

WELSH GOVERNMENT INTEGRATED IMPACT ASSESSMENT

Title of proposal:

Regulations Establishing Corporate Joint Committees (under section 79 of the Local Government and Elections (Wales) Bill)

Department:

Local Government: Transformation & Partnerships

Cabinet Secretary / Minister responsible:

Minister for Housing and Local Government

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SECTION 1. WHAT ACTION IS THE WELSH GOVERNMENT CONSIDERING AND WHY?

Background

Following the consultation on the Green Paper 'Strengthening Local Government: Delivering for People' in 2018, the Welsh Government, the Welsh Local Government Association (WLGA) and local government established the Working Group on Local Government (the Working Group). Its purpose was to work, through partnership and mutual respect, to develop a shared agenda for reform which would ensure the sustainability of local government and local service provision.

As part of this role, the Working Group reviewed existing regional working arrangements in local government and the appetite and priorities for increased future collaboration.

In June 2019 the Minister for Housing and Local Government published the recommendations of the Working Group. The recommendations cover a number of areas including shared services, voluntary mergers, powers and flexibilities, diversity in local government, and the mutual respect agenda.

A key recommendation of the Working Group was the need for more a consistent mechanism and structure to support regional working and collaboration - a mechanism that would retain local democratic accountability and deliver consistency and simplification to collaborative arrangements.

Local Government and Elections (Wales) Bill

Taking forward the recommendations of the Working Group, the Local Government and Elections (Wales) Bill (introduced in November 2019) provides for a framework for regional collaboration through regulation. The framework will both support and encourage regional working and collaboration through a more coherent, consistent, simplified and democratically controlled mechanism: **Corporate Joint Committees (CJCs)**. CJCs are separate corporate bodies which can employ staff, hold assets and budgets, and undertake functions.

The Bill allows that corporate joint committees will be able to be established by two routes:

- At the request of two or more principal councils (in relation to any of the functions they exercise)
- At the instigation of Welsh Ministers (in relation to a number of limited and specified functions).

It is important to note that this integrated impact assessment is in relation to regulations establishing CJCs at the instigation of Welsh Ministers only.

Functional areas

In terms of the functional areas in which a CJC operates, or has responsibility, the purpose of these regulations is to vest the following functions in a CJC:

- The preparation, monitoring, review and revision of a Strategic Development Plan (SDP), as well as the requirement for SDPs to be in general conformity with the

National Development Framework and for Local Development Plan 'Lites' to be in general conformity with an SDP as set out in the Planning and Compulsory Purchase Act (PCPA) 2004.

- The function of developing a Regional Transport Plan and Regional Transport Delivery Plan.
- The Economic well-being function as provided for under Part 5 of the Local Government and Elections (Wales) Bill, that is the power to do anything which it considers is likely to promote or improve the economic well-being of its area.

Co-development

The policy on CJsCs and the development of the establishing regulations has been co-developed with local government. A number of groups were engaged as part of this, including for example;

- the Local Government Reform Sub Group of the Partnership Council for Wales
- Lawyers in Local Government
- Society of Welsh Treasurers
- Society of Local Authority Chief Executives (SOLACE)

Benefits of CJsCs

The CJsCs will enable a more consistent approach by local government for strategic regional governance, planning and service delivery. CJsCs will provide the principal councils with a powerful tool to respond to future challenges, and support the councils' own ambitions to improve services for the public and to simplify partnerships.

CJsCs will also provide a mechanism in which local authorities can work collaboratively and at scale to plan and deliver the key strategic functions that will be needed to respond to and recover from the recent Covid-19 pandemic. CJsCs will build on the new behaviours, commitments and collaboration that has occurred during this time; helping further develop and lock in the transformation of organisational working.

CJsCs will help to align the individual front line community based service delivery with the collaborative and strategic actions required at a regional scale to drive recovery, to re-build and to re-invest in modern local economies.

CJsCs will provide the consistent, equitable and representative bodies that the Welsh Government require and are committed to utilising, to take forward strategic regional collaboration. CJsCs will have responsibility for strategic development planning and regional transport planning, with the aim of joining those together and aligning them with regional economic policy.

