

EAST RENFREWSHIRE COUNCIL

17 December 2014

Report by Director of Environment

CITY DEAL GOVERNANCE

PURPOSE OF REPORT

1. To seek approval for a proposed Assurance Framework for the City Deal and the establishment of a Joint Committee to govern the delivery of the City Deal.

RECOMMENDATIONS

2. The Council is asked to;
- (a) Note the progress made in formalising structures and processes relating to the delivery of the City Deal;
 - (b) Approve the creation of the Glasgow and Clyde Valley Cabinet as a Joint Committee, with Glasgow City Council acting as the Lead Authority;
 - (c) Approve the delegated functions of the Glasgow and Clyde Valley Cabinet; and
 - (d) Note the progress being made to finalise the Assurance Framework in discussions with the UK and Scottish Governments.

BACKGROUND AND REPORT

3. In August 2014, the Council considered a report setting out the principal elements of the City Deal and

- Confirmed the Council's participation in the Glasgow City Region City Deal initiative, on the basis of the funding commitments now received from the UK and Scottish Governments;
- Delegated to the Director of Environment in consultation with the Chief Executive to conclude negotiations on behalf of the Council with regard to finance, governance, project details and any other matters including any inter authority agreements;
- Delegated to the Director of Environment to bring forward appropriate phase 2 projects which are able to be funded by project slippage; and
- Nominated Councillor Fletcher as the Council's representative on the proposed Partnership Board, with Councillor Buchanan as the substitute.

4. As explained in previous reports, the City Deal offers the opportunity to deliver an infrastructure package of £1.13bn across the City Region. £500m grant funding has been committed by each of the UK and Scottish Governments, with participating Council's funding the balance. As a condition of the funding, the Scottish and UK Governments require strong arrangements to be put in place to ensure proper governance and effective project delivery. The City Deal therefore requires the 8 participating Local Authorities ("Member Authorities") to produce an Assurance Framework for approval by the UK and Scottish Governments before funding will be released.

5. The Assurance Framework is to be submitted to the Scottish and UK Governments by the end of December 2014, and is to be finalised by March 2015. This report advises the Council of the substantive and material components of the proposed Assurance Framework. A copy of the full Framework has been left in the members Lounge for information.

PROPOSED ASSURANCE FRAMEWORK

The Glasgow and Clyde Valley Cabinet

6. The Glasgow and Clyde Valley Cabinet will be set up as a Joint Committee established under Section 57 of the Local Government (Scotland) Act 1973 and will be the ultimate decision making body in the Assurance Framework. The Glasgow and Clyde Valley Cabinet will report to the UK and Scottish Governments and will act in the joint interests of the Member Authorities i.e. Glasgow City Council; East Dunbartonshire Council; East Renfrewshire Council; Inverclyde Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; and West Dunbartonshire Council. A copy of the Joint Committee constitution is contained in Appendix 1.

7. The functions of the Glasgow and Clyde Valley Cabinet are to:-

- Determine the strategic economic development priorities for the Glasgow and Clyde Valley Region;
- Deliver the City Deal, a key element of which will be to approve business cases, monitor and evaluate them, and report progress to the UK and Scottish Governments on delivery and increase in the GVA in the Glasgow and Clyde Valley Region;
- Approve the remits of the Independent Commission on Urban Growth; the Glasgow and Clyde Valley Leadership Board; and the Regeneration and Economy Consultative Group; and
- Deal with any other areas of activity as are delegated to it by the Member Authorities.

8. Matters which are reserved to the Member Authorities for decision making and which will **not** be delegated to the Glasgow and Clyde Valley Cabinet are:-

- Any material financial decisions over and above what has been committed through the City Deal;
- Any amendment to the Joint Committee written agreement;
- Addition of another Local Authority as Member Authority; and
- Approval of each Local Authority to enter into grant agreements in relation to the specific City Deal projects.

9. The Leader of each Member Authority (or substitute) will sit on the Glasgow and Clyde Valley Cabinet, with Glasgow City Council acting as chair.

10. Full governance arrangements will be put in place for the Glasgow and Clyde Valley Cabinet including matters relating to audit, conflicts of interest, FOI and complaints. Meetings of the Glasgow and Clyde Valley Cabinet will be open to the public and agendas and papers will be published on the Council's website.

Chief Executives' Group

11. The Assurance Framework proposes that there will be a management group, the membership of which will be the 8 Chief Executives from the Member Authorities or named substitutes.

12. The Chief Executive Officer of the Lead Authority (Glasgow City Council) will be the Chair of the Chief Executives' Group.

13. The Chief Executives' Group will have responsibility for the overall supervision of delivery of the City Deal.

Programme Management Office ("PMO")

14. The Assurance Framework requires an administrative role to be fulfilled to support the Cabinet and the delivery of the City Deal. This will be delivered by Glasgow City Council as the Lead Authority through a newly constituted Programme Management Office (PMO).

15. The role of the PMO will include the provision of administrative and technical support services in addition to its principal role of making recommendations for approval of business cases, monitoring and evaluating these and reporting to the Chief Executives' Group, the Cabinet, and the UK and Scottish Governments. Funding for the PMO will be shared proportionally across the Member Authorities.

