
Report To:	The Inverclyde Council	Date:	4 December 2014
Report By:	Head of Legal & Property Services	Report No:	GM/LP/084/14
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Subject:	Glasgow and Clyde Valley City Deal: Governance Arrangements		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval for the Council's participation in the establishing of a Joint Committee for the purposes of governing the delivery of the Glasgow and Clyde Valley City Deal.

2.0 SUMMARY

- 2.1 At its August 2014 meeting, the Policy & Resources Committee considered a report on the response from the UK and Scottish Governments on the City Deal proposals put forward by the local authorities in the Glasgow City region and which sought approval to accept the offer of the City Deal funding and its associated financial implications.
- 2.2 The Policy & Resources Committee agreed that the proposed governance model for the City Deal be developed and that the Council should also participate in the establishing of a Programme Management Office to begin the implementation arrangements.
- 2.3 This report seeks approval for the participation of Inverclyde Council as a member of the proposed Joint Committee.

3.0 RECOMMENDATIONS

It is recommended that the Council:

- 3.1 notes the progress which has been made in formalising the structures and processes relative to the delivery of the City Deal;
- 3.2 approves the establishing of a Joint Committee for purposes of strategic direction and implementation;
- 3.4 approves the delegated functions of the Cabinet of the Joint Committee and notes the implementation arrangements for the City Deal;
- 3.5 notes the timescales and progress being made to finalise the arrangements in discussions with the UK and Scottish Governments;
- 3.6 approves, in terms of clauses 2.3 and 3.2 of the proposed Constitution, the appointment of the Leader of the Council as the Council's representative on the Joint Committee and that a substitute be nominated;
- 3.7 remits it to the Corporate Director Environment, Regeneration & Resources to establish suitable internal mechanisms for a Project Board to oversee local implementation and progress of City Deal projects and to engage relevant partners; and,

3.8 authorises the Chief Executive, in consultation with the Chief Financial Officer and the Head of Legal and Property Services, to adjust and negotiate any necessary alterations to the proposed Assurance Framework and Constitution.

Gerard Malone
Head of Legal & Property Services

4.0 BACKGROUND

- 4.1 In August 2014, the Policy & Resources Committee discussed in detail the reports setting out the key elements of the Glasgow & Clyde Valley City Deal.
- 4.2 The Committee noted that further reports would be presented to the Council relative to the governance structure as it developed and that further approvals would be sought as required.
- 4.3 The City Deal requires that the eight participating local authorities (the “Member Authorities”) will produce a document entitled an Assurance Framework for approval by the UK and Scottish Governments before any funding will be released for the City Deal.
- 4.4 The Assurance Framework is to be submitted to the Scottish and UK Governments by the end of December 2014 and it is intended this be finalised by March 2015. This report advises the Council on the key elements of the proposed Assurance Framework. The present, up to date draft of the Assurance Framework has separately been made available to Elected Members for their consideration in detail along with, for ease of reference, copies of the August 2014 report to the Policy and Resources Committee.

5.0 PROPOSED ASSURANCE FRAMEWORK

5.1 Joint Committee: A Joint Committee will be established in terms of Section 57 of the Local Government (Scotland) Act 1973 and will be formed as a “Cabinet” to have the ultimate decision making authority for the City Deal within the terms of the Assurance Framework. The Cabinet will report to the UK and Scottish Governments and will act in the joint interests of the Member Authorities which are: Glasgow City Council; East Dunbartonshire Council; East Renfrewshire Council; North Lanarkshire Council; Renfrewshire Council; South Lanarkshire Council; West Dunbartonshire Council; and Inverclyde Council. A copy of the Joint Committee Constitution is contained in **Appendix 1** and **Appendix 2** contains a diagram showing the proposed governance structures.

5.2 Cabinet: The functions of the Cabinet are to:-

- Determine the strategic economic development priorities for the Glasgow and Clyde Valley Region;
- Deliver the City Deal, the key elements of which will be to: approve business cases; monitor and evaluate them; and report progress to the UK and Scottish Governments on implementation of the City Deal;
- 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.

Matters which are reserved to the Member Authorities for decision making and which will not be delegated to the 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.

5.3 It is specifically proposed in terms of the Assurance Framework and the Constitution of the Cabinet that the Leader of each Member Authority will sit on the Cabinet, with Glasgow City Council acting as Chair. This is a proposal that seeks to underline the significance of the City

Deal arrangements as the Assurance Framework and the Constitution both require the specific involvement of each of the Leaders from the eight constituent local authorities. Each Member Council is also requested to nominate a substitute for the Leader

- 5.4 Full governance arrangements will be put in place for the Cabinet, including matters relating to Audit, conflicts of interest, Freedom of Information requests and complaints. In line with any other Committee of a Member Authority, the meetings of the Cabinet will be open to the public and agendas and papers will be published on the Glasgow City Council website.

Chief Executives' Group

- 5.5 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.
- 5.6 The Chief Executive Officer of the Lead Authority (Glasgow City Council) will be the Chair of the Chief Executives' Group.
- 5.7 The Chief Executives' Group will have responsibility for the overall supervision of delivery of the City Deal.

Programme Management Office

- 5.8 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).
- 5.9 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.
- 5.10 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, staff seconded from other Member Authorities or recruited into specific posts.

UK and Scottish Governments

- 5.11 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.
- 5.12 There are other groups within the Assurance Framework to assist in the delivery and review of economic activity through the City Deal involving an Independent Commission on Urban Growth, a Glasgow Economic Leadership Board, a Regeneration and Economy Consultative Group and all of these groups will work collaboratively to focus on specific issues to assist implementation of the City Deal's programme and projects.