A CJC will be treated as a member of the 'local government family'. Where possible, a CJC will largely be subject to the same and share similar powers and duties as local authorities in the way that they operate. Such an approach will support the integration of the work of a CJC with that of local government more generally.

CJsCs will offer local authorities the benefit of a democratically accountable body with clarity on roles and purpose and the certainty required for longer term strategic planning

and delivery. A CJC will be comprised of a number of principal councils and the principal council areas combined will form the geographical area of the CJC. A CJC will be made up of the Leader of the constituent principal councils. A CJC will be run by a committee of its members – the main committee being made up of the leaders of the constituent principal councils. Placing Local Authority leaders at the centre of the decision making process provides the democratic legitimacy to the work of a CJC and its sub-committees.

CJCs will enable local government to work regionally with their stakeholders as equal partners and the CJC will be able to establish arrangements, where desirable, for non-local authority bodies to be members of a CJC and have equal voting rights. These decisions however are for local determination. The model of a CJC and its sub-committees offers a fusion between the need to involve partners and the need to ensure that decisions are coherent across functions and maintain democratic legitimacy.

A CJC will be subject to the same public body duties as a principal council. This would include for example:

- The Well Being of Future Generations (Wales) Act 2015,
- The Equality Act 2010 and
- The Welsh Language Standards

In line with the local government expressed preference the first set of CJCs will be established on the same footprint and to include the same principal councils as are in the existing city / growth deal arrangements. There will therefore be 4 in total; North Wales, Mid Wales, South West Wales, and South East Wales.

It is important to note in considering the impact of CJCs that the regulations establishing CJCs will put in place the mechanism for collaborative working only: they have been designed to offer as much flexibility as possible to how a CJC is structured, how it governs itself and how it delivers its functions. This approach is essential to enable CJCs to effectively respond to the various and diverse needs of their communities. As such the overall impact of the approach will be subject to the individual decisions of each CJC on how they discharge their functions.

Costs and Savings

The costs and benefits associated with the options have been assessed within the Regulatory Impact Assessment (RIA) that accompanies the regulations.

Mechanism

The draft regulations, when enacted, will establish the relevant Corporate Joint Committees under s79 of the powers of the Local Government and Elections (Wales) Bill – subject to Senedd approval.

SECTION 7. CONCLUSION

7.1 How have people most likely to be affected by the proposal been involved in developing it?

As has been outlined in section 1 the CJC proposals have been developed following extensive consultation and engagement with local government.

The CJC regulations themselves have been co-developed with local government through the Local Government Sub Group of the Partnership Council for Wales alongside discussions with various existing stakeholder groups including;

- Lawyers in Local Government
- Society of Welsh Treasurers
- Local Authority HR Directors
- SOLACE
- Regional Growth / City Deal groups.

The draft regulations and associated Impact Assessments will be subject to a 12 week consultation.

7.2 What are the most significant impacts, positive and negative?

Alongside the costs and benefits presented in the draft regulatory impact assessments a number of other potential impacts have been considered and an integrated assessment has been carried out. A summary of the findings of this is provided below.

The Childrens Rights Impact Assessment has concluded that the regulations establishing CJsCs does not directly impact on the UN Articles, nor does it impact negatively on the rights of children. In the medium term, aligning the three policy areas within a CJC (strategic development planning, regional transport planning and promoting and improving economic well-being) will bring positive benefits in terms of supporting a strategic approach to accessibility within communities and to the economic development of communities more generally.

In terms of the potential impact of establishing CJsCs on people in protected groups and those living in low-income housing households. The Equalities Impact Assessment concluded that CJsCs will enable the alignment of key strategic planning functions within a region. Aligning these functions at a regional level will help to underpin / enhance the economic well-being of a region increasing prosperity and reducing disadvantage. CJsCs enable planning of key strategic services at scale which can underpin the planning and delivery of the specified functions at a national, regional and local level and support efforts to tackle socio-economic disadvantage and tackle issues of deprivation.

CJsCs will also be subject to the Equality Act 2010 and the duties therein.

The impact on the Welsh Language has been explored through a Welsh Language Impact Assessment. It is not expected that establishing CJsCs will have a negative impact on the use of the Welsh Language or on Welsh Language communities. As the intention is to

make CJs subject to the Welsh Language Standards and offer the opportunity for greater collaboration in the delivery within the CJC of the specified functions to Welsh speakers and Welsh speaking communities.

