
**CARDIFF CAPITAL REGION CITY DEAL JOINT OVERVIEW & SCRUTINY
COMMITTEE: UPDATE; AND PROPOSALS IN RELATION TO SCRUTINY OF
THE SOUTH EAST WALES CORPORATE JOINT COMMITTEE**

Purpose of Report

1. This report provides Members with an update on meetings of the Cardiff Capital Region City Deal (CCRCD) Cabinet and the CCRCD Joint Overview & Scrutiny Committee (JOSC), following the last update provided at Committee in January 2023. It also seeks agreement of proposals in relation to scrutiny of the South East Wales Corporate Joint Committee (CJC).

Background – City Deal

2. A City Deal is an agreement between government and a city/ city region. They give new freedoms, powers, and tools to help cities and regions go for growth. On 15 March 2016, the ten leaders of the local authorities in the Cardiff Capital Region¹, Secretary of State for Wales, Chief Secretary to the Treasury, and Welsh First Minister met to sign the City Deal document. This included:
 - Cardiff Capital Region Investment Fund – *approximately £1.2 billion over 20 years*
 - Connecting the Cardiff Capital Region
 - Investing in Innovation and the Digital Network
 - Developing a Skilled Workforce and Tackling Unemployment
 - Supporting Enterprise and Business Growth
 - Housing Development and Regeneration
 - Cardiff Capital Region Governance.

¹ The Cardiff Capital Region's ten local authorities are Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Merthyr Tydfil, Monmouthshire, Newport, Rhondda Cynon Taf, Torfaen, and Vale of Glamorgan

3. The **high-level aims** of the CCR City Deal are to create 25,000 jobs and lever in £4bn private sector investment, enabling economic change, improved digital and physical connectivity, improved skills and educational opportunities and regeneration across the region. The aim is to use the City Deal to act as a catalyst to drive positive change in the region.
4. The **Joint Working Agreement** provides the legal framework for the City Deal, establishing the governance arrangements and outlining the roles and responsibilities of the **Regional Cabinet**², as well as the relationship with other regional bodies and organisations. It also includes the principles for financial contributions by local authorities.
5. The Cardiff Capital Region Investment Fund provides £1.2 billion, of which £734m is allocated to the **Metro** programme. The remaining balance of £495m is known as the '**Wider Investment Fund**'. This is made up of:
 - a. £375m grant from UK Government (HM Treasury) paid over 20 years, with £50m in years 1-5; and
 - b. £120m local authority partnership capital contribution – the value of each local authority's contribution determined by their percentage population; Cardiff Council's contribution is £50m.
6. The CCRCD has its own website at:
[Cardiff Capital Region - Re-energising our Region, Reshaping our Future](#)
7. This website contains useful background information on the role of CCRCD, the team supporting CCRCD, its priority sectors, as well as the following:
 - i. Research to inform CCRCD
[Research & Policy Papers - Cardiff Capital Region](#)
 - ii. Business Plans and Annual Reviews
[Key Documents - Cardiff Capital Region](#)
 - iii. Quarterly reviews of CCRCD publications
[Newsletters & Publications - Cardiff Capital Region](#)

² The Regional Cabinet consists of the Leaders and Chief Executives of the Cardiff Capital Region's ten local authorities.

- iv. Updates on projects
[Project Hub - Cardiff Capital Region](#)
- v. Updates on investments
[Investment Hub - Cardiff Capital Region](#)
- vi. News & Events
[News & Events - Cardiff Capital Region](#)

8. The website also provides details on the governance of the CCRCD, including links to:
- i. Regional Cabinet meetings
 - ii. Joint Scrutiny Committee
 - iii. South East Wales Corporate Joint Committee
 - iv. Regional Transport Authority
 - v. CSC Foundry Board
- [Governing Bodies - Cardiff Capital Region](#)

Regional Cabinet

9. The Regional Cabinet has met five times since the last update to Committee. The agenda and papers for these meetings are available here, with a list of the substantive items considered at the meeting shown below:
- [Governance Papers - Cardiff Capital Region](#)

30 January 2023

- Proposed 2323/24 Joint Committee Revenue Budget
- Joint Working Agreement – CCR Annual Business Plan 2023/24
- Regional Economic and Industrial Plan 2023-2028
- Exempt Items:
 - o Investment and Intervention Framework Report: Recommendations Logs, Attached Strategic Outline Case and Project Updates.

