

CABINET

18th March 2004.

**HOUSING MARKET RENEWAL IMPLEMENTATION
AGREEMENT, EXECUTIVE GOVERNANCE AND FINANCIAL
ARRANGEMENTS BETWEEN OLDHAM AND ROCHDALE.**

**REPORT OF ASSISTANT CHIEF EXECUTIVE (CORPORATE
POLICY), ASSISTANT CHIEF EXECUTIVE (LEGAL AND
DEMOCRATIC SERVICES), ASSISTANT CHIEF EXECUTIVE
(FINANCE, IT AND RESOURCES).**

1. PURPOSE OF REPORT

- 1.1 To inform Members of the proposed Market Renewal Implementation Agreement and seek their approval to its adoption;
- 1.2 To inform Members of the proposed HMR Executive Governance Arrangements and the Financial Arrangements between Oldham and Rochdale

2. RECOMMENDATIONS

- 2.1 Members are asked to note the contents of the Implementation Agreement and approve its adoption;
- 2.2 Members are asked to note the contents of the proposed HMR Executive Governance Arrangements and the Financial Arrangements between Oldham MBC and Rochdale MBC and to delegate the authority to conclude the indemnity agreement to Oldham's Chief Executive.

3. BACKGROUND

3.1 At its meeting on the 18th December 2003, Cabinet approved the submission of the Oldham and Rochdale Housing Market Renewal Prospectus. Since submission, meetings have been ongoing with the Office of the Deputy Prime Minister (ODPM) to discuss the content and detail of the Prospectus and the draft . Meetings have proceeded satisfactorily and the ODPM have been impressed with the proposals. In addition work has been ongoing to agree both the Governance Arrangements of the HMR Executive and the Financial Arrangements between Oldham and Rochdale. This report sets out in brief the progress made and the next stages in the process.

3.2 Implementation Agreement

3.2.1 For HMR monies to be received an Implementation Agreement needs to be entered into with the ODPM. The Agreement sets out the all the legal and financial criteria for the initiative. A copy of the latest draft of the Agreement is attached to this report as Appendix 1.

3.2.2 Lawyers from both Oldham and Rochdale have been involved in the drafting of the document and comments and suggestions have been made to the ODPM, some of which have been incorporated in the document.

3.2.3 The council is required to approve the Implementation Agreement, in order for the monies to be received. Members are therefore asked to note its contents and approve its adoption.

3.3 Governance Arrangements – HMR Executive

- 3.3.1 An important element of the Implementation Agreement is the Governance Arrangements for the HMR Executive. The report prepared by Ernst and Young on behalf of the Executive sets out the proposed procedural framework for the governance arrangements and provides the basis for the development of a legal framework, which can be signed by the key partners to the pathfinder. This report is attached at Appendix 2. The report recommends that interim governance arrangements remain in place until October 2004, and within such time, a review should be carried out as to the longer-term arrangements.
- 3.3.2 In terms of membership, initially there will be thirteen members of the Executive drawn from the two Councils, the two LSP's and Independents. Oldham's current members are Councillors Dean and Anchor and the Chief Executive. There was a discussion at the HMR Executive on the 8th January 2004 and a general view was reached that the Chief Executives from both authorities should become executive members. This is reflected in the structure in Appendix 2.
- 3.3.3 The report was considered at the last meeting of the HMR Executive on the 4th March 2004. Agreement was reached that membership should remain as it is for the time being. Further discussions on the longer terms Governance Arrangements and the membership of the HMR Executive will be held, and will be subject to further reports to Cabinet.

3.4 Financial Arrangements

- 3.4.1 The monies that may be made available to the Council through the HMR process are hugely significant and as the Accountable body it also brings responsibilities. The council's constitution requires an Article 11 documents to be prepared for such arrangements. This draft document is in preparation and will be sent by separate cover. It will clarify any issues that have not currently been addressed. Delegation is sought to enable Oldham's Chief Executive to finalise the document.
- 3.4.2 As the "grant-funded authority" as defined by the funding agreement we will bear the risks associated with the programme, however, we are seeking to mitigate this risk in a number of ways.
- 3.4.3 We have initiated discussions with Rochdale with a view to both councils setting out financial arrangements in an indemnity agreement,

which will provide that they will bear the risk of the projects taking place in the Rochdale HMR areas. A number of areas have been identified as needing clarification prior to full agreement, but it is not envisaged that this will be problematic as the thinking in the two boroughs is broadly in line. What the council is seeking to achieve is a model of financial management and governance that can be applied uniformly across the programme as a way of simplifying the Accountable Body role.

Secondly, on the purely local schemes we will be working with the relevant services to ensure the most effective use of the resources available to the Council.

3.4.4 Risk management is an area of focus for the Council as a whole and HMR is no different. The HMR Executive is currently compiling their risk register as the first stage of their risk management strategy. Later on in the process it will also be incumbent on individual project managers to demonstrate that they are managing risk in a way that is compatible to the Council's own approach.

3.4.5 As Oldham is the Accountable body then the Council's Constitution will apply until such time as a recommendation is put before Council to vary that. It is also envisaged that a report will be brought back to Cabinet when the nature of the agreement with Rochdale has been finalised.

3.4.6 As the indemnity agreement has not been finalised at the time of writing this report approval is sought to give delegated authority to Oldham's Chief Executive to conclude it.

4. RECOMMENDATION

1. Members are asked to note the contents of the Implementation Agreement and approve its adoption;
2. Members are asked to note the contents of the proposed HMR Executive Governance Arrangements and the Financial Arrangements document between Oldham MBC and Rochdale MBC and to delegate the authority to conclude the indemnity agreement to Oldham's Chief Executive

5. CORPORATE HUMAN RESOURCES COMMENTS

Not applicable

6. LEGAL SERVICES' COMMENTS

The council has legal powers to enter into these arrangements. The implementation agreement and the indemnity agreement have been extensively considered by senior solicitors in the council.

7. TREASURER'S COMMENTS

There are significant opportunities and significant risks present in this programme but we believe that the measures adopted so far and the completion of the matters identified as outstanding will mitigate the risks whilst maximising the opportunities. Key amongst those issues will be the Article 11 agreement and agreement with Rochdale on the division of risk.

One additional area that will need resolution will be the resourcing of the Accountable body function. Whilst we do not wish to spend valuable resources needlessly the Council has to ensure that it can fulfil its role to the highest possible standards.

8. IT IMPLICATIONS

Not applicable.

9. PROPERTY IMPLICATIONS

Not applicable.

10. ENVIRONMENTAL AND HEALTH AND SAFETY IMPLICATIONS

No applicable.

11. COMMUNITY COHESION IMPLICATIONS (INCLUDING CRIME AND DISORDER IMPLICATIONS IN ACCORDANCE WITH SECTION 17 OF THE ACT)

The Market Renewal Initiative will have many positive implications for the Borough in terms of Community Cohesion. The proposed projects will have cohesion at their core and will contribute to the creation of sustainable communities.

12. FORWARD PLAN REFERENCE – Urgent Business

13. SUPPORTING PAPERS

The Market Restructuring Implementation Agreement.

DRAFT

15 March 2004

**MARKET RESTRUCTURING
(IMPLEMENTATION) AGREEMENT
[LA ACCOUNTABLE BODY MODEL]**

This document is a draft that is incomplete and subject to review and amendment. The Office of the Deputy Prime Minister reserves the right to make amendments to draft agreements at any stage prior to their signature. No contract for the payment of grant towards the implementation of a market renewal scheme will exist prior to signature of the agreement.

This document, which has been prepared in connection with the ODPM's Market Renewal Pathfinders programme, is not an offer or invitation to bid.

This document is confidential to the Office of the Deputy Prime Minister and may not be copied or disclosed to any other person except with its consent.

This document is dated 15 March 2004 and incorporates all amendments proposed and accepted at that date.

