



## ***CYD-BWYLLGOR CORFFOREDIG DE-ORLLEWIN CYMRU***

***10.00 AM DYDD MAWRTH, 24 IONAWR 2023***

***O Bell Trwy Teams***

**Rhaid gosod pob ffôn symudol ar y modd distaw ar gyfer parhad y cyfarfod**

### **Gweddarlledu/Cyfarfodydd Hybrid:**

Gellir ffilmio'r cyfarfod hwn i'w ddarlledu'n fyw neu'n ddiweddarach drwy wefan y cyngor. Drwy gymryd rhan, rydych yn cytuno i gael eich ffilmio ac i'r delweddau a'r recordiadau sain hynny gael eu defnyddio at ddibenion gweddarlledu a/neu hyfforddiant o bosib.

1. Croeso a chyhoeddiadau'r Cadeirydd
2. Datganiadau o fuddiannau
3. Blaenraglen Waith (*Tudalennau 3 - 6*)
4. Siarter Archwilio Mewnol (*Tudalennau 7 - 16*)
5. Cylch Gorchwyl diweddaredig y Pwyllgor Llywodraethu ac Archwilio (*Tudalennau 17 - 30*)
6. Cynllun Pensiwn Llywodraeth Leol yr Awdurdod Gweinyddu (*Tudalennau 31 - 34*)
7. Y diweddaraf am y Porthladd Rhydd a'r goblygiadau i'r Cynllun Ynni Rhanbarthol (*Tudalennau 35 - 42*)
8. Y gyllideb ar gyfer blwyddyn ariannol 2023/24 (*Tudalennau 43 - 52*)

9. Eitemau brys

**K.Jones**  
**Prif Weithredwr**

**Canolfan Ddinesig**  
**Port Talbot**

**Dydd Mercher, 18 Ionawr 2023**

**Aelodaeth y Pwyllgor:**

**Cadeirydd:** Y Cynghorydd R.Stewart

**Is-gadeirydd:** Y Cynghorydd D.Price

**Cynghorwyr:** D.Simpson a/ac S.K.Hunt

**Parc**  
**Cenedlaethol** A.Edwards a/ac T.Jones  
**Cynrychiolwyr:**

**SOUTH WEST WALES CORPORATE JOINT  
COMMITTEE**

**FORWARD WORK PROGRAMME**

**2022 - 2023**

Tudalen4



Mae'r dudalen hon yn fwiadol wag

## SOUTH WEST WALES CORPORATE JOINT COMMITTEE

### Report of the Chief Finance Officer

**Report Title: Internal Audit Charter**

<b>Purpose of Report</b>	To inform the Joint Committee of the Governance Arrangements the Internal Audit Service will conform to.
<b>Recommendation</b>	That the Joint Committee consider and approve the draft Internal Audit Charter for the South West Wales Corporate Joint Committee.
<b>Report Author</b>	Matthew Holder
<b>Finance Officer</b>	Chris Moore
<b>Legal Officer</b>	Craig Griffiths

#### Background:

1. The Internal Audit Charter defines the purpose, role and scope of Internal Audit, along with the authority to access information and personnel, as well as accountability and reporting lines. The Charter has been written in accordance with Standard 1000 of the Public Sector Internal Audit Standards (PSIAS) which came into force from April 2013, (which were updated in 2017).
2. The PSIAS states the mission of Internal Audit is “to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”, and defines Internal Audit as “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.
3. A professional, independent and objective Internal Audit Service is one of the key elements of good governance. Internal Audit has specific responsibilities and rights of access to people and documents, which have been adopted by the South West Wales Corporate Joint Committee, with Carmarthenshire County Council being the nominated lead for Finance, which are included within the Charter, along with its objectives, roles and responsibilities, the staff involved and how it demonstrates its organisational independence. The expectations and responsibilities of the Head of Internal Audit are also included within the Charter.
4. The Charter reinforces the point that Internal Audit provides assurance to Members and Senior Management and should not be involved with operational matters of service delivery. It includes an important reference to the Code of Ethics for those working

within the team in that they need to conform to the principles of Integrity, Objectivity, Confidentiality and Competency when undertaking their duties.

5. The expectations of how Internal Auditors will approach their work in terms of due professional care, integrity, independence and impartiality is written into the Charter. The reporting and quality assurance processes are also included. The Internal Audit Service plays an important part in helping to deter and identify fraud and corruption in order to safeguard public money, and this aspect is included within the Charter.
6. The Internal Audit Charter will be periodically reviewed by the Head of Internal Audit and will be presented back to the Governance and Audit Committee should any revisions be required.

### **Financial Impacts:**

7. None

### **Integrated Impact Assessment:**

8. 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 favourably than English.
  - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
9. 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'.
10. 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:**



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

**Legal Impacts:**

12. Part 5 of the Local Government and Elections (Wales) Act 2021 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 South West Wales Corporate Joint Committee Regulations came into force on 1st 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:**

13. None.

**Consultation:**

14. There is no requirement for formal consultation.

**Reasons for Proposed Decision:**

15. To inform the Joint Committee of the Governance Arrangements the Internal Audit Service will conform to.

**Implementation of Decision:**

16. This decision is proposed for immediate implementation.

**Appendices:**

17. Appendix A – Draft Internal Audit Charter

**List of Background Papers:**

18. None

Mae'r dudalen hon yn fwriadol wag

# INTERNAL AUDIT SERVICE

## Internal Audit Charter

### **1. Purpose and Mission**

- 1.1 The Internal Audit Service for the South West Wales Corporate Joint Committee will be provided by Pembrokeshire County Council's Internal Audit Service in accordance with the Joint Committee decision on 13 January 2022.
- 1.2 The purpose of the Internal Audit Service is to provide independent, objective assurance and consulting services designed to add value and improve South West Wales Corporate Joint Committee operations. The Internal Audit Service helps the South West Wales Corporate Joint Committee accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, internal control and financial management arrangements. The provision of assurance services is the primary role for the Internal Audit Service. The mission of Internal Audit is to enhance and protect organisational value by providing risk based and objective assurance, advice and insight.

### **2. The Role of Internal Audit in Local Government**

- 2.1 Section 151 of the Local Government Act 1972 states that every local authority in England and Wales should 'make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs'. The Director of Corporate Services for Carmarthenshire County Council is the designated Section 151 Officer for South West Wales Corporate Joint Committee and has statutory responsibility for ensuring an effective internal audit function is resourced and maintained.
- 2.2 The Accounts and Audit Regulations (Wales) 2014 (as amended) state that a local government body 'must maintain an adequate and effective internal audit of its accounting records and its system of internal control. Any officer or member of that body must, if the body requires:
- a) Make available such documents of the body which relate to its accounting and other records as appear to that body to be necessary for the purpose of the audit, and;
  - b) Supply the body with such information and explanation as that body considers necessary for that purpose.
- 2.3 The Relevant Internal Audit Standards Setters<sup>1</sup> introduced a common set of Public Sector Internal Audit Standards (PSIAS) in April 2013, which were updated in 2016 and 2017. The PSIAS are mandatory for every internal audit service provider for the public sector, whether internal, shared service or external. There are defined as 'proper internal audit practices'.

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<sup>1</sup> CIPFA, Department of Health, Welsh Government, Department of Finance & Personnel, HM Treasury, The Scottish Government, in collaboration with the Chartered Institute of Internal Auditors.

### **3. Standards for the Professional Practice of Internal Auditing**

- 3.1 The Internal Audit Service will govern itself by adherence to the Institute of Internal Auditors (IIA) mandatory Core Principles for the Professional Practice of Internal Auditing, Code of Ethics, Public Sector Internal Audit Standards and Definition of Internal Auditing.
- 3.2 The Head of Internal Audit for South West Wales Corporate Joint Committee will report periodically to the Section 151 Officer, the South West Wales Corporate Joint Committee Lead Chief Executive, and the South West Wales Corporate Joint Committee regarding the Internal Audit Service's conformance with the Public Sector Internal Audit Standards.
- 3.3 The IIA's Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, the Internal Audit Service will adhere the relevant policies and procedures of Pembrokeshire County Council and South West Wales Corporate Joint Committee policies and procedures where defined.

