

DATED \_\_\_\_\_ 2013

**AGREEMENT IN RELATION TO**  
**ARCHIVES AND MUSEUMS**

BETWEEN:

THE COUNCIL OF THE CITY OF NEWCASTLE UPON TYNE

THE BOROUGH COUNCIL OF GATESHEAD

THE COUNCIL OF THE BOROUGH OF NORTH TYNESIDE

THE COUNCIL OF THE BOROUGH OF SOUTH TYNESIDE

John Softly  
Chief Legal Officer  
Civic Centre  
Newcastle upon Tyne  
NE99 2BN

THIS AGREEMENT is made the            day of    Two Thousand and  
Thirteen

BETWEEN THE COUNCIL OF THE CITY OF NEWCASTLE UPON TYNE of the first part  
THE BOROUGH COUNCIL OF GATESHEAD of the second part THE COUNCIL OF THE  
BOROUGH OF NORTH TYNESIDE of the third part THE COUNCIL OF THE BOROUGH  
OF SOUTH TYNESIDE of the fourth part (hereinafter referred to collectively as “the  
Constituent Councils” and individually as “Constituent Council”).

WHEREAS:-

- (1)     The Constituent Councils are local authorities constituted by the Local Government Act 1972 (hereinafter called “the 1972 Act”).
- (2)     By virtue of Section 12 of the Public Libraries and Museums Act 1964 (“the 1964 Act”) the Constituent Councils may provide and maintain museums within their administrative area or elsewhere in England and Wales and may do all such things as may be necessary or expedient for or in connection with the provision or maintenance thereof.
- (3)     By virtue of the Local Government Act 1985 (hereinafter called “the 1985 Act”) each of the Constituent Councils on the 1st day of April 1986 assumed as respects its area additional functions relating to the locating collecting preserving processing and promoting the uses of archives and records as defined in the Local Government (Records) Act 1962 (hereinafter called “the 1962 Act”) hitherto discharged by the Tyne and Wear County Council.
- (4)     By virtue of Section 101 of the 1972 Act and subject as therein provided a local authority may arrange for the discharge of any of its functions by (inter-alia) any other local authority.
- (5)     By virtue of Sections 101 and 102 of the 1972 Act two or more local authorities within the meaning of that Act may appoint a Joint Committee of those authorities for the purpose of discharging any of their functions jointly with or without restrictions as they think fit except the functions with respect to levying a rate or

issuing a precept for a rate or borrowing money and to advise the appointing authorities on any matter relating to the discharge of their functions.

- (6) By virtue of Section 103 of the 1972 Act the expenses incurred by a joint committee of two or more local authorities whether appointed or established under that Act or any other enactment shall be defrayed by those authorities in such proportions as they may agree or in case of disagreement as may be determined by a single arbitrator agreed on by the appointing authorities or in default of agreement appointed by the Secretary of State for the Environment.
- (7) By virtue of Section 136 of the 1972 Act two or more local authorities may make arrangements for defraying any expenditure incurred by one of them in exercising any functions exercisable by both or all of them.
- (8) By virtue of Section 113 of the 1972 Act a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter for the purposes of their functions on such terms as may be provided in the agreement of the services of officers employed by the former.
- (9) A joint museums service for the County of Tyne and Wear known as Tyne and Wear Museums was provided and administered by a Joint Committee constituted by an agreement made between the Constituent Councils and the Council of the City of Sunderland which came into effect on the 1st day of April 1986 and expired on the 31st day of March 1996. This was renewed at expiry by a further agreement for a period of ten years which expired on the 31st day of March 2006 and by a further agreement for a period of ten years which was due to expire on the 31st day of March 2016.
- (10) A joint archives service for the County of Tyne and Wear in relation to those functions referred to in recital (3) hereof and known as the Tyne and Wear Archives Service was provided and administered by a Joint Committee constituted by an agreement made between the Constituent Councils and the Council of the City of Sunderland which came into effect on the 1st day of April 1986 and expired in March 1996. This was renewed at expiry by a further agreement for a period of ten years which expired in March 2006 and by a further agreement for a period of ten years which was due to expire in March 2016.