Dated _____ 200

(1) THE FIRST SECRETARY OF STATE
(2) OLDHAM METROPOLITAN BOROUGH COUNCIL
and
(3) ROCHDALE METROPOLITAN BOROUGH COUNCIL

MARKET RESTRUCTURING (IMPLEMENTATION) AGREEMENT

relating to the implementation of the market restructuring scheme of the
OLDHAM ROCHDALE PARTNERS IN ACTION
MARKET RENEWAL PATHFINDER



OFFICE OF THE
DEPUTY PRIME MINISTER

**Office of the Deputy Prime Minister
Eland House
Bressenden Place**

London SW1E 5DU

Contents

Clause	Heading	Page
	Part I — Preliminary -----	1
1	Definitions and Interpretation -----	1
2	Warranty -----	3
	Part II — Implementation -----	5
3	The Pathfinder -----	5
4	Market Restructuring Scheme -----	6
5	Publicity -----	6
6	National Programme Arrangements -----	7
	Part III — Finance -----	8
7	Pathfinder grant -----	8
8	Expenditure -----	8
9	Recovery, suspension and withholding of grant -----	10
10	Grant in subsequent years -----	11
11	Best value -----	11
12	Funding arrangements by other bodies -----	11
	Part IV – Management and monitoring -----	12
13	Performance reporting -----	12
14	Contraventions of this Agreement -----	12
15	Enforcement -----	13
16	Independent scrutiny -----	13
17	Policy evaluation -----	13
	Part V — Termination -----	14
18	Termination -----	14

Part VI — General Provisions	15
19 Compliance With Laws.....	15
20 Exclusion of Liability	15
21 Confidentiality.....	16
22 Communications and notices, consents and approvals.....	16
23 Assignment	17
24 Successors and transfers of functions	17
25 Variation.....	17
26 Settlement Of Disputes	17
27 Waivers	17
28 Time Limits.....	18
29 Partial Invalidity	18
30 Rights of Third Parties.....	18
31 Force majeure events	18
32 Joint and several liability.....	18
Schedule 1 – Pathfinder constitution and governance arrangements (Clause 1.1, 3).....	20
Schedule 2 – Pathfinder area (Clause 1.1).....	25
Schedule 3 – Scheme (Clause 1.1).....	27
Schedule 4 – Targets (Clause 4.2).....	28
Schedule 5 – Recommendations arising from independent scrutiny of the Scheme (Sub-clause 4.3)	31

This Market Restructuring (Implementation) Agreement is made the _____ day of
200__ **between:**

- (1) **The First Secretary of State** acting through the Office of the Deputy Prime Minister whose principal office is at Eland House, Bressenden Place, London, SW1E 5DU (the “**Office**”);
- (2) **Oldham Metropolitan Borough Council**, a Local Authority whose principal office is at Civic Centre, West Street, Oldham, OL1 1UP(the “**Grant-funded Authority**”); and
- (3) **Rochdale Metropolitan Borough Council**, a Local Authority whose principal office is at Municipal Offices, Smith Street, Rochdale, OL16 1LQ (the Grant-funded Authority and Rochdale Metropolitan Borough Council being referred to in this Agreement as the “**Participating Authorities**”).

Whereas:

- (A) The First Secretary of State and the Office wish to deliver thriving, inclusive and sustainable communities in all regions, are committed to achieving a balance between housing availability and demand in all English regions, and in particular, to addressing the problems of low demand for and abandonment of housing in the North and Midlands;
- (B) The Office has, for these purposes, initiated the creation of partnerships of local authorities and other stakeholders (“Pathfinders”) to carry out the regeneration and development of the Pathfinder Area with specific reference to the problems of low demand for and abandonment of housing, and the Office has confirmed the establishment of the Pathfinder;
- (C) The First Secretary of State in the exercise of the powers conferred upon him under sections 126, 127 and 128 of the Housing Grants, Construction and Regeneration Act 1996, having secured the consent of the Treasury to do so, offers financial assistance in accordance with the terms of this Agreement, for expenditure incurred in connection with activities which contribute to such regeneration and development of the Pathfinder Area;
- (D) The Pathfinder has nominated the Grant-funded Authority to receive and administer such financial assistance on its behalf, and the Participating Authorities are local authorities within the meaning of section 270(1) of the Local Government Act 1972 in whose areas the Pathfinder Area is located, and who have appointed a representative to the Pathfinder; and
- (E) The Pathfinder has submitted to the Office a Scheme and has approved the terms of this Agreement;

Now therefore the Parties to this Agreement agree as follows:

Part I — Preliminary

1 Definitions and Interpretation

1.1 Definitions

In this Agreement:

“**Agreement Term**” means the period from the commencement of this Agreement until 23.59 on 31 March 2019 more particularly described in sub-clause 1.2;

"Audit Commission"	means the body by that name described in section 1 of the Audit Commission Act 1998;
"Eligible Expenditure"	means the expenditure more particularly defined in sub-clause 8.1;
"Governing Body"	means the voting and non-voting members of the Pathfinder, as described in Schedule 1 to this Agreement, also known as "the Board" in that schedule;
"Grant-funded Authority"	means Oldham Metropolitan Borough Council;;
"Office"	means the Office of the Deputy Prime Minister;
"Parties"	means the parties to this Agreement more particularly described at the head of this Agreement, and cognate expressions shall be construed accordingly;
"Pathfinder"	means the unincorporated association whose constitution and governance arrangements are described in Schedule 1 to this Agreement;
"Pathfinder Area"	means the area in which regeneration and development activity is to take place in accordance with this Agreement and which is described more particularly in Schedule 2 to this Agreement;
"Quarter Period"	means one of the following periods of time: the 3 months from 1 st January to 31 st March in the same year; the 3 months from 1 st April to 30 th June in the same year; the 3 months from 1 st July to 30 th September in the same year; and the 3 months from 1 st October to 31 st December in the same year;
"Scheme"	means the documents submitted to the Office and listed in Schedule 3 to this Agreement as updated from time to time in accordance with Clause 25; and
"Working Group"	means the Pathfinders' Projects Working Group established and administered by the Office.

1.1 Construction and Interpretation

In this Agreement, except to the extent the context otherwise requires:

- (i) the validity, construction and performance of this Agreement shall be governed by English law;
- (ii) the Interpretation Act 1978 shall apply to the construction and interpretation of this Agreement as if it is an Act;

- (iii) references to regeneration and development shall be construed with specific reference to the problems of low demand for and abandonment of housing in the Pathfinder area;
- (iv) references to the actions of the Pathfinder shall be construed as the actions of its governing body, or those otherwise authorised to act on its behalf;
- (v) the schedules to this Agreement are and shall be construed as being part of this Agreement;
- (vi) references to any document other than this Agreement shall, unless otherwise specified, be construed as referring to that document as from time to time supplemented, varied or amended; and
- (vii) references to materials, information and other records shall be to materials, information and other records whether stored in electronic, written or other form.

1.2 Commencement and Agreement Term

This Agreement shall commence on 1 April 2004 and the Parties' obligations under this Agreement shall terminate on the expiry of the Agreement Term at 23.59 on 31 March 2019 unless previously terminated in accordance with clause 18 of this Agreement.

2 Warranty

2.1 General warranties

- (i) Each party warrants that it has the power to enter into this Agreement and has obtained all the necessary approvals to do so;
- (ii) Each party warrants that it is not aware as at the date of this Agreement of anything within its control which might or will adversely affect its ability to fulfil its obligations under this Agreement; and
- (iii) The Participating Authorities warrant that they have not entered into any arrangement which may conflict with this Agreement.

2.2 Scheme negotiations

The Participating Authorities warrant:

- (i) that they have fully complied with their obligations under the Market Restructuring (Preparation) Agreement and Market Restructuring (Early Actions) Agreement made with the Office to prepare the Scheme; and
- (ii) that the contents of the Scheme and all other information supplied by the Pathfinder during the course of negotiations leading to the execution of this Agreement were true and accurate in all material respects to the best of their knowledge and belief, and that there is no fact or matter which has not been disclosed in writing which renders any such documents or information untrue or misleading at the date of this Agreement, or which in good faith ought to be disclosed to the Office.

2.3 Future information

The Participating Authorities warrant that they shall use all reasonable endeavours to ensure that the contents of all documents and information supplied by them and by the Pathfinder in accordance with and in connection with this Agreement shall be true and accurate in all material respects.

2.4 Further Assurance

Except as prohibited, restricted or limited by this Agreement, the Participating Authorities agree to perform all such further acts as shall be necessary or expedient for the carrying out of the obligations imposed by this Agreement.

Part II — Implementation

3 The Pathfinder

3.1 Constitution and governance

The Participating Authorities shall:

- (i) use all reasonable endeavours to ensure that the Pathfinder is not discontinued or disbanded;
- (ii) provide appropriate facilities and resources to the Pathfinder in order to facilitate its purposes, activities and its continued existence;
- (iii) subject to paragraph (iv), seek the consent of the Office on behalf of the Pathfinder in respect of any proposals by it to alter its constitution and governance arrangements as described in Schedule 1 to this Agreement, and any such consent granted shall not take effect until this Agreement is amended accordingly pursuant to clause 25; and
- (iv) for the purposes of paragraph (iii), "constitution and governance arrangements" includes the representation of bodies other than the Office on the Governing Body, but excludes individual membership of that Governing Body, changes to which shall instead be notified to the Office.