16. The PMO will be established within Glasgow City Council's Corporate Governance Team under the Executive Director of Corporate Services and will consist of staff from Glasgow City Council and staff seconded from other Member Authorities or recruited into specific posts.

UK and Scottish Governments

17. Monthly updates on progress and quarterly meetings will take place between the PMO and the UK and Scottish Governments to ensure that the City Deal Programme and projects are being delivered in accordance with the agreed terms.

Independent Commission on Urban Growth

18. The Independent Commission on Urban Economic Growth will be established to monitor and verify the economic impact of the projects delivered under City Deal to a regional and national level. A proposal in relation to the future governance structure of the Commission is being developed and will be finalised by mid December. This will be approved by the Cabinet, UK and Scottish Governments. Key outputs from the Commission would be 5 yearly review reports and annual progress reports.

Glasgow Economic Leadership Board

19. The Glasgow Economic Leadership Board is a mix of public and private sector partners with a focus on growing the Glasgow economy. Discussions are ongoing to amend the terms of reference and remit of this group to take account of the Glasgow and Clyde Valley region and to align its strategies to support the City Deal. The new remit of this Board will be approved by the Cabinet.

Regeneration and Economy Consultative Group

20. The Regeneration and Economy Consultative Group will evolve from the Clyde Valley Community Planning Partnership. It is proposed that the new group will consist of the non local authority public sector partners who will work collaboratively with the Cabinet to focus on economic regeneration within the area, aligning its strategies to support delivery of the City Deal. The new remit of this Group will be approved by the Cabinet.

GOVERNANCE OF THE CITY DEAL PROGRAMME AND PROJECTS

City Deals Programme and Projects

21. The Assurance Framework will set out in detail how business cases for the Programme and projects will be prepared and approved by the Glasgow and Clyde Valley Cabinet. It will also set out the evaluation framework for delivering the Programme and projects on the ground as well as monitoring the increase in GVA over a 20 year period. It will further set out how funding will be agreed and monitored.

22. Once projects are approved they will be subject to the agreed governance and monitoring framework that will be put in place for the Programme.

23. An annual report will be presented to the Finance and Audit Scrutiny Committee on the performance of the Programme across the Member Authorities, the economic impact and risk profile.

East Renfrewshire Council City Deal Projects

24. East Renfrewshire Council will be responsible for delivering a number of projects under the City Deal and governance of these projects will be through the Council's existing governance structures.

FINANCE AND EFFICIENCY

25. The financial implications of the City Deal will be contained within existing and future financial management strategies. The Investment Programme will add significantly to the economic infrastructure in the region and will act as a platform for Economic Growth over the life of the programme. The economic benefits will be monitored through the Commission on Urban Economic Growth and reported to Member Authorities.

CONSULTATION AND PARTNERSHIP WORKING

26. Good consultation and partnership working continues to take place between the 8 participating authorities and relevant community planning partners and other public bodies and agencies.

IMPLICATIONS OF THE PROPOSAL

27. The Council is expected to enter into legal agreements with the UK and Scottish Governments and other Member Authorities and others as required to implement the Programme. A Procurement Framework is currently being developed for the City Deal to ensure best value is achieved across Member Authorities.

CONCLUSIONS

28. The City Deal requires a robust Assurance Framework to be implemented amongst the Member Authorities and good progress is being made on its development. Further reports will be brought to Council in due course to seek further approvals as necessary.

RECOMMENDATIONS

29. The Council is asked to:

- (a) Note the progress made in formalising structures and processes relating to the delivery of the City Deal;
- (b) Approve the creation of the Glasgow and Clyde Valley Cabinet as a Joint Committee, with Glasgow City Council acting as the Lead Authority;
- (c) Approve the delegated functions of the Glasgow and Clyde Valley Cabinet; and
- (d) Note the progress being made to finalise the Assurance Framework in discussions with the UK and Scottish Governments.

Director of Environment

Further information can be obtained from: Andrew Cahill, Director of Environment on 0141 577 3036 or andrew.cahill@eastrenfrewshire.gov.uk

November 2014

KEY WORDS

City Deal, Infrastructure Funding, Greater Glasgow and Clyde Valley Community Planning Partnership,

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Cabinet Joint Committee constitution

Draft Joint Committee Agreement

**Glasgow and
Clyde Valley Cabinet**

Glasgow City Council
East Dunbartonshire Council
East Renfrewshire Council
Inverclyde Council
North Lanarkshire Council
Renfrewshire Council
South Lanarkshire Council
West Dunbartonshire Council

INTRODUCTION

We [] agree to become a Member Authority of the Glasgow and Clyde Valley Cabinet which is a Joint Committee constituted under Section 57 of the Local Government (Scotland) Act 1973. We confirm that we have all necessary powers to participate as a Member Authority of the Glasgow and Clyde Valley Cabinet and that our membership of the Glasgow and Clyde Valley Cabinet and the operation of the Glasgow and Clyde Valley Cabinet and its functions shall be governed by the following terms and conditions:-

1. INTERPRETATION

1.1 In these terms and conditions the following expressions shall have the meanings respectively ascribed to them:-

“The Assurance Framework” means a governance framework to be agreed between the Cabinet and the Scottish and UK Governments relating to delivery of the City Deal.

