



# ARGYLL AND BUTE RURAL GROWTH DEAL

## Governance Plan



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## Contents

Governance Plan.....	1
1. Argyll & Bute Rural Growth Deal - Governance Plan.....	3
2. Argyll and Bute Rural Growth Deal – Governance Arrangements .....	4
3. Managing Change.....	6
Appendix 1 .....	8

## 1. Argyll & Bute Rural Growth Deal - Governance Plan

- 1.1 This document sets out the governance arrangements, which have been agreed for the Argyll & Bute Rural Growth Deal (RGD). The governance arrangements will enable sound decisions to be taken in an open, inclusive and transparent way.
- 1.2 The partners involved in the Argyll & Bute Rural Growth Deal are the Scottish Government, the UK Government and Argyll & Bute Council. Argyll & Bute Council will be the Accountable Body for the Deal.
- 1.3 Other partners include HIE, Scottish Enterprise, UHI Argyll College, Stirling University, SAMS, Skyports, Scottish Government, UK Government (Scotland Office), Scottish Futures Trust, Loch Lomond and the Trossachs National Park, Visit Scotland, Historic Environment Scotland, Crown Estate Scotland, Supplier Development Programme, Scotland 5G Centre, DCMS, Ministry of Defence, Public Health Scotland, Third Sector Interface, NHS Highland, Local Energy Scotland.
- 1.4 The Governance Document sets out decision making structures, memberships, roles and responsibilities and how key processes will be managed to ensure accountability, probity, transparency, compliance and value for money. The governance arrangements outlined within this document will be reviewed regularly to ensure that they remain fit for purpose as the deal progresses.
- 1.5 The partnership approach to governance will promote:
  - Openness of decision making focussed on clearly defined outcomes underpinned by sustainable economic, social and environmental benefits
  - Management of risks and performance through robust internal control and strong financial management; and;
  - Transparent reporting.

## 2. Argyll and Bute Rural Growth Deal – Governance Arrangements

- 2.1 Argyll and Bute Council have implemented a governance structure to oversee the delivery of the Rural Growth Deal.
- 2.2 The structure should be as simple as possible, but be capable of adaptation as required. What has been implemented is a structure, which has a P&R Committee, Full Programme Board, Internal Programme Board, Programme Management Office, Communications Group and 8 Project Stakeholder Groups.
- 2.3 The Rural Growth Deal Governance Structure is detailed in the Structure Diagram included in Appendix A. Further details are also set out below:-
- 2.4 **The Policy and Resources (P&R) Committee** will:
- Be the Council's decision making body for any decision relating to the Council's funding and resources necessary to deliver the Programme;
  - The Committee will consider any requirement to commit funding and resources required to deliver the projects;
  - The Committee will receive regular updates on the delivery of the programme from the Programme Board / Programme Management Office,
  - Any funding required in excess of £150k from the Inward Investment Fund to deliver RGD projects will require approval of the P&R Committee.
- 2.5 A **Programme Board** has been established to manage the overall Rural Growth Deal programme. The Programme Board will:
- Be the key decision making body for the Rural Growth Deal;
  - Consider any requirement to commit funding and resources required to deliver projects (approval of the P&R Committee may also be required where this relates to Council resources);
  - Approve business cases before submission to governments (feedback may be sought electronically if decisions are required quickly);
  - The Programme Board will report frequently to the P&R Committee on the delivery of the Rural Growth Deal and the requirement for funding and resources.
- 2.6 The Programme Board will include representation from the following stakeholders:
- Argyll and Bute Council
    - Leader of the Council / Depute Leader / Leader of Opposition
    - Chief Executive
    - Executive Directors x2
    - Head of Development and Economic Growth
    - Head of Strategic Finance
    - Rural Growth Deal Programme Manager
  - HIE
  - Scottish Enterprise
  - Scottish Futures Trust
  - Supplier Development Programme (as required)
  - Project Managers / Team Leads (as required)