3.2 Financial and personal interests

- (i) The Participating Authorities shall use all reasonable endeavours to ensure that the Pathfinder makes appropriate arrangements:
 - (a) requiring members of the Governing Body and those otherwise authorised to act on its behalf to disclose an interest before taking part in any business relating to that interest; and
 - (b) preventing or restricting (to the extent specified by the Participating Authorities) the participation of such persons in any business relating to that interest.
- (ii) For the purposes of paragraph (i), "interest" means a financial or other personal interest which could reasonably be regarded as likely to affect prejudicially a person's judgement.

3.3 Removal of members of the Governing Body

- (i) The Participating Authorities shall notify the Office of their becoming aware of any of the following events relating to any member of the Governing Body:
 - (a) before 1st April 2004 the member is or becomes a person who has been adjudged bankrupt, or made a composition with his creditors;
 - (b) from 1st April 2004 the member becomes the subject of a bankruptcy restrictions order or interim order within the meaning Part IX of the Insolvency Act 1986;

- (c) the member has within five years of being appointed to the Governing Body, or since his appointment been convicted in the United Kingdom, the Channel Islands or the Isle of Man of any offence, and has had passed on him a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine; or
 - (d) the member is or becomes otherwise unable, unfit or unsuitable to discharge the functions of a member of the Governing Body.
- (ii) Upon becoming aware of the events specified in paragraph (i), the Participating Authorities shall use all reasonable endeavours to secure the removal of the relevant member from the Governing Body.

4 Market Restructuring Scheme

4.1 Implementation of the Scheme

The Participating Authorities shall use their best endeavours to ensure that the Pathfinder implements its Scheme in accordance with the undertakings given and representations made by the Pathfinder to the Office as to that implementation.

4.2 Targets and future aspirations

The Participating Authorities shall use their best endeavours to ensure that the Pathfinder will achieve the targets specified in Schedule 4 to this Agreement.

4.3 Recommendations arising from independent scrutiny

The Participating Authorities shall use their best endeavours to ensure that the Pathfinder:

- (i) complies with any recommendations of the Audit Commission following its independent scrutiny of the Scheme, such recommendations to include those specified in Schedule 5 to this Agreement; and
- (ii) co-operates with the Audit Commission in relation to its monitoring of the Pathfinder's response to those recommendations.

5 Publicity

The Participating Authorities:

- (i) shall acknowledge the Office's contribution to the implementation of the Scheme wherever appropriate, and shall use all reasonable endeavours to ensure that the Pathfinder does so; and
- (ii) shall supply the Office in advance with any publicity material relating to the Scheme or the Pathfinder which they intend to use and in which they reasonably believe the Office would have an interest, and shall use all reasonable endeavours to ensure that the Pathfinder does so.

6 National Programme Arrangements

6.1 Working Group arrangements

The Participating Authorities shall:

- (i) ensure that the Pathfinder is represented on the Pathfinder Projects' Working Group;
- (ii) ensure that a representative of the Pathfinder attends each meeting of the Working Group and, where requested, each event organised for and for the purposes of the Working Group, unless the Pathfinder has sent the Office an apology for non-attendance owing to the circumstances specified in clause 31; and
- (iii) use their best endeavours to ensure that the Pathfinder provides the Office with any information or assistance reasonably requested by the Office in connection with the Working Group.

6.2 Learning and sharing of knowledge

The Participating Authorities shall:

- (i) comply with any reasonable request made to one or both of them by the Office to disseminate knowledge and expertise acquired in relation to low demand for and abandonment of housing; and
- (ii) use all reasonable endeavours to ensure that the Pathfinder complies with any such request made to the Pathfinder.

6.3 Other Pathfinders

The Participating Authorities shall:

- (i) use all reasonable endeavours to co-operate with any request considered by the Participating Authorities to be reasonable made to one or both of them by the unincorporated association known as the Manchester Salford Housing Market Renewal Partnership Body to provide it with information relating to the implementation and impact of the Scheme; and
- (ii) use all reasonable endeavours to ensure that the Pathfinder complies with any such request made to the Pathfinder.

Part III — Finance

7 Pathfinder grant

Subject to clause 9, the Office shall make grant payments in arrears to the Grant-funded Authority for Eligible Expenditure up to a maximum of:

- (i) £[•] in respect of Eligible Expenditure during the year ending 31st March 2005 (including, for the avoidance of doubt, Eligible Expenditure incurred prior to the date of this Agreement); and
- (ii) £[•] in respect of Eligible Expenditure during the year ending 31st March 2006.

8 Expenditure

8.1 Eligible Expenditure

Eligible Expenditure shall consist of payments made by either of the Participating Authorities during the Agreement Term towards implementing the Scheme which are made in the following categories:

- (i) physical implementation consisting of:
 - (a) in relation to land, its acquisition, reclamation, improvement, or refurbishment for the purpose of redevelopment for residential or mixed use;
 - (b) in relation to buildings intended for residential or mixed use, their acquisition, demolition, conversion, or improvement; or
 - (c) in relation to land or buildings intended for predominantly residential use, environmental improvements or measures to improve neighbourhood safety and security;
- (ii) non-physical implementation consisting of:
 - (a) assistance of the nature described in article 3(1) of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002;
 - (b) grant paid under the Housing Gap Funding Scheme (a scheme developed by English Partnerships and to be operated by the Participating Authorities); or
 - (c) measures to improve neighbourhood safety, security and environmental quality; or
- (iii) costs of management, administration and Scheme development consisting of:
 - (a) the administration and staff costs of the Participating Authorities or the Pathfinder;
 - (b) management of Scheme implementation and monitoring; or

- (c) subject to clause 25, the updating and further development of the Scheme, excluding costs incurred in the development of the Scheme before the date of commencement of this Agreement.

8.2 Payments made by the Grant-funded Authority

For the purposes of sub-clause 8.1, a payment by a Participating Authority occurs once that Authority has verified the correct amount of the payment to be made and begins to make arrangements for the payment to be made to the person to whom it is owed.

8.3 Ineligible Expenditure

Eligible Expenditure shall not consist of the following:

- (i) contributions in kind;
- (ii) activities of a political or exclusively religious nature;
- (iii) payments made in advance of costs being incurred;
- (iv) expenditure for which funding has been allocated from another Government source, a local authority or the European Union; or
- (v) the depreciation, amortisation or impairment of fixed assets.

8.4 Appraisal of Eligible Expenditure

The Participating Authorities shall not incur Eligible Expenditure unless the purpose for which the expenditure is to be incurred has been appropriately appraised by the Pathfinder, and the Participating Authorities shall use all reasonable endeavours to ensure that the Pathfinder makes arrangements for such appraisals to take place.

8.5 Sale of fixed assets

Where either Participating Authority receives a profit from the disposal of land or buildings wholly or partly acquired from grant paid under clause 7, they shall notify the Office of that fact within 10 days of becoming aware of it, and:

- (i) where requested shall pay to the Office that profit or part of it within the time limit notified by the Office; and
- (ii) where no such request is made, that profit or part of it may be deducted by the Office from grant payments to be made under clause 7.

8.6 Claim procedure and payment process

The Grant-funded Authority shall:

- (i) submit a claim for the payment of Eligible Expenditure to the Office once a month by the 15th day of each month, or if that day is a Saturday, Sunday or bank holiday, by the preceding working day;
- (ii) submit any such claims in the format to be notified by the Office;
- (iii) ensure that any such claims do not contain claims already submitted to the Office;
- (iv) ensure that any such claims only relate to Eligible Expenditure and not to the items described in sub-clause 8.3;

- (v) ensure that its Chief Finance Officer (or an equivalent agreed by the Office) signs each such claim; and
- (vi) send each such claim to the principal Pathfinder finance contact in the Office as from time to time notified.

8.7 Eligible Expenditure incurred by the Participating Authorities

The Grant-funded Authority shall:

- (i) submit claims in accordance with sub-clause 8.6 in respect of all payments towards Eligible Expenditure made by it and the other Participating Authorities where those authorities have provided it with sufficient information to enable it to do so; and
- (ii) pay to the other Participating Authorities any grant funding received as a consequence of such claims within a reasonable period of time.

