wales/docs/dsjlg/publications/localgov/130516statutguidejoscen.pdf>*

**Appendix D** – *Letter from Councillor Howells, Chair Economy & Culture Scrutiny Committee*

**Appendix E** - *2018 Annual Report of the Independent Remuneration Panel for Wales*