### **4. Authority**

- 4.1 The Head of Internal Audit will adhere to the CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations 2019, and will report functionally to the South West Wales Corporate Joint Committee and Section 151 Officer (as outlined below in 4.3) and administratively to the South West Wales Corporate Joint Committee Lead Chief Executive. To ensure that the Internal Audit Service has sufficient authority to fulfil its duties, the South West Wales Corporate Joint Committee will:
- Approve the Internal Audit Charter;
  - Approve the risk-based Internal Audit plan;
  - Receive communications from the Head of Internal Audit on the outcome of assurance and consulting activities;
  - Receive the annual Head of Internal Audit opinion and report, that can be used by South West Wales Corporate Joint Committee to inform its governance statement;
  - Make appropriate enquiries of management and the Head of Internal Audit to determine whether there are inappropriate scope or resource limitations.
- 4.2 The Internal Audit Service must be free from interference in determining the scope of internal auditing, performance work and communicating results. In order to ensure independence, the Head of Internal Audit will communicate and interact directly with the South West Wales Corporate Joint Committee and will have a direct reporting line to the Chair of the South West Wales Corporate Joint Committee.
- 4.3 In order to ensure that the Section 151 Officer can fulfil his statutory duty and comply with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016), the Head of Internal Audit will:
- Consult with the Section 151 Officer when scoping the annual internal audit work plan to ensure sufficient assurance can be provided in line with CIPFA's Code of Practice on Local Authority Accounting in the UK;
  - Inform the Section 151 Officer immediately of any significant governance issues, high risks, material inaccuracies and any suspicions of fraudulent or irregular activity (as appropriate);

- Inform the Section 151 Officer of any resource limitations that may impact on the delivery of the Internal Audit work plan;
- Provide assurance to the Section 151 Officer on delivery of the Quality Assurance and Improvement Programme; the outcome of the annual self-assessment of conformance with the PSIAS; and, the outcome of the 5-yearly external assessment. Any factors of material non-compliance with the PSIAS will be brought to the attention of the Section 151 Officer.

4.4 The Internal Audit Service, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all of the South West Wales Corporate Joint Committee records, physical properties, and personnel pertinent to carrying out any engagement. All employees (either directly employed by South West Wales Corporate Joint Committee or employed in a Partner Organisation) are required to assist the internal audit activity in fulfilling its roles and responsibilities. The Internal Audit Service will also have free and unrestricted access to the South West Wales Corporate Joint Committee.

## **5. Independence and Objectivity**

- 5.1 The Head of Internal Audit will ensure that the Internal Audit Service remains free from all conditions that threaten the ability of Internal Auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing and report content. If the Head of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.
- 5.2 Internal Auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgement on audit matters to others.
- 5.3 Internal Auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, Internal Auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any activity that may impair their judgement including;
- Assessing specific operations for which they had responsibility within the previous year;
  - Performing any operational duties for South West Wales Corporate Joint Committee or any operational duties for Pembrokeshire County Council that would conflict with the interests of South West Wales Corporate Joint Committee;
  - Directing the activities of any South West Wales Corporate Joint Committee employee, except to the extent that such employees have appropriately assigned to assist Internal Auditors.
- 5.4 Internal Auditors will;
- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties;
  - Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined;
  - Make balanced assessments of all available and relevant facts and circumstances;

- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgements.

5.5 The Head of Internal Audit will confirm to the South West Wales Corporate Joint Committee, at least annually, the organisational independence of the Internal Audit Service.

5.6 All auditors are required to sign an annual declaration of interest to ensure that the allocation of audit work avoids a conflict of interest. Auditors who undertake any consultancy work will be prohibited from auditing those areas. Audits are rotated within the team to avoid over-familiarity and complacency.

## **6. Scope of Internal Audit Activities**

6.1 The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of South West Wales Corporate Joint Committee's governance, risk management, financial management and internal control arrangements in relation to defined objectives. Internal control objectives considered by Internal Audit include:

- Risks relating to the achievement of South West Wales Corporate Joint Committee's strategic objectives are appropriately identified and managed.
- Consistency of operations or programmes with established objectives and effective performance.
- Effectiveness and efficiency of operations and employment of resources;
- Compliance with policies, plans, procedures, laws and regulations;
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information;
- Resources and assets are acquired economically, used efficiently and protected adequately.

6.2 Due to its detailed knowledge and understanding of risks and controls, Internal Audit is well placed to provide advice and support on emerging risks and issues. As a result, Internal Audit may perform consulting and advisory services related to governance, risk management, internal control and financial management as appropriate, subject to the availability of resources and full cost recovery.

6.3 The Head of Internal Audit will report periodically to the Section 151 Officer, South West Wales Corporate Joint Committee Lead Chief Executive and the South West Wales Corporate Joint Committee regarding;

- The Internal Audit Service's purpose, authority and responsibility;
- The scope and outcome of the annual Internal Audit work plan;
- The Internal Audit Service's conformance with the IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues;
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the South West Wales Corporate Joint Committee;
- Resource requirements;
- Any response to risk by management that may be unacceptable to South West Wales Corporate Joint Committee.

- 6.4 The Head of Internal Audit has the responsibility to:
- Submit an annual risk-based work plan to the South West Wales Corporate Joint Committee for approval, following consultation with the Section 151 Officer (as outlined in Section 4.3);
  - Communicate to the Section 151 Officer, South West Wales Corporate Joint Committee Lead Chief Executive and the South West Wales Corporate Joint Committee the impact of resource limitations on the internal audit plan;
  - Review and adjust the internal audit plan, as necessary, in response to changes in South West Wales Corporate Joint Committee's business risks, operations, programmes, systems and controls;
  - Ensure that the audit engagement process is undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS);
  - Follow-up on engagement findings and corrective actions, and report periodically to Senior Management and the South West Wales Corporate Joint Committee any corrective actions not effectively implemented;
  - Ensure the principles of integrity, objectivity, confidentiality and competency are applied and upheld;
  - Ensure that the Internal Audit Service collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirement of the Internal Audit Charter;
  - Ensure trends and emerging issues that could impact on South West Wales Corporate Joint Committee are considered and communicated to Senior Management and the South West Wales Corporate Joint Committee as appropriate;
  - Ensure emerging trends and successful practices in Internal Auditing are considered and implemented where appropriate.
- 6.5 Provide a 'Head of Internal Audit Annual Opinion and Report' to the South West Wales Corporate Joint Committee to provide assurance on the overall adequacy and effectiveness of South West Wales Corporate Joint Committee's governance, internal control, risk management and financial management arrangements in place.

## **7. Quality Assurance Improvement Programme**

- 7.1 The Head of Internal Audit of Pembrokeshire County Council is responsible for documenting and continuously reviewing a Quality Assurance Improvement Programme. This will involve ensuring appropriate supervisory checks are in place within the service to monitor continued compliance with the Public Sector Internal Audit Standards on all audit engagements. Additionally, a skills gap analysis will be undertaken to ensure the existing skills base is sufficient to meet the demands of South West Wales Corporate Joint Committee. Where a skills gap is identified, this will be highlighted to the Section 151 Officer who may also consider providing additional funding for training purposes or procuring specialist knowledge or skills where applicable.

## **8. Periodic Assessment**

- 8.1 The Head of Internal Audit is responsible for periodically providing a self-assessment on the internal audit activity as regards its compliance with the Audit Charter (purpose, authority, responsibility) and performance relative to its annual plan. Results will be reported at least

annually to the Section 151 Officer, South West Wales Corporate Joint Committee Lead Chief Executive and the South West Wales Corporate Joint Committee.

- 8.2 In accordance with the requirements of the Public Sector Internal Audit Standards, an external assessment must be conducted at least once every five years by a qualified independent assessor or assessment team from outside Pembrokeshire County Council. Arrangements for an external assessment is undertaken as part of Pembrokeshire County Council's responsibility for Internal Audit, however, the results will be communicated to the Section 151 Officer and the South West Wales Corporate Joint Committee.