9 Recovery, suspension and withholding of grant

9.1 Recovery of grant

The Office may serve on the Grant-funded Authority a notice requiring a specified amount of grant paid under clause 7 to be repaid in any of the following circumstances and where such notice is served, that Authority must pay that amount to Office not more than 30 days after receiving the notice:

- (i) any payments made under clause 7 related to the costs referred to in sub-clause 8.3;
- (ii) the Office reasonably believes that the business of the Pathfinder has been affected prejudicially by a financial or other personal interest of a member of the Governing Body or those otherwise authorised to act on its behalf; or
- (iii) the Office reasonably believes that a member of the Governing Body or those otherwise authorised to act on its behalf are engaging in or have engaged in fraudulent or dishonest conduct which is or is likely to be prejudicial to the implementation of the Scheme.

9.2 Suspension of grant

The Office may suspend further payments of the grant payable under clause 7 if:

- (i) it reasonably believes that a member of the Governing Body or those otherwise authorised to act on its behalf are engaging in, have engaged in, or are likely to engage in fraudulent or dishonest conduct; or
- (ii) it reasonably believes that there is or is likely to be a material contravention of or failure to comply with this Agreement.

9.3 Withholding of grant

The Office may withhold further payments of the grant payable under clause 7 if it reasonably believes that there is or is likely to be a material contravention of or failure to comply with this Agreement.

10 Grant in subsequent years

- (i) The Office may serve on the Participating Authorities a notice inviting the Pathfinder to submit proposals to it for the further implementation of the Scheme;
- (ii) Where the Office serves on the Participating Authorities a notice specified in paragraph (i), they shall inform the Pathfinder of its content within 10 days of receiving it.
- (iii) The Parties and the Pathfinder shall agree between them the date by which such proposals shall be submitted to the Office and shall agree the procedure by which such proposals will be considered by the Office;
- (iv) Once the Pathfinder has submitted any such proposals to the Office, the Parties and the Pathfinder may agree between themselves to modify those proposals; and
- (v) If the Office considers the proposals to be acceptable, it may offer further grant to be payable under clause 7, subject to the amendment, variation or modification of this Agreement in accordance with clause 25.

11 Best value

- (i) The Participating Authorities shall have regard to economy, efficiency and effectiveness when incurring Eligible Expenditure;
- (ii) The Participating Authorities shall use all reasonable endeavours to ensure that the Pathfinder has regard to economy, efficiency and effectiveness in its actions relating to the implementation of the Scheme; and
- (iii) The Participating Authorities and their representatives on the Pathfinder shall have regard to economy, efficiency and effectiveness when making decisions in relation to the Pathfinder.

12 Funding arrangements by other bodies

The Participating Authorities shall use all reasonable endeavours to ensure that the Pathfinder notifies the Office as soon as reasonably possible on becoming aware of the following bodies proposing to alter any provision of funding towards the implementation of the Scheme:

- (i) the North West Development Agency (a Development Agency established under section 1 of and Schedule 1 to the Regional Development Agencies Act 1998);
- (ii) the Housing Corporation (established under section 74 of and Schedule 6 to the Housing Associations Act 1985); and
- (iii) English Partnerships (also known as the Commission for New Towns established under section 35 of the New Towns Act 1981 and the Urban Regeneration Agency established under section 158 of the Leasehold Reform, Housing and Urban Development Act 1993).

Part IV – Management and monitoring

13 Performance reporting

13.1 Commentary on delivery

The Participating Authorities shall use their reasonable endeavours to ensure that the Pathfinder submits to the Office four commentaries each year on the progress of the implementation of the Scheme and the Pathfinder's significant achievements to date, each commentary shall be in the form notified by the Office, and shall be made by 15th April, 15th July, 15th October and 15th January in respect of the immediately preceding Quarter Period.

13.2 Annual report and statement of grant usage

The Participating Authorities shall use their reasonable endeavours to ensure that the Pathfinder submits to the Office an annual report by 15th July of each year in respect of the period from 1st April of the preceding year to 31st March in the same year, and that report shall include:

- (i) a report on the Pathfinder's progress in meeting the targets specified in Schedule 4 to this Agreement;
- (ii) a statement of grant usage to be in the form notified by the Office; and
- (iii) any other information that they reasonably believe to be appropriate.

13.3 Review meetings

The Participating Authorities shall use all reasonable endeavours to ensure that the Chair of the Governing Body (or an appropriately senior representative agreed by the Office) attends meetings to be held at least once a year at the request of the Office in order to review the Pathfinder's performance in relation to the Scheme.

14 Contraventions of this Agreement

The Participating Authorities shall notify the Office immediately on becoming aware of any proposal, action or omission:

- (i) by one or both of them that has given, is giving, is likely to or will give rise to a contravention of or failure to comply with their obligations under this Agreement;
- (ii) by the Pathfinder that has given, is giving, is likely to or will give rise to a contravention of or failure to comply with the Participating Authorities' obligations under this Agreement;
- (iii) by one or both of them that has given, is giving, is likely to or will give rise to a failure to meet the targets specified in Schedule 4 to this Agreement
- (iv) by the Pathfinder that has given, is giving, is likely to or will give rise to a failure to meet the targets specified in Schedule 4 to this Agreement, or
- (v) by the Pathfinder that has given, is giving, is likely to or will give rise to an inconsistency with the Scheme.

15 Enforcement

If as a result of information provided under clauses 13 and 14 or otherwise, it reasonably appears to the Office that action is necessary by the Participating Authorities or the Pathfinder for the purposes of achieving the targets specified in Schedule 4 to this Agreement or securing compliance with the terms of this Agreement, the Participating Authorities shall:

- (i) take such action as the Office has notified them that it considers appropriate;
- (ii) use all reasonable endeavours to ensure that the Pathfinder takes such action as the Office has notified the Pathfinder that it considers appropriate; and
- (iii) comply with any reasonable request by the Office to provide further information or attend relevant meetings

16 Independent scrutiny

The Participating Authorities shall co-operate promptly and fully with any reasonable request made by the Audit Commission for the purposes of its independent scrutiny of the implementation of the Scheme, and they shall use all reasonable endeavours to ensure that the Pathfinder does so.

17 Policy evaluation

The Participating Authorities shall co-operate promptly and fully with any reasonable request made by the Office or its agents for the purposes of evaluating the Office's policy relating to low demand for and abandonment of housing in the Pathfinder Area, and they shall use all reasonable endeavours to ensure that the Pathfinder does so.

Part V — Termination

18 Termination

18.1 Termination before the end of the Agreement Term

The Office shall be entitled to by notice terminate this Agreement in any of the following circumstances:

- (i) the Pathfinder is discontinued or disbanded;
- (ii) the Office reasonably believes that the Pathfinder is consistently failing to implement the Scheme effectively, whether as a result of amendments to the constitution and governance arrangements of the Pathfinder (as described in Schedule 1 to this Agreement) or otherwise; or
- (iii) the Office reasonably believes that there is a material contravention of or failure to comply with clauses 2, 15 or 19 or sub-clause 9.1 of this Agreement.

18.2 Consequences of termination

Any termination of this Agreement under sub-clause 18.1 shall take effect on the date specified in that notice, which shall not be less than 3 months from the date the notice is served, although sub-clause 20.1(iii) and clause 21 (and any other clauses necessary to give effect thereto) shall survive the expiry or termination (irrespective of the reason for termination) of this Agreement.

Part VI — General Provisions

19 Compliance With Laws

The Participating Authorities shall in relation to their rights and liabilities under this Agreement:

- (i) comply with all enactments and rules of law and ensure that their activities have any necessary authority (legislative or otherwise);
- (ii) shall use all reasonable endeavours to ensure that the Pathfinder complies with all enactments and rules of law and ensures that its activities have any necessary authority (legislative or otherwise) in relation to the implementation of the Scheme; and
- (iii) not act or fail to act in a way that gives rise to liability on the part of the United Kingdom under any European Union or international convention, and shall use all reasonable endeavours to ensure that the Pathfinder does not act or fail to act in such a way in relation to the implementation of the Scheme;

20 Exclusion of Liability

20.1 Liability with respect to Third Parties

The Participating Authorities acknowledge that otherwise than as expressly provided in this Agreement:

- (i) the Office shall not be responsible for the actions of the Participating Authorities or those of the Pathfinder;
- (ii) the Participating Authorities shall implement the Scheme at their own cost and risk without recourse to the Office or Government funds or guarantees; and
- (iii) the Participating Authorities will hold the Office fully protected and indemnified in respect of all losses, liabilities, costs, charges, expenses, actions, proceedings, claims or demands incurred by or made on the Office in connection with the implementation of the Scheme except where they are the fault of the Office.