“The Cabinet” means the Glasgow and Clyde Valley Cabinet, a Joint Committee established under s57 of the Local Government (Scotland) Act 1973, the terms and conditions of which are set out herein.

“The Chief Executive’s Group” means the management group established in terms of Clause 4.

“The City Deal” means the City Deal agreed between the Member Authorities and UK and Scottish Governments, a copy of which is annexed at Appendix 1 and which contains three key aspects namely: the Infrastructure Fund; the Innovation Programme and the Labour Market Programme.

“Confidential Information” is defined in Clause 13.2.

“The Contribution Rate” means the proportion of any sum payable by each Member Authority in accordance with these terms and conditions, calculated in accordance with Clause 7.2.

“The Contribution Sum” means the sum to be paid by each Member Authority calculated by reference to the Contribution Rate each year to meet each Member Authority’s share of the budgeted costs of the Cabinet, including without prejudice to the foregoing generality: employment costs; the cost of support services; and the cost of occupying premises.

“The Director” means the Officer appointed by the Cabinet to head up the PMO and have overall responsibility for the operational functions of the Cabinet.

“Functions” means: to determine the Strategic Economic Development priorities for the Glasgow and Clyde Valley Region; the delivery of the City Deal in accordance with Appendix 1 annexed; and any other areas of activity agreed by the Member Authorities.

“The Glasgow and Clyde Valley Region” means the local government areas of the Member Authorities.

“The Infrastructure Fund” means the 20 year £1.13billion fund (drawing together UK Government, Scottish Government, and local funding streams) that will enable investment in the Glasgow and Clyde Valley region all as more fully specified in Part 1 of the Schedule as may be varied in accordance with the procedures set out in these terms and conditions and the Assurance Framework from time to time.

“The Innovation Programme” means the investment in life sciences and business support in the Glasgow and Clyde Valley Region all as more fully specified in Part 1 of the Schedule as may be varied in accordance with the procedures set out in these terms and conditions and the Assurance Framework from time to time.

“The Labour Market Programme” means the proposals to reduce unemployment in the Glasgow and Clyde Valley Region all as more fully specified in Part 1 of the Schedule as may be varied in accordance with the procedures set out in these terms and conditions and the Assurance Framework from time to time.

“The Lead Authority” means Glasgow City Council.

”Member Authority” means those local authorities specified in Clause 2.1 as may be amended from time to time in accordance with these terms and conditions.

“The PMO” means staff employed by the Lead Authority or seconded to the Lead Authority for the Cabinet (including the Director), to undertake the operational functions of the Cabinet.

“The Schedule” means the Schedule in 4 parts annexed forming part of these terms and conditions.

“The Treasurer” means the Director of Finance of the Lead Authority.

1.2 In these terms and conditions:-

- (a) Reference to the Glasgow and Clyde Valley Cabinet are to be treated as references to the Cabinet and vice versa;
- (b) References to contracts/grants entered into or awarded by the Cabinet are references to contracts entered into or awarded on behalf of the Glasgow and Clyde Valley Cabinet by the Lead Authority on the instruction of the Cabinet or any sub Committee or officer authorised to issue such an instruction.

- 1.3 Words imparting the masculine gender only shall include the feminine gender and vice versa.
- 1.4 Words imparting the singular number shall, except where the context otherwise requires, include the plural number and vice versa.

2. COMMENCEMENT AND DURATION

- 2.1 The Cabinet will be established on the last day of execution of these terms and conditions. First membership of the Cabinet is open to:

Glasgow City Council;
East Dunbartonshire Council;
East Renfrewshire Council;
Inverclyde Council;
North Lanarkshire Council;
Renfrewshire Council;
South Lanarkshire Council;
West Dunbartonshire Council.

- 2.2 Subject to the terms of Clause 2.1 above, membership of the Cabinet shall commence on the date these validly executed terms and conditions are received by the Lead Authority. Subscription of these terms and conditions will not impose any legally enforceable rights or obligations on the body which has executed these terms and conditions until the Cabinet has been established.
- 2.3 The Cabinet will consist of voting members who are democratically elected Local Authority Leaders and have been delegated authority to deal with the Functions of the Cabinet under Section 57 of the Local Government (Scotland) Act 1973. Each voting member shall have the following votes:
- Infrastructure Fund - all Member Authorities who have approved projects (see Part 2 of the Framework) will be entitled to a vote.
 - All Member Authorities will be entitled to a vote for all other Functions delivered by the Cabinet.
- 2.4 Any other Local Authority which wishes to become a member of the Cabinet may apply for membership. Any application for membership shall be approved, or otherwise, at the sole discretion of the Cabinet.
- 2.5 Membership of the Cabinet shall subsist until terminated in accordance with the provisions of Clause 11.
- 2.6 The Cabinet shall subsist until the Member Authorities determine in accordance with Clause 11 not to continue with the Cabinet and any period of notice required when Clause 11 has expired.