## **9. Role in Counter Fraud**

- 9.1 The internal audit plan is designed, in part, to help deter and identify fraud and corruption. Internal Audit bases its planning on regular risk assessment, and works with the Section 151 Officer (responsible for implemented appropriate measures to prevent and detect fraud and corruption) and the Lead Officer as well as the South West Wales Corporate Joint Committee when determining its work programme.
- 9.2 The Section 151 Officer or South West Wales Corporate Joint Committee may commission the Internal Audit service to undertake an investigation into purported fraud or irregularity, subject to the availability of resources and full cost recovery for additional work over and above the approved internal audit work plan and annual Head of Internal Audit Opinion and Report.

## **10. Assurance Mapping**

- 10.1 In accordance with the PSIAS, the Head of Internal Audit will liaise with other assurance providers when scoping the internal audit work plan. To avoid duplication of effort, the Internal Audit service will place reliance on the work of other assurance providers where the scope and standards of work are sufficient to fulfil the assurance requirements of South West Wales Corporate Joint Committee.

### **Signatures:**

**Head of Internal Audit:**

**Date:**

**South West Wales Corporate Joint Committee Section 151 Officer:**

**Date:**

**South West Wales Corporate Joint Committee Lead Chief Executive:**

**Date:**

**Chair of the South West Wales Corporate Joint Committee:**

**Date:**



## **SOUTH WEST WALES CORPORATE JOINT COMMITTEE**

### **Report of the Monitoring Officer**

**Report Title: Terms of Reference to Governance and Audit Sub Committee**

<b>Purpose of Report</b>	To agree an updated terms of reference to the Governance and Audit Sub Committee
<b>Recommendation</b>	It is recommended that members agree the revised terms of reference to the Governance and Audit Sub Committee as set out in Appendix 1
<b>Report Author</b>	Craig Griffiths
<b>Finance Officer</b>	N/A
<b>Legal Officer</b>	Craig Griffiths

#### **Background:**

1. CIPFA have recently published their Position Statement on Audit Committees in Local Authorities and Police 2022. The statement sets out the purpose, model, core functions and membership of audit committees.
2. At the last meeting of the Governance and Audit Sub Committee, the members of that Committee suggested that it would be good practice for the South West Wales Corporate Joint Committee to structure their terms of reference in accordance with the position statement. Accordingly, some minor structural changes are proposed to the terms of reference of the Governance and Audit Sub Committee to reflect the current practice suggested by CIPFA.
3. There are no substantive changes made to the terms of reference and the revised terms of reference are enclosed at Appendix 1 of this report.

#### **Financial Impacts:**

4. No impacts

#### **Integrated Impact Assessment:**

5. 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 favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

6. 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'.

#### **Workforce Impacts:**

7. No impacts.

#### **Legal Impacts:**

8. Part 5 of the Local Government and Elections (Wales) Act 2021 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 South West 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.

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

9. It is recommended good practice that Corporate Joint Committees adopt the CIPFA position statement and failure to do so could expose the CJC to adverse reputational concerns.

#### **Consultation:**

10. There is no requirement for external consultation on this report.

#### **Reasons for Proposed Decision:**

11. To ensure compliance with recommended practice by CIPFA

#### **Implementation of Decision:**

12. This decision is to be implemented immediately

**Appendices:**

13. Appendix 1 – Terms of Reference for Governance and Audit Sub Committee

**List of Background Papers:**

14. None

## **Appendix 1**

### **Advisory Board** **Terms of Reference**

#### **Attendees**

The following shall attend the Advisory Board:

- Private Sector representatives
- Chief Executive of the Corporate Joint Committee (Chair) or their nominated representative
- Regional Directors of Constituent Councils with responsibility for CJC areas (in order to provide advice/guidance to the Chief Executive of the CJC)
- Officer representative of National Park Authorities where matters under discussion relate to strategic planning
- Any invitees of the Chief Executive
- Minute Taker (Business and Portfolio Manager of South West Wales Corporate Joint Committee)

In the event that an individual is unable to attend notification should be provided to the Chief Executive (via the Democratic Services section) at the first opportunity.

#### **Chair**

The Chair of the Advisory Board shall be agreed by the Advisory Board and shall be approved on an annual basis by the Advisory Board

The Chair of the Advisory Board shall be co-opted to the Corporate Joint Committee in a non-voting capacity on an annual basis, with such term of appointment to last for one year and subject to renewal at the discretion of the Corporate Joint Committee.

#### **Frequency of Meetings**

The Advisory Board shall meet every quarter subject to any additional meetings that shall be called to address specific matters.

Where a special meeting is required, this will be convened by the Chief Executive of the Corporate Joint Committee.

Unless notified to the contrary, all meetings shall take place remotely via Microsoft TEAMS

#### **Purpose of Advisory Board**

The purpose of the Advisory Board is:

- a) To maintain a close advisory partnership with the Swansea Bay City Region and the Executives of all organisations involved in the Corporate Joint Committee that supports the regions strategic development planning, transport planning, economic well-being and energy.

- b) To provide external market insight and specific knowledge on key topics and initiatives, and intelligence, to support the Corporate Joint Committee and alignment to national, regional and local strategy.
- c) To form strategic tasks groups when required to provide focussed advice, particularly around stimulus funding opportunities such as Innovate UK or a Regional Strategic Fund.
- d) To provide market, network, investment and funding introductions.
- e) To ensure collaborations add value and maximise potential with involvement and linkages amongst key stakeholders.
- f) To engage with existing and potential stakeholders and partners to identify market opportunities and risks.
- g) To ensure clear and transparent communications with the governance arrangements and external bodies.
- h) To act as regional ambassadors for the Corporate Joint Committee to raise and promote the profile of the region at a national level and within the business community.
- i) To provide advice and guidance throughout the development of regional strategy and key investment initiatives.
- j) To provide thought, leadership, insight and intelligence across the region and in relation to external markets and political policy environments.

Private Sector Representatives shall be entitled to attend any sub-committee of the Corporate Joint Committee to contribute (in a non-voting capacity) at the request of the Chief Executive of the Corporate Joint Committee.

### **Conflict of Interest**

All private sector representatives shall sign an Advisors Agreement. This is to ensure that the advisory role does not result in undue influence from the private sector advisors over the strategic direction of travel for the region, which could in turn provide an advantage to organisations associated with the private sector advisors.

For the avoidance of doubt where there is a conflict between these terms of reference and any legislative provision or guidance issued by the UK or Welsh Governments, those legislative provisions and guidance shall take precedence.

### **Minutes**

The minute taker will minute the meeting and a copy of the minutes will be forwarded to all members of the Corporate Joint Committee and the Chief Executive of the authorities comprising the Corporate Joint Committee and formally noted at future meetings of the Corporate Joint Committee.

Minutes will be retained in accordance with the relevant requirements that apply to record retention.

Minutes will be an overview of the items discussed and any action arising accordingly.

Mae'r dudalen hon yn fwriadol wag

# GOVERNANCE & AUDIT COMMITTEE

## TERMS OF REFERENCE

### 1. Purpose

- 1.1 To fulfil the role of the Governance and Audit Committee as defined in the Local Government and Elections (Wales) Act 2021.

### 2. Responsibilities of the Governance and Audit Committee

- 2.1 The core responsibilities of the Governance and Audit Committee Sub-Committee is to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained. The Governance and Audit Committee Sub-Committee have specific responsibilities for the Corporate Joint Committee, which include:

#### a) Maintenance of Governance, Risk and Control Arrangements

- Support a comprehensive understanding of governance across the Corporate Joint Committee and among those charged with governance, fulfilling the principles of good governance.
- Consider of the effectiveness of the Corporate Joint Committee's risk management arrangements. The Governance and Audit Committee Sub-Committee should understand the risk profile of the Corporate Joint Committee and seek assurances that active arrangements are in place on risk-related issues, for both the Corporate Joint Committee and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the Corporate Joint Committee's exposure to the risks of fraud and corruption.

#### b) Financial and Governance Reporting

- Be satisfied that the Corporate Joint Committee's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the Corporate Joint Committee's objectives.

- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

**c) Establishing appropriate and effective arrangements for audit and assurance**

- Consider the arrangements in place to secure adequate assurance across the Corporate Joint Committee's full range of operations and collaborations with other entities.
- In relation to the Corporate Joint Committee's internal audit functions;
  - Oversee its independence, objectivity, performance, and conformance to professional standards.
  - Support effective arrangements for internal audit.
  - Promote the effective use of internal audit within the assurance framework.
- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the Corporate Joint Committee, encouraging openness to challenge, review and accountability.

