



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

17th MAY 2019

TITLE: *Governance Agreement 2 Work Programme*

AUTHOR: *Iwan G D Evans – Monitoring Officer – Accountable Body*

1. PURPOSE OF THE REPORT

- 1.1. To report on and seeking approval for the proposed timetable for preparation of the second Governance Agreement

2. DECISION SOUGHT

- 2.1. To approve the proposed work programme for the preparation and completion of Governance Agreement 2.

3. REASONS FOR THE DECISION

- 3.1. The Partners have agreed that the governance and the supporting partnership of both the Growth Bid and Vision would be developed in two initial stages. The partners have concluded Governance Agreement 1 (“GA 1”) which was entered into in order to take the project forward to formal offer of funding. It was intended that a subsequent Governance Agreement 2 (“GA2”) would be entered into to take the partnership into the implementation phase. This report sets out a proposed programme for the creation of that agreement.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. GA1 was developed for this first phase of the Growth Deal to be adopted by all partners of the Ambition Board. The Governance Agreement was developed by the regional Heads of Legal network and with the expert and independent advice of legal advisers, Pinsents, Solicitors. GA1 provides a comprehensive framework both in terms of the governance structures, membership, constitution and delegation to the EAB. It is also a partnership agreement which establishes the partnership and defines the mutual commitments, responsibilities and expectation between the parties. This agreement will be the base model for GA2. However, moving forward to the implementation phase of the project will require a partnership agreement which is appropriate for sustaining and developing a substantial regional project both in terms of scope and finance but also in relation to risks.
- 4.2. The following provide an outline of the key aspects which will need to be addressed as GA2 is prepared:

Review of Governance Structures
Review of Objectives
Develop Growth Vision governance.
Delegation and terms of reference,

Matters reserved for individual Partners.
Managing Conflicts of interest.
Scrutiny arrangements
Duration and termination
Indemnities between parties and for Accountable Body.
Liability of the parties
Withdrawal – what will be the penalties for withdrawal?
Growth Deal Project approvals, monitoring and management.
Risk Management.
Business Planning
Business structures and vehicles.
Land ownership, how will it be organised,
Partner Contributions and Costs
Sharing Contributions to the Growth Deal
Dealing with any losses
Payment mechanisms.
Process for approving the Annual Budget,

- 4.3 The development of GA2 will require input from both partners and specialisms. Pinsents have been retained for this work which will be developed with the Regional Heads of Legal network The preparation of the agreement and moving to final completion will also be contingent on the contents and preparation of the documents such as the Heads of Terms and final offer. It is intended that GA2 will be completed in tandem with approval and acceptance of the funding offers and will be a key document in providing assurance for all stakeholders as to the integrity and robustness of the governance of the North Wales Economic Ambition Board.

5. FINANCIAL IMPLICATIONS

- 5.1. There is provision in the EAB budget for external legal support in relation to GA2.

6. LEGAL IMPLICATIONS

- 6.1. The report sets out a proposed timetable to prepare and complete GA2. It will be a legally binding agreement between the partners. As stated it will provide for agreed governance arrangements as well as defining the roles, responsibilities and commitment of the partners generally and individually.

7. STAFFING IMPLICATIONS

- 7.1. None identified

8. IMPACT ON EQUALITIES

- 8.1. None identified

9. CONSULTATIONS UNDERTAKEN

- 9.1. n/a
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APPENDICES:

Appendix 1 Proposed Timetable

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Accountable Body:

The report has been prepared by the Monitoring Officer.

ii. Statutory Finance Officer (the Accountable Body’s Section 151 Officer):

“I appreciate this report’s intention to manage the work programme for establishing a second Governance Agreement, with a timetable that will crystallize financial information by autumn 2019, when partners will be considering their 2020/21 budget remit.”

Appendix 1

Proposed timetable for preparation of GA2

| Action | Start Date | End Date | Lead |
|---|---|---|-------------------------------|
| Initial conference with Pinsents | 13 May 2019 | 13th May | Legal |
| Circulate Initial Issues list and Questionnaire | 20th May 2019 | 14 June 2019 | Legal |
| Commission specific work streams/ steer from Finance Exec Group and Partners | 20th May 2019 | To be determined as part of an agreed timetabled work stream based on overall Work Programme. | Legal and relevant specialism |
| Review responses and prepare initial working draft GA2 | 17th June 2019 | 30th June 2019 | Legal |
| Report to Exec Group / Workshop | 5 July 2019 | 5 July 2019 | Legal |
| Report on progress to EAB | 19 July 2019 | 19 July 2019 | |
| Prepare revised second Draft GA2 | This will be determined by development of the wider project and maturity of information and consensus on key elements which will feed into the agreement. | | Legal |
| Secure Agreement on final draft | This will be determined by development of the wider project and maturity of information and consensus on key elements which will feed into the agreement. | | Legal |
| Prepare final draft for confirmation and approvals. | This will have to be in accordance with overall Work Programme | | Legal |
| Complete Agreement | In parallel with approvals process for Growth Bid. | | Legal |