



REPORT TO THE GROWING MID WALES BOARD

15th December 2021

TITLE:	Ensuring appropriate and robust governance for the delivery of the Mid Wales Growth Deal: Inter-Authority Agreement 3
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1. Purpose of the Report

- 1.1. The Mid Wales Growth Deal (MWGD) is entering the final phases of development with the anticipated signing of the Final Deal Agreement (FDA) in December 2021.
- 1.2. This signals the final phase of strategic development of the MWGD, and will see work concluding to ensure grant offer letters are received – which will signify the commencement of delivery of the MWGD.
- 1.3. To ensure there is continued good and robust governance for the delivery phase of the MWGD, it is necessary to further revise and evolve our existing arrangements between both Powys and Ceredigion Councils.
- 1.4. This takes form of an Inter-Authority Agreement (IAA), of which now we are on its third iteration. It sets out the principle of the governance and management of the MWGD.

2. Decision(s) Sought

- 2.1. To note the scope and key matters relating to the third Inter-Authority Agreement (IAA3), that will cover the delivery phase of the MWGD.
- 2.2. To recommend to the Cabinets of both Authorities that IAA3 is agreed, as set out in Appendix 1 to this report.

3. Background

- 3.1. Powys and Ceredigion County Councils have already engaged in a formal arrangement to pursue the MWGD as part of the Growing Mid Wales work – through the initial Inter-Authority Agreement (“IAA”) dated 11 December 2019.
- 3.2. This first IAA ensured the appropriate governance arrangements to ensure the partners achieved Heads of Terms in December 2020 for the MWGD.
- 3.3. In July 2021, a further iteration of the IAA was developed (IAA2), to ensure continued governance for the period of development up to Final Deal Agreement,

and also to include the new Terms of Reference for the Regional Skills Partnership.

- 3.4. The parties relating to the Inter-Authority Agreement, remain unchanged as both Powys and Ceredigion County Councils.

4. Commencement and duration

- 4.1. IAA3 is intended to commence once the Final Deal Agreement (FDA) is signed between the two Councils – and will remain in force and effect for the period of the Growth Deal.
- 4.2. It will remain in full force and effect unless the Parties agree to terminate the agreement or the agreement is brought to an end by the default of a party, in which case the agreement can be ended by the Non Defaulting Party (Clause 2.1 & 2.2). The consequences for termination for default are set out in clause 14.2 but in essence the Defaulting Council shall indemnify the other Council against any costs and expenses directly incurred by that Council as a result of such a termination.

5. Governance Principles and Framework

Growing Mid Wales Board

- 5.1. IAA1 established the Growing Mid Wales Board (GMWB) as an executive joint committee and that arrangement continued into IAA2, and now into IAA3. As with previous IAA iterations, the voting committee membership consists of 10 elected member representatives by the Councils (5 each). The key change in IAA3 versus previous iterations, is that the Chair of the Economic Strategy Group (Private Sector Advisory Group) no longer has voting rights on the GMWB. All advisory panels of the GMWB are re-established in a consultative capacity, to provide advice to the GMWB.
- 5.2. On an annual basis the GMWB will be required to update the Portfolio Business Case for the proceeding five years, but any material change to the prevailing Portfolio Business Case will have to be approved by Cabinets of both Authorities (clause 7.2).
- 5.3. Before the start of each Accounting year, the GMWB is required to approve an Annual Business Plan setting out the annual spend for approved projects (clause 7.3).

Economic Advisory Group

- 5.4. Following the review of the previous Economic Strategy Group that was constituted as part of IAA1 and IAA2 – the private sector group has been re-designed with new terms of reference (as discussed at GMWB 11/11/21¹), to

¹ [Agenda for Bwrdd Tyfu Canolbarth Cymru / Growing Mid Wales Board on Thursday, 11th November, 2021, 5.00 pm Cyngor Sir Powys County Council \(moderngov.co.uk\)](#)

provide the GMWB with consistent strategic advice pertaining to the delivery of the MWGD.

Joint Overview and Scrutiny Committee

- 5.5. The Terms of Reference remain largely unchanged from IAA2 when it was established.

Regional Skills Partnership

- 5.6. The Terms of Reference remain largely unchanged from IAA2 when it was established.

Growing Mid Wales Management Group

- 5.7. This was established under IAA1 to co-ordinate professional officer advice and management to the GMWB. The terms of reference have been evolved to be in line with expectations and requirements to support the delivery of the Deal – which ensures the oversight of resource deployment, performance management of the Portfolio and team, and acts as a clearing house for GMWB reports. Its membership comprises senior officers from both Councils, with observers from both Governments.

Portfolio Management Office (PoMO)

- 5.8. The PoMO has been established via separate grant funding agreement and SLA between the two Councils and Aberystwyth University– however the role and function of the PoMO in the context of the MWGD have now been defined within IAA3. They provide professional support and advice to the GMWB on the delivery of the MWGD Portfolio.

