

**DATED**

**2024**

**(1) NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

**and**

**(2) PEMBROKESHIRE COUNTY COUNCIL**

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**AGREEMENT FOR THE ESTABLISHMENT OF A PUBLIC FUNDS COMMITTEE FOR THE  
CELTIC FREEPORT ECONOMIC AREA**

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THIS AGREEMENT IS MADE ON

2024

**BETWEEN:**

- (1) **Neath Port Talbot County Borough Council** of Port Talbot Civic Centre, Port Talbot SA13 1PJ ("**NPTCBC**"); and
- (2) **Pembrokeshire County Council** of County Hall, Haverfordwest, Pembrokeshire SA61 1TP ("**PCC**"),

(each a "**Council**" and together referred to as the "**Councils**")

**WHEREAS:**

- (A) The Founding Partners have put forward an outline business case to the UK Government and the Welsh Government, supporting designation of a freeport in South West Wales to be known as the Celtic Freeport. The Founding Partners intend that the Celtic Freeport Company Limited will act as the governing body of the Celtic Freeport. It is expected that in short order a Final Business Case will be submitted which will then lead (it is anticipated) to approval and thereafter designation of the Celtic Freeport as a freeport for the purposes of relevant legislation.
- (B) Public Funding will be available to entities within the Celtic Freeport Economic Area. To obtain Public Funding, such entities will need to submit an application to the Governing Body and demonstrate how their proposal furthers the Celtic Freeport Objectives. The Celtic Freeport Board shall decide whether to recommend an award of Public Funding to an entity in accordance with the Investment Policy to the Public Funds Committee.
- (C) The Councils agree to establish a joint committee to be known as the Public Funds Committee to oversee the investment of Public Funding and to ensure the proper democratic allocation of Public Funding. The Public Funds Committee shall have ultimate responsibility for approving or rejecting (but not amending) proposals from the Celtic Freeport Board relating to the investment of Public Funding.
- (D) The Councils have agreed to work together to establish the Public Funds Committee in order to discharge their obligations to one another, the Celtic Freeport and to Government, and to ensure the effective oversight of Public Funding and further the growth of the Celtic Freeport Economic Area.
- (E) The Councils have accordingly agreed to enter into this Agreement to document and regulate their respective rights and obligations to each other and to enable the Councils to work together to establish and to participate in the Public Funds Committee.
- (F) Each Council has passed resolutions at Full Council and Cabinet. NPTCBC passed their resolutions on [DATE] 2024 and [DATE] 2024, respectively, and PCC passed their resolutions on [DATE] 2024 and [DATE] 2024, respectively.
- (G) The Councils acknowledge that they each may pay Public Funding to a project delivery partner for a relevant project in the Celtic Freeport Economic Area.

**IT IS AGREED AS FOLLOWS:**

**1. Interpretation**

1.1 The following definitions and rules of interpretation apply in this Agreement:

<b>"Accountable Body"</b>	NPTCBC or any such body that becomes the accountable body to Government from time to time in respect of the use by the Celtic Freeport of public funds;
<b>"Accountable Body Costs"</b>	the operational and management costs incurred by the Accountable Body in carrying out its role of Accountable Body;
<b>"this Agreement"</b>	this agreement entered into by NPTCBC and PCC;
<b>"Annual Costs Budget"</b>	the approved annual costs budget of the Councils in relation to the payment of any Accountable Body Costs Committee Costs, and any Joint Scrutiny Committee Costs in accordance with this Agreement;
<b>"Applicable Law"</b>	all applicable laws, statutes, regulations, regulatory requirements, guidance and codes of practice in any relevant jurisdiction as amended, updated or replaced from time to time, including the Data Protection Laws;
<b>"Billing Authorities"</b>	Neath Port Talbot County Borough Council and Pembrokeshire County Council;
<b>"Business Day"</b>	any day other than a Saturday or Sunday or a public or bank holiday in Wales;
<b>"Capacity Funding"</b>	capacity funding equalling £1 million (or such other sum as agreed between DLUHC, Government and the Accountable Body) provided by DLUHC and/or Government to the Accountable Body to be made

	available to the Governing Body in accordance with the terms of any relevant agreement or letter;
<b>“Celtic Freeport”</b>	the special economic freeport zone to be designated in South-West Wales in response to the Freeport prospectus issued in September 2022 by Government as described in the Celtic Freeport Full Business Case to be approved by the Celtic Freeport Board;
<b>“Celtic Freeport Board”</b>	the board of directors of the Governing Body from time to time;
<b>“Celtic Freeport Economic Area”</b>	the area as defined from time to time by the Investment Policy within which Public Funding may be reinvested;
<b>“Celtic Freeport Objectives”</b>	the objectives set out in the articles of association of the Governing Body;
<b>“Commencement Date”</b>	the date of this Agreement;
<b>“Committee Costs”</b>	the operational and management costs of the Public Funds Committee;
<b>“Confidential Information”</b>	all know-how and other information relating to the business, affairs or methods of both or either Council and any other participant in the Celtic Freeport and any applicant for funding from the Celtic Freeport, which is contained in or discernible in any form whatsoever (including without limitation software, data, drawings, films, documents and computer-readable media and information pertaining to Intellectual Property) whether or not marked or designated as confidential or proprietary or which is disclosed orally or by demonstration and which is described at the time of disclosure as confidential or is clearly so from its content or the context of disclosure;
<b>“Councils’ Obligations”</b>	the obligations set out in clause 3;
<b>“Data”</b>	any data, document, code, information, Personal Data in connection with this Agreement;
<b>“Data Incident”</b>	the reasonable suspicion of, discovery by, or notice to a party that (a) Data has been or is likely to be accessed or obtained by an unauthorised person; or (b) a party’s systems have been or are likely to be compromised or vulnerable; or a person has threatened the unauthorised access to or obtaining of any Data;
<b>“Data Protection Laws”</b>	all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the DPA; and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended and the guidance and codes of practice issued by the Information Commissioner or other relevant regulatory authority and applicable to a party;
<b>“Data Subject”</b>	shall have the meanings set out in the DPA;
<b>“DLUHC”</b>	the Department for Levelling Up, Housing and Communities (and any other successor central government department which assumes some or all of the functions formerly exercised by the Department for Levelling Up, Housing and Communities upon an amalgamation or merger of or transfer of engagements or otherwise);
<b>“DPA”</b>	the Data Protection Act 2018 and regulations made thereunder;
<b>“DP Regulator”</b>	any governmental or regulatory body or authority with responsibility for monitoring or enforcing compliance with the Data Protection Laws;
<b>“FBC”</b>	the full business case submitted to DLUHC for the Celtic Freeport to operate a freeport within the Celtic Freeport Economic Area;

