

BABERGH DISTRICT COUNCIL

FROM: Director of Finance and
Solicitor to the Council

REPORT NUMBER **K164**

TO: **COUNCIL**

DATE OF MEETING **13 December 2010**

SHARED REVENUES PARTNERSHIP (SRP)

1. PURPOSE OF REPORT

1.1 To inform Members of two matters relating to the above partnership between Babergh, Mid Suffolk and Ipswich Borough Council that require Council approval.

2. RECOMMENDATIONS

2.1 That the Joint Committee that oversees the implementation and operation of the Shared Revenue Partnership (SRP) be not politically balanced.

2.2 That, subject to approval by all 3 partners, the Councils counter-fraud staff be transferred to the Audit and Fraud Partnership (as described in section 5.8 of the report) in April 2011 and the employment of Ipswich Borough under the Transfer of Undertakings (Protection of Employees) Regulations or TUPE.

3. FINANCIAL IMPLICATIONS

3.1 The proposals are based on achieving savings at least equivalent to those anticipated in the SRP Business Case.

4. RISK MANAGEMENT

4.1 This is linked to the Council's Significant Business Risk No.3b – Other Shared Services. Key risks are set out below:

| Risk Description | Likelihood | Seriousness or Impact | Mitigation Measures |
|---------------------------------|-------------------|------------------------------|---|
| Ineffective HR consultation | Low | Marginal | Staff fully involved in proposals, briefings arranged. Unions aware. |
| Savings not realised or delayed | Low | Marginal | Proposals based on achieving minimum savings in line with the SRP Business Case, from April 2011. |

5. **KEY INFORMATION**

- 5.1 The Council approved the overall SRP proposals in September 2010 (Paper K93 refers). Each partner Council appointed 2 Members from their Executive/Strategy Committees to the Joint Committee, which will oversee implementation and future operation of the SRP. The first meeting is scheduled for the 12 January 2011.
- 5.2 In the case of Babergh, Councillors John Hinton and Dr. Michael Miller were appointed (with Councillors Jennie Jenkins and Nigel Bennett appointed as substitutes).
- 5.3 Due to the different constitutional arrangements of each Council and the fact that Ipswich Borough Council are hosts for the partnership, it was considered that the Joint Committee did not have to be politically balanced. However, it transpires that the regulations which say that the political balance rules do not apply to a joint committee only refer to Councils operating Executive arrangements. As Ipswich operate under Executive arrangements whereas Babergh and Mid Suffolk do not, that would lead to an unworkable position that the Joint Committee would be partially politically balanced.
- 5.4 This is one of the difficulties that is often encountered for Fourth Option councils when trying to apply legislation that envisages councils will have adopted executive arrangements. Therefore, although it would normally be the case that political balance would apply (for example, for any arrangement just between Babergh and Mid Suffolk) it cannot sensibly apply to the SRP due to Ipswich Borough Council's different arrangements.
- 5.5 This was recognised when each Council appointed their Members to the Joint Committee. However, it is necessary for the Councils of both Babergh and Mid Suffolk to formally resolve that our appointments do not need to reflect political balance. This has to be a unanimous decision of those present and voting with no votes against.
- 5.6 In relation to counter-fraud work, it had not been possible to conclude by September 2010 whether benefit and other counter-fraud work would be part of the SRP or undertaken through an arrangement whereby these staff sat alongside the SRP as part of a combined Audit and Fraud Team (at Ipswich Borough Council).
- 5.7 It now seems very likely that the approach of a combined Audit and Fraud Team will be the favoured option and staff from each Council have been working up proposals in this respect.
- 5.8 There is a current Audit and Fraud Partnership between Ipswich Borough Council, Suffolk Coastal and Waveney District Councils. Staff from Babergh and Mid Suffolk would therefore, subject to the agreement of all 3 partners, transfer to this existing partnership under TUPE arrangements.

5.9 Although the original approval to the SRP proposals effectively covered the staff in question, it is necessary to formally approve the proposals outlined above in relation to counter fraud operations and that the staff involved in this are transferred under the TUPE regulations.

6. **EQUALITIES AND DIVERSITY IMPACT ASSESSMENT**

6.1 This was undertaken as part of the initial SRP proposals approved by Council in September 2010.

7. **APPENDICES**

None

8. **BACKGROUND PAPERS REFERRED TO:**

SRP Business Case

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