

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 2nd September 2019

Update on status of amendments to Joint Working Agreement

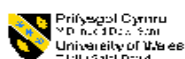
INFORMATION

To provide the Joint Scrutiny Committee with an update on the current status of the Joint Working Agreement following the approval of the amended version by the Swansea Bay City Deal Joint Committee (“the Joint Committee”) on the 30th July 2019. The amended version will now be forwarded for information to the UK and Welsh Government and will be subject to the necessary approvals being sought by each Council to formally amend the Joint Working Agreement.

REASONS

On the 29th August 2018, the a Joint Working Agreement was formally entered into with the intention of Neath Port Talbot, Swansea, Carmarthenshire and Pembrokeshire local authorities working together to discharge their obligations to one another in respect of the Swansea Bay City Deal.

In December 2018 the UK and Welsh Governments announced that an independent review would be carried out into the Swansea Bay City Deal. The review by Actica Consulting Ltd dated 26 February 2019 made recommendations to improve the deliverability of the outcomes of the Swansea Bay City Deal and those recommendations were considered by the Joint Committee on 28 March 2019. On 14



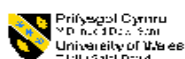
December 2018 the Joint Committee commissioned an internal review into the governance arrangements with Pembrokeshire County Council leading on the review with support from senior auditors.

Having considered both reviews the Joint Committee resolved that all recommendations be accepted and implemented. As a consequence amendments were required to be made to the Joint Committee Agreement to reflect governance changes.

On the 30th July 2019, the Joint Committee formally approved the amendments to the Joint Committee Agreement and resolved that they be submitted to the Welsh and UK Governments for information and then subsequent to this each participating Council seeks the necessary authority to approve and implement the amendments.

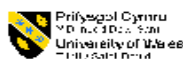
The following changes are proposed to the Joint Working Agreement (and are shown as track changes on the attached Appendix 1):

- The main change is at Clause 6 which amends the Agreement to reflect the proposed appointment of an independent Programme Director and to replace the Regional Office with a Portfolio Management Office. The Programme Director is to report to and be directly accountable to the Joint Committee. The Job Description for the Programme Director is included within Schedule 14 and the role of the Portfolio Management Office will be included upon the appointment of the Programme Director.
- Clause 6.2 sets out the redistributed roles and functions which will act as a check and balance for the Swansea Bay City Deal governance arrangements.
- Additional duties of the Accountable Body have been inserted at Clause 7. Clause 7.1(g) adds to the duties of the Accountable Body by including a duty to report to the Joint Committee on a quarterly basis detailing the amount of grant monies and council contributions received, how allocated and distributed and details of any internal charges. Clause 7.1(l) provides that the



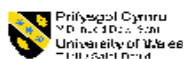
Accountable Body costs must be reported to the Joint Committee before the commencement of each financial year for agreement.

- Clause 9.3 is a standard indemnity clause which has been added as the Programme Director is directly accountable to the Joint Committee although is an employee of Carmarthenshire County Council.
- Clause 12 sets out the process for funding projects and includes a change to clause 12(g) which sets out the role of the ESB in the process. In line with the recommendations of the Internal Review reference is made to the new terms of reference of the ESB which is found at Schedule 6. In addition Clause 12.9 provides that the process for funding projects should take no longer than 6 calendar months.
- Clause 19.4 has been amended to include reference to top slicing for clarity.
- The Terms of Reference of the Joint Committee at Schedule 1 have been amended to include additional functions namely:
 - Consideration and approval of project business cases;
 - Agreeing internal recharges;
 - Consideration of Joint Scrutiny recommendations;
 - Oversee and manage the Programme Director;
 - Approving any Programme Director reports.
 - Clause 5 – Voting has also been amended to include casting vote of vice chair in event the Chair is absent.
 - The quorum for a meeting of the Joint Committee shall be one representative from three of the four Councils. However, the Joint Committee is not permitted to vote on the approval of a business case or any other matter relating to a project if the member representative of a



Council involved in that project is not present at the meeting

- Schedule 2 relating to the Programme Board has been amended to include the additional role of ensuring that the Programme Director and Portfolio Management Office undertakes a detailed analysis of the financial viability, deliverability and risk to the programme of the business cases prior to them being submitted to the Joint Committee.
- The Internal Review focuses on the role of the Economic Strategy Board. As a result of the Review the purpose of the Economic Strategy Board has been amended at Schedule 6 to include:
 - Oversight of business case production;
 - Consideration of regional added value;
 - Identification of opportunities for investment;
 - Production of a summary report of issues considered by the ESB to be annexed to the submission of any business cases.
 - Also in line with the Review recommendations to limit the membership to the private sector the membership has been amended to delete the higher education/further education and life sciences/well-being representatives and Leaders of the Councils. This should enable focus to be on consideration of the commercial case and identification of investment opportunities.
- The terms of reference at Schedule 12 of the Joint Scrutiny Committee did not provide for scrutiny of individual Authorities projects'. The Internal Review commented that this detracts from the Regional approach of the Swansea Bay City Deal. Therefore Clause 2.2 has been amended to provide that where there is potential to impact materially on the overall portfolio of the City



Deal projects and the constituent scrutiny committee agree then the matter may be considered by the Joint Scrutiny Committee.

As indicated above, the amended Joint Working Agreement will now be forwarded to the UK and Welsh Government for information, AND subject to their confirmation, authority will then be required by each Council to formally amend the Joint Working Agreement, whereupon the Monitoring Officers of each Council shall liaise to implement the same.

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