Summary

- 5.13 The City Deal project is a major initiative which involves the participation of eight local authorities within the Glasgow City region area together with detailed involvement of both the UK and Scottish Governments. The details relative to the City Deal project have been reported to the Policy & Resources Committee at its August 2014 meeting, including an assessment of the risks for the overall project and, in particular, the specific risks for Inverclyde because of the location of projects and the level of unknowns associated with built up dockland and the need for close involvement with the private sector and impacts on cash flow especially where funding is subject to economic performance. A detailed risk assessment has been completed and was considered at the August 2014 meeting.

6.0 IMPLICATIONS

Finance

- 6.1 The funding and financing arrangements have been subject to detailed comment and review as reported to the August 2014 meeting of the Policy & Resources Committee (Section 10, thereof).

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
Regeneration	Development Fund	2017/18	359		
Regeneration	Development Fund	2017/18	16		To part fund the PMO Latest estimate is the annual cost will be up to £30k

Legal

- 6.2 The detailed arrangements for the governance procedures have been subject to review and are approved.

Human Resources

- 6.3 There may be a requirement to second staff to the Project Management Office.

Equalities

- 6.4 There are no anticipated equality issues envisaged.

Repopulation

- 6.5 The overall economic development programme will assist significantly in generating local employment opportunities and should have a positive resultant impact in stimulating repopulation of Inverclyde.

7.0 CONSULTATIONS

- 7.1 This report has been endorsed by the Corporate Management Team. The participants in the Joint Committee will be the eight Clyde Valley Councils and this will involve close liaison with both the Scottish and UK Governments.

8.0 LIST OF BACKGROUND PAPERS

- 8.1 None.

9.0 CONCLUSION

- 9.1 Overall, the City Deal Agreement provides Inverclyde Council with a significant opportunity to develop projects which not only have the potential to generate significant job opportunities and leverage in private sector investment but also contribute to the wider economic growth within the Glasgow City region. The City Deal proposal enables the Council to benefit from grant of approximately 86% and possibly up to 100% depending on any joint venture established to bring forward the projects envisaged.

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 Executives’ 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.

“The Programme” means the programme of works which takes account of all of the projects which sit under the City Deal.

“The Commencement Date” is set out in Clause 2.2.

“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; to approve the remits of the Independent Commission on Urban Growth, the Glasgow and Clyde Valley Economic Leadership Board, and the Regeneration and Economy Consultative Group; and any other areas of activity delegated to it 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.

“Portfolio” means an area of work such as: Connectivity (roads and transport), Enterprise and Employment where one of the Cabinet members will be delegated to act as spokesperson and policy lead on a particular area.

“The Programme Management Business Case” means the business case which will be established for overall delivery of the City Deal Programme.

“The PMO” means the Programme Management Office which will consist of 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 and Appendix 3 of the Assurance 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 Local Authority other than those listed at Clause 2.1 above which wishes to become a member of the Cabinet may apply for membership. Each existing Member Authority shall have a veto on this application which each may use entirely at their own discretion.

- 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. The appointment of any substitutes and alterations to those substitutes are a matter for each Member Authority provided that appropriate written notice is given to the Cabinet of such appointment in advance.
- 3.4 The Cabinet may establish sub committees or Portfolios and consider and agree to the delegation of responsibilities of the Cabinet to sub committees, Portfolios and to officers. The roles and functions of any sub committee or Portfolios shall be determined by the Cabinet.
- 3.5 Subject to Clause 2.3 above, the following matters shall be reserved to the Cabinet:
- (a) To deliver the Functions;
 - (b) To approve governance arrangements for the Cabinet, the Chief Executives' Group, any sub committees, Portfolios and procedural standing orders;
 - (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 and shall Chair the Cabinet.

4. The Chief Executives' 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 or his/her nominee shall act as Chair of the Chief Executives' Group.
- 4.3 The Chief Executives' 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 Executives' Group shall have collective responsibility for the overall supervision, management and monitoring of the performance of the PMO in delivering the operational functions of the Cabinet.

4.5 The Director shall be accountable through the Chief Executives' 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 Executives' 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, Portfolios, the Director and the Chief Executives' 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 Work 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, and Best Value.

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 Executives' 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. The full governance process for managing and monitoring the City Deal Programme is set out in the Assurance Framework.
- 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 Should any infrastructure project prove impossible to deliver for technical reasons the relevant Member Authority shall have a period of 6 months to identify a substitute project all in accordance with Part 2 of the Assurance Framework.
- 6.10 Subject to Clause 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;

- (e) Recover from that Member Authority any grants already paid, and additional costs incurred 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 as 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 in terms of 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 audited financial statement and accounts shall be submitted to the Cabinet for approval prior to 1 September following.(TBC) 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 6.10 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 include 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 and thereafter shall require to give at least one year's 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 who shall within 7 days acknowledge receipt and advise the Cabinet 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 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 the Schedule 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. (TBC)

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 dealt 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 on 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 the 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.

SCHEDULE PART 1

**THE GLASGOW AND CLYDE VALLEY CITY DEAL
(INSERT)**

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, its sub committees and Portfolios 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 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 Executives' 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 Work 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 Executives' 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 produce, monitor, review and update the Programme Management Business Case.
- 2.6 The PMO will analyse and provide quarterly reports on progress to the Cabinet, the UK and Scottish Governments and the Chief Executives' 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.
- 2.7 The PMO will prepare the annual report and accounts for the Cabinet and arrange for audit of such accounts.
- 2.8 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.

- 2.9 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.
- 2.10 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.
- 2.11 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.

Governance Structure