- (11) The Constituent Councils and the Council of the City of Sunderland believed that merger of Tyne and Wear Museums and the Tyne and Wear Archives Service would result in a better overall service. The Constituent Councils and the Council of the City of Sunderland resolved to merge the two services and agreed that the new combined archives and museums service would be provided and administered in accordance with the terms of an Agreement which came into effect on 1 April 2009 and was due to expire in March 2019.
- (12) By virtue of the Agreement dated 1 April 2009 the Council of the City of Newcastle upon Tyne henceforth acted as Trustee or Holding Authority for the combined archives and museum service.
- (13) Upon the withdrawal of the Council of the City of Sunderland from the Agreement dated 1 April 2009 the Constituent Councils consider it expedient to retain the Tyne and Wear Archives and Museum Service which will be provided and administered in accordance with the terms of this Agreement.
- (14) The Council of the City of Newcastle upon Tyne has to date acted as Trustee or Holding Authority in relation to the Tyne and Wear Archives and Museum Service and the Constituent Councils consider it expedient and have agreed that the Council of the City of Newcastle upon Tyne should continue to act as Trustee or Holding Authority for the Tyne and Wear Archives and Museum Service.
- (15) The Constituent Councils have passed the necessary resolutions for the purpose of entering into this Agreement.

NOW IT IS HEREBY AGREED between the parties hereto in pursuance of the powers conferred upon them by virtue of the hereinbefore recited enactments and of any other power (if any) respectively hereunto enabling them as follows:-

1. The joint archives and museums service shall be known as “Tyne and Wear Archives and Museums” (hereinafter referred to as “TWAM”).

**Joint Committee**

2. A joint committee to be known as “the Tyne and Wear Archives and Museums Joint Committee” (hereinafter called “the Joint Committee”) shall be and is hereby

constituted and shall conduct its business in accordance with the provisions set out in the First Schedule hereto together with such further provisions as the Joint Committee may from time to time prescribe, with power to revoke or amend such further provisions PROVIDED THAT nothing in this provision shall be construed as giving the Joint Committee power to amend or delete any of the provisions contained herein.

3. The Joint Committee shall administer maintain and develop TWAM and shall do all such things as they consider necessary or proper to facilitate such purposes including:-
  - (a) the preparation of a policy statement for TWAM and its revision from time to time,
  - (b) the monitoring and review of the work of TWAM,
  - (c) the determination of the budget and staffing of TWAM,
  - (d) commenting on matters affecting museums, archives and records regionally, nationally and internationally insofar as they affect TWAM,

and each of the Constituent Councils hereby delegates to the Joint Committee their powers under the said 1962 Act and the said 1964 Act.

### **Land Buildings and Assets**

4. For the avoidance of any doubt, it is acknowledged and agreed by the Constituent Councils that the Great North Museum: Hancock and the Hatton Gallery: Great North Museum, both situate in the City of Newcastle upon Tyne, are neither included within nor subject to the terms of this Agreement.
5. The land and buildings set out in the first column of the Second Schedule hereto shall form the property administered by TWAM and shall be held by the Constituent Council set out in the second column of the said Schedule for the joint use and benefit of all of the Constituent Councils.
6. Any further land and buildings acquired by the Constituent Councils in connection with the provision of a museum or archives service shall be held by the Constituent

Council in whose area the said land or building is situate for the joint use and benefit of all of the Constituent Councils under the terms of this Agreement.

7. The museums objects and collections in the possession of any individual Constituent Council which were acquired by that Constituent Council (a) on or before the 1st day of April 1974 or (b) after the 1st day of April 1993 through the Individual District Purchase Fund or (c) otherwise than in accordance with Clause 8 herein shall be the property of and be held by that Constituent Council for the joint use and benefit of all of the Constituent Councils and shall be administered by the Joint Committee under the terms of this Agreement.
8. Any museum objects and collections specifically acquired on behalf of the Joint Committee TOGETHER WITH the museum objects and collections acquired by the Tyne and Wear County Council (hereinafter referred to as "the County Council") in pursuance of its powers under Section 12 of the 1964 Act which by virtue of Article 5(5) of the Local Government Reorganisation (Property etc) (No.2) Order 1986 made under the 1985 Act were transferred to the Council of the City of Newcastle upon Tyne upon the abolition of the County Council shall be held by the said City Council (hereinafter called "the Holding Authority") as Trustee for the joint use and benefit of all of the Constituent Councils.
9. Any records and archives specifically acquired on behalf of the Joint Committee TOGETHER WITH the records and archives acquired by the County Council in pursuance of its powers under Section 12 of the 1964 Act which by virtue of Article 5(5) of the Local Government Reorganisation (Property etc) (No.2) Order 1986 made under the 1985 Act were transferred to the Gateshead Borough Council upon the abolition of the County Council shall be held by the Holding Authority as Trustee for the joint use and benefit of all of the Constituent Councils.