<b>“FOI Legislation”</b>	the Freedom of Information Act 2000 and subordinate legislation made under that Act and the Environmental Information Regulations 2004;
<b>Founding Partners</b>	Associated British Ports, Neath Port Talbot County Borough Council, Pembrokeshire County Council and Milford Haven Port Authority;
<b>“Governing Body”</b>	the entity responsible for the management and oversight of the Celtic Freeport being Celtic Freeport Company Limited a company incorporated in England and Wales (registered with company number 14779775) and whose register office is at Woodfield House, Castle Walk, Neath, SA11 3LN;
<b>“Government”</b>	Welsh Government and UK Government or either of them as the context permits or requires;
<b>“Intellectual Property”</b>	patents, rights to inventions, copyright and related rights, trade-marks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including know-how and trade secrets), and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world;
<b>“Investment Policy”</b>	<p>the Celtic Freeport’s policy approved by the Public Funds Committee for the investment of Retained NDR which includes, amongst other things:</p> <p>(i) the objectives of the Celtic Freeport’s Retained NDR programme;</p> <p>(ii) the types of investment which will be eligible;</p> <p>(iii) the process for identifying potential investments;</p> <p>(iv) the process of evaluating, prioritising and approving specific investments;</p> <p>(v) the guidelines for geographic balance, setting out how funding pots will be sized to ensure that they adequately reflect both the origin of the funds and a fair overall allocation between geographies;</p> <p>(vi) arrangements for monitoring, evaluating and reporting on the outcomes of investment of Retained NDR, including measuring those outcomes;</p>
<b>“Joint Scrutiny Committee Costs”</b>	the operational and management costs of the Joint Scrutiny Committee;
<b>“Investment Committee”</b>	a committee of the Governing Body responsible for assessing proposals for the allocation of Public Funding and making recommendations to the Public Funds Committee regarding such proposals for their consideration;
<b>“Local Authority”</b>	a principal council as defined in section 270 of the Local Government Act 1972 or any body established as a successor of a principal council;
<b>“Material”</b>	all data, text, graphics, images and other materials or documents created, used or supplied by either Council in connection with this Agreement unless before the first use or supply the relevant Council notifies the other Council that the data, text, graphics, images and other materials or documents supplied are not to be covered by this definition;
<b>“MoU”</b>	the Memorandum of Understanding to be entered into between the Governing Body, the Accountable Body, the Billing Authorities, DLUHC and the Welsh Government relating to the use of Public Funding provided by DLUHC and the Welsh Government to the Accountable Body for the Celtic Freeport and outlining

	other support to be made available to the Celtic Freeport by Government;
<b>“NDR”</b>	the non-domestic rates (otherwise known as business rates) payable by occupiers of non-domestic properties to the Billing Authorities under the Local Government and Finance Act 1988;
<b>“Personal Data”</b>	shall have the meanings set out in the DPA and shall also include “Personal Information” classified as “personal information” or “personally identifiable information” or similar term under the Applicable Law governing a person’s processing of personal information about an individual;
<b>“Powers”</b>	the powers of Welsh local authorities under: <ul style="list-style-type: none"> <li>(i) 101, 102, 111, 112 and 113 of the Local Government Act 1972 and sections 19 and 20 of the Local Government Act 2000 and the regulations made under these Acts to make arrangements to discharge functions jointly and to employ staff and place them at the disposal of other local authorities;</li> <li>(ii) the powers in section 9 of the Local Government (Wales) Measure 2009 to collaborate;</li> <li>(iii) the general power of competence under section 24 of the Local Government and Elections (Wales) Act 2021;</li> <li>(iv) the incidental powers in section 111 of the Local Government Act 1972;</li> <li>(v) the powers in section 1 of the Local Authorities (Goods and Services) Act 1970 and section 25 of the Local Government (Wales) Act 1994 to provide services;</li> <li>(vi) all other powers them so enabling;</li> </ul>
<b>“PR Protocol”</b>	a protocol agreed by the Councils for the release of public statements and press releases relating to the Celtic Freeport;
<b>“Project Business Case”</b>	a document setting out details of a project proposed for funding from the Celtic Freeport and explaining why it should be funded from Public Funding or Retained NDR;
<b>“Project Conditions”</b>	the project funding conditions for projects funded by Retained NDR proposed by the relevant Billing Authority and approved by the Public Funds Committee in accordance with clause 12;
<b>“Public Funding”</b>	the Capacity Funding, Retained NDR, Seed Capital Funding, and such other monies as Government may from time to time make available to the Celtic Freeport;
<b>“Regional Project”</b>	a project located in the area of both Councils;
<b>“Request for Information”</b>	a request for information or an apparent request under the FOI Legislation;
<b>“Retained NDR”</b>	the NDR retained by the Billing Authorities to be utilised in connection with the Celtic Freeport;
<b>“Seed Capital”</b>	the funding to be made available by Government under the MoU to be applied to the projects which shall be detailed in the FBC;
<b>“Terms of Reference”</b>	means the terms of reference of the Public Funds Committee as set out in Schedule 1 as may be amended from time to time in accordance with clause 4.4;
<b>“UK GDPR”</b>	has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the DPA;
<b>“Withdrawing Council”</b>	a Council that has given notice of its intention to withdraw from this Agreement in accordance with clause 16.

**“Withdrawal Notice”** a notice issued by one of the Councils in accordance with clause 16 to give notice of its withdrawal from this Agreement;

- 1.2 The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.3 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.
- 1.4 A reference in this Agreement to any clause, paragraph or Schedule is, except where it is expressly stated to the contrary, a reference to a clause or paragraph of or Schedule to this Agreement.
- 1.5 Any reference to this Agreement or to any other document unless otherwise specified shall include any variation, amendment or supplements to such document expressly permitted by this Agreement or otherwise agreed in writing between the relevant parties.
- 1.6 Words preceding “include”, “includes”, “including” and “included” shall be construed without limitation by the words which follow those words unless inconsistent with the context, and the rule of interpretation known as “*eiusdem generis*” shall not apply.
- 1.7 Any reference to the title of an officer of any of the Councils shall include any person holding such office from time to time by the same or any title substituted thereafter or such other officer of the relevant Council as that Council may from time to time appoint to carry out the duties of the officer referred to.
- 1.8 The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and references to this Agreement includes the Schedules.

## **2. Commencement and Duration**

This Agreement shall commence on the Commencement Date and shall continue in until it is terminated earlier in accordance with the provisions of this Agreement.

