

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**CABINET**  
**9<sup>th</sup> May 2019**

**REPORT AUTHOR:**     **Corporate Director (Economy and Environment) and  
Head of Legal and Democratic Services**

**SUBJECT:**             **Joint Venture Agreement Regarding the Global Centre  
of Rail Excellence in Wales**

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**REPORT FOR:**         **Decision**

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**1.     Summary**

1.1     To seek authority from Cabinet to enter into a formal Joint Venture Agreement (JVA) with the Welsh Government and Neath Port Talbot County Borough Council at Appendix 1, subject to all three parties doing so.

Background

**2. Background**

2.1     A background report on the project is at Confidential Appendix 2, with other supporting information at Confidential Appendices 2A and 2B.

2.2.    These appendices contain commercially confidential information, provided as background for Members; but not for publication.

**3.     Legal Implications**

3.1.    Under the terms of the agreement, Powys, Neath Port Talbot, and the Welsh Government will agree to enter into a Joint Venture Agreement (for this Council pursuant to section 2 of the Local Government Act 2000, which provides a power for a Council to do anything to achieve the promotion or improvement of the social, economic, and environmental wellbeing of the area) that seeks to provide structure, direction and guidance to bring forward the development of the Global Centre of Rail Excellence in Wales ("the Project").

3.2.    Under the terms of the Joint Venture Agreement, the parties commit to the use of reasonable endeavours to:

- Support delivery of the project in accordance with the terms of the Agreement;
- Provide full and timely consultation on investment and planning decisions pertaining to elements of the delivery of the Project;
- Commit to the use of resources to ensure the timely and cost-effective delivery of the Project.

3.3. Each of the parties are allocated specific activities that need to be undertaken to ensure that the project is delivered. The activities currently allocated to Powys are:

- Assess commoners affected by proposed redline and develop strategy for surrender/release of the affected interest in respect of land in our administrative area;

- Provide financial costs information relevant to historic restoration scheme and comparison with varied scheme recently applied for by Celtic ( already supplied) ;
- Provide details of escrow account held, estimated shortfall and any legal documents relating to the use of those monies ( already supplied);
- Agree a set of negotiating parameters to guide negotiations with land owners (together with the Welsh Government and Powys);
- Negotiation of Heads of Terms with land owners based on the agreed negotiating parameters. The Chief Executive will be embarking on this process in due course;
- Monitor progress of remediation and earthworks;
- Confirm completion of remediation and earthworks to agreed specification; and
- Negotiate and conclude release of affected commoners.

3.4. The governance arrangements provide for the establishment of a Steering Group to include one representative from each party to the Joint Venture Agreement. The representative proposed for Powys will be the Corporate Director (Economy and Environment) (or his nominated deputy). The steering group shall meet on a monthly basis to, amongst other issues; make recommendations, agree outputs and timings and monitor funding.

3.5. It should be noted that parties can terminate the Joint Venture Agreement at any time if another party commits a breach of the Joint Venture Agreement. However, in the event that Powys materially frustrates the delivery of the project to the extent that it cannot be fulfilled then Powys would be liable to contribute towards the costs incurred by Welsh Government (up to a maximum of £100,000). Welsh Government are under a similar indemnity and given that the Council is actively pursuing the implementation of this proposal it is contended that the possibility of such material frustration is very limited and unlikely.

#### **4. Financial Implications**

4.1 None save for the indemnity detailed above if the JVA is terminated by Welsh Government due to the actions of this Council. The commitment to negotiating and concluding the release of affected commoners is limited to funding already provided by Welsh Government.

#### **5. Consultation**

- 5.1 There is no requirement for external consultation on this item.
- 5.2. An impact assessment is found at .confidential Appendix 3

#### **6. Communications**

Have Communications seen a copy of this report? No

#### **7. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)**

7.1 Legal: The recommendations can be supported from a legal point of view

7.2 Finance: The Finance Manager notes the contents of the report and that in the event that Powys materially frustrates the delivery of the project to the extent that it cannot be fulfilled then Powys would be liable to contribute towards the costs incurred by Welsh Government (up to a maximum of £100,000).

## **8. Scrutiny**

Has this report been scrutinised? No

## **9. Statutory Officers**

9.1 The Solicitor to the Council (Monitoring Officer) commented as follows: "I note the legal comments and have nothing to add to the report."

9.2 The Head of Finance (Section 151 Officer) notes the comment of the Finance Manager.

## **13. Members' Interests**

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

## **Future Status of the Report**

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>1. The Council enter into the Joint Venture Agreement with Neath Port Talbot County Borough Council and the Welsh Government as set in Appendix 1 (subject to those authorities entering into it).</b>	<b>To enable the Council to formalise arrangements for working in partnership with the Welsh Government and Powys County Council.</b>
<b>2. Delegated authority be granted to the Chief Executive and Head of Legal and Democratic Services in consultation with the Leader to make any minor drafting amendments that are required necessary to the JVA</b>	
<b>3. The Corporate Director (Economy and Environment) be nominated as the Powys Representative to the Steering Group detailed in the Joint Venture Agreement and that the Corporate Director (Economy and Environment) be granted delegated authority to appoint a nominee to act</b>	

<p>in his place in the event that he is unable to attend a Steering Group meeting.</p> <p>4. Corporate Director (Economy and Environment) be granted delegated authority in consultation with the Leader of Council and the Cabinet Member for Regeneration and Sustainable Development, to agree the terms and conditions of any subsequent ancillary matters including arrangements for the site that might be necessary.</p>			
Relevant Policy (ies):			
Within Policy:		Within Budget:	yes
Person(s) To Implement Decision:		Head of Legal and Democratic Services	
Date By When Decision To Be Implemented:		As soon as possible	
Contact Officer Name:	Tel:	Email:	
Clive Pinney	01597 826746	Clive.pinney@powys.gov.uk	

## **Appendices**

### **Appendix 1: Draft Joint Venture Agreement**

#### **Confidential Appendices**

*(Appendices 2, 2A and 2B are not for publication pursuant to Regulation 5(2) & (5) of SI 2001 No. 2290 and Paragraph 14, Part 4 of Schedule 12A to the Local Government Act 1972. Pursuant also to Paragraph 21 of the Schedule, and in all the circumstances of the case, the public interest in maintaining the exemption, is considered to outweigh the public interest in disclosing the information and also pursuant to Paragraph 16 of the aforementioned Schedule)*

**Appendix 2: Project Status Report (NOT FOR PUBLICATION)**

**Appendix 2A: Supporting Information (NOT FOR PUBLICATION)**

**Appendix 2B: Supporting Information (NOT FOR PUBLICATION)**

**Appendix 3: IIA First Stage Assessment**

## APPENDIX 1