#### **Officers of Joint Committee**

10. The Chief Executive and the City Treasurer of the Holding Authority shall respectively be the Clerk and Treasurer of the Joint Committee and the said Holding Authority undertakes to make available for the purposes of the Joint Committee the services of such secretarial and other staff and such other facilities (including accommodation) as the Joint Committee may reasonably require for the purpose of its functions under this Agreement.

## **Staff**

11. All staff engaged in the work of TWAM and including the Director shall be employed by the Holding Authority.

## **Contracts and Insurance**

12. The Joint Committee may agree with any Constituent Council for that Constituent Council to enter into any contract on behalf of the Joint Committee on such terms as may be agreed between the Joint Committee and that Constituent Council, save that in respect of contracts of employment the terms and conditions shall, where practicable, be the normal employment terms and conditions of the Holding Authority.
13. The Joint Committee shall arrange for such insurance and on such terms and conditions as they consider appropriate of all of the aforementioned museum objects and collections, archives and records and the land and buildings set out in the Second Schedule hereto.

## **Acquisition and Disposal Policy**

14. The Joint Committee will maintain, publish and review an Acquisitions and Disposal Policy which will govern the acquisition and disposal of museum objects and archives.

## **Financial Arrangements**

15. The revenue expenditure of the Joint Committee shall be met in accordance with the provisions of the Third Schedule hereto.
16. (a) The capital expenditure of the Joint Committee shall be met in accordance with the provisions of the Fourth Schedule hereto.  
  
(b) For each financial year the Treasurer of the Joint Committee shall where required prepare a capital budget for approval by the Joint Committee and if the budget is approved by the Joint Committee it shall be submitted to each of the Constituent Councils for their approval before it becomes effective.

17. (a) For each financial year the Treasurer of the Joint Committee shall prepare a draft revenue budget for the Joint Committee which shall show inter alia the amount to be contributed by the Constituent Councils.
  - (b) Once the draft revenue contributions are approved by each Council an overall revenue budget shall be prepared by the Treasurer to the Joint Committee and submitted to the Joint Committee for its approval by the end of February or as soon as practicable thereafter before the start of the financial year to which the draft budget relates
  - (c) The Contributions to the cost of TWAM payable by each of the Constituent Councils as provided for in the agreed revenue budget shall be paid to the Holding Authority quarterly on demand at the mid point of each quarter on account of that Council's estimated contribution appropriately adjusted to account for any under or over recovery of costs in accordance with procedures agreed by the Treasurers of the Constituent Councils.
  - (d) Following the approval of the revenue budget a Service Level Agreement will be entered into between TWAM and each Constituent Council detailing the services to be provided for the agreed revenue budget.
18. (a) The accounts of the Joint Committee shall be open at all reasonable times to inspection and copying without payment by any member of the Constituent Councils or by an officer thereof authorised for that purpose.
  - (b) A copy of the accounts of the Joint Committee and of any report made by the External Auditor to the Joint Committee shall be sent to each of the Constituent Councils as soon as may be practicable and in any case not later than six months after the end of the financial year or immediately following the completion of the audit whichever is the later.
  - (c) The Treasurers of the Constituent Councils or their representatives shall have power to examine at all reasonable times all vouchers books and other relevant documents held by the Treasurer of the Joint Committee in respect of TWAM.
19. This Agreement shall commence on the 1st day of April 2013 and shall continue for a period of one year PROVIDED THAT