20.2 Liability in relation to monitoring and review of the Scheme

The exercise by the Office (or any failure by it to exercise) of any of its functions, rights or obligations under any review or monitoring process specified in this Agreement or relating to it shall not in any way create any liability, express or implied, on behalf of the Office to any party save to the extent that the Office has contravened or failed to comply with an express provision of this Agreement.

20.3 Liability in relation to independent scrutiny

The exercise by the Audit Commission (or any failure by it to exercise) of any of functions specified in this Agreement or relating to it shall not in any way create any liability, express

or implied, on behalf of the Office to any party save to the extent that the Office has contravened or failed to comply with an express provision of this Agreement.

21 Confidentiality

21.1 Obligation to hold information in confidence

- (i) Subject to sub-clause 21.2, the Parties:
 - (a) shall not disclose to any third party (other than the Pathfinder) details of this Agreement without the written consent of the other Parties unless such disclosure is necessary for the purposes of performing their obligations under this Agreement;
 - (b) subject to the written consent of the other Parties, shall keep confidential any information acquired in consequence of this Agreement, except for information which they are bound to disclose under compulsion of any enactment or rule of law, or except for information which they may disclose under the terms of this Agreement; and
 - (c) shall use all reasonable endeavours to ensure that the Pathfinder keeps confidential any information acquired in consequence of this Agreement, and
- (ii) The obligations of each Party specified in paragraph (i) shall cease where it can demonstrate that any such information is in the public domain through no fault of its own and through no contravention or failure to comply with its obligations under this Agreement.

21.2 Publication of certain information

Notwithstanding the provisions of sub-clause 21.1 the Office may disclose:

- (i) the amounts payable under clause 7;
- (ii) any information obtained pursuant to sub-clauses 13.1 (commentary on delivery) or 13.2 (annual report); or
- (iii) such information as the Office may reasonably require to include in its annual report.

22 Communications and notices, consents and approvals

22.1 Generally

Where this Agreement provides for any matter to be subject to the notice, consent or approval of the Office:

- (i) subject to any terms of that provision as to the basis on which that notice, consent or approval may be given or withheld, the Office shall be entitled to grant that notice, consent or approval subject to any such condition as it reasonably considers appropriate; and
- (ii) such notices, consents and approvals shall not be unreasonably withheld or delayed.

22.2 Service

Any notice, consent, submission, approval or other communication made under or in connection with this Agreement shall be made in writing and shall be delivered by hand or recorded delivery or sent by pre-paid first class post, or by electronic data transfer to the other Parties at each party's principal office, as specified at the head of this Agreement.

22.3 Deemed Receipt

Any such notice, consent, approval or other communication shall be deemed to have been received by the Parties to whom it is addressed:

- (i) if sent by hand or recorded delivery, when so delivered; or
- (ii) if sent by pre-paid first class post, from and to any place within the United Kingdom, three business days after posting unless otherwise proven.

23 Assignment

The rights and obligations under this Agreement are personal to the Parties and the Participating Authorities may not assign, transfer, charge or otherwise deal them without the prior consent of the Office.

24 Successors and transfers of functions

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors, or persons or bodies to whom their functions have been transferred.

25 Variation

This Agreement may not be amended, varied or modified except by an instrument in writing signed by a duly authorised officer or representative of each of the Parties to this Agreement and the Parties shall keep a record of any such amendment, variation or modification with this Agreement.

26 Settlement Of Disputes

- (i) If any dispute arises out of this Agreement, the Parties shall attempt to settle it by mediation in accordance with the Centre for Effective Dispute Resolution Model Mediation Procedure; and
- (ii) No party may commence any Court proceedings or arbitration in relation to any dispute arising out of this Agreement until they have attempted to settle it by such mediation and that mediation has terminated.

27 Waivers

- (i) The Office may at any time waive the obligations of the Participating Authorities under this Agreement and their remaining obligations shall be construed accordingly;
- (ii) No waiver by the Office of any default by the Participating Authorities in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default; and

- (iii) Any failure to exercise, delay in exercising or single or partial exercise by the Office of any right or remedy under this Agreement shall not constitute a waiver of any of its rights or remedies.

28 Time Limits

Where in this Agreement, any obligation of a party must be performed within a specified time limit, that obligation shall be deemed to continue after the expiry of the time limit if the party has failed to comply with that obligation within the time limit.

29 Partial Invalidity

If any provision in this Agreement shall be held to be void, illegal, invalid or unenforceable, in whole or in part under any enactment or rule of law, such provision or part shall to the extent held, be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

30 Rights of Third Parties

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

31 Force majeure events

The Parties shall not be liable for any failure or delay in performance of this Agreement which is caused by circumstances beyond the reasonable control of a party.

32 Joint and several liability

- (i) The Participating Authorities shall be jointly and severally liable for the performance of their obligations under this Agreement but shall be severally liable for the performance of the obligations that are expressed in this Agreement as being those of the Grant-funded Authority;
- (ii) the other Participating Authorities shall undertake all actions as may be reasonably required to enable the Grant-funded Authority to comply with its obligations under this Agreement; and
- (iii) each of the Participating Authorities shall hold the others fully protected and indemnified in respect of all losses, liabilities, costs, charges, expenses, actions, proceedings, claims or demands incurred by or made against them arising from this Agreement and due to the fault of the others.

IN WITNESS of which this Agreement has been duly executed as a deed by the Parties the day and year first above written and is delivered on the affixing of the last seal below.

THE CORPORATE SEAL OF THE
FIRST SECRETARY OF STATE
hereunto affixed is authenticated by

ANNA C LEWIS

STEPHANIE J
COUCHMAN

JAMES A CRUDDAS

Officials in the Office of the Deputy Prime Minister authorised by the First
Secretary of State

[SEAL]

was hereunto affixed in the presence of:-

Mayor

Solicitor to the Council

[SEAL]

was hereunto affixed in the presence of:-

Mayor

Head/Assistant Head of Legal Services

Schedule 1 – Pathfinder constitution and governance arrangements (Clause 1.1, 3)

1 Name of the organisation

The organisation will be known as Oldham/Rochdale Housing Market Renewal Pathfinder.

2 Objects

The objectives of the organisation shall be in the areas covered by the Housing Market Renewal Pathfinder to:

- (i) transform the housing choices available to meet current and future demand and support economic growth, by providing modern attractive homes in sustainable neighbourhoods through clearance of obsolete property, remodelling of existing property and redevelopment of other areas;
- (ii) improve the image, safety and attractiveness of neighbourhoods so people will be proud to live there and choose to invest;
- (iii) achieve and sustain an excellent standard for existing retained housing focusing especially on priority neighbourhoods;
- (iv) improve substantially the quality of life of local people by increasing employment opportunities and transforming their educational attainment and health;
- (v) work towards achieving community cohesion in all that it does: creating places where a range of people – different ages, backgrounds, incomes and cultures – can live happily together; and
- (vi) deal with other such matters as are necessary to bring about the successful renewal of the housing markets of Oldham and Rochdale.

3 Powers and Responsibilities of the Executive

The Executive will have the power to delegate functions to sub committees as outlined in this framework. The Executive will:

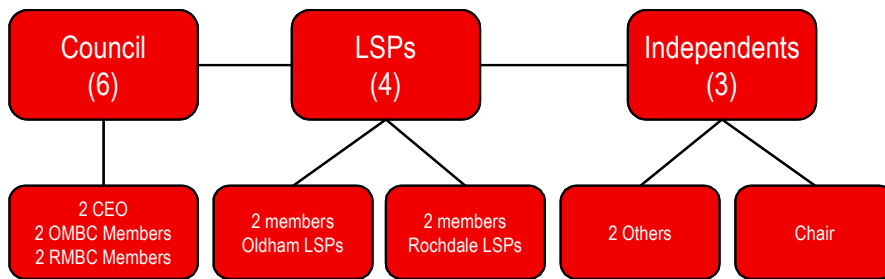
- (i) have overall responsibility for the delivery of the HMR programme and ensure the achievement of strategic objectives
- (ii) approve the HMR strategy
- (iii) establish effective partnership arrangements linking into other agencies and ensuring their support for HMR
- (iv) oversee negotiations with the ODPM and other funding agencies to maximise resources to meet the Pathfinder's strategic objectives
- (v) approve the communications and marketing strategy
- (vi) ensure effective meaningful engagement with communities and stakeholders

- (vii) in partnership with the LAs, consider and approve neighbourhood masterplans and programmes designed to achieve the strategic objectives of housing market renewal;
- (viii) agree the programmes for each neighbourhood and the strategic programmes to which Housing Market Renewal funding is allocated
- (ix) discuss, negotiate and recommend funding agreements
- (x) monitor the agreed annual delivery plan
- (xi) monitor the agreed delivery programme.