3. ESTABLISHMENT OF THE CABINET

- 3.1 The Cabinet has been established for the purpose of regulating the joint discharge of the Functions by the Member Authorities.
- 3.2 Each Member Authority shall appoint their Leader to be their representative on the Cabinet.
- 3.3 It will, however, be open to each of the Member Authorities to replace its representative on the Cabinet at any time. Substitutes will be nominated and agreed by the Member Authorities at the first meeting of the Cabinet.

- 3.4 The Cabinet may appoint sub committees and consider and agree to the delegation of responsibilities of the Cabinet to sub committees and to officers. The roles and functions of any sub committee shall be determined by the Cabinet.
- 3.5 Subject to Clause 2.3 above, the following matters shall be reserved for the decision of the Cabinet:
- (a) To deliver the Functions;
 - (b) To approve governance arrangements for the Cabinet, the Chief Executive's Group and any sub committees;
 - (c) To approve the Cabinet annual budget and any review or amendment of the budget;
 - (d) To monitor and ensure delivery of the City Deal all in accordance with the Assurance Framework;
 - (e) To approve which projects shall be delivered under the City Deal;
 - (f) To sign off upon satisfactory completion of each project delivered under the City Deal;
 - (g) To agree modified or substitute projects under the City Deal as appropriate;
 - (h) To act as a strategic point of contact with the Scottish and UK Governments and to provide quarterly progress reports to them in relation to the City Deal.
- 3.6 Each Member Authority shall hereby delegate to the Cabinet their powers to regulate the provision of the Functions. However, this delegation is without prejudice to each Member Authority retaining the right to exercise those powers notwithstanding the delegation made by them.
- 3.7 For the avoidance of doubt, any material financial decisions relating to City Deal over and above that set out in Appendix 1 must be referred back to each Member Authority for a decision.

3.8 The Cabinet shall adopt standing orders relating to proceedings at their meetings and the meetings of any sub committee.

3.9 Glasgow City Council shall be the Lead Authority for the Cabinet.

4. The Chief Executive's Group

4.1 There shall be a management group, the membership of which shall be the 8 Chief Executives from the Member Authorities or their nominees (the nominees to be of at least Director grade).

4.2 The Chief Executive of the Lead Authority's or his/her nominee shall act as Chair of the Chief Executive's Group.

4.3 The Chief Executive's Group shall adopt procedures to regulate its meetings. Those procedures and any subsequent amendment to them shall not come into effect until approved by the Cabinet.

4.4 The Chief Executive's Group shall have responsibility for the overall supervision and for the monitoring of the performance of the Director and the PMO in delivering the operational functions of the Cabinet.

4.5 The Director shall be accountable through the Chief Executive's Group to the Cabinet for the operational performance of the Cabinet in delivering the Functions and for the successful delivery of the City Deal.

4.6 The Chief Executive's Group shall undertake such other activities as are delegated to it by the Cabinet.

5. SUPPORT SERVICES

5.1 The Lead Authority shall be the Employing Authority for the Director and for the PMO. The arrangements in relation to employees are set out in the Schedule Part 2.

5.2 All professional and administrative support for the Cabinet, its sub committees, the Director and the Chief Executive's Group will be provided by the Lead Authority to

the Cabinet. These support services are more specifically described in the Schedule Part 3.

6. WORK OF THE CABINET

- 6.1 Except as specifically provided for in these terms and conditions, the Cabinet shall deliver the Functions, and shall regulate the delivery of the City Deal and set the key performance standards to be met as set out by the Scottish and UK Governments.

- 6.2 The Lead Authority shall enter into an annual grant agreement with the UK and Scottish Governments in relation to the Infrastructure Fund and Innovation Programme, and with the Department of Works and Pensions in relation to the Labour Market Programme and will do so with the approval of the Cabinet. The Lead Authority will ensure that the PMO budget and funding are used legally and appropriately.
- 6.3 The Cabinet shall ensure that any decisions in delivering the Functions conform with relevant legal requirements including: equalities; environment; European Union legislation; sustainability etc.
- 6.4 In relation to the City Deal, the Lead Authority shall enter into grant agreements with Member Authorities and third parties to deliver specified agreed projects in accordance with a set of governance arrangements approved by the Cabinet all as more fully specified in the Assurance Framework.
- 6.5 Member Authorities shall deliver agreed projects under the City Deal in accordance with the terms of their grant agreement. Any grant agreement entered into by a Member Authority shall be subject to that Member Authority's contract standing orders and financial regulations.
- 6.6 The Cabinet shall receive quarterly updates from the Director advising on the progress of each agreed project under the City Deal and any slippage and risks in relation to any specific projects. Any concerns which the Cabinet may have in relation to a grant agreement with a Member Authority will be notified to the relevant Member Authority via the Chief Executive's Group.
- 6.7 Where a Member Authority is failing to deliver a project under the City Deal in accordance with the terms of the grant agreement, the Member Authority shall report to the Director and to the Cabinet to explain the reasons for this and to provide mitigating actions to ensure that the project remains on track for completion.
- 6.8 Member Authorities undertake to provide such information within such timescales as is reasonably required by the Director to enable the Cabinet to undertake the Functions.
- 6.9 Failure by a Member Authority to comply with clauses 6.7 and 6.8 or 8.2 shall result in the Director reporting that failure to the Cabinet and the Cabinet will have the discretion to:-

- (a) Suspend any grant funding until a suitable resolution is found;
- (b) Terminate the relevant Member Authority's grant agreement if no suitable resolution is found;
- (c) Remove the relevant project from the City Deal, and replace it with another suitable project;
- (d) Recalculate grant awards taking account of
- (e) Recover from that Member Authority any grants already paid, and additional costs occurred or losses suffered by the Cabinet or its Member Authorities arising from that failure.

