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Y Gweinidog Cyllid a Llywodraeth Leol  
Minister for Finance and Local Government



Llywodraeth Cymru  
Welsh Government

John Griffiths MS  
Chair, Local Government and Housing Committee

15 November 2022

Dear John,

I am grateful to your committee for the consideration you have given to Corporate Joint Committees and how they can be supported to achieve their ambitions. I am sure you will agree partners in local authorities have made impressive progress in establishing these important new vehicles for regional collaboration.

It is of course reasonable to expect there would be a small number of technical issues which only emerged as CJsCs were implemented. As you know, the UK Government has however confirmed it will legislate to admit the four CJsCs into the VAT refund scheme. CJsCs will be eligible to receive a refund of the eligible VAT they incur from the date an Order is made and I am pleased this change to VAT rules is now scheduled to come into force on 10 February, slightly earlier than previously expected. This will resolve this key operational issue for CJsCs and allow Corporate Joint Committees to plan with confidence for the next financial year.

I fully understand the frustration felt by partners at the delay in resolving some of the outstanding issues. These include affording CJsCs the same rights and obligations as their constituent councils in relation to corporation tax as well as enabling CJsCs to be able to borrow from the Public Works Loans Board.

When issues arise from Senedd legislation requiring amendments to UK wide legislation beyond the Senedd's competence, an Order under section 150 'Power to make consequential provision' of the Government of Wales Act 2006 can be developed in partnership with the Westminster Government.

I am pleased to be able to confirm the First Minister has written to the Secretary of State for Wales to formally seek his agreement to take forward a section 150 Order, including to provide for seven technical changes needed to support CJsCs.

I am grateful to the Secretary of State for specifically noting the importance of agreeing the changes which relate to CJsCs as soon as possible in his subsequent response. Whilst UK Ministers must still agree all the proposed amendments to legislation, Welsh Government officials are now discussing these provisions with colleagues in UK Departments as a priority.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Unfortunately, we do not yet have a definitive timetable for these changes to be made but I will ensure the committee is kept updated.

I, of course, do not underestimate the challenges partners face given the challenging economic and fiscal position, or the implications this has for the ongoing implementation of CJsCs. The ongoing support for CJsCs, through the contributions made by constituent local authorities, is one of the factors considered in determining the overall quantum of the RSG in budget considerations.

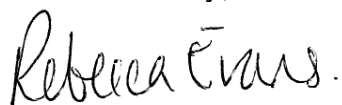
As I have previously set out, I am confident CJsCs provide a consistent and accountable mechanism to support regional collaboration. This will allow partners to deliver their regional ambitions, develop successful regional economies and encourage local growth in a collaborative and strategic way. This is clearly now more important than ever.

I am pleased that when giving evidence to your committee partners generally recognised how aligning economic development, transport and land use planning approaches in the CJC provides an opportunity to consider and capitalise on the interdependencies between them.

The Welsh Government will continue to work with regions to support them in discharging their planning duties in a way that best suits their specific regional needs. An event is being planned for the New Year with the CJsCs to discuss the two planning requirements, capacity within the regions to take them forward, and support which might be required to assist them.

I will continue to engage closely with each CJC to explore how the Welsh Government can support their ambitions and help address any challenges they experience.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a large initial 'R'.

**Rebecca Evans AS/MS**

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