

HEADS OF TERMS FOR PARTNERSHIP FUNDING AGREEMENT

Introduction

Further to previous conversations about the future arrangements for the Joint Management Agreement, Heads of Terms have been drawn up to form the basis for an agreement between the funding partners.

Recommendation: The following Heads of Terms are proposed for Members' acceptance and will inform the subsequent drawing up of a new agreement on behalf of the partners. The work will be completed by Hampshire County Council legal colleagues, instructed by Hampshire Cultural Trust. Previously agreed considerations between the partners are not changed by this and items such as the term of the Agreement and notice periods will be incorporated into the Agreement.

1. Parties:

Hampshire County Council (**HCC**) and Fareham Borough Council together the Local Authorities (**LAs**)

2. Statutory Powers

LAs empowered to provide or contribute towards the provision of museums

(Sections 12 and 14 of the Public Libraries and Museums Act 1964 and Sections 206 and 208 of the Local Government Act 1972)

HCC and Winchester City Council have established a registered charity, Hampshire Cultural Trust (**HCT**) to which HCC has transferred its arts, museum and heritage services and Winchester City Council has transferred its museum and heritage services

(Sections 12 and 14 of the Public Libraries and Museums Act 1964, Sections 206 and 208 of the Local Government Act 1972 and Section 1 of the Localism Act 2011)

LAs empowered to discharge any of their functions jointly with one or more other local authorities and to arrange for the discharge of those functions by a joint committee

(Section 101 of the Local Government Act 1972)

3. Purpose of Agreement

LAs agree to provide funding to the HCT (which in the case of the B/DC's funding is to be applied solely towards the *[insert name of museum]* (**Museum**) and to monitor and review the application of their funding by the HCT in accordance with terms set out in the Agreement.

Agreement to the formation of a partnership funding committee (PFC) which will be a joint committee.

In furtherance of this purpose the LAs propose to co-opt the HCT as a non-voting member of the PFC as provided in the Agreement.

4. Term

Agreement to be in force for a period of [] subject to earlier termination in the following events:

- 4.1 Upon either party giving [] months written notice to the other party (parties) and to the PFC; or
- 4.2 by notice from one party to the other if the other party is in default and fails to remedy the default (if capable of remedy within [60 days]; or
- 4.3 if the Museum ceases to operate for any reason;

5. Partnership Funding Committee

Purpose of committee:

- 5.1 to consider and make recommendations through the relevant governance channel of the LAs funding contributions from the B/D Council and HCC (which in the case of HCC will be part of the overall funding HCC is to provide to the HCT under the Management and Funding Agreement);
- 5.2 to monitor and review the application of the LAs' funding by the HCT;
- 5.3 to make recommendations through the relevant governance channels of the LAs in respect of the outcomes HCT shall incorporate into its Business Plan;
- 5.4 composition of the committee including representative of the Trust as a co-opted non voting member; and
- 5.5 procedural matters in relation to the PFC, including frequency of meetings.

6. Funding

Funding to be provided by the LAs. In respect of the B/D/ Councils this will be on conditional basis i.e. subject to availability of future budgets within B/D Council and in respect of HCC funding will be in accordance with the terms of the Management and Funding Agreement.

Details regarding when B/D Council will make payments to HCC or direct to HCT.

7. Monitoring and review

LAs proposals in relation to how they will monitor and review the HCT's application of the LAs' funding.

LAs agreed approach to making recommendations to HCT in respect of future outcomes to be included in HCT's Business Plan.

Intentions in relation to meetings with HCT.

8. Process in event of Default

Where either party is in default other party can serve notice requesting default be remedied. Failure to remedy default will enable non defaulting party to terminate Agreement.

9. Dispute provisions

In the event of a dispute in relation to the Agreement parties to endeavour to resolve dispute through officers of the authorities with escalation to Chief Executives..