4 Admission of members

The Executive is to be constituted from three groupings: Council representatives, LSP representatives and independent members. The full detail of the constitution of the Executive is outlined in diagram 1.1.

Diagram 1.1: Constituent groups on the Executive



- (ii) authority Four Councillors will be nominated, two from each local authority
- (iii) Partnerships Four Board members will be nominated by the Local Strategic Partnerships
- (iv) Three Board members shall be independent Board members.

In the event that the number of Board members shall be less than the numbers specified above the remaining Board members shall use reasonable endeavours to appoint further Board members.

6 Role

The role of Board members will be to:

- (i) communicate the organisation's views and strategy to constituent and wider groups in the community
- (ii) to represent wider interests on the Executive
- (iii) to be champions of market renewal
- (iv) to provide expertise on renewal.

7 Appointment of Council Chief Executives

The Chief Executives of Oldham and Rochdale Councils will become full members of the Executive.

8 Appointment of Local Strategic Partnership members

Each LSP will be entitled to nominate two members to the Executive.

LSP members will stand down on a phased basis every three years with a third of members retiring in each year. The LSP will nominate replacements for those retiring. People may be reappointed after their term expires.

9 Appointment of Independent members

Appointed by the Executive with skills drawn from sectors that will complement existing members.

Independent Board members will serve for three years. A third of the independent Board members will resign each year.

10 Disqualification and removal of Board members

A person shall be ineligible for appointment to the Executive and if already appointed shall immediately cease to be a Board member if he or she:

- (i) has been adjudged bankrupt, or made a composition with his/her creditors before 1st April 2004 or from 1st April 2004 the member becomes the subject of a bankruptcy restrictions order or interim order within the meaning of Part IX of the Insolvency Act 1986
- (ii) has, within five years of being appointed to the Board, or since appointment been convicted in the United Kingdom, the Channel Islands or the Isle of Man of any offence, and has had passed on him/her a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine
- (iii) ceases to hold the post by virtue of which they have been nominated to the Executive
- (iv) is removed from office by a resolution supported by two thirds of the Executive
- (v) resigns membership by notice to the Executive
- (vi) is withdrawn as a nominee by the nominating organisation
- (vii) the member is or becomes otherwise unable, unfit or unsuitable to discharge the functions of a member of the Board.

In such circumstances the nominating body, both local authorities and the Office of the Deputy Prime Minister will be informed of the removal and the reasons for the action.

11 Board members' expenses

The Executive members may be paid all reasonable travelling, hotel and other expenses reasonably and properly incurred by them in connection with their attendance at meetings of the Executive or committees of the Executive or general meetings or otherwise in connection with the discharge of their duties. Such expenses shall be paid in accordance with the procedures of Oldham Metropolitan Borough Council.

12 Board members' interests

If, while serving on the Executive a member has any conflict of interest in relation to an issue to be discussed at a meeting he/she must inform the Executive. An interest for the purposes of this section is defined as a financial or other personal interest which could reasonably be regarded as likely to affect prejudicially a person's judgement. Board members who have declared an interest in the item to be discussed will be allowed to contribute to the discussion but where a decision is to be taken on a contractual matter to which they are connected they will not be entitled to vote.

13 Equal opportunities

The organisation shall at all times take into consideration the principles of equality of opportunity irrespective of age, gender, race, nationality, ethnic origin, religion, sexual orientation or disability.

14 Appointment of a chairperson

The chairperson will serve for a three year term. At the end of each three year term, or if the chairperson is no longer a member of the Executive by virtue of any of the reasons outlined in section 5.6, a new chairperson will be selected by election. All Board members will be entitled to vote in this election. The Executive may appoint a vice-chair.

15 Voting

Any resolutions put to the vote will be decided on a show of hands of those present. Where a vote is by a show of hands every member present will have one vote. In the case of an equality of votes, the Chairperson shall be entitled to a casting vote in addition to any other vote they may have.

16 Meetings of the Executive

16.1 Ordinary Board meetings

Meetings of the Executive will normally be held monthly or six weekly. The Executive will be quorate when five members are present with a minimum of one member from each constituent group.

16.2 Special Board meetings

A special meeting of the Executive will be held if one third of the Executive request this in writing or if the Chief Executive/Project Director and the Chair agree that it is necessary.

16.3 Notice for meetings

Notice for meetings will be given by writing to every member at least 5 days prior to the meeting. This letter will give details of:

- (i) the time, date and place of the meeting
- (ii) whether the meeting is a special general meeting
- (iii) the business for which the meeting is being called.

16.4 Minutes

Minutes will be kept for every Board meeting, sub committee meeting and any special meetings. These will be presented at the next appropriate meeting and signed by the Chairperson of the meeting at which they are presented. All minutes signed by the Chairperson of the meeting shall be conclusive evidence that the facts recorded in the Minutes are accurate.

17 Audit arrangements

Oldham Metropolitan Borough Council will be the accountable body for funding purposes. Audit arrangements will therefore be undertaken in accordance with the procedures set out by Oldham Metropolitan Borough Council. This may be changed with the agreement of the Executive and the two Councils.

18 Staff appointments

Unless otherwise agreed by the Executive and the two Councils, Oldham Metropolitan Borough Council will continue to employ all core team staff whilst the individual delivery agents will be responsible for direct neighbourhood employment.

19 Sub-committees/Working groups

The Executive may delegate such powers as it thinks appropriate to sub committees/working groups to enable the effective management of the organisation. The intention would be to ensure that appropriate time is available within the allocated board meetings to debate matter that relate to the strategic direction and control of the organisation.

The remit of these sub-committees/working groups will vary from time as approved by the Executive.

20 Changes to governance arrangements

The agreement of a two thirds majority of the Executive is required to make changes to governance arrangements.

Schedule 2 – Pathfinder area (Clause 1.1)

21 Definitions and Construction

In this Schedule geographical data is based on the 1991 Census of Population digital boundary data, published by the Office of National Statistics (the “**1991 Census Data**”) and:

“District”	is a reference to the area in which the specified ward or enumeration district is found;
“Enumeration District”, “ED” or “1991 ED”	means the geographical areas known as Enumeration Districts in the 1991 Census data;
“Ward” or a “1991 Ward”	means the electoral ward area described in the 1991 Census Data; and
“Ward Code”	means the code used to refer to a particular ward in the 1991 Census Data.

1 Pathfinder Area

The Pathfinder Area consists of the geographical areas mentioned in Tables 1, 2 and 3 below.

Table 1 - Wards completely within the pathfinder boundary

<i>District</i>	<i>1991 Ward</i>
Oldham	Alexandra
Oldham	St Mary’s
Oldham	Coldhurst
Oldham	Werneth
Oldham	St Pauls
Oldham	Hollinwood
Oldham	St James
Rochdale	Newbold
Rochdale	Central and Falinge
Rochdale	Smallbridge and Wardleworth

Table 2 - Wards partly within pathfinder boundaries: EDs included within pathfinder boundary

<i>District</i>	<i>1991 Ward</i>	<i>Ward Code</i>	<i>1991 EDs included in pathfinder</i>
Oldham	Chadderton North	BPFC	BPFC10 to BPFC12, BPFC16 to BPFC20

Oldham	Chadderton Central	BPFB	BPFB20 to BPFB21
Oldham	Chadderton South	BPFD	BPFD06 to BFFD19
Oldham	Lees	BPFK	BPFK11 to BPFK23
Oldham	Waterhead	BPFU	BPFU04, BPFU06, BPFU08, BPFU09, BPFU11 to BPFU16, BPFU18 to BPFU23, BPFU25
Oldham	Failsworth East	BPFG	BPFG01 to BPFG07
Oldham	Failsworth West	BPFH	BPFH01 to BPFH08
Rochdale	Balderstone	BQFA	BQFA01 to BQFA21
Rochdale	Brimrod and Deeplish	BQFB	BQFB02 to BQFB18
Rochdale	Healey	BQFE	BQFE12, BQFE13, BQFE14, BQFE23
Rochdale	Middleton Central	BQFK	BQFK02 to BQFK11, BQFK13, BQFK14, BQFK16, BQFK17
Rochdale	Middleton East	BQFL	BQFL01, BQFL04 to BQFL07, BQFL11, BQFL12
Rochdale	Middleton North	BQFM	BQFM15, BQFM17 to BQFM23
Rochdale	Middleton West	BQFP	BQFP02 to BQFP17
Rochdale	Milnow	BQFQ	BQFQ12
Rochdale	Spotland	BQFU	BQFU14
Rochdale	Wardle	BQFW	BQFW07, BQFW08, BQFW12, BQFW13