7. PMO BUDGET AND FUNDING

- 7.1 The Member Authorities each agree to pay their Contribution Sum fixed by the Cabinet in accordance with this Clause. The full Contribution Sum shall be payable by each Member Authority regardless of the use made by a Member Authority of the Functions of the Cabinet or a Member Authority's participation in the contracts linked through the Cabinet.
- 7.2 The Contribution Sum will be calculated by a proportion of the budget based on the population of each Member Authority's area expressed as a percentage of the total population within the areas of the Member Authorities.
- 7.3 The Cabinet shall at its first meeting approve a budget to 31 March 2015. Thereafter, in each year and prior to 31 March, consider and approve a budget prepared jointly by the Director and the Treasurer on the Lead Authority's budgetary requirements, for the operation of the Cabinet in the following financial year. The Member Authorities shall defray the costs of the said budget and the costs, expenses and outgoings incurred by the Lead Authority on behalf of the Cabinet in accordance with these terms and conditions. Payment of the Contribution Sum shall be made quarterly in advance in accordance with arrangements made by the Treasurer.
- 7.4 The Treasurer shall prepare the unaudited annual accounts of the Cabinet to 31 March and submit them to the Cabinet no later than 7 May following. The audited financial statement and accounts shall be submitted to the Cabinet for approval prior

to 31 August following. Any deficit arising shall be paid by the Member Authorities in accordance with arrangements made by the Treasurer. Any surplus will be reimbursed to Member Authorities in accordance with the pro rata Contribution Rate.

- 7.5 The Contribution Rate of all Member Authorities shall be reviewed by the Treasurer at least once every 3 years to identify whether the Contribution Rate of any Member Authority should be adjusted to reflect changes in the size of the population within Member Authorities areas and changes to the size of the aggregated population within all Member Authorities' areas. The requirement to review the Contribution Rates of Member Authorities contained in this clause shall not commence until April 2018.
- 7.6 The Contribution Rate of Member Authorities shall also be reviewed by the Treasurer in the event of there being a change or proposed change to the boundary of one or more Member Authorities which has the effect of materially altering the size of the population within the area of any of those Member Authorities.

- 7.7 No change to the Contribution Rate of any Member Authority may be made without prior approval of the Cabinet following consultation with those Member Authorities whose Contribution Rate is affected.

8. DEFAULT IN PAYMENTS

- 8.1 In the event that any Member Authority fails to make any payment due under this Agreement, the PMO may determine that interest will run from the date following the date upon which the money became due and payable until paid at a rate of 2% per annum above the base rate of the Royal Bank of Scotland plc.
- 8.2 Where a Member Authority remains in default for more than one calendar quarter the terms of Clause 6.9 shall apply.
- 8.3 The Lead Authority, on behalf of the Member Authorities, and the Member Authorities themselves, individually, reserve the right to recover any outstanding sums due to them from a defaulting Member Authority.

9. RELATIONSHIP WITH THIRD PARTIES

- 9.1 The Cabinet may allow bodies who are not Member Authorities to utilise or benefit from all or some of the Functions in accordance with such terms and conditions as are stipulated by the Cabinet.
- 9.2 The Cabinet may appoint any body it has allowed to utilise any of the Functions in terms of Clause 9.1 above, to become an Associate Member of the Cabinet.

- 9.3 An Associate Member shall have such rights and obligations as are stipulated by the Cabinet which may include, but not be limited to an advisory, consultative or observer role. However, an Associate Member shall not be given the right to be represented on the Cabinet or to vote on any issue on which a decision of the Cabinet is required.

10. INDEMNITY AND INSURANCE

- 10.1 Where the PMO is acting on behalf of all or some of the Member Authorities those Member Authorities shall jointly indemnify the PMO and the Lead Authority in proportion to their Contribution Rate against any liability for loss, damage or injury arising from any act or omission of the PMO in the course of their duties under these terms and conditions.
- 10.2 Where the PMO is acting on behalf of a single Member Authority, that Authority shall indemnify the PMO and the Lead Authority against any liability for loss, damage or injury arising from any act or omission of the PMO in the course of providing any services requested by the Member Authority.
- 10.3 The Member Authorities shall jointly indemnify the Lead Authority in proportion to their Contribution Rate in respect of all loss, cost and expense incurred by the Lead Authority (including any liability to their legal advisers) arising out of any claim which arises out of any act or omission by any person in connection with their duties under these terms and conditions with the exception of any loss, costs or expense which is covered by the indemnities granted in Clauses 10.1 and 10.2 above.