- (i) should any of the Constituent Councils reasonably consider that the level of Government grant for museums affects the viability of TWAM then that Council may withdraw from this Agreement by giving not less than twelve months' notice in writing to all of the other parties to expire on the thirty-first day of March in any year;
- (ii) should any Constituent Council wish to withdraw from the Agreement for any other reason and provided that that Constituent Council shall in consultation with the other Constituent Councils first reasonably consider the effect of withdrawal on the level of Government Grant paid to TWAM and the consequent viability of TWAM that Constituent Council may withdraw from this Agreement by giving not less than twelve months' notice in writing to all other parties to expire on the 31st day of March in any year;
- (iii) in the event of a Constituent Council withdrawing from this Agreement under (i) or (ii) above, the Agreement shall be deemed to terminate on the effective date of such withdrawal, subject to any negotiated new agreement between the other Constituent Councils;
- (iv) this Agreement may be also terminated by the agreement of all of the Constituent Councils.

### **Termination**

20. (a) In the event of termination of this Agreement all museum objects mentioned in Clause 8 hereto and other assets of TWAM held on its behalf by the Holding Authority shall be divided between the Constituent Councils in such reasonable manner as they shall agree, having regard to
- (i) the district in whose area the museum object or other asset is ordinarily situated and,
  - (ii) in the case where the object or other asset is part of a collection, the integrity of that collection and,
  - (iii) the respective contributions made by the Constituent Councils to the cost of their acquisition

or in default of such agreement between the Constituent Councils as may be determined by the Department for Culture, Media and Sport (hereinafter referred to as "DCMS") or an Arbitrator acceptable to the DCMS PROVIDED THAT if any such museum object or other asset is disposed of by a Constituent Council within ten years of the termination of this Agreement the proceeds of the disposal shall be divided between the Constituent Councils in proportion to their respective aggregate contributions to TWAM from the 1st day of April 1986 to the termination of this Agreement and the certificate of the Treasurer of the Joint Committee of such contributions shall be conclusive evidence thereof.

- (b) In the event of termination of this Agreement, archives and records shall be divided as follows:-
- (i) Those archives and records which are owned by a Constituent Council and held in trust by the Holding Authority on behalf of that Constituent Council shall be returned to that Constituent Council.
  - (ii) Those archives and records which are owned by the Holding Authority on behalf of the Joint Committee shall be disposed of in accordance with any known wishes of the donor and otherwise divided between the Constituent Councils having regard to the integrity of the collection of those archives and records, as can be agreed by them or otherwise determined by the DCMS or an Arbitrator acceptable to the DCMS or otherwise.
  - (iii) Those archives and records owned by any third party and held in trust by the Holding Authority for that party shall be disposed of in accordance with the wishes of the owner, or where the owner cannot be traced, at the discretion of the Joint Committee having regard to the integrity of the collection of those archives and records.
- (c) Any costs of redundancy of staff, disposal of equipment or associated costs arising from the termination of this Agreement shall be met by the Constituent Councils in such shares as they shall agree or in default of agreement in proportion to their respective aggregate contributions to TWAM from the 1st day of April 1986 to the termination of this Agreement and the

certificate of the Treasurer of the Joint Committee of such contributions shall be conclusive evidence thereof.

(d) Costs of and occasioned by the withdrawal of any one Constituent Council including the costs referred to in sub-paragraph (b) and (c) above shall be borne by that Constituent Council.

21. SUBJECT as provided by Section 103 of the 1972 Act, any question dispute or difference in relation to any matter in connection with this Agreement which may occur between the Constituent Councils or any of them or between the Joint Committee and any of the Constituent Councils shall be referred to a single arbitrator to be appointed by agreement between the parties in dispute or in default of such agreement by the Secretary of State for Culture, Media & Sport for the time being and the decision of such arbitrator shall be final and binding and the Arbitration Act 1950 shall apply to such a reference.

22. ANY of the terms of this Agreement may at any time be varied or amended by deed executed by all of the Constituent Councils.