### **3. Role and Functions of the Governance and Audit Committee**

Following the Local Government and Elections (Wales) Act 2021, the South West Wales Corporate Joint Committee were required to appoint a Governance and Audit Sub-Committee to discharge the following functions.

- Review and scrutinise the Corporate Joint Committee's financial affairs, including approval of the Annual Statement of Accounts;
- Make reports and recommendations in relation to the Corporate Joint Committee's financial affairs;
- Review and assess the risk management, internal control and corporate governance arrangements of the Corporate Joint Committee;
- Make reports and recommendations to the Corporate Joint Committee on the adequacy and effectiveness of those arrangements;



- Oversee the Corporate Joint Committee's internal and external audit arrangements, including internal and external work plans, receive, review and make reports on audit work and performance.
- Review the financial statements prepared by the Corporate Joint Committee.

The Governance and Audit Sub-Committee's Procedural Rules are set out below.

## **4. The Governance and Audit Sub-Committee**

- 4.1 The Corporate Joint Committee is required to have a Governance and Audit Sub-Committee with its roles and terms of reference as set out herein.
- 4.2 There is no provision in the Local Government (Wales) Measure 2011 to allow the Governance and Audit Sub-Committee to form a sub-committee.

## **5. Membership of the Governance and Audit Sub-Committee**

- 5.1 The membership of the Governance and Audit Sub-Committee shall be appointed by the Corporate Joint Committee subject to the following rules;
- There shall be 12 members of the Governance and Audit Sub-Committee (comprising 2 members from each constituent Council);
  - At least four members of the Governance and Audit Sub-Committee shall be a voting lay member who is not a member of a County Council, or County Borough Council in Wales.
  - No members of the Governance and Audit Sub-Committee shall be a member of the Corporate Joint Committee, a co-opted member or member of another sub-committee of the Corporate Joint Committee.
  - Members of the executive of constituent Councils are not to be a member of the Governance and Audit Sub-Committee.
- 5.2 The Governance and Audit Sub-Committee is entitled to recommend to the Corporate Joint Committee the appointment of a number of people as voting members.

## **6. Appointment of Chair and Vice-Chair**

- 6.1 A Governance and Audit Sub-Committee is to appoint a member of the Governance and Audit Sub-Committee as its Chair and Vice-Chair. The member appointed as Chair must be a lay person but in the event of the Chair being unable to attend another Governance and Audit Sub-Committee member shall be voted in as the Chair for the purposes of that meeting alone.

## **7. Meetings of the Governance and Audit Sub-Committee**

- 7.1 Unless otherwise agreed by the Chair and Vice-Chair there shall be at least four ordinary meetings of the Governance and Audit Sub-Committee in each year. In addition, extraordinary meetings may be called from time to time as and when appropriate.
- 7.2 An Extraordinary Meeting of the Governance and Audit Sub-Committee shall be convened in the following circumstances;
- The Chair of the Governance and Audit Sub-Committee so requires it, or
  - The full Corporate Joint Committee resolves that the Governance and Audit Sub-Committee shall meet; or
  - At least one third of Members of the Governance and Audit Sub-Committee requisition a meeting by giving one or more notices in writing to the Chair, or
  - If the Chief Executive or the Chief Finance Officer consider it necessary and appropriate.

## **8. Quorum**

- 8.1 The quorum for the Governance and Audit Sub-Committee shall be four members with at least one member present from each constituent Council and a least one lay member.

## **9. Forward Plan and Other Information**

- 9.1 The Governance and Audit Sub-Committee will be responsible for setting its own work programme and in doing so it shall take into account the wishes of members on that Sub-Committee who are not members of the largest political group on the Corporate Joint Committee.

## **10. Agenda Items**

- 10.1 Any member of the Governance and Audit Sub-Committee shall be entitled to give written notice to the Chief Executive at least 8 clear working days before the date of the next meeting that he/she wishes an item relevant to the functions of the Committee to be included on the agenda for, and be discussed at, a meeting of the Committee;
- 10.2 On receipt of such a request, the Chief Executive shall ensure that it is included on the agenda for the next or subsequent meeting (the determination as to which meeting rests with the Committee Chair);
- 10.3 Any member of the Corporate Joint Committee may give written notice to the Chief Executive at least 8 working days before the date of the next meeting that he/she wishes a matter which is relevant to the functions of the Sub-Committee to be included on the agenda of the Governance and Audit Sub-Committee;

- 10.4 If the Chief Executive receives such a notification, then he/she shall include the item on the agenda for the next or a subsequent meeting (the determination as to which meeting to rest with the Sub-Committee Chair). Such member may then attend the Sub-Committee to speak, but not vote, nor move, second or amend any motion on that item;
- 10.5 Any Member of the Corporate Joint Committee may request to and by agreement of the Sub-Committee Chair (subject to any relevant Code provisions) attend in respect of a particular item (or items) of interest. The Member may speak, but not move, second or amend a motion. The attendance shall relate to the particular item (or items) on the agenda;
- 10.6 When the Governance and Audit Sub-Committee has considered a requisition to place an item on the agenda of the Sub-Committee under paragraph 9.3 above, the Member(s) concerned shall be advised of the outcome of the Sub-Committee's deliberations;
- 10.7 The Governance and Audit Sub-Committee shall also respond, as their work programme permits, to requests from the Corporate Joint Committee, to review particular areas of Corporate Joint Committee activity relevant to the function of the Sub-Committee. Where they do so, the Governance and Audit Sub-Committee shall report their findings and any recommendations back to the Corporate Joint Committee.

## **11. Policy Review and Development**

- 11.1 In relation to the development of other matters not forming part of its policy and budget framework, the Governance and Audit Sub-Committee may make proposals to the executive for developments in so far as they relate to matters within their terms of reference, but there shall be consultation with the Corporate Joint Committee to avoid any duplication of work.
- 11.2 If the Governance and Audit Sub-Committee cannot agree on one single proposal to the Corporate Joint Committee as appropriate, then one minority proposal may be prepared and submitted for consideration by the Corporate Joint Committee together with the majority proposal.

## **12. Access to Documents**

- 12.1 The Governance and Audit Sub-Committee is subject to Part 5A of the Local Government Act 1972 (access to meetings and documents).
- 12.2 In addition to their rights as Councillors, members of the Governance and Audit Sub-Committee have the additional right to documents, and to notice of meetings as set out in the Access to Information Procedure Rules.

### **13. Members and Officers Giving Account**

#### **13.1 The Governance and Audit Sub-Committee:-**

- a) May require members and officers of the Corporate Joint Committee to attend before it to answer questions, and
- b) May invite other persons to attend meetings of the Sub-Committee.

#### **13.2 It is the duty of any member or officer of the Corporate Joint Committee to comply with any requirement imposed under paragraph 12.1 (a).**

#### **13.3 A person is not obliged by paragraph 12.2 to answer any question which the person would be entitled to refuse to answer in, or for the purposes of, proceedings in a court in England and Wales.**

#### **13.4 Where any member or officer is required to attend a Governance and Audit Sub-Committee under this provision, the Sub-Committee Chair will inform the Chief Executive who shall inform the member or officer in writing giving at least 8 clear working days' notice of the meeting at which he/she is required to attend. The notice will state the nature of the item on which he/she is required to attend to give account and whether any papers are required to be produced for the Sub-Committee. Where the account to be given to the Sub-Committee will require the production of a report, then the member or officer concerned will be given sufficient notice to allow the preparation of that documentation.**

#### **13.5 Where, in exceptional circumstances, the member or officer is unable to attend on the required date then the Sub-Committee Chair shall in consultation with the member or officer arrange an alternative date for attendance.**

#### **13.6 It is ultimately the Corporate Joint Committee members which will be required to answer questions about policies and decisions. Officer contributions should as far as possible be confirmed to questions of fact and explanation relating to policies and decision, though they can be asked to explain and give reasons for decisions they themselves have taken under delegated authority.**

#### **13.7 The Chief Executives (or any so officers nominated by them) of constituent Councils and National Park Authorities shall be entitled to attend meetings of the Governance and Audit Sub-Committee in an advisory capacity, irrespective of whether the meeting is to be considered in public or private.**

### **14. Procedure at Governance and Audit Sub-Committee Meetings**

#### **14.1 The Governance and Audit Sub-Committee shall consider the following business:-**

- a) Minutes of the last meeting.
- b) Consideration of any matter referred to the Sub-Committee.

c) Responses of the executive to proposals of the Governance and Audit Sub-Committee; and

d) The business otherwise set out on the agenda for the meeting.