27 March 2023

- Audited 2021/22 Statement of Accounts and Annual Governance Statement
- 2022/23 Month 10 Joint Committee Revenue Budget Monitoring Report
- 2022/23 Annual Business Plan – Quarter 3 Performance Report
- Gateway Review Process and Local Evaluation Framework.
- Exempt Items:

- CSC Foundry Ltd- Lease Variations
- Investment and Intervention Framework Report: Recommendations Logs, Project Updates and Wider Projects Updates
- Full Business Case for the Shared Prosperity Fund
- Full Business Case for CSconnected.

22 May 2023

- Updated Regional Cabinet Portfolios and Forward Planner 2023/24
- Update on the Transition to the CJC from a Workforce Perspective
- Exempt Items:
 - Investment and Intervention Framework Report: Recommendations Logs, Attached Outline Business Cases, and Project Updates.

5 June 2023

- Exempt Items:
 - Appointment of an Acting Regional Programme Director
 - Investment and Intervention Fund Confidential Report – CS Foundry Ltd Newport.

31 July 2023

- 2022/23 Joint Committee Revenue Budget Final Outturn Position
- 2022/23 Annual Business Plan – Quarter 4 Performance Report
- Engagement with Regional Higher and Further Education
- UK Semiconductor Strategy Report
- Exempt Items:
 - CSC Foundry Ltd – Annual Business Plan and Annual Update Report 2023/24
 - Investment and Intervention Framework Report – Recommendation Logs, Project Updates, and Wider Projects Update
 - Full Business Case – Northern Valleys Initiative
 - Full Business Case – Fibre to the Premises (FTTP).

10. The next meeting of the Regional Cabinet is scheduled for 9 October 2023.

Joint Overview & Scrutiny Committee (JOSC)

11. The CCRCD Joint Overview and Scrutiny Committee (JOSC) was established in 2018, via reports agreed at all ten local authority council

meetings; in Cardiff, this council meeting was held on 21 June 2018. The JOSC consisted of one non-executive Member from each of the ten local authorities, with a deputy who was only entitled to speak and vote at meetings of the JOSC in the absence of the principal representative.

12. The first meeting of the JOSC was held on 15 October 2018 and it has met every few months since then, including remotely during the covid pandemic lockdown. Initially, the JOSC was supported by Bridgend Council Scrutiny Services; it is currently supported by Rhondda Cynon Taf Scrutiny Services. The CCRCD had an initial budget line of £69,000 allocated for scrutiny.

13. During their meetings, Members of the JOSC have requested several changes to practice to improve their scrutiny, including:

- i. Pre-meetings to be held to enable JOSC Members to consider lines of enquiry
- ii. Executive Summaries to be included in all reports
- iii. To revisit the Terms of Reference of the JOSC – via a facilitated workshop - to ensure they are relevant and allow sufficient scrutiny of the CCRCD
- iv. That Regional Cabinet Members attend if Regional Cabinet items are being considered, so that they can be held to account
- v. That the resources allocated for JOSC be reconsidered, via a workshop focused on how to deliver effective, outcome-focused scrutiny
- vi. Reducing the quorum from seven members to six members
- vii. Including Deputy Members in the quorum, if the substantive member is absent, and enabling them to take forward the voting rights at Committee if the substantive Member is absent.

14. Details and papers for meetings since 2020 can be found here:

[Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee | Rhondda Cynon Taf County Borough Council \(rctcbc.gov.uk\)](https://www.rctcbc.gov.uk)

15. The JOSC has been scheduled to meet 4 times since the last update to Committee. The agenda and papers for these meetings are available here, with a list of the substantive items considered at the meeting shown below:

[Browse meetings - Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee - Rhondda Cynon Taf County Borough Council \(moderngov.co.uk\)](https://www.moderngov.co.uk)

10 February 2023

- Information Items:
 - o Regional Cabinet meeting 30 January 2023
 - o CJC meeting 30 January 2023
- Exempt Item:
 - o CCR Energy Limited – Aberthaw Acquisition

20 March 2023

- Venture Graduates Update

20 July 2023 – meeting inquorate and rearranged for 27 July 2023

27 July 2023

- Draft Work Programme
- CJC – Proposed Scrutiny Arrangements.

16. The next meeting of the JOSOC is to be scheduled.

Corporate Joint Committee - CJC

17. Between February 2021 and June 2022, Welsh Ministers laid Regulations establishing four CJsCs, covering all of Wales³. Cardiff is included in the South East Wales CJC, which has the same footprint as the CCRCD, and consists of the Leaders of the ten local authorities as well as a representative from the Bannau Brycheiniog National Park.

18. Some of the Regulations came into force in April 2021, requiring CJsCs to agree a budget for 2022/23 and approve a levy on constituent authorities.

19. Since 30 June 2022, CJsCs are responsible for preparing strategic development plans and regional transport plans. CJsCs also have the power to do anything to enhance or promote the economic well-being of their area; local authorities retain economic well-being powers, meaning there will need to be agreement between constituent local authorities and CJsCs on what remains at a local level and what would be best undertaken by the CJC⁴.