## FIRST SCHEDULE

### Proceedings of the Joint Committee

1. The Joint Committee shall be constituted of twelve members.
2. Each of the Constituent Councils shall annually appoint three members (being elected members of the Constituent Council) as members of the Joint Committee.
3. Each Constituent Council may nominate three deputies (also being elected members of the Constituent Council) any one of whom may be nominated by a member of the Joint Committee to attend and vote at any meeting of the Joint Committee which such nominating member is unable to attend PROVIDED that the person so nominated shall be subject to the same provisions as for qualification for office as members of the Joint Committee and shall not be entitled to vote at any meeting until notice of his nomination has been given to the Clerk of the Joint Committee.
4. Each Constituent Council will appoint its representatives as if the political balance rules of sections 15-17 and Schedule 1 of the Local Government and Housing Act 1989 applied to the Joint Committee.
5. A member appointed by a Constituent Council shall cease to be a member of the Joint Committee if:
  - (a) he resigns therefrom by notice in writing to the person acting as Clerk to the Joint Committee,
  - (b) he ceases to be a member of the Constituent Council appointing him, or
  - (c) the Constituent Council by which he was appointed terminates his appointment.
6. Should any vacancy arise amongst the members appointed by one of the Constituent Councils, then such Constituent Council shall appoint a member to fill the vacancy and in the intervening period before such appointment is made the

remaining members shall nonetheless constitute the Joint Committee and shall have full power to conduct the business of the Joint Committee.

7. The term of office of each member of the Joint Committee shall expire on the fourth day after the ordinary day for election of Councillors except in any year when Council elections are not held when the term of office shall expire on the 1st day of May.
8. The Annual meeting of the Joint Committee shall be held in June every year and at such meeting the Joint Committee shall from among their members elect a Chair and two Vice-Chairs provided that if there be an equality of votes in the election of the Chair it shall be decided by lot which of the members having an equal number of votes shall be appointed.
9. The Joint Committee shall meet at least four times a year and at such other times as they consider necessary.
10. The Joint Committee may co-opt such persons as it thinks fit on a non-voting basis provided that the number of such persons shall not exceed five. The term of office of any co-optee shall be until the conclusion of the next following annual general meeting of the Joint Committee.
11. The Joint Committee may appoint such Sub-Committees and co-opt such persons thereon as they consider necessary for the proper performance of their functions and may delegate such of their powers to such Sub-Committees as the Joint Committee think fit provided that each of such sub-Committees contains a majority of members appointed by the Constituent Councils and makes full and regular reports to the Joint Committee.
12. In the event of the Chair being absent from a meeting then one of the Vice Chairs as agreed by the remaining members shall chair any meeting. In the absence of the Chair and both the Vice Chairs, the Joint Committee may elect a Chair for the meeting from amongst its members present.
13. The Chair may call a meeting of the Joint Committee at any time and shall do so upon written requisition of two members.

14. The Secretary shall send to every member at least seven days before a meeting of the Joint Committee a summons to attend the meeting specifying the business proposed to be transacted thereat.
15. Every matter arising at a meeting of the Joint Committee or a Sub-Committee thereof shall be decided by a majority of the votes of the members present and voting on the question and in the case of an equality of votes the Chairman of the meeting shall have an additional and casting vote.
16. Any five members of the Joint Committee shall form a quorum provided that the said five members shall include members appointed by not less than three of the Constituent Councils.
17. The quorum of a Sub-Committee of the Joint Committee shall be one third of all of the members of that Sub-Committee provided that in no case shall the quorum be less than two members and provided that a majority of the members present are members appointed by the Constituent Councils
18. Minutes of the proceedings of the Joint Committee and of the Sub-Committees thereof shall be kept by the Secretary of the Joint Committee who shall send copies thereof to all members of the Joint Committee and to the Constituent Councils.

SECOND SCHEDULE

Property reserved for use of TWAM

Museums

Owning Constituent Council

Laing Art Gallery  
Discovery Museum

The Council of the City of Newcastle upon  
Tyne

Shibley Art Gallery

The Borough Council of Gateshead

Stephenson Railway Museum  
Segedunum Roman Fort, Baths & Museum

The Council of the Borough of North  
Tyneside

South Shields Museum and Art Gallery  
Arbeia Roman Fort and Museum  
and auxiliary buildings