14.2 Where the Governance and Audit Sub-Committee conducts investigations (e.g. with a view to policy development), the Sub-Committee may also ask people to attend to give evidence at Sub-Committee meetings which are to be conducted in accordance with the following principles:

a) That the investigation is conducted fairly and all members of the Sub-Committee be given the opportunity to ask questions of attendees, and to contribute and speak.

b) That those assisting the Sub-Committee by giving evidence be treated with respect and courtesy; and

c) That the investigation be conducted so as to maximise the efficiency of the investigation or analysis.

14.3 Following any investigation or review, the Governance and Audit Sub-Committee shall prepare a proposal for submission to the executive and/or Corporate Joint Committee as appropriate, and shall make its proposals and findings public.

14.4 All members of the Governance and Audit Sub-Committee are entitled to vote on any question which follows to be decided by the Sub-Committee.

## **15. Guidance of the Welsh Ministers**

15.1 The Governance and Audit Sub-Committee must have regard to any guidance given by the Welsh Ministers under Section 85(1) Local Government (Wales) Measure 2011.

Mae'r dudalen hon yn fwriadol wag

**SOUTH WEST WALES CORPORATE JOINT COMMITTEE****Report of the Chief Finance Officer (Section 151 officer)****Report Title: Pensions: Local Government Pension Scheme (LGPS)  
administering authority**

<b>Purpose of Report</b>	To note which Local Government Pension Scheme (LGPS) administering authority has been chosen for our CJC.
<b>Recommendation</b>	That Carmarthenshire County Council is the chosen LGPS administering authority for the CJC
<b>Report Author</b>	Chris Moore
<b>Finance Officer</b>	Chris Moore
<b>Legal Officer</b>	Craig Griffiths

**1 Introduction**

- 1.1 This report details the reasoning behind the chosen LGPS administering authority for the CJC.

## 2 Background

- 2.1 On 14 December 2022, the Welsh Government notified CJC officers that they were optimistic regarding the proposed timetable for changes to UK legislation, meaning the CJC's issues regarding corporation tax, income tax and borrowing powers will be resolved by the end of this financial year through implementing a 'Section 150 Order'.

## 3 LGPS administrating authority for the CJC

- 3.1 The same message sought an urgent response from each region notifying the Welsh Government which Local Government Pension Scheme (LGPS) administrating authority we wish to choose for our CJC.  
A response was required by Thursday 22 December 2022 – a short deadline to enable the UK Government to quickly progress the development of the 'Section 150 Order'.  
In the absence of an indication to the Government, the administering authority would be determined by the statutory process, with no practical means of subsequently reviewing the position.
- 3.2 The options for us (LGPS administrating authorities in South West Wales) were Carmarthenshire County Council (Dyfed Pension Fund) and Swansea Council (City and County of Swansea Pension Fund).  
Insofar as pension benefits for prospective CJC employees are concerned, it makes no difference which administrating authority is chosen - the schemes are identical.
- 3.3 Carmarthenshire County Council provides the financial support to the CJC and is the administering authority for the Dyfed Pension Fund. The Section 151 Officer for Carmarthenshire County Council is also the Section 151 Officer for the CJC and the Dyfed



Pension Fund. In addition, the only employee of the CJC currently, is employed through Carmarthenshire County Council. Hence the conclusion that the Dyfed Pension Fund seems to be the logical fund to make an application too.

- 3.4 The Section 151 Officer consulted with the Section 151 Officer of Swansea Council who is also the Section 151 Officer for the City and County of Swansea Pension Fund and he has confirmed his support and agreement.
- 3.5 Ideally, this would have been the subject of a Joint Committee decision, but the Welsh Government required an urgent response, and obviously we didn't want to give the UK Government any excuse to defer the 'Section 150 Order' again, as there is a real VAT cost associated with delaying. Consequently, CJC officers responded to the Welsh Government on 11 January 2023 officially confirming that our region has chosen to use the Dyfed Pension Fund, i.e. Carmarthenshire County Council will be the LGPS administering authority for the CJC.

This report is submitted for information to the CJC meeting.

Mae'r dudalen hon yn fwiadol wag

## SOUTH WEST WALES CORPORATE JOINT COMMITTEE

### Report of the Chief Executive

**Report Title:** Freeport update and implications for the regional energy plan

<b>Purpose of Report</b>	To update the Committee on the Freeport submission and outline how a successful Freeport bid aligns with the vision and priorities in both the Regional Energy Strategy and the Regional Economic Delivery Plan.
<b>Recommendation</b>	It is recommended that the report be noted and the proposals be subject to future monitoring by the CJC Energy sub-committee.
<b>Report Author(s)</b>	Steven Jones, Director, Pembrokeshire County Council and Nicola Pearce, Director, Neath Port Talbot Borough Council.
<b>Finance Officer</b>	Chris Moore
<b>Legal Officer</b>	Craig Griffiths

### Background:

1. This report sets out to examine the benefits that a successful Freeport application could deliver in terms of both the regional energy and regional economic plans previously approved by the South West Wales Corporate Joint Committee. The report follows the decision by the SWWCJC to support the principle of a Freeport submission at its meeting on the 11 October 2022.
2. More specifically, this report:
  - Summarises the themes, metrics and priorities in both the Regional Energy and the Regional Economic Strategy;
  - Provides an update on the Freeport application;
  - Provides a high level commentary on the predicted and potential benefits that a successful Freeport bid would have on the vision to develop a low carbon regional economy, and
  - Outlines proposals for future reporting to the CJC Energy Sub-Committee.

## The South West Wales Regional Energy Strategy

3. The Corporate Joint Committee approved the South West Wales Regional Energy Strategy (RES) at its meeting on the 15 March 2022. The RES is supported by an energy and economic modelling analysis and the baseline assessment (as of 2017) identified that:
  - South West Wales consumes around 36% of all energy in Wales, more than its 22% share of the population, partly due to the concentration of very large industrial sites in the region;
  - The region's total energy demand is dominated by the commercial and industrial sector, which makes up 68% of the total demand (with domestic demand accounting for 17% and transport accounting for 15%);
  - Renewable assets located in South West Wales currently generate the equivalent of 44% of the region's energy consumption;
  - South West Wales hosts 27% of Wales' renewable energy capacity, and
  - 46% of renewable generation in South West Wales is from on-shore wind projects and 45% from solar photovoltaics.
4. The RES vision for South West Wales is as follows: 'Harnessing the region's low carbon energy potential across its on and off-shore locations, to deliver a prosperous and equitable net zero carbon economy which enhances the well-being of future generations and the region's eco-system at a pace which delivers against regional and national emission reduction targets by 2035 and 2050.'
5. The RES priorities for delivering this Vision are as follows:
  - Energy efficiency;
  - Electricity generation;
  - Smart and flexible systems;
  - Decarbonise heat;
  - Decarbonise transport, and
  - Regional coordination.

## Regional Economic Delivery Plan / Regional Economic Strategy

6. At the same March 2022 meeting the CJC also approved the adoption of the Regional Economic Delivery Plan (REDP) as the regional strategy for economic well-being, one of the mandated functions required under the Local Government and Elections Act 2021. The REDP includes a pipeline of 45 projects brigaded under the ambition of generating an additional £3bn spend and c 20,000 jobs in support of closing the productivity and economic activity gap.

7. The underpinning analysis of the region's economy identifies a number of highlights including '...the region has a number of distinctive strengths and opportunities...linked with the regional energy potential (and) university-industrial links...there is a 'window of opportunity' in relation to green energy and net zero...'.
8. The REDP is framed in terms of three 'missions'. Mission number 1 is focussed on 'establishing South West Wales as a leader in renewable energy and the development of a net zero economy: taking forward the region's major energy related projects and driving benefits through the region via industrial decarbonisation, supply chain opportunities and university-linked innovation'.