Table 3 - EDs partly within pathfinder boundaries: part of EDs included within pathfinder boundary

<i>District</i>	<i>Ward</i>	<i>ED</i>	<i>Ref for agreed delimitation in ED</i>
Rochdale	Middleton Central	BQFK01	Part of ED as mapped by Rochdale Metropolitan Borough Council October 2002 (to exclude golf course and Hopwood Hall)

Schedule 3 – Scheme (Clause 1.1)

Prospectus

Prospectus executive summary

Wardleworth and Hamer (East Central Rochdale HMR Envelope) Neighbourhood Plan

Langley Neighbourhood Plan

Derker Neighbourhood Plan

Werneth/Freehold Neighbourhood Plan

Technical Appendix

[DETAILS OF SUPPLEMENTARY PAPERS TO BE ADDED]

Schedule 4 – Targets (Clause 4.2)

Part 1 – Whole Pathfinder Area Targets

Targets to be achieved in respect of the Pathfinder Area are specified in the table below.

Measure	Year ended		Total
	31 March 2005	31 March 2006	
Homes wholly demolished			
Owner occupied homes			
Privately rented homes			
Social housing			
Homes acquired for Pathfinder purposes			
Owner occupied homes			
Privately rented homes			
Social housing			
New homes constructed and occupied			
Owner occupied homes			
Privately rented homes			
Social housing			
Homes refurbished, repaired or whose structure and fixtures otherwise improved to <i>Decent Homes</i> standards:			
Owner occupied homes			
Privately rented homes			
Social housing			
Homes refurbished, repaired or improved to sub- <i>Decent Homes</i> standards:			
Owner occupied homes			
Privately rented homes			
Social housing			

Number of homes subject in a year to additional management measures designed to overcome low demand			
Number of homes subject to non-housing works on land and built environment			

Part 2 – Langley Pathfinder Area Targets

- 1 Targets to be achieved in respect of the Langley Pathfinder Area (which for the purposes of this Schedule means the geographical area comprising 1991 EDs [list identifiers]) are specified in the table below.
- 2 In paragraph 1 of this Part, “1991 EDs” has the same meaning as in Schedule 2.

Measure	Year ended		Total
	31 March 2005	31 March 2006	
Homes wholly demolished			
Owner occupied homes			
Privately rented homes			
Social housing			
Homes acquired for Pathfinder purposes			
Owner occupied homes			
Privately rented homes			
Social housing			
New homes constructed and occupied			
Owner occupied homes			
Privately rented homes			
Social housing			
Homes refurbished, repaired or whose structure and fixtures otherwise improved to <i>Decent Homes</i> standards:			
Owner occupied homes			
Privately rented homes			
Social housing			

Homes refurbished, repaired or improved to sub- <i>Decent Homes</i> standards:			
Owner occupied homes			
Privately rented homes			
Social housing			
Number of homes subject in a year to additional management measures designed to overcome low demand			
Number of homes subject to non-housing works on land and built environment			

Schedule 5 – Recommendations arising from independent scrutiny of the Scheme (Sub-clause 4.3)

The Audit Commission has carried out independent scrutiny of the Scheme, and in its Report has made the recommendations specified in this Schedule, and those recommendations should be construed with reference to that Report.

The Audit Commission recommends that the Pathfinder should:

- 1** Improve and refine its information base - including dealing with gaps; instigating further trend analysis and more consistent comparison; and introducing more commercial (market) feedback and data.
- 2** Improve its framework for adjacency analysis - including mapping the wider planning context; assessing migration patterns in more detail; reconsidering the potential impact of neighbouring pathfinders, the use of control areas and possible improvements to the movers' survey data; and linking displacement management into risk control arrangements.
- 3** Improve its understanding of active housing market drivers and dynamics – including challenging assumptions around population retention, and the timing/nature of anticipated economic growth; making best use of existing data, undertaking more analysis and commissioning additional work to fill gaps; and ensuring links through to project appraisal and selection.

As part of this work it is specifically recommended that the pathfinder:

- Commissions specific work to supplement the prospectus, and the borough masterplans, that will provide a full housing market analysis and context for neighbourhood plans and sequencing, ensuring they are not treated independently but refer to a wider desired mix of functions, types and tenures.
- Produces a report to define housing market sustainability and desired housing outcomes within regeneration more clearly; allocating appropriate measures for these outcomes; and working with the two ALMOs and other partners to develop a cross-tenure early warning system, for measuring the trajectory of neighbourhoods, with shared agreement on thresholds and an assessment of the long-term viability of the rented tenures.
- Produces a report examining local affordability issues - including current ratios and the gap between envisaged newbuild end-prices and local incomes; the function of the terraced market and the proportion of affordable housing that needs to be redeveloped and retained; planning gain and design issues; and project links between employment and housing teams working to stretch household income and expand housing choice.
- Produces a strategy for phased land release and a managed, temporary oversupply of homes to facilitate movement. This should recognise the difficulties inherent in capturing growth for the pathfinder when depending on a sequential approach to regeneration; aim to ensure repeat clearance and compensation is not experienced by residents; and resolve any tensions between Planning-led density preferences, and the housing aspirations and likely market choices of local people.

The timescales and sequencing for recommendations 1,2 and 3 are to be negotiated on the basis of a project plan produced by the pathfinder.

- 4** In recognition of the wider opportunities for investment at Langley, carry out further work to demonstrate that the proposals for the planned investment of £21.5 million of total housing market renewal resources here represents good value for money in terms of the comparative market impacts to be achieved.

This should be completed within 3 months.

- 5** Clarify and substantiate the strategic thinking behind its selection and prioritisation of neighbourhoods for 'second wave' interventions.

This should be completed within 3 months.

- 6** Under the banner of a home-ownership strategy, pull together a clearer toolkit and list of housing options, piloting this early to establish incentive thresholds and preferred choices to inform future programmes. This strategy should include links through to the local councils' Private Sector Renewal and Supporting People programmes, and could consider additional links to ALMO choice-based lettings 'shop fronts' and partner associations' web-sites.

This should be completed within 3 months.

- 7** Develop a more strategic approach to demonstrating value-for-money, to include the introduction of financial performance indicators that can then trigger further assessment. As part this, a clear method for gauging the additionality achieved will be required. This should encompass provision of further information on the gearing for the initial programme, demonstrating links to other programmes and in particular to ALMO and relevant RSL business planning regimes, and justifying any displacement of resources. It should also encompass the introduction of premium weightings in project appraisal for leverage obtained, and the restructuring of mainstream programmes to support pathfinder activity.

This should be completed within 12 months.

- 8** Clarify with the two local councils respective responsibilities for community development and the promotion of community cohesion, recognising the statutory role allocated to local authorities and the contributions that market renewal can realistically make, in relation to its given funding and focus.

This should be completed within 6 months.

- 9** Set out clear, strengthened lines of accountability within its planned constitution, to include accountability to local residents and suggestions for their future involvement with pathfinder development on other than a specific neighbourhood basis.

This should be completed within 12 months.

- 10** Establish within its overall risk register a 'critical path' for risk management of the pathfinder, specifying additional actions that could be taken if required, and improves on current programme management mechanisms for ensuring delivery.

This should be completed within 6 months.

- 11** Develop its selection of output and outcome targets, filling gaps, clarifying derivation and promoting joint ownership where necessary, and strengthening the housing market focus within the regeneration 'big picture'.

This should be completed within 12 months.

13 October 2010

- 12** Produce a forward strategy for the pathfinder areas. This should include consideration of what will happen to proposed additional revenue-funded services supported by market renewal funding when this funding is no longer available, and arrangements for ongoing project maintenance in order to protect the considerable anticipated levels of pathfinder investment.

This should be completed within 12 months.

Interim Governance Arrangements

1 Introduction

The report outlines the following governance procedures:

- objects of the organisation
- powers of the Executive
- admission of members
- equal opportunities
- appointment of a chairperson
- role of the chairperson
- meetings of the Executive
- audit arrangements
- powers of delegation
- sub committees
- changes to Board procedures.

