

Appendix A

Memorandum of Understanding Halton Borough Council and Warrington Borough Council Procurement of Joint LEP

The MOU shall make provision for and be of a style and type as follows, namely:-

- a) The document will provide for internal mechanisms for dispute and conflict resolution and save in exceptional circumstances will exclude recourse to the Courts.
- b) The document will be written as a living document. It will allow for the subsidiary creation of Management and Programme Documents to be binding on the parties when accepted and properly approved and to be subsumed within the main document.
- c) The document envisions that : the two Authorities will in practice work together; there will be one Programme delivery organisation; and that in practice this needs to be equally and neutrally responsive to both Halton and Warrington Councils.
- d) The Programme organisation has been funded initially by Halton and will continue to be run by Halton which in effect will act as bankers to the Programme. The Programme Board will hold its own ring-fenced money which will be based on annual budgets and monthly management accounts to be submitted to the Board. The Programme Director will need to send out demands for money to the Authorities and / or set up a system of regular payments / transfers into the account on a monthly basis in advance in order to ensure that requirements for money are met promptly.
- e) The Programme will procure one LEP.
- f) It is anticipated that the externally engaged professional advisers can be retained and appointed jointly for the enlarged programme, thereby maximizing the economies following from the arrangements.
- g) Each Authority would make their own decisions throughout the Programme. It is anticipated that such will be the level of integrated and harmonious working vertically and horizontally that the two Executives will be able to follow the recommendations of the Programme Board
- h) So far as costs are concerned it is provided in effect as follows -
 - i) Costs should be shared 50/50 and most of the risks in the collaboration should be accepted without trying to anticipate everything and providing for a detailed remedy for everything that could conceivably occur. There will be a payment to Halton to be agreed between the respective Chief Executives of the Authorities reflecting the benefits of the work so far done and the 50/50 principle regarding the initial expenditure.
 - ii) there be an arrangement for graduated payments if an Authority pulls out of the collaboration at various stages in the procurement process reflecting the resultant cost to the other Authority. The principles for ascertaining these payments are to be set out in a penalty payments letter to be agreed between the Authorities'

respective Chief Executives (with advice from respective legal officers and to be referred to in the MOU).

- i) there is flagged up in the MOU the matter of Indemnity and liability and it is dealt with the intention that the Authorities will not hold each other liable for error or fault (fraud or crime excepted) and will indemnify each other against third party claims in respect of the procurement process. This is in accord with the 50/50 principle on cost sharing.