- 2.7** The **Internal Programme Board** will meet 2 weeks prior to the Full Programme Board to ensure scrutiny of all project work being submitted to the Programme Board for approval e.g. business cases.
- Highlight Reports will be submitted by Project Leads to the Internal Programme Board to update on the progress with the projects;
  - As with the Full Programme Board, the Internal Programme Board will meet at least once quarterly or more frequently where necessary.
  - The Internal Programme Board will include the Councils Chief Executive and 2 Executive Directors with support from the Head of Development and Economic Growth and the RGD PMO / Project Leads as necessary.
  - Authority for approving the drawdown of money from the Inward Investment Fund is also delegated to the Chief Executive and 2 Executive Directors of the Council up to a maximum value of £150k and subject to them being satisfied that the monies are for the purpose of delivering the RGD.
  - Any funding required in excess of £150k from the Inward Investment Fund will require further approval of the P&R Committee.
  - Authority for approving initial iterations of project Outline Business Cases (OBC's) is delegated to the Internal Programme Board to minimise delay submitting initial drafts for government feedback. Following approval by the Internal Programme Board, draft OBC's will be taken to the first available Programme Board meeting for approval.
- 2.8** The **Programme Management Office (PMO)** will:
- Be responsible for the overall management of the RGD Programme including reporting to the Internal / Programme Boards / P&R Committee.
  - Manage the programme budget, risk register, implementation plan, financial plan, monitoring and evaluation and be responsible for reporting to the Scottish and UK Government.
  - Draft the full deal and supplementary documentation
  - Assist the project teams drafting business cases and supplementary documentation such as equality impact assessments.
- 2.9** **Project Stakeholder Groups** will be established for each project included in the Rural Growth Deal. Project Leads / Managers will be identified for each Project Team and they will work in partnership with the PMO to:
- Develop each project through to Full Business Case stage.
  - Technical Advice / consultancy support will be required to assist with the development of the project business cases e.g. technical feasibility, preparation of economic impact assessments.
- 2.10** The **Communications Group** will meet quarterly to:
- Populate and agree a communications planner and upcoming activity;
  - Update the key communications documents to the deal; and
  - To discuss the handling of any forthcoming communications opportunities that have arisen since the previous meeting.

### 3. Managing Change

- 3.1** The Governments accept that circumstances can change where the Rural Growth Deal is concerned and that new challenges, issues or events may need to be accommodated, particularly when such matters could not be previously anticipated.
- 3.2** All partners also recognise that RGD arrangements are struck after complex and often protracted negotiations. These negotiations are intended to ensure that agreements are consistent with Government policies and priorities as such, they are not easily unpicked.
- 3.3** The process for handling Deal changes will evolve as it is informed by practical casework.
- 3.4** 'Deal Change' can be described as something that modifies to any degree the terms of the agreements previously struck between the Governments and Argyll and Bute Council. Such agreements are variously described within the Heads of Terms, The Full Deal, the terms of approved Business Cases, and the terms of the Grant Offer (the Four Documents).
- 3.5** Out with the agreements described in the Four Documents, Government would still have an interest in any proposed change however for the most part would expect matters to be resolved locally.
- 3.6** In order to propose a change to the terms agreed in the Four Documents, and until we have enough operational experience that may inform a more prescriptive process, any Request For Change (RFC) should be raised in writing with the Government Lead Officers for the Deal. The RFC should refer to the relevant business case and explain the circumstances that have inspired the change.
- 3.7** Consideration of the RFC will then be framed around the 6 stages described in the Change Management Process in order to inform a decision on what level of approval / authorisation would be required to facilitate the proposed change.
- 3.8** Lead Officers would then be responsible for seeking the necessary approval / authorisation engaging with the Scottish City Region Delivery Board as appropriate.
- 3.9** Following Full Deal Agreement, if Argyll and Bute Council wish to amend or cancel a project within that agreement the PMO will embark on a six-stage process to agree any changes
- 3.10** These stages, which apply to both old and new projects, are:
1. A **Review of the Project Risk Assessment** in order to demonstrate that the risk of not meeting original objectives has substantially changed (or alternatively, to demonstrate that the original objectives are now less relevant to supporting economic growth).
  2. **Review of Strategic Alignment**, demonstrating deviation from the original ethos of the Deal.
  3. **Local Growth Contribution Analysis**, including inclusive growth assessment
  4. **Regional Growth Contribution Analysis**, including inclusive growth assessment

5. **Economic Impact and Value for Money Assessment**

6. **Funding Plan and Financial Profile** which will set out the cost of the new proposal, respective funding shares, and the time period over which the project will be delivered.

- 3.11 A proposal for change will be prepared by the PMO and will include the 6 stages set out above. The proposals will then be assessed by the Governments and Ministerial approval sought if, in the view of the Board, the proposed change represents a significant deviation from the original agreement.
- 3.12 Confirmation (and announcement) of any change proposals approved by the Government will be subject to the terms of the agreed Communications Protocol.

# Appendix 1

## Rural Growth Deal – Governance Structure