The report is not intended to form a legal agreement but represent the formalisation of practices. In addition to this agreement there will be a contract between Oldham and Rochdale ensuring that there is an appropriate delineation of risk between both authorities.

Name of the organisation

The organisation will be known as Oldham/Rochdale Housing Market Renewal Pathfinder.

Objects

The objectives of the organisation shall be in the areas covered by the Housing Market Renewal Pathfinder to:

- transform the housing choices available to meet current and future demand and support economic growth, by providing modern attractive homes in sustainable neighbourhoods through clearance of obsolete property, remodelling of existing property and redevelopment of other areas

APPENDIX TWO

- improve the image, safety and attractiveness of neighbourhoods so people will be proud to live there and choose to invest
- achieve and sustain an excellent standard for existing retained housing focusing especially on priority neighbourhoods
- improve substantially the quality of life of local people by increasing employment opportunities and transforming their educational attainment and health.
- work towards achieving community cohesion in all that it does: creating places where a range of people – different ages, backgrounds, incomes and cultures – can live happily together.
- deal with other such matters as are necessary to bring about the successful renewal of the housing markets of Oldham and Rochdale.

Powers and Responsibilities of the Executive

The Executive will have the power to delegate functions to sub committees as outlined in this framework. The Executive will:

- have overall responsibility for the delivery of the HMR programme and ensure the achievement of strategic objectives
- approve the HMR strategy
- establish effective partnership arrangements linking into other agencies and ensuring their support for HMR
- oversee negotiations with the ODPM and other funding agencies to maximise resources to meet the Pathfinder's strategic objectives
- approve the communications and marketing strategy

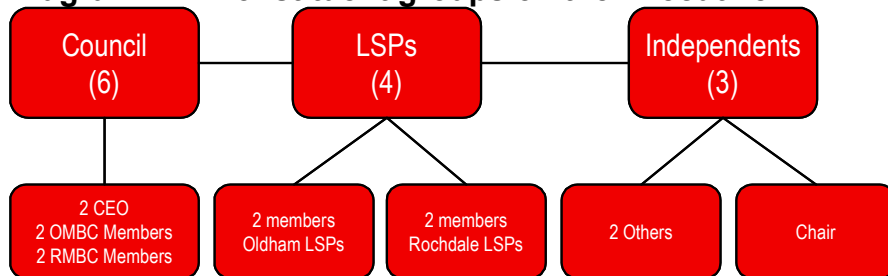
Interim Governance Arrangements

- ensure effective meaningful engagement with communities and stakeholders
- in partnership with the LAs, consider and approve neighbourhood masterplans and programmes designed to achieve the strategic objectives of HMR
- agree the programmes for each neighbourhood and the strategic programmes to which Housing Market Renewal funding is allocated
- discuss, negotiate and recommend funding agreements
- monitor the agreed annual delivery plan
- monitor the agreed delivery programme.

Admission of members

The Executive is to be constituted from three groupings: Council representatives, LSP representatives and independent members. The full detail of the constitution of the Executive is outlined in diagram 1.1.

Diagram 1.1: Constituent groups on the Executive



In addition to the membership outlined the Executive will have the power to co-opt observers. Observers will not be entitled to vote at meetings.

Number of Board members

The number of Board members shall be 13.

- Two Board members will be the Chief Executives of the Councils
 - Four Councillors will be nominated, two from each local authority
 - Four Board members will be nominated by the Local Strategic Partnerships
 - Three Board members shall be independent Board members.
- In the event that the number of Board members shall be less than the numbers specified above the remaining Board members shall use reasonable endeavours to appoint further Board members.

Role

The role of Board members will be to:

- communicate the organisation's views and strategy to constituent and wider groups in the community
- to represent wider interests on the Executive
- to be champions of market renewal
- to provide expertise on renewal.

Appointment of Council Chief Executives

The Chief Executives of Oldham and Rochdale Councils will become full members of the Executive.

Appointment of Local Strategic Partnership members

Each LSP will be entitled to nominate two members to the Executive.

Interim Governance Arrangements

LSP members will stand down on a phased basis every three years with a third of members retiring in each year. The LSP will nominate replacements for those retiring. People may be reappointed after their term expires.

Appointment of Independent members

Appointed by the Executive with skills drawn from sectors that will complement existing members.

Independent Board members will serve for three years. A third of the independent Board members will resign each year.

Disqualification and removal of Board members

A person shall be ineligible for appointment to the Executive and if already appointed shall immediately cease to be a Board member if he or she:

- has been adjudged bankrupt, or made a composition with his/her creditors before 1st April 2004 or from 1st April 2004 the member becomes the subject of a bankruptcy restrictions order or interim order within the meaning of Part IX of the Insolvency Act 1986
- has, within five years of being appointed to the Board, or since appointment been convicted in the United Kingdom, the Channel Islands or the Isle of Man of any offence, and has had passed on him/her a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine
- ceases to hold the post by virtue of which they have been nominated to the Executive
- is removed from office by a resolution supported by two thirds of the Executive

- resigns membership by notice to the Executive
- is withdrawn as a nominee by the nominating organisation
- the member is or becomes otherwise unable, unfit or unsuitable to discharge the functions of a member of the Board.

In such circumstances the nominating body, both local authorities and the Office of the Deputy Prime Minister will be informed of the removal and the reasons for the action.

Board members' expenses

The Executive members may be paid all reasonable travelling, hotel and other expenses reasonably and properly incurred by them in connection with their attendance at meetings of the Executive or committees of the Executive or general meetings or otherwise in connection with the discharge of their duties. Such expenses shall be paid in accordance with the procedures of Oldham Metropolitan Borough Council.

Board members' interests

If, while serving on the Executive a member has any conflict of interest in relation to an issue to be discussed at a meeting he/she must inform the Executive. An interest for the purposes of this section is defined as a financial or other personal interest which could reasonably be regarded as likely to affect prejudicially a person's judgement. Board members who have declared an interest in the item to be discussed will be allowed to contribute to the discussion but where a decision is to be taken on a contractual matter to which they are connected they will not be entitled to vote.

Interim Governance Arrangements

Equal opportunities

The organisation shall at all times take into consideration the principles of equality of opportunity irrespective of age, gender, race, nationality, ethnic origin, religion, sexual orientation or disability.

Appointment of a chairperson

The chairperson will serve for a three year term. At the end of each three year term, or if the chairperson is no longer a member of the Executive by virtue of any of the reasons outlined in section 5.6, a new chairperson will be selected by election. All Board members will be entitled to vote in this election. The Executive may appoint a vice-chair.

Voting

Any resolutions put to the vote will be decided on a show of hands of those present. Where a vote is by a show of hands every member present will have one vote. In the case of an equality of votes, the Chairperson shall be entitled to a casting vote in addition to any other vote they may have.

Meetings of the Executive

9.1 Ordinary Board meetings

Meetings of the Executive will normally be held monthly or six weekly. The Executive will be quorate when five members are present with a minimum of one member from each constituent group.

9.2 Special Board meetings

A special meeting of the Executive will be held if one third of the Executive request this in writing or if the Chief Executive/Project Director and the Chair agree that it is necessary.

9.4 Notice for meetings

Notice for meetings will be given by writing to every member at least 5 days prior to the meeting. This letter will give details of:

- the time, date and place of the meeting
- whether the meeting is a special general meeting
- the business for which the meeting is being called.

9.5 Minutes

Minutes will be kept for every Board meeting, sub committee meeting and any special meetings. These will be presented at the next appropriate meeting and signed by the Chairperson of the meeting at which they are presented. All minutes signed by the Chairperson of the meeting shall be conclusive evidence that the facts recorded in the Minutes are accurate.

Audit arrangements

Oldham Metropolitan Borough Council will be the accountable body for funding purposes. Audit arrangements will therefore be undertaken in accordance with the procedures set out by Oldham Metropolitan Borough Council. This may be changed with the agreement of the Executive and the two Councils.

10.1 Staff appointments

Unless otherwise agreed by the Executive and the two Councils, Oldham Metropolitan Borough Council will continue to employ all core team staff whilst the individual delivery agents will be responsible for direct neighbourhood employment.

Sub-committees/Working groups

The Executive may delegate such powers as it thinks appropriate to sub committees/working groups to enable the effective management of the organisation. The intention would be to ensure

Interim Governance Arrangements

that appropriate time is available within the allocated board meetings to debate matter that relate to the strategic direction and control of the organisation.

The remit of these sub-committees/working groups will vary from time as approved by the Executive.

Changes to governance arrangements

The agreement of a two thirds majority of the Executive is required to make changes to governance arrangements.