

**Greater Brighton Economic Board**

**Memorandum of Understanding**

**1. Background**

- 1.1 This Memorandum of Understanding ('Memorandum') is made pursuant to paragraph 13 of the Heads of Terms for the Greater Brighton Economic Board (the 'Board'), and sets out the arrangements in respect of:
  - (i) The Accountable Body's role in relation to the Board;
  - (ii) The Board's budget and financial accountability;
  - (iii) Financial contributions by specified Board members towards the running and administration of the Board;
  - (iv) The administrative support to be provided to the Board by the Lead Authority.

- 1.2 In this Memorandum, 'Lead Authority' and 'Accountable Body' both mean the local authority member of the Board appointed as lead authority in accordance with the Board's Heads of Terms.

**2. Accountable Body Role**

- 2.1 The following provisions set out the responsibilities of the Accountable Body.
- 2.2 The Accountable Body shall, in relation to any funds received by it on behalf of the Board, be responsible for the legal and financial management of those funds and for ensuring that they are spent in accordance with the objectives and criteria for those funds and the directions of the Board. Any Board decision which incurs expenditure or which could generate any ongoing liability which cannot be defrayed directly from any central government funds or other external funding sources held by the Accountable Body on behalf of the Board shall require the unanimous agreement of all members of the Board prior to its implementation by the Accountable Body.
- 2.3 The Accountable Body will undertake an administrative role which will include but is not limited to the following:
  - 2.3.1. development and maintenance of administrative systems to enable the Accountable Body and the Board to fulfil their responsibilities, including setting up such accounting and other financial and management arrangements as are required;

- 2.3.2. where applicable, submitting grant claims to the Board for approval.
- 2.4. The Board and the Greater Brighton Officer Programme Board will carry out their activities so far as practicable in a manner which enables the Accountable Body –
  - (i) to comply with the terms of any central government or other third party funds received in connection with the Board's functions; and
  - (ii) to ensure that the functions of the Board are carried out with regard to the principles of sound financial practice.
- 2.5. The Accountable Body shall not be obliged to act upon any decision or direction of the Board if such action is not in accordance with the proper exercise of the Accountable Body's powers or if such a decision or direction would cause the Accountable Body to be in breach of its obligations under any funding agreement. Furthermore, the Accountable Body shall not be obliged to act upon any decision or direction of the Board which is in conflict with its own constitution.
- 2.6. Subject to paragraph 1.9 of the Board's Heads of Terms, if the local authority appointed as Accountable Body is no longer to act as the Accountable Body for any reason, then upon ceasing to act the exiting Accountable Body will forthwith transfer any funds held in the Board's budget, or funds held on behalf of the Board, to the local authority that is to be the replacement Accountable Body.

### **3. Board Budget**

- 3.1. Any increase in the financial contributions made by specified members of the Board towards the running and administration of the Board shall be agreed unanimously by the Board no later than 2 (two) calendar months before the commencement of each financial year.
- 3.2. The Board's budget will not exceed the total amount of the following:
  - 3.2.1. the financial contributions made by members of the Board pursuant to paragraph 5;
  - 3.2.2. any other financial contributions from central government and other third parties; and
  - 3.2.3. any contributions from the private sector.
- 3.3. The financial contributions from Board members pursuant to paragraph 5 will be paid to the Accountable Body within 30 days of receipt of the Accountable Body's invoice.
- 3.4. The Accountable Body shall not take any action which will result in expenditure exceeding the Board's budget for the year without the prior

unanimous approval of the Board. Any expenditure in excess of the Board's budget shall be funded by additional contributions from those Board members specified in Schedule 2.