³ The Local Government and Elections (Wales) Act 2021 provided for CJsCs, with Regulations and Statutory Instruments establishing the legal framework for CJsCs.

⁴ [Written Statement: The role of Corporate Joint Committees \(15 July 2022\) | GOV.WALES](#)

20. The CCRC D Regional Cabinet has taken the lead in establishing the South East Wales CJC, with the aim of transitioning from the City Deal to the CJC. Work is underway to achieve this, with a Transition Plan, steering group, and workstreams; the latest progress report was taken to 31 July 2023 CJC meeting and is available here: [item-6-transition-plan.pdf \(cardiffcapitalregion.wales\)](#)
21. The South East Wales CJC has met since January 2022 and meeting papers can be viewed here: [Governance Papers - Cardiff Capital Region](#)

Proposed CJC Scrutiny Arrangements

22. The executive arrangements adopted by the Council must include provision for the appointment of one or more overview and scrutiny committees or joint overview and scrutiny committees, with power between them to review, scrutinise and make reports or recommendations in relation to the discharge of any of the authority's executive and or non-executive functions (section 21 of the Local Government Act 2000). This includes a requirement to make arrangements for the scrutiny of functions delegated to the CJC.
23. The CJC Regulations⁵ do not require a CJC to establish its own overview and scrutiny committee but do require them to provide information to, attend meetings of, and consider any report or recommendations made by a '*relevant overview and scrutiny committee*', which is defined as an overview and scrutiny committee of a constituent council, a joint overview and scrutiny committee of constituent councils, or a sub-committee of these.
24. The Welsh Government Statutory Guidance accompanying the CJC Regulations states that '*in considering the most effective and efficient approach to scrutiny, constituent councils and CJCs should give thought to the benefits of a joint overview and scrutiny committee made up of the constituent councils.*'
25. The CJC considered a report on the proposed scrutiny arrangements for the CJC at their meeting on 31 July 2023; the report is available here: [item-4-scrutiny.pdf \(cardiffcapitalregion.wales\)](#)

⁵ Regulations 8-10 CJC (General) (No.2) (Wales) Regulations 2022

26. The CJC endorsed the proposal that the JOSc provide the scrutiny arrangements for the CJC, subject to discussions with the existing hosting authority – Rhondda Cynon Taff - and agreement from all constituent authorities.

27. This proposal was also considered by the JOSc at their meeting on 27 July 2023. After the meeting, the Chair of the JOSc wrote a letter to the CJC's Interim Monitoring Officer to confirm that:

'Members were supportive of the proposed arrangements for the Joint Overview and Scrutiny Committee to be appointed as the Joint Overview and Scrutiny Committee for the CJC and highlighted the importance of ensuring that an effective model of governance and scrutiny arrangements for the CJC are put in place. This included ensuring that the arrangement is adequately resourced to include funding for Members to receive sufficient training and support to take forward future Scrutiny for the CJC. In doing this, Members welcomed the opportunity to shape and revise their Terms of Reference to ensure they are fit for purpose and provide a clear and defined purpose on the Committee's future objectives and responsibilities.'

28. Members should note that the additional costs of providing the scrutiny function for the CJC are to be met by the CJC under existing budgets.

29. All ten of the CJC's constituent councils are being asked to agree to appoint the existing JOSc as the scrutiny committee for the CJC, with the separate terms of reference set out at **Appendix A**.

30. The Heads of Democratic Services for the local authorities within the CJC region are due to meet to discuss in more detail the proposed scrutiny arrangements.

31. It is anticipated that the JOSc will receive further information about the work of the CJC in due course, which will allow the JOSc to review its terms of reference to ensure they are fit for purpose. Any proposed changes to the JOSc's terms of reference will be the subject of a further report to this Committee (and any other relevant scrutiny committees) and will require approval by each of the CJC partner authorities.

Way Forward

32. During their meeting, Members will have the opportunity to note the update provided regarding the CCRCD Cabinet and Joint Overview and Scrutiny Committee.

33. Members will also be able to discuss proposals in relation to scrutiny of the CJC. Councillor Owen Jones, Chair - Environmental Scrutiny Committee, will attend to share views from that Committee and both he and Councillor Wong, Chair - Economy & Culture Scrutiny Committee, will share views from the other Scrutiny Committee Chairs.