## **3. The Councils’ Obligations**

- 3.1 The Councils agree to work together to carry out the functions of the Public Funds Committee and ensure the effective oversight of Public Funding pursuant to and in accordance with this Agreement.
- 3.2 To that end the Councils shall promote the Celtic Freeport and (without prejudice to the generality of that obligation) shall comply with their duties as set out at clause 7 (Duties of the Accountable Body) and clause 8 (Duties of the Councils). This is subject to the fiduciary financial and legal duties of each Council.
- 3.3 Without prejudice to the specific terms of this Agreement, the Councils further agree that they shall conduct their relationship in accordance with the following principles:
  - (a) Openness and trust: The Councils shall be open and trusting in their dealings with each other, make information and analysis available to each other, discuss and develop ideas openly and contribute fully to all aspects of making the joint working successful. The Councils shall embrace a commitment to transparency in their dealings and shall recognise the need to comply with statutory access to information requirements including FOI Legislation and supporting codes of practice.
  - (b) Commitment and drive: The Councils shall be fully committed to working jointly, shall seek to fully motivate employees and shall address the challenges associated with the delivery of public money connected with the Celtic Freeport with enthusiasm and a determination to succeed.
  - (c) Skills and creativity: The Councils recognise that each brings complementary skills and knowledge which they shall apply creatively to achieving the Councils’ objectives, continuity, resolution of difficulties and the development of the joint working relationship and the personnel working within it. It is recognised that this shall involve the appreciation and adoption of common values.
  - (d) Effective relationships: The roles and responsibilities of each Council shall be clear with relationships developed at the appropriate levels within each organisation with direct and easy access to each other’s representatives.
  - (e) Developing and adaptive: The Councils recognise that they are engaged in a potentially long-term business relationship which needs to develop and adapt and shall use reasonable endeavours to develop and maintain an effective joint process to ensure that the relationship develops appropriately and in line with these principles and objectives.
  - (f) Reputation and Standing: The Councils shall pay the utmost regard to the standing and reputation of one another, and act with regard to each Council’s own employer and member codes of conduct and shall not do or fail to do anything which may bring the standing or reputation of any other Council into disrepute or attract adverse publicity to any other Council.
  - (g) Reasonableness of decision making: The Councils agree that all decisions made in relation to this Agreement and the Celtic Freeport shall be made by them acting reasonably and in good faith.
  - (h) Members and Officers’ Commitments: Each Council shall use its reasonable endeavours to procure that their respective members and officers who are involved in the Celtic Freeport shall at all times act in the best interests of the Celtic Freeport, and act compatibly with regard to each Council’s own employer and member codes of conduct, devote sufficient resources to deliver the Celtic Freeport and respond in a timely manner to all relevant requests from the other Council.

#### **4. Establishment of the Public Funds Committee**

- 4.1 In exercise of their Powers under sections 101(5) and 102 of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000 and all other enabling powers the Councils hereby create a joint committee to be known as the Public Funds Committee with effect from the Commencement Date.
- 4.2 The Councils shall use their Powers in sections 101, 102, 111, 112 and 113 of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000, section 24 of the Local Government and Elections (Wales) Act 2021, section 1 of the Local Authorities (Goods and Services) Act 1970, section 25 of the Local Government (Wales) Act 1994, section 9 of the Local Government (Wales) Measure 2009 and all other enabling powers available from time to time to facilitate their effective participation in the Public Funds Committee and the effective oversight of public money delivered through the Celtic Freeport.
- 4.3 The Terms of Reference as at the date of signature of this Agreement are set out in Schedule 1 to this Agreement. The Public Funds Committee shall operate and conduct its business in accordance with the terms of this Agreement including the Terms of Reference.
- 4.4 The Councils may from time to time vary the Terms of Reference and this shall be a matter reserved to the Councils however any changes must be done so in consultation with the Celtic Freeport Board. In the event that the Councils agree to vary the Terms of Reference they shall notify the Celtic Freeport Board and provide them with a copy of the revised terms within ten Business Days of any such revisions being agreed. The reservation to the Councils does not preclude the Public Funds Committee from making recommendations to vary the Terms of Reference where it considers they shall promote the Councils' Obligations.
- 4.5 This Agreement is without prejudice to each Council's other powers and responsibilities for its area.

#### **5. Arrangements for the discharge of functions**

- 5.1 The Councils agree to use their powers under section 101(1) of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000 and all other enabling powers to enter into arrangements under which the Public Funds Committee shall discharge on their behalf the functions set out in the Terms of Reference.
- 5.2 Each Council hereby represents and confirms to the other Council that it has obtained all necessary consents sufficient to ensure the delegation of functions and responsibilities provided for by this Agreement.
- 5.3 Each Council warrants that entering into this Agreement and its participation in the Public Funds Committee is consistent with its own constitution.
- 5.4 The Councils agree that, where additional agreements may be required to ensure their working relationship and obligations in connection with the Celtic Freeport and under the MoU can be properly discharged, they shall work together and in good faith to agree such additional agreements.

#### **6. Appointment of the Accountable Body and officer functions**

- 6.1 NPTCBC shall act as the Accountable Body to the Celtic Freeport in accordance with the MoU and shall receive the Capacity Funding and Seed Capital for and on behalf of the Celtic Freeport and shall hold and manage such funding in accordance with the terms of the MoU although decisions about spending such funds will be subject to the provisions of this Agreement.
- 6.2 The Public Funds Committee shall determine the appropriate functions under this Agreement in respect of the section 151 officer, monitoring officer, democratic services, audit and scrutiny obligations as to whom such responsibilities shall lie. At the commencement of this Agreement responsibility for these functions are allocated as follows:
  - (a) NPTCBC - Section 151 Officer function
  - (b) NPTCBC – Monitoring Officer function and Democratic Services function (to the Public Funds Committee)
  - (c) PCC Scrutiny function (to the Public Funds Committee and Democratic Services of the Joint Scrutiny Committee)
  - (d) PCC – audit function
- 6.3 Any decision to change the responsibility for the functions set out in this clause 6 shall be agreed between the Councils and recorded in writing.
- 6.4 The Accountable Body shall act as the Accountable Body.

#### **7. Duties of the Accountable Body**

- 7.1 The Accountable Body shall:
  - (a) act as the primary interface with Government and any other funding bodies necessary to discharge the Councils' Obligations in respect of Public Funding;
  - (b) hold and release any Seed Capital and Capacity Funding (and where relevant other sources of Public Funding) and only release such funds as agreed in accordance with the terms of such funding and this Agreement;
  - (c) comply with the obligations of the Accountable Body set out in the MoU;
  - (d) undertake the accounting and auditing responsibilities set out in this Agreement; and
  - (e) cooperate with any reasonable requests of PCC relating to Scrutiny and audit functions.



## **8. Duties of the Councils**

8.1 The Councils shall:

- (a) act diligently and in good faith in all their dealings with each other and shall assist each other to discharge the Councils' obligations in relation to the Public Funds Committee and the oversight of public money delivered through the Celtic Freeport pursuant to and in accordance with this Agreement and all applicable legislation;
- (b) act with reasonable skill and care and in accordance with best practice;
- (c) work together to ensure that Retained NDR is utilised and distributed equitably across both Councils' areas and in accordance with the Investment Policy;
- (d) work together to deliver the outcomes and objectives contained in the MoU;
- (e) in respect of their role as Billing Authorities:
  - (i) hold and release Retained NDR and only release such funds as agreed in accordance with the terms of such funding and this Agreement;
  - (ii) act in accordance with the principles and strategic aims of this Agreement and any applicable policies agreed by the Public Funds Committee; and
  - (iii) comply with any investigation by Audit Wales, Public Service Ombudsman for Wales, or any other statutory ombudsman or tribunal relating to the Celtic Freeport.