10.4 The Treasurer shall arrange for the taking out of such policies of insurance as the Treasurer considers appropriate in relation to the carrying out of the functions on behalf of the Cabinet which insurances shall included without prejudice to the foregoing generality, employers liability, public liability and professional indemnity insurance and the cost of taking out such policies shall be defrayed by the Member Authorities as part of the Contribution Sum with each Member Authority's share of the costs being calculated by reference to the Contribution Rate.

11. TERMINATION

11.1 Member Authorities shall remain members for at least a period of 20 years from the Commencement Date as defined in Clause 2 and thereafter shall require to give at least one years written notice of their intention to withdraw from the Cabinet with the said notice period to commence on 1 April following its receipt by the Director with a date of expiry of a notice of withdrawal being 31 March of the following year. Any such notice shall be served by a Member Authority on the Director to the Cabinet who shall within 7 days acknowledge receipt and advise the Director that such notice has been received. The Cabinet shall be entitled to allow a Member Authority to cancel a notice of withdrawal at any time. The Member Authority's membership of the Cabinet and participation in the Cabinet shall terminate on the date of expiry of the notice of withdrawal.

11.2 If one or more Member Authorities serve notice of their intention to withdraw from the Cabinet subject to the terms of Clause of 11.1 above and to cease their membership of the Cabinet, the other Member Authorities shall as soon as reasonably practical meet to discuss the future viability and extent of the Cabinet with a decision being reached regarding whether to continue with the Cabinet before expiry of such notice.

- 11.3 Where under Clause 11 the Member Authorities resolve not to continue with the Cabinet arrangement following the period of 20 years after the commencement date they shall advise the Director of the Cabinet of the decision and shall bring a report to the Cabinet recommending dissolution of the Cabinet. The Cabinet shall ensure that a sufficient period of time is allowed and the Lead Authority shall retain sufficient staff, to facilitate the orderly winding up of the Cabinet.
- 11.4 In the event that the Member Authorities resolve not to continue with the Cabinet following one or more notices of withdrawal, each of the Member Authorities shall, on demand, pay to the Lead Authority all costs, expenses and outgoings whatsoever reasonably incurred by the Lead Authority as a result of the termination of the agreement and that in accordance with the Contribution Rate.
- 11.5 In the event that the Lead Authority resolves not to continue to participate in the Cabinet, the Member Authorities shall, on demand, pay to the Lead Authority all costs, expenses and outgoings whatsoever reasonably incurred as a result of their ceasing to provide all or any of the support services detailed in Scheduled Part 3 and that in accordance with the Contribution Rate.
- 11.6 Subject to Clause 11.1, any Member Authority which withdraws from the Cabinet shall, on demand, pay to the Lead Authority all costs, expenses and outgoings whatsoever reasonably incurred by the Lead Authority as a result of that Member Authority ceasing to participate in the Cabinet.
- 11.7 A statement of certificate specifying the amount due to the Lead Authority in terms of Clauses 11.4, 11.5 or 11.6 above signed by the Treasurer or by any other signing official authorised by the Lead Authority shall, unless and until the contrary be proven, be deemed correct and thus binding on the Member Authorities.

11.8 The Treasurer shall keep or cause to be kept full and accurate accounts through the currency of this agreement, or any replacement thereof. The detailed records will be available for the following periods:

- (a) for the costs of operation the Cabinet and the PMO, detailed records will be held for a period of 3 years;
- (b) for grant receipt and allocation, detailed records will be retained for a period of 20 years.

11.9 The Member Authorities shall be entitled on giving reasonable prior notice to inspect such accounts and records and to make any examination which they may desire and for this purpose. The Treasurer shall forthwith on demand produce to the Member Authorities all relevant information or vouchers as a Member Authority may reasonably request.

12. PREMISES

12.1 The PMO shall be located in premises approved by the Lead Authority.

12.2 If applicable, the costs of any premises occupied by the PMO shall be met in accordance with the Schedule part 4.

13. CONFIDENTIAL INFORMATION

13.1 The Member Authorities shall at all times use their reasonable endeavours to keep confidential (and to procure that their respective employees, agents, consultants and sub-contractors shall keep confidential) all Confidential Information concerning the Cabinet, the Functions of the Cabinet or the business and affairs of the other Member Authorities which may now or at any time hereafter be in its possession and shall not disclose it except with prior written consent of the other Member Authorities or where the Confidential Information relates only to one Member Authority the consent of that Member Authority.

- 13.2 “Confidential Information” means any information imparted to any of the Member Authorities or their employees, agents, consultants or sub-contractors (“the Receiving Party”) which was imparted to the Receiving Party on the basis that it is to be kept confidential or would by its nature normally be regarded as being confidential or to the knowledge of the Receiving Party was obtained by the other Member Authorities on the basis that it was to be kept confidential or is of commercial value in relation to the Cabinet but shall not include any information which is:
- 13.2.1 already in the public domain otherwise than by reason of its wrongful disclosure by the Receiving Party; or
 - 13.2.2 already in the possession of the Receiving Party without restrictions as to its use; or
 - 13.2.3 the disclosure of which is required by statute or court order; or
 - 13.2.4 is provided for the purpose of obtaining professional advice; or
 - 13.2.5 is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or
 - 13.2.6 which is information independently developed without access to the Confidential Information including audit and assessing best value.
- 13.3 This Clause 13 is subject always to the obligations of a Member Authority to comply with the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004. A Member Authority shall not be in breach of this Clause where information is released by that Member Authority to comply with the aforementioned legislation.