Consideration of the impact of establishing CJs on biodiversity concluded that there would be no negative impact on biodiversity. The intention is that CJs will be required to conform to the relevant duties under the Environment (Wales) Act 2016. Similarly therefore there are no direct impacts in terms of the supporting indicators for sustainable resource use or sustaining the environment, including no impacts on Wales' ecological footprint. A Strategic Environmental Assessment and an Impact Assessment on Carbon Budgets were considered not to be required.

Establishing CJs will not require any new personal data to be held or processed and so a Privacy impact assessment was not considered necessary. A Justice Impact Assessment was conducted on the CJC proposals as part of the development of the Local Government and Elections (Wales) Bill which concluded that the proposals are likely to have no or minimal impact on the justice system. A further Justice Impact Assessment on these regulations was not felt necessary.

The regulations establishing CJs put in place a mechanism for collaboration under which the relevant constituent councils will be required to work together to discharge functions relating to Strategic Development Planning and Regional Transport Planning. CJs will also be empowered to promote or improve the economic well-being of its area. Whilst there are a number of direct and indirect impacts from the establishments of CJs much of the direct impacts will largely be dependent on a subject to the decisions made by each individual CJC as it discharges its functions.

7.3 In light of the impacts identified, how will the proposal:

- **maximise contribution to our well-being objectives and the seven well-being goals; and/or,**
- **avoid, reduce or mitigate any negative impacts?**

The Well-being of Future Generations Act requires us to take a different approach to working; to take action, taking account of the five ways of working set out in section 5 of the Act ('the sustainable development principle'), aimed at achieving the 7 well-being goals set out in section 4 of the Well-being of Future Generations (Wales) Act 2015 (WFG). It asks the public service to be more holistic in its decision making, taking a much broader perspective and recognising the interdependencies that exist and the importance of working together and with citizens.

In developing the CJC mechanism for local government regional collaboration there is a particular emphasis on applying the sustainable development principle. In particular, building resilience for the long-term and ensuring the proposals are grounded in collaboration and integration of objectives with local government.

This has been reflected in the extensive work undertaken through the Working Group and other political and official level engagement involved in shaping the proposals for improved regional working and agreeing the benefits of developing a mechanism for consistent regional working.

The proposals for regionalisation of some local authority functions reflect the ways of working as they are intended to enable local authorities to plan for the longer term and require collaboration and joint working between local authorities. The proposals also support further integration of services and pooling of often limited resources and expertise, providing a greater level of capacity and capability overall and providing space for strategic thinking and planning that has been largely squeezed out in individual local authorities.

In addition to ensuring the sustainable development principle and five ways of working underpin our approach, we have also considered how a regional approach can maximise our contribution to the well-being goals. In doing so, we recognise CJsCs put in place a new framework to enable local government to make their contribution to the goals more effectively. This means the direct contribution of CJsCs to achieving the goals is limited, but the indirect contribution will be much more significant.

The CJC regulations put in place a structure which will, as with local authorities themselves, be subject to a number of key public sector duties such as those within the WFG Act, the Equality Act 2010, the Environment Wales Act and the Welsh Language standards. This recognises that the overall impact of CJsCs will largely be dependent on the decisions made by each CJC itself and provides a clear framework under which those decisions should be made to limit or mitigate any negative impacts.

7.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

As part of the local government family CJsCs will be subject to a number of audit requirements and will operate as part of the performance and governance regime in the Local Government and Elections (Wales) Bill. The Strategic plan and transport functions will also have separate performance measures and monitoring requirements either within the establishing regulations or within / part of the relevant legislation being transferred. The CJsCs will also be required to produce annual accounts.

The effectiveness and impacts of CJsCs and therefore the regulations establishing CJsCs will be monitored as part of these annual processes and, if necessary, the framework within the Bill allows amending regulations to be made.

It is important to note that the effective use of the CJC mechanism will largely depend on the principal councils involved in the CJsCs and the individual decisions each CJC makes on how it is run and how it discharges its functions. It will therefore be for the CJsCs themselves to monitor and manage the effectiveness and impacts of these arrangements.