8.2 It is acknowledged and agreed that the obligations and liabilities of each Council shall bind any successor authority in the event of any local government reorganisation.

8.3 Where any additional services not covered by the roles and responsibilities set out with this Agreement may be required to support the Public Funds Committee in the discharge of its obligations under this Agreement these shall be provided by the Councils as necessary and as agreed between the Councils from time to time.

## **9. Retained Business Rates**

9.1 The Public Funds Committee shall:

- (a) approve the Investment Policy;
- (b) ensure decisions relating to the use and management of Retained NDR are taken in accordance with the Investment Policy.

## **10. Virtual Pooling**

10.1 The Councils shall operate a virtual pooled fund for the management and utilisation of Retained NDR. Allocation of Retained NDR and the operation of the virtual pooled fund shall be determined and undertaken in accordance with the Investment Policy.

## **11. Projects Funded**

11.1 Public Funding shall support local projects and Regional Projects in accordance with the Investment Policy which align with and promote the following broad objectives:

- (a) to promote regeneration and job creation;
- (b) to support activity which promotes the transition to a Net Zero economy and the Celtic Freeport's Net Zero and decarbonisation ambitions;
- (c) to establish the Celtic Freeport as a national hub for global trade and investment; and
- (d) to create hotbeds for innovation.

## **12. Processes for funding Projects**

12.1 In order to receive Public Funding every project must observe the following procedure:

- (a) the Investment Committee is responsible for assessing proposals for the allocation of Seed Capital and Retained NDR (and where relevant other sources of Public Funding) and will make proposals in accordance with the Investment Policy to the Celtic Freeport Board;
- (b) the Celtic Freeport Board will review all proposals made by the Investment Committee and make recommendations to the Public Funds Committee;
- (c) the Public Funds Committee can either approve or reject the recommendations put to it by the Celtic Freeport Board. It cannot amend such recommendations, nor propose that an alternative level of funding is made available to the relevant project;
- (d) funding for projects shall only be released at the request of the Public Funds Committee.
- (e) All Project Business Cases for projects to be considered for funding from Public Funding must meet the requirements of extant guidance from the UK and Welsh Governments which at the Commencement Date is guidance on the preparation of "five case business models" and accordingly every Project Business Case must include full details of:
  - (i) the strategic case (strategic fit and clear investment objectives);

- (ii) the economic case (optimising value for money);
  - (iii) the commercial case (attractiveness to the market and procurement arrangements);
  - (iv) the financial case (affordability – including the contributions to be made by other public and private sector partners and the basis for them); and
  - (v) the management case (deliverability – including confirmation of decisions made and required by the governance arrangements of third party funders of a project - and plans for delivery).
- (f) If the Public Funds Committee is not satisfied with the quality of the Project Business Case it shall return the Project Business Case to the Celtic Freeport Board. The Project Business Case may then be amended as necessary and resubmitted.
- (g) If the Public Funds Committee approves a project for funding from [Public Funding][Seed Capital or Retained NDR] it shall consider and approve the Project Conditions proposed by the relevant Council (or Councils as the case may be) for the project. Upon approval of the Project Conditions the Public Funds Committee shall direct the relevant Council (or Councils as the case may be) to release the [Public Funding][Seed Capital or Retained NDR] for that project.
- 12.2 The Councils shall, with the support of the Governing Body, be responsible for ensuring compliance with the Project Conditions. Public Funding paid to any project must not exceed the amount allocated to the project in accordance with the Project Business Case or as otherwise agreed by the Public Funds Committee.
- 12.3 If a Council wishes to withdraw or withhold funding from a project being funded by Public Funding, it shall do so in accordance with the terms of any funding agreement into which it has entered for the project and shall notify the Public Funds Committee as soon as is reasonably practicable.
- 12.4 It is intended that the process identified in this clause 12 shall take no longer than six (6) calendar months.

### **13. Costs**

#### **13.1 Budget**

The Public Funds Committee shall agree the Annual Costs Budget.

#### **13.2 Accounts**

The Accountable Body shall prepare accounts for any Committee Costs and Joint Scrutiny Committee Costs incurred for the financial year, 1 April to 31 March.

#### **13.3 Annual Costs Budget**

- (a) Subject to 13.3(b) and 13.3(c), all Costs in the Annual Costs Budget shall be funded through Retained NDR which shall be paid by each Council in accordance with the Investment Policy.
- (b) The Councils acknowledge that during the establishment phase of the Celtic Freeport, the Founding Partners funded all necessary activities for the creation of the Celtic Freeport and establishment of the Governing Body and that such costs will be reimbursed to the Founding Partners from Retained NDR during the first year when Retained NDR receipts exceed £1,000,000.
- (c) During the period:
  - (i) where the Billing Authorities are not realising sufficient Retained NDR receipts; or
  - (ii) where any reimbursement to the Founding Partners pursuant to clause 13.3(b) results in insufficient Retained NDR, to fund the Annual Costs Budget, the Annual Costs Budget shall be funded by the Councils in such proportions as the Councils may agree from time to time. The Councils' costs in funding the Annual Costs Budget during such period shall be reimbursed to each Council following the Billing Authorities' realisation of sufficient Retained NDR receipts to cover such costs.
- (d) Should there be any shortfall in funding for the Annual Costs Budget from Retained NDR the Councils shall agree funding contributions to be paid by each Council to cover the shortfall.
- (e) The Public Funds Committee shall if necessary consider and recommend to the Councils alternative funding options for the Annual Costs Budget.