- 3.5. Subject to paragraph 3.6 below,
  - (i) all expenditure and liabilities in connection with the running and administration of the Board shall be met from the Board's budget;
  - (ii) nothing in this Memorandum shall oblige the Accountable Body to spend any money or otherwise incur any liabilities whatsoever that are not fully recoverable through the Board's budget; and
  - (iii) the Accountable Body shall be indemnified by the Board members to such extent and in such proportions as set out in Schedule 1 for all and any losses relating solely to the running and administration of the Board (such losses to include costs, liabilities, claims, demands, actions, damages and expenses (including reasonable legal expenses)) properly and reasonably incurred and arising from or incurred by the Accountable Body in performing its role pursuant to this Memorandum.
- 3.6. Notwithstanding paragraph 3.5, where any losses (as defined in the preceding paragraph) are incurred as a result of a negligent act or default of or breach of this Memorandum by a Board member or an act of a Board member which was not authorised by the Board, that Board member shall indemnify the other Board members in respect of any such losses arising.
- 3.7. For the avoidance of doubt, the indemnities referred to in paragraphs 3.5 and 3.6 above shall not apply in the case of any losses that occur in relation to projects which the Board is managing in exercise of its functions.
- 3.8. Where the Board has delegated the implementation of a project to the Lead Authority pursuant to paragraph 3.3(ii) of the Board's Heads of Terms, that authority shall, in its capacity as Accountable Body, be individually liable for any losses or overspend incurred in the delivery of that project.

#### **4. Financial Accountability**

- 4.1. The Accountable Body will operate the financial systems relating to the Board in respect of obligations undertaken in accordance with paragraph 1.
- 4.2. The Board will act upon the advice of the Accountable Body's chief financial officer in respect of improvements to controls, both financial and non-financial.

4.3. The Accountable Body will provide financial monitoring statements to the Board in relation to the Board's budget on a quarterly basis together with a financial year end report.

**5. Financial Contributions of Board Members to the running and administration of the Board**

5.1 Financial contributions payable by specified Board members to the running and administration of the Board shall be made annually from 1 April 2014. Those Board members listed in Schedule 2 shall, in respect of the period 1 April 2014 to 31 March 2015, pay the respective contributions set out in that Schedule.

**6. Administrative Support to be provided to the Board by the Lead Authority**

6.1 The Lead Authority will provide the following administrative support to the Board:

- (i) The timetabling of Board meetings and the booking of venues;
- (ii) the co-ordination, publication and circulation of agendas (in hardcopy and electronic format as appropriate), including on the internet.
- (iii) the taking of minutes at Board meetings and their subsequent circulation.
- (iv) other functions to facilitate the smooth running of the Board, at the discretion of the Lead Authority.

**Agreed on behalf of...**

*[List of each Board member signatory]*

## Schedule 1

### Apportionment of Losses between Board Members

<b>Board Member</b>	<b>Relevant Proportion of Losses</b>
Brighton & Hove City Council	1/12 <sup>th</sup> (one twelfth)
Adur District Council	1/12 <sup>th</sup> (one twelfth)
Worthing District Council	1/12 <sup>th</sup> (one twelfth)
Lewes District Council	1/12 <sup>th</sup> (one twelfth)
Mid Sussex District Council	1/12 <sup>th</sup> (one twelfth)
University of Sussex	1/12 <sup>th</sup> (one twelfth)
University of Brighton	1/12 <sup>th</sup> (one twelfth)
Further Education Representative	1/12 <sup>th</sup> (one twelfth)
Coast to Capital Local Enterprise Partnership	1/12 <sup>th</sup> (one twelfth)
Brighton & Hove Economic Partnership	1/12 <sup>th</sup> (one twelfth)
Adur & Worthing Business Partnership	1/12 <sup>th</sup> (one twelfth)
Coastal West Sussex Partnership	1/12 <sup>th</sup> (one twelfth)

## Schedule 2

### **Financial Contributions Payable by Specified Board Members to the running and administration of the Board in respect of the period 1 April 2014 to 31 March 2015**

<b>Board Member</b>	<b>Contribution</b>
Adur	£4,964
Brighton & Hove	£26,063
Lewes	£7,801
Mid Sussex	£11,643
Worthing	£8,629
Coast to Capital LEP	£7,500
University of Sussex	£5,000
University of Brighton	£5,000
FE Colleges	£5,000
South Downs National Park	£5,000