Legal Implications

34. The Local Authorities (Joint Overview and Scrutiny Committees) (Wales) Regulations 2013 ('the 2013 Regulations', made under section 58 of the Local Government (Wales) Measure 2011) allow two or more local authorities ('the Appointing Authorities') to appoint a joint overview and scrutiny committee to make reports or recommendations to any of the Appointing Authorities and to any of their executives, about any matter which affects the whole or part of the area of each of the Appointing Authorities (except crime and disorder matters, which are covered by separate legislation and guidance under sections 19 and 20 of the Police and Justice Act 2006).

35. Under Regulation 4 of the 2013 Regulations, the Appointing Authorities for a joint overview and scrutiny committee must enter into an agreement which:
 - a. identifies the matters about which reports and recommendations may be made by the joint overview and scrutiny committee;
 - b. specifies the number of members who may be appointed to the joint overview and scrutiny committee, and make provision for the term of office of those members;
 - c. includes provision about quorum of meetings of the joint overview and scrutiny committee and of any sub-committee which the committee appoints;

- d. makes provision about the duration of the joint overview and scrutiny committee;
- e. makes provision for the procedure for an appointing authority to withdraw from the joint overview and scrutiny committee; and
- f. makes provision for the administrative arrangements of the joint overview and scrutiny committee, which must include provision by the appointing authorities' Heads of Democratic Services (or one of them) of an appropriate level of officer support and other resources to the joint overview and scrutiny committee.

36. The draft terms of reference at **Appendix A** are intended to address the requirements of Regulation 4 (set out in the paragraph above) and in approving the draft terms of reference, the Council would be entering into an agreement with each of the other constituent authorities, as required under Regulation 4.

37. In relation to provision for withdrawal from the JOSC (referenced under paragraph 34(e) above), whilst this is not explicitly set out in the draft terms of reference (**Appendix A**), it should be noted that a partner authority could terminate its member's nomination (under the terms of reference, point 4) and make arrangements for its own scrutiny committee/s to scrutinise the work of the CJC.

38. In appointing a joint overview and scrutiny committee, the Council must have regard to the statutory guidance issued by the Welsh Government within Part 4 of the Democracy Handbook: [Statutory and non-statutory guidance on democracy within principal councils: governance and scrutiny \[HTML\] | GOV.WALES](#) The statutory guidance includes the following under 'Appointing a Joint Committee': *'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.'* Legal Services is instructed that this matter is also being considered by the

Environmental Scrutiny Committee as the CJC's functions include matters within the remit of that scrutiny committee; and other Scrutiny Committee Chairs are also to be informally consulted.

39. For the CJC, Regulations 8 – 10 of the Corporate Joint Committees (General) (No. 2) (Wales) Regulations 2022 (“the CJC 2022 No. 2 Regulations”) set out the CJC's duties in relation to overview and scrutiny. The CJC 2022 No. 2 Regulations require the CJC to provide information to, attend meetings of, and consider any report or recommendations made by, a ‘*relevant overview and scrutiny committee*’, which is defined to include a joint overview and scrutiny committee appointed under the [Local Authorities \(Joint Overview and Scrutiny Committees\) \(Wales\) Regulations 2013](#), where the appointing authorities are constituent councils of the CJC. This means that the CJC would be required to provide information to, attend meetings of, and consider any report or recommendations made by, the JOSCS appointed for the CJC.
40. Other relevant legal provisions are set out in the body of the report.
41. The Scrutiny Committee is empowered to enquire, consider, review, and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

42. The Scrutiny Committee is empowered to enquire, consider, review, and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

1. Note the update provided on the CCRC D Cabinet, the Joint Overview and Scrutiny Committee and proposals in relation to scrutiny of the CJC; and
2. Agree and recommend to full Council, the proposed appointment of the existing City Deal Joint Overview and Scrutiny Committee (JOSC) as the scrutiny committee in relation to all functions of the South East Wales Corporate Joint Committee (CJC), upon the terms of reference set out at **Appendix A**, subject to the approval of each of the CJC partner authorities.

Davina Fiore

Director - Governance and Legal Services

13 September 2023

Appendices

Appendix A Draft Terms of Reference of the Joint Overview and Scrutiny Committee of the CJC

Background Papers

South East Wales Corporate Joint Committee report, 'Scrutiny Arrangements', 31 July 2023: [item-4-scrutiny.pdf \(cardiffcapitalregion.wales\)](#)

Welsh Government's Statutory Guidance on Corporate Joint Committees: [WG44355 \(gov.wales\)](#)

Welsh Government's Democracy Handbook: [Statutory and non-statutory guidance on democracy within principal councils: governance and scrutiny \[HTML\] | GOV.WALES](#)

Letter from the Chair of the JOSOC to the Interim Monitoring Officer of the CJC, dated 27th July 2023 regarding proposal for scrutiny arrangements for the CJC