### **14. Audit and Scrutiny**

- 14.1 In exercise of their powers under sections 101 and 102 of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000 and all other enabling powers the Councils hereby create a Joint Scrutiny Committee with effect from the Commencement Date. The Joint Scrutiny Committee shall provide a scrutiny function to ensure greater public accountability over decisions made by the Public Funds Committee.
- 14.2 The terms of reference of the Joint Scrutiny Committee are set out at Schedule 2 to this Agreement.
- 14.3 The membership of the Joint Scrutiny Committee shall consist of 8 members. The Councils shall each nominate 4 members for appointment to the Joint Scrutiny Committee. The members nominated by each Council shall be elected members of that Council but shall not be a member of that Council's executive and shall not be a member of the Public Funds Committee.
- 14.4 The role of the Joint Scrutiny Committee is to provide advice, challenge and support to the Public Funds Committee. To the extent the Joint Scrutiny Committee can influence the Public Funds Committee's decision making, the Joint Scrutiny Committee shall be required to:

- (a) Review and scrutinise the Public Funds Committee's financial affairs.
  - (b) Review and assess the economy, efficiency and effectiveness with which resources have been used.
  - (c) Make reports and recommendations to the Public Funds Committee in relation to the points in (a) and (b).
- 14.5 If any Council is provided with Public Funding to implement a project in the Celtic Freeport Economic Area the Joint Scrutiny Committee shall audit the finances and the discharge of functions relating to that project.
- 14.6 Any Council which is provided with Public Funding to implement a project in the Celtic Freeport Economic Area shall keep records of time worked by any person working on the project and any other costs relating to the project.
- 14.7 Each Council shall keep records of time worked by any person on any matter relating to the Public Funds Committee or the Celtic Freeport.
- 14.8 Each Council shall permit all records held by it which are referred to in this Agreement or relate to this Agreement to be examined and copied from time to time by the other Council or any representatives of the other Council or any other representatives who reasonably require access to the same in order to undertake any audit of the funds received and spent pursuant to this Agreement (including but not limited to the Accountable Body and Public Funds Committee). If a representative of a Council requests from the other Council a copy in electronic form of any record held by the other Council which is referred to in this Agreement or relates to this Agreement the other Council shall provide a copy of the requested record in electronic form if the record exists in electronic form when the other Council receives the request.
- 14.9 The Auditor General for Wales shall have access to any document relating to the Public Funds Committee for the purpose of the Auditor General's examination of any auditable accounts, for the purpose of undertaking studies under section 145A of the Government of Wales Act 1998 or for the purpose of carrying out in accordance with any enactment other examinations or studies into the economy, efficiency and effectiveness with which a person has used resources in discharging the person's functions and any officer of the Wales Audit Office and Government shall have access to any document relating to the Public Funds Committee and shall be permitted at reasonable notice to visit the premises of the Councils and to inspect activities funded by Public Funding and to examine and take copies of books of account and other documents and records relating to activities funded by Public Funding.

## 15. Mitigation

- 15.1 Each Council shall at all times take all reasonable steps to minimise and mitigate any:
- (a) loss for which the relevant Council is entitled to bring a claim against the other Council;
  - (b) losses arising from the determination of this Agreement; and
  - (c) losses arising from the withdrawal of a Council from the Public Funds Committee, pursuant to the terms of this Agreement.

## 16. Withdrawal from the Public Funds Committee and Termination

- 16.1 This Agreement and the Public Funds Committee created in accordance with its terms shall (unless otherwise agreed in writing by the Councils) terminate not less than thirty Business Days after the occurrence of any of the following events:
- (a) the Governing Body ceases to operate;
  - (b) the Governing Body is wound up;
  - (c) the Celtic Freeport ceases to be designated as a Freeport under legislation or otherwise by direction of Government; or
  - (d) either or both Councils withdraw from their membership of the Governing Body.
- 16.2 Either Council may withdraw from the Public Funds Committee by giving not less than twenty four months' written notice to the other Council of its intention to do so ("**Withdrawal Notice**").
- 16.3 Upon receipt of a Withdrawal Notice or upon occurrence of any event set out in clause 16.1 an emergency meeting of the Public Funds Committee shall be convened. The meeting shall consider the implications of such withdrawal or termination and endeavour to agree an appropriate exit plan. Failure to agree an exit plan will be referred to the dispute resolution procedure set out in clause 19 and withdrawal or termination will be suspended until the dispute is resolved. The Councils agree that they will provide all reasonable assistance to one another to allow the exit of either Council.
- 16.4 In the absence of agreement to the contrary each Council shall bear its own costs in relation to termination or a Council's withdrawal from the Public Funds Committee and a withdrawing Council shall have no obligation to bear the costs of the other Council even where such costs are directly related to the withdrawal.
- 16.5 The exiting Council shall remain liable for its share (as calculated in accordance with the terms of this Agreement) of any costs properly incurred by the Public Funds Committee during its time as a member up to and including the date upon which its membership terminates.
- 16.6 Where either Council withdraws from the Public Funds Committee this Agreement shall terminate and the provisions of clause 17 shall apply.

## 17. Termination of this Agreement

- 17.1 In addition to clause 16, the Councils agree that this Agreement may be determined upon terms agreed by the Councils.
- 17.2 In the event of termination of this Agreement each Council shall:

- (a) supply to the other Council when requested any information which the other Council requires for the continuing involvement by that Council in the Celtic Freeport; and
- (b) undertake to pay such reasonable payment or payments which fairly reflect the obligations of that Council pursuant to this Agreement or in absence of agreement on an equal basis.

## 18. Liabilities of the Councils

- 18.1 Each Council shall indemnify and keep indemnified the other Council against any losses, claims, expenses, actions, demands, costs and liability suffered by that Council to the extent arising from any wilful default or breach by the indemnifying Council of its obligations under this Agreement or negligent act or omission in relation to such obligations (for the purposes of this clause 18 "wilful" shall not include matters which are outside the reasonable control of the indemnifying Council).
- 18.2 No claim shall be made against the Accountable Body to recover any loss or damage which may be incurred by reason of or arising out of the carrying out by the Accountable Body of its obligations under this Agreement unless and to the extent such loss or damage arises from a wilful default or breach or negligent act or omission by the Accountable Body under clause 18.1.
- 18.3 Where either Council receives a claim for losses, expenses, actions, demands, costs and liabilities which relates to this Agreement it shall notify and provide details of such claim as soon as is reasonably practicable to the other Council.
- 18.4 Neither Council shall be indemnified in accordance with this clause 18 unless it has given notice in accordance with clause 18.3 to the other Council against whom it shall be enforcing its right to an indemnity under this Agreement.
- 18.5 Each Council shall not be obliged to indemnify the other Council to the extent that the insurances maintained by the other Council at the relevant time provide an indemnity against the loss giving rise to a claim and to the extent that the other Council recovers under a policy of insurance save that the Council responsible for liabilities suffered by the other Council shall be responsible for the deductible under any such policy of insurance and any amount over the maximum amount insured under such policy of insurance.