14. FREEDOM OF INFORMATION

- 14.1 Each Member Authority acknowledges that the other Member Authorities are subject to the requirements of the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 ("FOI").
- 14.2 Each Member Authority shall assist and cooperate with other Member Authorities to enable the other Member Authorities to comply with their information disclosure obligations under FOI.
- 14.3 Where a Member Authority receives a request for disclosure of information under FOI which that Member Authority holds in connection with or as a result of its membership of the Cabinet or its participation in any of the grants awarded through the Cabinet, that Member Authority shall bring the receipt of such a request to the attention of the Director.
- 14.4 The Member Authority receiving a request under FOI shall be responsible for determining whether to disclose the information requested and where it is decided not to release any of the information requested, which of the exemptions in terms of FOI it is relying on. However, before making any determination in terms of this clause the Member Authority shall give the Director a reasonable opportunity taking into account any statutory time limit for determining such a request to make representations regarding how the Director considers the request under FOI should be deal with.
- 14.5 Where a Member Authority receives a request for information in relation to information which it is holding on behalf of any of the other Member Authorities in connection with its participation in the Cabinet, it shall:-
- (a) Transfer the request for information to the relevant Member Authority as soon as practicable after receipt; and

- (b) Provide all necessary assistance as reasonably requested by the relevant Member Authority to enable the Member Authority to respond to the request for information within the time for compliance set out in FOI.

15. VARIATION

- 15.1 These terms and conditions may only be varied by execution of a Minute of Variation signed by all of the Member Authorities.

16. RESOLUTION OF DISPUTES

- 16.1 Any dispute between Member Authorities arising in connection with its membership of the Cabinet which cannot be resolved by discussion between the Member Authorities in dispute shall be determined by an Arbiter.
- 16.2 Arbitration in terms of this Clause 16 may be initiated by any of the Member Authorities in dispute. The Arbiter shall be mutually agreed by the parties in dispute failing which the Arbiter shall be approved by the Sheriff of Strathclyde and the written application of any Member Authority.
- 16.3 The decision of the Arbiter on the matter in dispute and on any award of expenses relating to the arbitration shall be final and binding on all parties involved in the arbitration.
- 16.4 The operation of Section 3 of the Administration of Justice Scotland (Scotland) Act 1972 is excluded.

17. ASSIGNATION

- 17.1 No rights or obligations arising from these terms and conditions may be assigned except by the prior written consent of the Cabinet.

18. CONFLICT

- 18.1 In the event of any conflict arising between these terms and conditions and those of the Assurance Framework, these terms and conditions shall apply.

19. AGREEMENT

- 19.1 Subject to Clause 2.2 the execution of these terms and conditions by ourselves and by the Lead Authority creates a legally binding agreement between us as a Member Authority of the Cabinet and the Lead Authority as a Lead Authority for the Cabinet.
- 19.2 We agree that if asked by the Lead Authority to do so we will enter into a Minute of Agreement with all Member Authorities as parties containing these terms and conditions.

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SCHEDULE PART 1

THE GLASGOW AND CLYDE VALLEY CITY DEAL

(Copies can be provided on request from the Head of Environment)

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SCHEDULE PART 2

STAFF

1. The Lead Authority's Duties

- 1.1 The Cabinet may authorise the appointment by the Lead Authority of sufficient suitably qualified and experienced employees to undertake the Functions on behalf of the Cabinet for such periods and subject to such conditions of employment as the Cabinet shall approve.
- 1.2 The Cabinet's prior approval will be required in respect of any proposals to amend materially the terms and conditions of employment of the PMO.
- 1.3 The Lead Authority will provide payroll and comprehensive personnel services for the PMO. For the avoidance of doubt, where the discharge of such services requires the Lead Authority to seek assistance and advice from other departments of the Lead Authority or from outside agencies they may do so. Such additional services will be reported to the Cabinet and the costs thereof included in the costs to be paid by the Member Authorities in terms of paragraph 2.1 of this Part 2 of the Schedule.
- 1.4 The Lead Authority shall effect such insurance policies as it considers necessary in connection with its obligations under this part of the Schedule and any premiums shall be included in the costs to be paid by the Member Authorities in terms of paragraph 2.1 of this Part of the Schedule.

2. Member Authorities' Duties

- 2.1 The Member Authorities hereby agree to pay all costs, expenses and outgoings reasonably incurred by the Lead Authority, ("the employment costs") in connection with the performance by the Lead Authority of its obligations under this part of the Schedule. Each Member Authority's share of the employment costs shall be calculated by reference to that Member Authority's Contribution Rate.
- 2.2 Without prejudice to Paragraph 2.1 above, as part of the procedures under Clause 7 of these terms and conditions an estimate of the employment costs shall at the beginning of each year be agreed between the Lead Authority and the Cabinet. Such employment costs shall be paid quarterly in advance by each Member Authority in accordance with the Contribution Rate.