Council’s Obligations – Administrative Functions

- 5.9. IAA1 and IAA2 set out the respective lead authorities for the “administrative functions” (HR, Finance, Legal etc).
- 5.10. IAA3 has set out that the Councils acknowledge and agree to divide the administrative functions in support of the Mid Wales Growth Deal in accordance with the table below:

Administrative function	Responsibility
Human Resources	Ceredigion
Clerk to the GMWB	Both Councils shall appoint an individual to act as Clerk who will be responsible for supporting the administrative requirements of the GMWB on an alternate basis in accordance with Clause Error! Reference source not found. (GMWB)
Legal Services	Powys
Monitoring Officer	Powys
Treasurer and Section 151 Officer	Ceredigion as Accountable Body

Communications	Ceredigion, supported by the PoMO
Procurement	Powys
Translation	The Council holding the GMWB Meeting
IT	Ceredigion
Internal Audit	Powys
Democratic Services	Powys
Secretariat services to the EAG	Powys, supported by the PoMO

Accountable Body

5.11. IAA3 also defines and establishes the role of the Accountable Body for the delivery of the MWGD. Ceredigion has been established as the lead authority for finance for the MWGD in IAA1 and IAA2, and this continues into IAA3 with Ceredigion acting as the Accountable Body responsible for discharging the Councils' obligations in relation to the MWGD pursuant to IAA3. It means accepting and receiving any HMT Contribution from the WG for and on behalf of the Councils and shall hold and manage such HMT Contribution in accordance with the terms of the Agreement. The Accountable Body shall receive any additional funding from any other source for and on behalf of the Councils and shall hold and manage such funds in accordance with the terms of the Agreement.

6. Codes of Conduct and Conflicts of Interest

6.1. The principles established in previous agreements (IAA1 and IAA2) remain unchanged for IAA3 – and sets out the provisions for Members Code of Conduct in relation to the declaration and management of personal interests.

6.2. The review into the Economic Strategy Group concluded that the provisions and mechanisms to manage the potential interests of private sector members were deemed sufficient – however, the new terms of reference have been strengthened in IAA3 to ensure a clearer focus and role within wider MWGD governance. As noted in 5.1, the voting rights of the Chair of the ESG is no longer present in IAA3.

7. Delegation

7.1. The Scheme of delegation is set out in Schedule 1 of the IAA3 as follows;

**AGENDA ITEM 5
GROWING MID WALES BOARD
15/12/21**

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
KEY THEMES			
1. Approval of IAA3			Yes
2. Approval and adoption of any Business Plans			Yes
3. Approval and adoption of any updated Business Plans save to the extent any such update amounts to a material change to the prevailing Business Plan (in which case the decision to approve and adopt such updated Business Plan shall be a Matter Reserved to the Councils)		Yes	
FUNDING AND EXPENDITURE			
4. Approval of any increase to the Councils' Contribution			Yes
5. Approval of any disproportionate Internal Costs pursuant to Clause 11 (<i>Commitment of the Councils and Contributions</i>)		Yes	
6. Approval of expenditure within the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 11.2 (<i>Annual Budget</i>)	Yes		
7. Approval of the Annual Budget pursuant to Clause 11.2 (<i>Annual Budget</i>)			Yes
8. Approval of additional expenditure over and above the approved Annual Budget of the Accountable Body held on behalf of the Councils set out in Clause 11.2 (<i>Annual Budget</i>)			Yes
9. To approve from time to time the distribution of the Annual Budget as between the different programmes and projects agreed as part of any MWGD or the Regional Growth Strategy		Yes	

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DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
10. Entering into (or agreeing to enter into) any borrowing arrangement on behalf of the Joint Committee and/or giving any security in respect of any such borrowing		Yes	
11. Accepting terms and conditions in relation to any third party funding for the MWGD		Yes	
GENERAL			
12. Replacement of the Accountable Body			Yes
13. Establishment of a sub-committee pursuant to this Agreement and determining their terms of reference and scope of delegation.		Yes	
14. Making any variations to or waiving any rights to or terminating any contracts signed by Council / the Accountable Body (other than this Agreement) which are material to the MGWD.		Yes	
15. Amendments to the terms of this Agreement			Yes
16. The engagement of (and terms of engagement of) any individual person where the value of the appointment does not exceed £50,000 per Accounting Period	Yes		
17. The engagement of (and terms of engagement of) any individual person where the value of the appointment does exceeding £50,000 per Accounting Period		Yes	
18. Commencing any claim, proceedings or other litigation brought by or settling or defending any claim, proceedings or other litigation brought against the Joint Committee or individual Party in relation to the		Yes	

DECISION	MANAGEMENT GROUP MATTER	GROWING MID WALES BOARD MATTER	MATTER RESERVED TO THE COUNCILS
MWGD, except in relation to debt collection in the ordinary course of business.			
19. Making any announcements or releases of whatever nature in relation to the Joint Committee and the MWGD.		Yes	
20. Creation of a local authority trading company under Local Government Act 2003			Yes
21. Any other matters not covered in this (<i>Delegations Policy</i>)			Yes

7.2 the GMWB may delegate the whole or any part of its powers to any person, sub-committee or group (Clause 9.29).

8. Scrutiny

8.1 A joint overview and scrutiny sub-committee (“JOSSC”) was established by IAA2 and this continues under IAA3 (Clause 9.30)

9. Legal Implications

9.1. The IAA3 has been drafted with the assistance of Pinsent Masons, a firm of external solicitors who have also advised other Growth deals. The drafting process has itself involved a number of iterations and the IAA3 for approval by the GMWB can be accepted from a legal point of view.

10. Human Resources Implications

10.1. These are dealt with via existing agreements with appointed staff.

11. Financial Implications

11.1. The IAA3 will ensure sound financial management arrangements are in place.

12. Appendices

- Appendix 1: Inter-Authority Agreement 3