### Celtic Freeport

9. On 1st September 2022 the UK and Welsh governments jointly launched the Freeport prospectus for Wales. At the CJC meeting on the 11 October Members agreed to support the principle of a collaborative bid prepared by Neath Port Talbot County Borough and Pembrokeshire County Council in partnership with Associated British Ports (ABP Port Talbot) and the Port of Milford Haven.
10. The Freeport prospectus lists three objectives:
  - Promote regeneration and high-quality job creation;
  - Establish the Freeport as a national hub for global trade and investment across the economy, and
  - Foster an innovative environment.
11. An application to create a dual-centred Freeport was submitted on the 24 November and it is understood that the Welsh and UK governments will make a decision in Spring 2023. The prospectus places a strong emphasis on decarbonisation and the Ministerial Foreword recognises that "ports have huge potential to accelerate future industries which support net-zero, from off-shore energy to advanced manufacturing".
12. The Freeport bid – branded as the 'Celtic Freeport' - includes 3 individual tax sites with a combined area no greater than 600 hectares. Each of the sites include contiguous development land across Port Talbot and Milford Haven/Pembroke Dock which will enable and incentivise new investment, innovation and job creation. Importantly, the bid is designed to achieve additionality and thereby mitigate the potential for displacement across the region. The bid will also ensure that the Welsh government's social partnership ('fair work') agenda is supported and reinforced. These were key issues raised by partners within the region when taking informal soundings about the proposed consortium bid.

## Analysis and alignment

13. The main focus of the Freeport bid is to capitalise on the potential for floating off-shore wind (FLOW) developments in the Celtic sea. In July 2022, the Crown Estate announced a number of 'Ares of Search' for the development of floating wind in the Celtic sea and the first phase of technical and environmental surveys will begin in Spring 2023. According to their website, the Crown Estate "has set out ambitious plans to deliver an initial 4 GW of energy capacity in the Celtic Sea by 2035, with the region assessed to have the potential to accommodate up to 24 GW by 2045". (It is noteworthy that the first floating wind project in the Celtic sea – Erebus, a 96 MW development promoted by a Total and Simply Blue Energy joint venture – is already going through the consenting process. The 'window of opportunity' is already open.)
14. Whilst the focus of the Freeport is not just about FLOW, there are complimentary facilities at Port Talbot and the Port of Pembroke (Milford Haven) that could deliver a significant amount of assembly, operation and maintenance support for this 'new' sector. If the bid is successful, the tax sites could catalyse investment, creating a 'green corridor' with linked opportunities to develop hydrogen production and carbon capture; supporting a pathway to industrial decarbonisation across South West Wales and thousands of high quality 'green jobs' in line with the REDP mission.
15. The FLOW opportunity is also particularly relevant to the steel manufacturing sector. Tata Steel have recently produced a report outlining an industry need for 5m tonnes of steel for FLOW, together with a further 1-5m tonnes needed to build the infrastructure for hydrogen production and distribution and carbon capture and storage projects.
16. The industrial clusters in Port Talbot and Milford Haven are two of the biggest energy users and emitters in the UK. A 'Celtic Freeport' would help accelerate the delivery of the Regional Energy Plan vision to create a low/zero carbon economy supported by on and off-shore developments and particularly the priorities of (i) electricity generation, (ii) decarbonisation and (iii) regional coordination.
17. Furthermore, a successful Celtic Freeport bid would support the REDP 'mission' to develop South West Wales as a 'leader in renewable energy...via industrial decarbonisation, supply-chain opportunities and university-linked innovation'.

## Next steps

18. The benefits of a successful 'Celtic Freeport' bid are expected to be local, regional and pan-regional. New investment and skilled jobs (supported by the SBCE regional 'skills and talent' project) need to benefit both the disadvantaged communities in the 'travel to work' areas of Port Talbot and Milford Haven/Pembroke Dock and the wider innovation and supply-chain across the region.

19. A 25 year Freeport programme provides a realistic timeframe to support the development of a regional energy eco-system that delivers against both national emission reduction targets and a regional economy with higher productivity and more skilled jobs. A successful 'Celtic Freeport' bid would provide a sustained intervention for future generations. However, it's important to acknowledge that there are other projects (in delivery and in the pipeline) across the region that will also contribute to the REP and the RES objectives. These include a number of Swansea Bay City Deal projects, the nascent Blue Eden tidal lagoon project, the Global Centre of Rail Excellence (UK's first net zero railway), and private sector developments such as the proposed South Wales hydrogen pipeline ('Hyline Cymru') being promoted by Wales and West Utilities and the Pembroke Net Zero Centre (RWE), together with university-led research support such as Swansea university's SPECIFIC innovation and knowledge centre.
20. This broader perspective underlines the importance of 'regional coordination' as a priority in the Regional Energy Plan. As such, a key role for the regional energy officer group will be to 'track' energy developments and provide updates to the CJC Energy sub-committee. Proposals are being developed – with additional resource provided by the Welsh Government Energy Service – to facilitate this.

#### **Financial Impacts:**

21. It is not considered that there will be any financial impacts for the CJC itself in the consideration of this report.

#### **Integrated Impact Assessment:**

22. 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 favourably than English.
  - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

23. 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'.
24. The CJC has an integrated impact assessment tool in place. This report is presented as a 'for information only' item however and therefore it is not considered that it requires an impact assessment. Also, it is noted that the Draft Corporate Plan of the CJC is set to be consulted upon and in this regard whilst this is a for information item only – regard may be had to the Draft Corporate Plan notably Draft Well-being objective 1 which is as follows: *“To collaboratively deliver the Regional Economic Delivery Plan and Regional Energy Strategy thereby improving the (decarbonised) economic well-being of South West Wales for our future generations.”*

#### **Workforce Impacts:**

25. There are no impacts associated with the workforce of the CJC. If the bid is successful there will however be an impact upon Neath Port Talbot council who will take on the responsibility of accountable body. Additional staff resources across a range of roles will be required to undertake this role.

#### **Legal Impacts:**

26. This report seeks to inform the CJC about the creation of a consortium that is exploring the potential to submit a bid into the Freeport programme. There are no specific legal duties that arise in relation to this report.

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

27. The activities described in this paper are consistent with the priorities already identified and approved by the CJC - the Regional Economic Delivery Plan and related Regional Energy Plan relate. A successful Freeport bid has the potential to accelerate work in the region to achieve these agreed priorities. Risks identified would be subject to suitable mitigations. Reference is also made to the emerging Corporate Plan of the CJC – notably well-being objective 1 – see paragraph 24 above.

#### **Consultation:**

28. There is no requirement for external consultation on this report.



**Reasons for Proposed Decision:**

29. To formally advise the CJC of the progress made in respect of the Freeport bid and to further embed an appreciation of the potential that the bid offers in terms of delivering upon the corporate ambitions of the CJC.

**Implementation of Decision:**

30. This decision is to be implemented immediately

**Appendices:**

31. None

**List of Background Papers:**

32. [Link to the Welsh Government Statement](#)  
[Link to the Prospectus](#)  
[Regional Economic Delivery Plan – CJC Report 15 March 2022](#)  
[Regional Energy Plan – CJC Report 15 March 2022](#)  
[Link to CJC meeting 15 March 2022](#)  
[Link to CJC meeting 11 October 2022](#)

Mae'r dudalen hon yn fwriadol wag

## SOUTH WEST WALES CORPORATE JOINT COMMITTEE

Report of the Chief Executive and Chief Finance Officer (Section 151 officer)