## 19. Dispute Resolution

- 19.1 The Councils undertake and agree to pursue a positive approach towards dispute resolution which seeks in the context of this joint working arrangement to identify a solution at the lowest operational level that is appropriate to the subject of the dispute and which avoids legal proceedings and maintains a strong working relationship between the Councils.
- 19.2 Any dispute arising in relation to any aspect of this Agreement shall be resolved in accordance with this clause 19. This is without prejudice to the right of each Council under section 103 of the Local Government Act 1972 to refer a dispute about the expenses of a joint committee to be determined by a single arbitrator agreed by the appointing authorities or, in the absence of agreement, to be determined by the Welsh Ministers.
- 19.3 All disputes, claims or differences between the Councils arising out of or in connection with this Agreement or its subject matter or formation, including any question regarding its existence, validity or termination, ("**Dispute**") shall, at the written request of a Council, be referred by each Council to its Chief Executive Officer.
- 19.4 If the Councils' Chief Executive Officers do not agree a resolution of the Dispute within twenty Business Days of the date of service of any such request, either Council may require the other Council by notice in writing to attempt to settle the Dispute by mediation in accordance with the Centre for Dispute Resolution ("**CEDR**") Model Mediation Procedure. Within five Business Days of the date of service of such notice the Councils shall each propose a mediator and shall seek to agree as to the selection of a mediator.
- 19.5 If the Councils are unable to agree on a mediator within ten Business Days of date of service of the notice referred to in clause 19.4 or the mediator agreed upon is unable or unwilling to act and the Councils cannot agree upon a substitute, either of the Councils may apply to CEDR to appoint a mediator as soon as practicable.
- 19.6 The Councils shall within five Business Days of the appointment of the mediator ("**Mediator**") meet with them in order to agree a programme for the exchange of any relevant information and the structure to be adopted for the negotiations. If considered appropriate, the Councils may at any stage seek assistance from CEDR to provide guidance on a suitable procedure.
- 19.7 All negotiations connected with the Dispute shall be conducted in strict confidence and without prejudice to the rights of the Councils in any future proceedings.
- 19.8 If the Councils reach agreement on the resolution of the Dispute, such agreement shall be reduced to writing and, once it is signed by the Councils or their duly authorised representatives, shall be and remain binding upon the Councils.
- 19.9 The costs and expenses of the mediation shall be borne equally by the Councils. Each Council shall bear its own costs and expenses of its participation in the mediation.
- 19.10 If mediation fails to secure a resolution within ten Business Days of the Mediator being appointed, the Dispute shall be referred to and finally resolved by the Courts of England and Wales in accordance with clause 29.
- 19.11 In the event that court proceedings are commenced pursuant to clause 19.10 the Councils shall notify Government.

## 20. Notices

### 20.1 Form of Notice

Any demand, notice or other communication given in connection with or required by this Agreement shall be made in writing and shall be delivered to or sent by:

- (a) pre-paid first class post or special delivery post; or

- (b) email,

to the recipient at the address as notified in writing by each Council to the other from time to time.

## 20.2 Service

Any such demand, notice or communication shall be deemed to have been duly served:

- (a) if delivered by hand, when left at the proper address for service;
- (b) if given or made by pre-paid first class or special delivery post two Business Days after being posted; or
- (c) if sent by email at the time of transmission,

provided in each case that if the time of such deemed service is either after 4.00pm on a Business Day or on a day other than a Business Day service shall be deemed to occur at 9.00am on the next following Business Day.

## 21. Information and Confidentiality

21.1 Each Council shall keep confidential all Confidential Information and shall use all reasonable endeavours to prevent their employees and agents from making any disclosure to any person of any Confidential Information other than as permitted under the provisions of this Agreement. Each Council shall not use or disclose other than as permitted under the provisions of this Agreement any Confidential Information about the business of or belonging to the other Council or third party which has come to its attention as a result of or in connection with this Agreement.

21.2 The obligation in clause 21.1 shall not apply to:

- (a) any disclosure of information that is reasonably required by persons engaged in the performance of their obligations under this Agreement;
- (b) any matter which a party can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this clause;
- (c) any disclosure which is required by any law (including any order or a court of competent jurisdiction) any statutory obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law;
- (d) any disclosure of information which is already lawfully in the possession of the disclosing Council without restrictions as to its use prior to its disclosure by the disclosing Council;
- (e) any disclosure which is required or recommended by the rules of any governmental or regulatory authority including any guidance from time to time as to openness and disclosure of information by public bodies;
- (f) any disclosure which is necessary to be disclosed to provide relevant information to any insurance broker in connection with obtaining any insurance required by this Agreement;
- (g) any disclosure made pursuant to clause 23;
- (h) any disclosure by a party to a department, office or agency of Government; or
- (i) any disclosure for the purpose of the examination and certification of a party's accounts.

21.3 Where disclosure is permitted under clauses 21.2(a), 21.2(f), 21.2(h) or 21.2(i) the recipient of the information shall be placed under the same obligation of confidentiality as that contained in this Agreement by the disclosing Council.

21.4 Neither Council shall make any public statement or issue any press release or publish any other public document relating to, connected with, or arising out of this Agreement or any other agreement relating to the Celtic Freeport other than in accordance with any PR Protocol agreed by the Councils or similar policy as may be adopted by the Governing Body.

## 22. Data Protection

22.1 The Councils shall comply with the provisions and obligations imposed on them by the Data Protection Laws at all times when processing Personal Data in connection with this Agreement, such processing shall be in respect of the types of Personal Data, categories of Data Subjects, nature and purposes, and duration, set out in a document to be agreed by the Councils.

22.2 Each Council shall maintain records of all processing operations under its responsibility that contain at least the minimum information required by the Data Protection Laws, and shall make such information available to any DP Regulator on request.

22.3 To the extent either Council processes any Personal Data on behalf of the other Council the processing Council shall:

- (a) process such Personal Data only in accordance with the other Council's written instructions from time to time and only for the duration of this Agreement;
- (b) not process such Personal Data for any purpose other than those set out in this Agreement or otherwise expressly authorised by the other Council;
- (c) take reasonable steps to ensure the reliability of all its personnel who have access to such Personal Data, limit such access to its personnel who require access, and remove, when no longer required, such access to the Personal Data, and ensure that any such personnel are committed to binding obligations of confidentiality when processing such Personal Data;
- (d) implement and maintain technical and organisational measures and procedures to ensure an appropriate level of security for such Personal Data, including protecting such Personal Data against the risks of accidental, unlawful or unauthorised destruction, loss, alteration, disclosure, dissemination or access;

- (e) not transfer such Personal Data outside the UK without the prior written consent of the other Council;
- (f) inform the other Council within twenty four hours if any such Personal Data is (while within the processing Council's possession or control) subject to a personal data breach (as defined in Article 4 of the UK GDPR) or within such other time period as required under other Data Protection Laws, or is lost or destroyed or becomes damaged, corrupted or unusable.
- (g) only appoint a third party to process such Personal Data with the prior written consent of the other Council;
- (h) not use or disclose any Personal Data to any Data Subject or to a third party other than at the written request of the other Council or as expressly provided for in this Agreement;
- (i) return or irretrievably delete all Personal Data on termination or expiry of this Agreement and not make any further use of such Personal Data;
- (j) provide to the other Council and any DP Regulator all information and assistance necessary or desirable to demonstrate or ensure compliance with the obligations in this clause and the Data Protection Laws;
- (k) permit the other Council or its representatives to access any relevant premises, personnel or records of the processing Council on reasonable notice to audit and otherwise verify compliance with this clause;
- (l) take such steps as are reasonably required to assist the other Council in ensuring compliance with its obligations under Articles 30 to 36 (inclusive) of the UK GDPR and other applicable Data Protection Laws;
- (m) notify the other Council within two Business Days if it receives a request from a Data Subject to exercise its rights under the Data Protection Laws in relation to that person's Personal Data; and
- (n) provide the other Council with its full co-operation and assistance in relation to any request made by a Data Subject to exercise its rights under the Data Protection Laws in relation to that person's Personal Data.