3. Termination

- 3.1 In the event that the Cabinet is dissolved and has remaining staff, they shall be given the option to transfer on their terms and conditions of employment in force as at the date of termination of the Cabinet to either the Member Authority from where they have been seconded, or to a post with another Member Authority. The Member Authorities shall among themselves provide such posts in so far as reasonably practical in accordance with the proportions set for Contribution Rates.
- 3.2 Any outstanding employment costs of the Lead Authority not otherwise met in terms of this Schedule shall be apportioned between the Member Authorities in proportion to their Contribution Rate.

SCHEDULE PART 3

PMO AND SUPPORT SERVICES

1. Support services for the Cabinet

1.1 The Director and the PMO shall supply to the Cabinet such administrative and technical support as it may reasonably require to discharge the Functions to include:

- preparation and circulation of agendas and minutes;
- publishing the Cabinet processes and outcomes;
- facilitating engagement with stakeholders; and
- managing Cabinet communications including establishment of a Cabinet website.

1.2 The Director or his/her nominee will be the Clerk to the Cabinet and either alone or at the request of the Chair or Vice Chair of the Cabinet or on the requisition of at least one-fourth of the whole number of Members of the Cabinet shall have power to call meetings of the Cabinet.

1.3 The Chief Executive of the Lead Authority or his/her nominee will have power to call upon the services of such other employees of the Lead Authority to enable him/her to discharge his/her duties to the Cabinet.

1.4 The Lead Authority shall directly or indirectly make available to the Cabinet such committee rooms and members' accommodation as may be required to allow the Cabinet to discharge its functions.

- 1.5 The PMO shall agree a budget with the Cabinet annually in advance of 31 March in each year for the financial year following. The budget shall be apportioned between the Member Authorities in accordance with the Contribution Rate and will be payable quarterly in advance by them to the Lead Authority. Any additional services required by the Cabinet not included in the budget shall after authorisation by the Cabinet be invoiced to the Member Authorities in accordance with the Contribution Rate.
- 1.6 The Director and the PMO shall act as the first point of contact with the UK and Scottish Governments in relation to the delivery of the City Deal.

2. PMO Services for the Cabinet

- 2.1 The PMO shall supply to the Cabinet and the Chief Executive's Group such PMO and support services as the Director may reasonably require to discharge his/her duties (for the avoidance of doubt such services may include financial, legal, audit and other professional or technical services).
- 2.2 The PMO shall enter into an annual grant agreement with the UK and Scottish Governments in relation to the Infrastructure Fund, and the Department of Works and Pensions in relation to the Labour Market Funds, and shall act as grant recipient in respect of City Deal monies.
- 2.3 The PMO will scrutinise project applications and proposed business cases and make recommendations to the Cabinet via the Chief Executive's Group. Where necessary expertise does not exist within this team to fulfil this responsibility, external support will be commissioned and managed by this team.
- 2.4 The Lead Authority will enter into a grant agreement for the City Deal programme and approved by the Cabinet and will allocate and account for distribution of grant income to member Authorities and third parties as approved under the City Deal.
- 2.5 The PMO will analyse and provide quarterly reports on progress to the Cabinet, the UK and Scottish Governments and the Chief Executive's Group or provide any other reports or updates as required by the Cabinet. These will be discussed at quarterly meetings. Monthly updates will also be given to the UK and Scottish Governments to discuss progress on delivery of the City Deal.

- 2.6 The PMO will prepare the annual report and accounts for the Cabinet and arrange for audit of such accounts.
- 2.7 The PMO will provide a full toolkit of documentation to Member Authorities delivering projects including: business case templates; appraisal guidance; reporting templates; risk registers; and such other documentation as may be required by the Cabinet from time to time.
- 2.8 The PMO will analyse and report on the impact of the delivery of projects and the delivery of wider economic benefits agreed in Business cases and grant awards all in accordance with commitments made to the UK and Scottish Governments.
- 2.9 The PMO shall provide advice on strategy and policy to the Cabinet ensuring that there is consistency on strategic economic and related issues. The PMO will establish and lead such informal advisory and expert groups as are required for the formation of advice to the Cabinet.
- 2.10 The PMO will liaise with and co-ordinate programme delivery across other Glasgow and Clyde Valley Regional Partners, and National Bodies, including Non Departmental Public Bodies, as far as such co-ordination advances the aims of the City Deal and the Functions of the Cabinet.

3. Costs

- 3.1 The Director shall include in the budget agreed in terms of Clause 7 of these terms and conditions provision for the costs of such PMO and support services. Each Member Authority shall on agreement of that budget be responsible for payment of a proportion of the PMO and support services charge calculated by reference to the Contribution Rate quarterly in advance to the Lead Authority.
- 3.2 Any additional PMO and support services required by the Director shall after approval by the Cabinet be invoiced by the Lead Authority to each Member Authority in accordance with their Contribution Rate.

SCHEDULE PART 4

PREMISES

1. Premises

- 1.1 The PMO shall provide accommodation and back office functions for the PMO as required.

- 1.2 The Member Authorities shall pay their share of any costs (if applicable) of any premises occupied by the PMO calculated in accordance with the Contribution Rate. Those costs may be the cost of purchasing, leasing, sub-leasing or occupying the premises under a licence agreement and may include the service costs of the premises.

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