The Council of the Borough of South  
Tyneside

## THIRD SCHEDULE

### Revenue Expenditure

1. The revenue costs of the Joint Committee shall be categorised and met as follows:-
  - (i) Museums Operational Costs are those costs directly attributable to an individual Constituent Council. These include but are not exclusively items listed in (a) to (h) below:-
    - (a) all costs directly attributable to the employment of staff who are based at the property of TWAM set out in the Second Schedule hereto and any future land or buildings acquired for the purposes of museums under Clause 6 excluding any property referred to in sub-paragraph (iv)(c) below. Such costs to include the transport travel subsistence expenses and staff car allowances of the said staff and costs relating to the uniforms of the said staff;
    - (b) all costs directly attributable to the use of the properties and land and buildings referred to in sub-paragraph (a) above including the provision of telephone facilities insurance of buildings provision of gas water and electricity rent and rates;
    - (c) all costs directly attributable to the external repairs and internal repairs to the property referred to in sub-paragraph (a) above;
    - (d) the cost of loan charges relating to the properties and land and buildings referred to in sub-paragraph (a) above;
    - (e) the cost of the provision of equipment and materials excluding those items used by the services referred to in sub-paragraph (ii) below at the said land and buildings;
    - (f) the cost of the provision and maintenance of furniture and internal fittings internal decoration lighting and facilities for the display of exhibits in all of the properties referred to in sub-paragraph (a) above;



- (g) the cost of the acquisition of items of art and other exhibits for museums;
- (h) any other such costs which the Treasurers of the Constituent Councils or in default of agreement the Joint Committee agree should be treated as Museums Operational Costs;

The Museums Operational Costs less any rental income for the use of the property shall be met by the Constituent Council for the district in which the said property is situate.

- (ii) Museums Specialist Costs shall comprise all costs incurred by TWAM in providing the following specialist services so far as they are used by the Constituent Councils:- Collections Services, including Conservation; Documentation of the Collections; Subject Specialisms, including Natural Sciences; Art; History; and Archaeology, and other specialist services including, Transport; Communications; Design and Technical Services, Learning and Development and Trading.

The Museums Specialist Costs shall be met by each of the Constituent Councils in proportion to their use of the said services.

- (iii) The Archives Costs shall comprise all costs attributable to the employment of staff specialising in archives and all other expenditure incurred attributable to the delivery of an archives service, (including, for the avoidance of doubt, such proportion of the Corporate Costs as is reasonably attributable to the archives service).

The Archives Costs shall be met by each of the Constituent Councils in proportion to the Office for National Statistics mid-year estimated population figures for each of the Constituent Councils for 2011.

- (iv) Corporate Costs of TWAM shall comprise:-
  - (a) all costs directly attributable to the employment of staff responsible for the general management and administration of TWAM including the Director, Senior Managers and financial, HR and administrative staff. Such costs to include the transport travel and subsistence expenses and staff car allowances of the said staff

- (b) all costs directly attributable to the training of any employee of TWAM referred to in (iv)(a) above
- (c) all costs directly attributable to the maintenance and use of any land or building used for the general administration of TWAM (including in particular Blandford House) including the provision of telephone facilities insurance of buildings provision of gas water and electricity rent rates and external and internal repairs
- (d) all costs directly attributable to the administration of TWAM
- (e) all costs directly attributable to Information Technology
- (f) the financing costs which are deemed to be Corporate Costs by virtue of Clause 16 and paragraph (d) of Schedule 4 of this Agreement
- (g) any other such costs which the Treasurers of the Constituent Councils or in default of agreement the Joint Committee agree should be treated as Corporate Costs.

The Corporate Costs of TWAM (except such of those which have been allocated to the archives service under paragraph 1 (iii) of this schedule) shall be allocated between each Constituent Council on a percentage as set out in the Fifth Schedule (such percentages being those fixed at the 1st April 1997 and based on the total value of each Constituent Council's Operational and Specialist Costs at that date) or such other percentage as the Constituent Councils shall agree. In the first instance the Corporate Costs so allocated to each Council shall be met from the proportion of the ACE Core Grant allocated to such Council under paragraph 2(a) of this Schedule. Any part of the Corporate Costs allocated to a Constituent Council which are not met by the ACE Core Museums Grant allocation shall be met by that Council.

- (v) All Costs (other than those referred to in paragraphs 1(1)(c) and (d)) above shall be met in the first instance by the Holding Authority but shall be divided annually between the Constituent Councils as provided in this Agreement.

## 2. ACE Core Grant

The Joint Committee is in receipt of annual ACE Core Grant.