Report Title: Budget for financial year 2023/24

<b>Purpose of Report</b>	To agree and set the South West Wales Corporate Joint Committee budget for financial year 2023/24, including agreeing the levy charge to constituent authorities.												
<b>Recommendation(s)</b>	<p>That the South West Wales Corporate Joint Committee:</p> <p>(a) Consider and approve the budget requirement for the Joint Committee as £617,753 - as set out in Appendix A;</p> <p>(b) Approve the Levy Charge based on population to the constituent authorities as follows:</p> <table border="1"> <thead> <tr> <th><b>Local Authority Levy</b></th><th></th></tr> </thead> <tbody> <tr> <td>City and County of Swansea Council (Levy)</td><td>215,203</td></tr> <tr> <td>Carmarthenshire County Council (Levy)</td><td>165,898</td></tr> <tr> <td>Neath Port Talbot CBC (Levy)</td><td>126,022</td></tr> <tr> <td>Pembrokeshire County Council (Levy)</td><td>110,630</td></tr> <tr> <td></td><td><b>617,753</b></td></tr> </tbody> </table> <p>(c) Approve the Sub Committee key actions summary set out in Appendix B; and provide delegated authority to the Chief Executive to elaborate upon these as part of the identification of the well-being objectives actions/steps/measures to be included within the Draft Corporate Plan.</p>	<b>Local Authority Levy</b>		City and County of Swansea Council (Levy)	215,203	Carmarthenshire County Council (Levy)	165,898	Neath Port Talbot CBC (Levy)	126,022	Pembrokeshire County Council (Levy)	110,630		<b>617,753</b>
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<b>Report Author(s)</b>	Karen Jones and Chris Moore												
<b>Finance Officer</b>	Chris Moore												
<b>Legal Officer</b>	Craig Griffiths												

## **1 Introduction**

- 1.1 This report details the South West Wales Corporate Joint Committee (SWWCJC) annual budget for the financial year 2023/24 with funding options. Detailed information is set out in Appendix A.

## **2 Background**

- 2.1 The Local Government and Elections (Wales) Act 2021 (“the LGE Act”) created the framework for a consistent mechanism for regional collaboration between local government, namely Corporate Joint Committees (CJs).
- 2.2 The CJC will exercise functions relating to strategic development planning and regional transport planning. They will also be able to do things to promote the economic well-being of their areas.
- 2.3 The CJC approved a Regional Energy Strategy and a Regional Economic Development Plan in March 2022 and ongoing implementation and monitoring of the same is now taking place by officers in respective authorities.
- 2.4 Officers have worked collaboratively to identify steps that can be taken in the next financial year to move the plans into delivery. Reference is made to the emerging Corporate Plan for the CJC, and the identification of actions/steps/measures aligned to the emerging well-being objectives. To this end, a summary of the key actions per sub-committee is set out in Appendix B of this report. Reference should be made to the allocation of £140,000 to a planning and programme management budget heading.
- 2.5 As part of a proactive approach, and in recognition of the challenging financial climate, an initial series of budget options were presented to the CJC in December 2022. It was resolved that Option 2 – ‘Do Minimum’ – be endorsed as the preferred option for 2023/2024. This report builds upon the policy steer provided by Members in December 2022 in this regard.
- 2.6 Carmarthenshire County Council as the Accountable Body for the CJC is required to provide an annual costs budget for approval for the financial year 2023/24. The CJC had previously agreed and set a one-year operational budget for financial year 2022/23 (budget profile £575,411). The 2023/2024 CJC operational budget - including the strategic planning functions - must be compiled and agreed no later than 31<sup>st</sup> January 2023.

## **3 2023/2024 – A Continuity Budget for the CJC (previously identified as Option 2 ‘do minimum’ budget).**

- 3.1 As stated above, options in respect of the 2023/2024 budget have been previously provided to Members in December 2022. It is considered that a ‘Continuity Budget’ of £617,753 (a) fully reflects the policy direction set by the Members as a result of the budget options previously provided (b) provides for a lawful/balanced budget to be set and (c) allows for incremental progress to be made in respect of the core

functions of the CJC from a policy/legal perspective – notably in terms of the delivery of the emerging Corporate Plan.

- 3.2 Under the current legislation the National Park Authorities (NPAs) are only financially obligated to support the strategic planning aspects of the CJC. Given that there is likely to be limited activity in terms of the Strategic Development Plan in 2023/2024 (with a budget of £20,000 allocated to the strategic planning sub-committee), it is not considered appropriate to raise a levy upon the NPAs in 2023/2024.

### **Joint Committee and Accountable Body cost profile**

- 3.3 Details of budget requirements are highlighted below:

- The current budget for the Joint Committee and Accountable Body is estimated at £263,602. Assumptions used are demonstrated below:
- Local authority services – increased by 10% as agreed at the S151 meeting on the 26<sup>th</sup> September 2022;
- Audit Wales – increased by 10% as aligned to the increase applied to the Local authority services, and
- Financial Services – aligned to CCC salary inflation rates.

### **Sub Committees cost profile**

- 3.4 Reference should be made to Appendix B of this report. The identified sum of £220,000 will allow for incremental progress to be made by the CJC in 2023/2024 whilst also reflecting the challenging financial climate. A sum of £140,000 to a planning and programme management budget heading is seen as a suitable means of ensuring that the CJC is in a position to respond to any requirements emerging during the year – e.g publication of RTP and/or SDP guidance.

<b>SWWCJC - Sub Committees</b>		
Economic Development SC	20,000	Chief Executive Lead CCC
Planning SC	20,000	Chief Executive Lead PCC
Transport SC	20,000	Chief Executive Lead Swansea
Energy SC	20,000	Chief Executive Lead NPT
Planning & Programme Management	140,000	
<b>SWWCJC - Sub Committees Total</b>	<b>220,000</b>	

### **Regional Management Office cost profile**

- 3.5 A breakdown of the main facets of the cost profile is provided below:

- The budget for the Regional Management Office has been reduced by £80,000 (Consultancy and Specialist Support Fees) to £134,151. Assumptions used are demonstrated below:
- Salary Costs - aligned to CCC salary inflation rates, and

- Consultancy and Specialist Support Fees – to support requirements expected of Management Office.
- Reference may be made to the ongoing work being undertaken in respect of seeking to develop an understanding of the respective roles of the City Deal PMO function and that of the CJC.

## Income profile

- 3.6 It is intended that this is split between 4 authorities based on population size (mid-year 2020 – Statswales.gov.uk). The split is shown below. Reference should be made to paragraph 3.2 above in respect of the NPAs.

<b><i>Local Authority Levy</i></b>	
City and County of Swansea Council (Levy)	215,203
Carmarthenshire County Council (Levy)	165,898
Neath Port Talbot CBC (Levy)	126,022
Pembrokeshire County Council (Levy)	110,630
	<b>617,753</b>

## 4 Financial Impacts

- 4.1 This report recommends the ratification of an operational budget of £617,753 for 2023/24. It is recommended to ensure fairness and equality across the region that funding will be provided by local authority contributions through the form of a levy, based on population size.
- 4.2 Surpluses that accrue in any year will be contained and ring-fenced within the CJC reserve account and will be utilised for future expenditure.
- 4.3 The budget will be reviewed later in the financial year and revised as appropriate for the subsequent financial year and future years.

## 5 Integrated Impact Assessment

- 5.1 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 favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

5.2 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'.

5.3 There is no requirement for an Integrated Impact Assessment for this report as the setting up of the CJC is underpinned by legislation and this report is to establish financial arrangements in accordance with legislation. With reference to Appendix B of this report, and the impending consultation on the Draft Corporate Plan, it is considered that the ratification of this budget can facilitate the delivery of the CJC's emerging identified well-being objectives.

## **6 Workforce Impacts**

6.1 Currently any employment within the CJC will be undertaken by constituent authorities and the financial arrangements relating to such are considered in this report.

## **7 Legal Impacts:**

7.1 There is a legal requirement for the CJC to agree its 2023/2024 budget, together with the levy charge apportionment by 31 January 2023. Furthermore, reference is made to the statutory duties placed upon the CJC in respect of regional transport and strategic development planning and as such reference is made to Appendix B of this report and the emerging CJC Corporate Plan.

## **8 Risk Management Impacts**

8.1 Failure to set a balanced budget would render the CJC in breach of its obligations exposing itself to legal challenge. In addition, suitable arrangements must be put in place to ensure that the constituent authorities and national park authorities are able to fulfil their legal obligations in establishing the CJC.

8.2 It is considered that the Continuity Budget as presented will meet the requirement to set a balanced budget and also reflects the policy steer provided by the Members in December 2022 - having been provided with a number of options in this regard. Furthermore, and in endorsing the content of Appendix B, the CJC will be providing a

platform upon which to start delivering upon some of the aspirations and objectives it has identified within the emerging Corporate Plan.