22.4 If either Council receives any complaint, notice or communication which relates directly or indirectly to the processing of Personal Data by the other Council or to the other Council's compliance with the Data Protection Laws, it shall as soon as reasonably practicable, notify the other Council and it shall provide the other Council with reasonable co-operation and assistance in relation to any such complaint, notice or communication.

22.5 If either Council requires the other Council to make any disclosures or provide any information in respect of this Agreement in order to enable that Council to meet its obligations under the Data Protection Laws the other Council shall do so.

22.6 The provisions of this clause 22 shall apply during the continuance of this Agreement and indefinitely after its expiry or termination.

## **23. Freedom of Information**

23.1 Each Council acknowledges that it and the other Council are subject to the requirements of FOI Legislation and therefore recognise that information relating to this Agreement may be the subject of a Request for Information. The Councils shall comply with their own policy on FOI Legislation in respect of information disclosure obligations to the extent that they relate to the Celtic Freeport.

23.2 Where a Council receives a Request for Information in relation to information which it is holding on behalf of the other Council in connection with the Celtic Freeport, it shall inform the other Council of the request and its response.

23.3 The Councils shall be required to assist each other in responding to a Request for Information to the extent that it relates to the Celtic Freeport. This shall include co-ordinating the response when requested to do so by the other Council. All costs incurred by the assisting Council in assisting the other Council with a response to a Request for Information relating to the Celtic Freeport shall be accounted for as Committee Costs. The Council which requests the assistance of or co-ordination of the assisting Council to respond to a Request for Information relating to the Celtic Freeport shall:

- (a) provide the assisting Council with a copy of the Request for Information as soon as practicable after receipt and in any event within two Business Days of receiving the Request for Information;
- (b) provide the assisting Council with a copy of all information in its possession or power in the form the assisting Council reasonably requires within ten Business Days (or such longer period as the assisting Council may specify) of the assisting Council requesting that information;
- (c) provide all necessary assistance as reasonably requested by the assisting Council to enable it to provide any required assistance or co-ordination of a response to a Request for Information within the time for compliance set out in FOI Legislation;

23.4 The Council which receives a Request for Information shall be responsible for determining in their absolute discretion whether any information requested:

- (a) is exempt from disclosure under FOI Legislation; or
- (b) is to be disclosed in response to the Request for Information.

23.5 Each Council agrees that the other Council may be obliged under the FOI Legislation to disclose information:

- (a) without consulting them where it has not been practicable to achieve such consultation; or
- (b) following consultation with them and having taken their views into account.

## **24. Language**

The Public Funds Committee and Joint Scrutiny Committee shall undertake their functions in such a way as to comply with each of the Council's compliance notices issued under the Welsh Language Standards (No 1) Regulations 2015.

**25. Severability**

25.1 If at any time any clause or part of a clause or Schedule or appendix or part of a Schedule or appendix to this Agreement is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid or unenforceable in any respect:

- (a) that shall not affect or impair the legality, validity or enforceability of any other provision of this Agreement; and
- (b) the Councils shall in good faith amend this Agreement to reflect as nearly as possible the spirit and intention behind that illegal, invalid or unenforceable provision to the extent that such spirit and intention is consistent with the laws of that jurisdiction and so that the amended Agreement complies with the laws of that jurisdiction.

**26. Relationship of Councils**

Each Council is an independent Local Authority and nothing contained in this Agreement shall be construed to imply that there is any relationship between the Councils of partnership or principal/agent or of employer/employee. Neither Council shall have any right or authority to act on behalf of the other nor to bind the other Council by contract or otherwise except to the extent expressly permitted by the terms of this Agreement.

**27. Third Party Rights**

The Councils as parties to this Agreement do not intend that any of its terms shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

**28. Entire Agreement**

28.1 This Agreement and all documents referred to in this Agreement set forth the entire agreement between the Councils with respect to the subject matter covered by them and supersede and replace all prior communications, representations (other than fraudulent representations), warranties, stipulations, undertakings and agreements whether oral or written between the Councils.

28.2 Each Council acknowledges that it does not enter into this Agreement in reliance on any warranty, representation or undertaking other than those contained in this Agreement and that its only remedies are for breach of this Agreement, provided that this shall not exclude any liability which either Council would otherwise have to the other in respect of any statements made fraudulently by or on behalf of it prior to the date of this Agreement.

**29. Law of Agreement or Jurisdiction**

This Agreement shall be governed by the laws of England and Wales as they apply in Wales and the Councils submit to the exclusive jurisdiction of the courts of England and Wales.

**30. Assignment**

30.1 The rights and obligations of the Councils under this Agreement shall not be assigned, novated or otherwise transferred to any person other than to any public body acquiring the whole of the Agreement and having the legal capacity, power and authority to become a party to and to perform the obligations of the relevant Council under this Agreement being:

- (a) the Welsh Ministers;
- (b) a devolved Welsh authority as defined in the Wales Act 2017;
- (c) a Minister of the Crown pursuant to an Order under the Ministers of the Crown Act 1975; and
- (d) a UK public body exercising functions in Wales or in England and Wales.

**31. Waiver**

31.1 No failure or delay by either Council to exercise any right, power or remedy shall operate as a waiver of it nor shall any partial exercise preclude any further exercise of the same or some other right, power or remedy unless a waiver is given in writing by that Council.

31.2 Each Council shall pay its own costs incurred in connection with the preparation, execution, completion and implementation of this Agreement.

**32. Counterparts**

This Agreement may be executed in any number of counterparts each of which so executed shall be an original but together shall constitute one and the same instrument.

**33. Discretion of the Councils**

The discretion of each Council shall not be fettered or otherwise affected by the terms of this Agreement.

**This Agreement has been entered into as a deed and delivered on the date stated at the beginning of it.**

THE COMMON SEAL OF

the **Neath Port Talbot County Borough Council**

was hereunto affixed in the presence of

THE COMMON SEAL OF

the **Pembrokeshire County Council**

was hereunto affixed in the presence of



## Schedule 1 Terms of Reference of the Public Funds Committee

### 1 Membership

The Public Funds Committee shall comprise 6 members in total, 3 from each Council (and including each Council's leader).