- (a) ACE Core Grant shall be allocated between the Constituent Councils in the proportion that the total of their Museums Operational Costs and Museums Specialist Costs bore to the total Operational and Specialist Costs as at 1 April 1997, subject to adjustments required under clause (c) and/or other adjustments to the allocation required by ACE.
- b) The grant conditions for the ACE Core Grant stipulate that the amount of grant could be varied if any one partner left the Joint Agreement which was signed on 29 November 2009. Following the decision of Sunderland City Council to withdraw from the Agreement this provision has not been invoked by Arts Council. However, on a transitional basis, TWAM will deliver some services to the newly established Sunderland Museums and Heritage for a transitional period up to March 2015, funded from ACE Core Grant. These services will be specified in a Memorandum of Understanding between TWAM and Sunderland Museums and Heritage and will reduce in quantity in 2014-15. For the avoidance of doubt this relates solely to the provision of some service and no grant will be paid to Sunderland Museums and Heritage.(c) Any change in service provision will not be met by a similar change in ACE Core Grant unless the ACE Core Grant is itself changed by central government.

### 3. Trading Accounts

- (a) Each Constituent Council shall have its own trading account in relation to the sale of goods at its properties situate in its district the net income of which shall be used to the benefit of that individual Constituent Council.
- (b) In every financial year each Constituent Council shall be provided with an estimate of its expected net trading surplus which shall reduce its revenue contribution accordingly. Any income generated in excess of that estimate may be vired at the Director's discretion to finance additional expenditure in that particular Constituent Council's district either in that financial year or be carried forward to subsequent years. Any net trading loss may similarly be carried forward from year to year.

## FOURTH SCHEDULE

### Capital Costs

- (a) Spending allocation for capital expenditure incurred in respect of facilities which are used for the general benefit of the Councils shall be provided by each of the Constituent Councils in proportion to the allocations set out in the Fifth Schedule herein or such other percentage as the Constituent Councils shall agree.
- (b) All revenue costs directly attributable to the financing of such capital expenditure shall be treated as Corporate Costs for the purposes of Clause 15.
- (c) All financing costs directly attributable to capital expenditure committed by the County Council shall be met by the Constituent Councils in proportion to the Office for National Statistics mid-year estimated population figures for each of the districts of the Constituent Councils for 2011.
- (d) Spending allocation for capital expenditure incurred in respect of facilities which are used for the general administration of the archives and all revenue costs directly attributable to the financing of such capital expenditure shall be met by the Constituent Councils in proportion to the Office for National Statistics mid-year estimated population figures for 2011.

All other capital expenditure and allocations in respect of TWAM and revenue costs directly attributable to the financing of such capital expenditure shall be met by the Constituent Council authorising such expenditure.

## FIFTH SCHEDULE

### Percentage of Corporate Costs allocated to each Constituent Council

	%
The Council of the City of Newcastle upon Tyne	43.82
The Borough Council of Gateshead	9.04
The Council of the Borough of North Tyneside	8.50
The Council of the Borough of South Tyneside	16.56
The Council of the City of Sunderland	22.08

Following the withdrawal of Sunderland City Council from the Joint Agreement the percentages will be reallocated so that the whole of the grant is allocated to the constituent councils with each of the constituent councils retaining the same proportion relating to the other three councils.

IN WITNESS whereof the parties have caused their respective Common Seals to be hereunto affixed the day and year first before written.

THE COMMON SEAL OF THE COUNCIL )  
 )  
OF THE CITY OF NEWCASTLE UPON TYNE )  
 )  
was hereunto affixed in the presence of: )

Lord Mayor

Chief Legal Officer

THE COMMON SEAL OF THE BOROUGH )  
 )  
COUNCIL OF GATESHEAD )  
 )  
was hereunto affixed in the presence of: )

Mayor

Strategic Director of Legal  
and Corporate Services

THE COMMON SEAL OF THE BOROUGH )  
 )  
COUNCIL OF NORTH TYNESIDE )  
 )  
was hereunto affixed in the presence of: )

Chair

Head of Law and Governance

THE COMMON SEAL OF THE COUNCIL OF

THE BOROUGH OF SOUTH TYNESIDE

was hereunto affixed in the presence of:

)  
)  
)  
)  
)

Head of Corporate Governance