## **9 Consultation**

- 9.1 There is no requirement for formal consultation however, constituent authorities have been consulted. Reference is made to the fact that a budget options report was taken to Members in December 2022 to attain an initial policy steer.

## **10. Reasons for Proposed Decision**

10. To ratify the CJC 'Continuity Budget' as placed before Members for their approval so as to allow the CJC to meet its obligations to set its 2023/2024 budget no later than 31 January 2023.

## **11. Implementation of Decision**

- 11.1 This decision is proposed for immediate implementation.

## **Appendices**

Appendix A – CJC 'Continuity Budget' 2023/24.

Appendix B –Key actions 2023/24 – CJC Sub Committees.

## **List of Background Papers**

[Link to CJC meeting 7 December 2022 – refer to agenda item 6 \(budget options\)](#)

[Link to CJC meeting 7 December 2022 – refer to agenda item 8 \(Draft Corporate Plan\)](#)



# Appendix A

## 2023/24 'Continuity Budget' of £617,753 for Members ratification

South West Wales Corporate Joint Committee Draft Annual Budget Financial Year 2023/24			
Budget 2022/23 (£)	Description	Budget 2023/24 (£)	Notes
	<b>Expenditure</b>		
	<b>Joint Committee</b>		
	<b>Democratic Services</b>		
67,000	Democratic, Scrutiny and Legal Support Costs	73,700	Provided by NPT (increased by 10% on prior year)
<b>67,000</b>	<b>Democratic Services Total</b>	<b>73,700</b>	
	<b>Legal and Governance</b>		
17,000	Monitoring Officer and Service Support	18,700	Provided by NPT (increased by 10% on prior year)
<b>17,000</b>	<b>Legal and Governance Total</b>	<b>18,700</b>	
	<b>Accountable Body</b>		
20,000	Wales Audit Office Financial Audit	22,000	Based on audit costs of SBCD (independent audit of financial statements)
18,812	Section 151 Officer Recharge	20,693	Provided by NPT (increased by 10% on prior year)
<b>38,812</b>	<b>Accountable Body Total</b>	<b>42,693</b>	
	<b>Governance &amp; Internal Audit</b>		
20,000	Internal Audit	22,000	Provided by Pembs (increased by 10% on prior year)
15,000	Sub-Committee Support Costs & Expenses	16,500	Provided by Pembs (increased by 10% on prior year)
<b>35,000</b>	<b>Governance &amp; Internal Audit Total</b>	<b>38,500</b>	
	<b>Support Services</b>		
20,000	ICT & Data Protection Services	22,000	Provided by NPT (increased by 10% on prior year)
54,374	Financial Services	57,009	Included a Senior Accountant (CCC Grade J) (included inflationary adjustment)
-	Standards Services	-	Included within Democratic Service costs.
10,000	HR Services	11,000	Provided by NPT (increased by 10% on prior year)
<b>84,374</b>	<b>Support Services Total</b>	<b>90,009</b>	
<b>242,185</b>	<b>Joint Committee Total</b>	<b>263,602</b>	
	<b>Joint Scrutiny Committee</b>		
-	Room Hire	-	Included within Democratic Service costs.
-	Subsistence & Meeting Expenses	-	Included within Democratic Service costs.
-	Travel	-	Included within Democratic Service costs.
-	Democratic, Scrutiny and Legal Support Costs	-	Included within Democratic Service costs.
<b>-</b>	<b>Joint Scrutiny Committee Total</b>	<b>-</b>	
	<b>SWWCJC - Sub Committees</b>		
20,000	Economic Development SC	20,000	Chief Executive Lead CCC
20,000	Planning SC	20,000	Chief Executive Lead PCC
20,000	Transport SC	20,000	Chief Executive Lead Swansea
20,000	Energy SC	20,000	Chief Executive Lead NPT
	Planning & Programme Management	140,000	
<b>80,000</b>	<b>SWWCJC - Sub Committees Total</b>	<b>220,000</b>	
	<b>SWWCJC - Regional Management Office</b>		
59,915	Salary (Inc. On-costs)	60,135	Business Manager ( CCC Grade K) (included inflationary adjustment).
-	Recharges - Employee Costs (direct)	-	
1,000	Training of Staff	1,000	Estimated budget
250	Public Transport - Staff	250	Estimated budget
810	Staff Travelling Expenses	810	Estimated budget
1,000	Admin, Office & Operational Consumables	1,000	Estimated budget
100,000	Consultancy and Specialist Support Fees	51,206	Estimated budget
1,250	ICTs & Computer Hardware	1,250	Estimated budget
500	Subsistence & Meetings Expenses	1,000	Estimated budget
-	Conferences, Marketing & Advertising	-	
-	Projects & Activities Expenditure	-	
10,000	Translation/Interpret Services	15,000	Estimated budget
2,500	Printing & Copying	2,500	Estimated budget
<b>177,225</b>	<b>Regional Management Office Total</b>	<b>134,151</b>	
	<b>Contingency/Reserves</b>		
76,000	Provision for Contingency/Reserves	-	RA removed as reserve b/f from previous year
<b>76,000</b>	<b>Contingency/Reserves Total</b>	<b>-</b>	
<b>575,411</b>	<b>Total SWWCJC Expenditure</b>	<b>617,753</b>	
	<b>Funding Contributions</b>		
	<b>Partner &amp; Other Contribution</b>		
-	Brecon Beacons NPA	-	
-	Pembrokeshire Coast NPA	-	
-	Co-Opt Partners	-	
-	Welsh Government Revenue Grant	-	
-	ERF Grant	-	
<b>-</b>		<b>-</b>	
	<b>Local Authority Levy</b>		
200,453	City and County of Swansea Council (Levy)	215,203	Based on Population Size
154,527	Carmarthenshire County Council (Levy)	165,898	Based on Population Size
117,384	Neath Port Talbot CBC (Levy)	126,022	Based on Population Size
103,047	Pembrokeshire County Council (Levy)	110,630	Based on Population Size
<b>575,411</b>		<b>617,753</b>	
<b>575,411</b>	<b>Total SWWCJC Income</b>	<b>617,753</b>	
<b>0</b>	<b>Provision of Service - Surplus / (Deficit)</b>	<b>0</b>	
	<b>Movement to Reserves (Contingency)</b>		
	<b>Description</b>		
0	Balance Brought Forward from previous year	283,439	Estimated - Q2
0	Net Provision of Service - Surplus / (Deficit)	0	
<b>-</b>	<b>Balance Carry Forward</b>	<b>283,439</b>	

## Appendix B

### CJC Priority Actions 2023-24

Economic Development	Map the funding available to support regional working to ensure alignment with CJC priorities and visibility to CJC members eg Levelling Up; Shared Prosperity Fund etc
	Scope the capacity and capability needed to maximise South West Wales renewable energy and net zero potential
	Further develop the region's economic development infrastructure. In particular explore: virtual innovation agency; business support; commercial property development funding; defining our regional inward investment offer
Energy	Define the resource and capability needed to deliver the Regional Energy Plan
	Further develop the implementation programme to convert the key principles and strategic priorities into operations
	Explore and make recommendations for regional engagement in the Floating Offshore Wind opportunity and related Freeport bid
Transport	Comment on the draft Regional Transport Guidance
	Create the Regional Transport Plan delivery programme and identify the resources required to implement the delivery programme
	Achieve agreement with Welsh Government on the resourcing of the delivery programme and associated timeline
	Continue to work with Welsh Government, Transport for Wales and other stakeholders to progress the region's key transport priorities
Strategic Development Plan	Comment on the draft manual
	Identify the resources and timetable for developing a delivery agreement
Corporate Activities	Mobilise the sub-committees
	Complete the work to engage the private sector and other key stakeholders
	Further develop the work to satisfy the public sector duties and good corporate governance
	Communicate and promote the work of the CJC
	Formally report the CJC achievements through an Annual Report and revise the Corporate Plan accordingly

Note: fuller detail is set out in the Corporate Plan. The above is a high level summary of the key areas of activity supported by the proposed budget



Mae'r dudalen hon yn fwiadol wag