### 2 Purpose

2.1 The Public Funds Committee's role is to ensure proper democratic accountability for the allocation of Public Funding including but not limited to ensuring compliance with the UK's subsidy control regime and value for money.

2.2 The Public Funds Committee has ultimate responsibility for approving or rejecting (but not amending) proposals from the Celtic Freeport Board relating to the use of Public Funding and Public Funding will only be released by the Councils for approved purposes at the request of the Public Funds Committee.

2.3 The Public Funds Committee is the final stage in the decision-making process relating to the use of Public Funding where proposals from the Celtic Freeport Board are presented to the Councils and the Councils are entitled to take a meaningful decision on the proposals, including refusing to approve them.

2.4 The Public Funds Committee's functions shall include:

(a) considering and reviewing Project Business Cases seeking financial support from Public Funding as recommended to the Public Funds Committee by the Celtic Freeport Board;

(b) approving Project Business Cases eligible to receive funding from Public Funding. The Public Funds Committee has absolute discretion on whether to approve or reject any Project Business Cases recommended by the Celtic Freeport Board for financial support from Public Funding;

(c) reviewing and Approving any Business Plan which includes a profiled statement of spending covering grants awarded to the Governing Body from Public Funding;

(d) financial management of Public Funding;

(e) monitoring the financial impact on Public Funding and reporting on this to the Councils;

(f) reviewing, consulting on, approving and monitoring the implementation of the Investment Policy;

33.2 agreeing the Annual Costs Budget;

(a) agreeing the terms and conditions of Project Funding;

(b) reviewing and consulting on NDR relief policies and any other relevant policies that each Council may be required to develop and adopt in respect of Public Funding; and

(c) consideration of the Governing Body's budget and forward financial plan in connection with the use of Retained NDR allocation to support the Governing Body's operating costs. Any request for Retained NDR allocation to support such costs cannot be unreasonably withheld or delayed by the Public Funds Committee.

### 3 Membership

3.1 Each of the Councils shall appoint its leader or equivalent and two other representatives as members of the Public Funds Committee and each member shall have full voting rights.

3.2 Each Council may appoint deputies for their members on the Public Funds Committee who may attend meetings of the Public Funds Committee as substitutes for the Council's appointed members on the Public Funds Committee but such deputies shall only be entitled to attend meetings of the Public Funds Committee in the absence of the Council's appointed members.

3.3 The Public Funds Committee may appoint additional persons to the Public Funds Committee as non-voting members of the Public Funds Committee subject to such members entering into an appropriate co-option agreement.

3.4 The Chief Executive Officer, Monitoring Officer and Section 151 officer of each of the Councils shall be entitled to attend meetings of the Public Funds Committee as advisers and shall not have a vote.

### 4 Voting

Each member of the Public Funds Committee shall have one vote. Decisions of the Public Funds Committee shall be made by unanimity of those present and eligible to vote at the relevant meeting.

### 5 Conflict of Interest

5.1 To allow the Public Funds Committee to undertake all of its functions, where the Public Funds Committee is considering a project developed by one of the Councils, a clear distinction shall be drawn between those involved in the project's development and those representatives appointed to the Public Funds Committee.

5.2 Members of the Public Funds Committee will be required to declare any conflicts of interest at the commencement of any meeting of the Public Funds Committee. Conflicts shall be managed in accordance with the Celtic Freeport's conflicts of interest policy.

### 6 Proceedings of Meetings

6.1 The rules of procedure of the Accountable Body shall apply to meetings of the Public Funds Committee.

6.2 The members of the Public Funds Committee shall be subject to the codes of conduct of their respective Councils.

**7 Quorum**

The quorum for a meeting of the Public Funds Committee shall be the presence of the two voting members of the Public Funds Committee, including one representative from each Council.

**8 Frequency**

8.1 The Public Funds Committee shall meet quarterly or as and when may be required to consider proposals put to it by the Celtic Freeport Board in a timely manner.

8.2 Meetings of the Public Funds Committee may be called by any of the Public Funds Committee's voting members on the giving of seven days' notice in writing to the other voting members.

**9 Allowances**

No allowances shall be paid.

**10 Servicing**

The Accountable Body shall organise appropriate servicing for the meetings.

## Schedule 2 Terms of Reference of the Joint Scrutiny Committee

### 1 Membership

1.1 The Joint Scrutiny Committee shall comprise 8 members in total, 4 from each Council.

1.2 The membership shall not include members:

- (a) of each Council's executive; and
- (b) of the Public Funds Committee.

1.3 Each Council shall nominate members for the Joint Scrutiny Committee in accordance with the political balance rule as it applies to their own elected membership. The composition of the Joint Scrutiny Committee shall not be required to represent political balance across the membership of both Councils taken together.

### 2 Purpose

2.1 The purpose of the Joint Scrutiny Committee shall be performing the overview and scrutiny function for the Public Funds Committee (as specified in the Public Funds Committee joint committee agreement) on behalf of the Councils.

2.2 For the avoidance of doubt scrutiny of individual Council projects that each Council wishes to put forward for funding from Public Funding shall be a matter for the relevant Council Scrutiny Committee.

### 3 Chair

3.1 The Chair and Vice Chair of the Joint Scrutiny Committee shall be elected by the Joint Scrutiny Committee.

3.2 The Vice Chair of the Scrutiny Committee shall not be from the same Council as the Chair of the Joint Scrutiny Committee.

### 4 Voting

4.1 Each member of the Joint Scrutiny Committee shall have one vote. Decisions of the Joint Scrutiny Committee shall be made by simple majority vote.

4.2 In the event of equality of votes the Chair (or in their absence the Vice Chair) of the Joint Scrutiny Committee shall have a casting vote.

### 5 Conflicts of Interest

Members of the Joint Scrutiny Committee must declare any interest either before or during the meetings of the Joint Scrutiny Committee (and withdraw from that meeting if necessary) in accordance with their Council's Code of Conduct or as required by law.

### 6 Proceedings of Meetings

6.1 The rules of procedure of the Host Authority (as defined below) for the joint scrutiny function shall apply to meetings of the Joint Scrutiny Committee.

6.2 Members of the Joint Scrutiny Committee shall be subject to the Codes of Conduct for Members of their respective Councils.

### 7 Quorum

The quorum for meetings of the Joint Scrutiny Committee shall be no less than 4 members, which must include at least 2 members from each Council.

### 8 Frequency

The Joint Scrutiny Committee shall meet quarterly. Additional meetings may be convened by the Chair on at least seven clear days' notice.

### 9 Allowances

No allowances shall be paid.

### 10 Servicing

The Host Authority for the joint scrutiny functions shall be PCC.

### 11 Sub- Groups

The Joint Scrutiny Committee by agreement may create Task and Finish Groups.

### 12 Review

The Terms of reference of the Joint Scrutiny Committee shall be reviewed annually.