

ANGLIA REVENUES PARTNERSHIP
JOINT COMMITTEE
MEETING DATE – 3rd December 2009

Report by Strategic Director (Resources), Forest Heath District Council

UPDATE ON EAST CAMBRIDGESHIRE PARTNERSHIP ARRANGEMENTS

1. **Purpose of Report** This report identifies possible bases to consider whether East Cambridgeshire's terms within the Anglia Revenues Partnership may potentially be varied and if so, how.

2. **Recommendations**

It is recommended that the Joint Committee:

2.1 Subject to a formal request from one or more of the partner organisations, ask officers to review the details of how the terms and conditions of membership could be varied and report back with options

Note: In preparing this report, due regard has been had to equality of opportunity, human rights, prevention of crime and disorder, environmental and risk management considerations as appropriate. Relevant officers have been consulted in relation to any legal, financial or human resources implications and comments received are reflected in the report.

3. **Information, Issues and Options**

3.1 **Background:**

3.1.1 East Cambridgeshire DC became members of ARP in April 2007. Revenues and Benefits services had previously been provided to the Council on an outsourced basis. At the time that the new arrangements came into place the staff providing the service were TUPE'd from the previous contractor to Breckland DC. As such, ECDC do not employ any partnership staff in a managerial or operational capacity.

3.1.2 The terms and conditions of membership include the following:

- a) equal member numbers of the Joint Committee with Breckland and Forest Heath DC's
- b) equal voting rights with other organisations
- c) at least one member from each Council to be present for the meeting to be quorate
- d) A fixed fee for the provision of services with no exposure to risk (of increased cost other than price inflation) or reward (from reductions in net cost).
- e) The arrangements to run for five years from 1st April 2007

3.1.3 It should be noted also that any of the signatories to the agreement can, under clause 11, seek a review of its terms and conditions. It is acknowledged that this clause has not formally been triggered; this paper provides information as to how matters may move forward in practice.

3.2 **Issues**

3.2.1 Clause 11 referred to above could be the basis by which a review of arrangements commences.

3.2.2 If such a review were to be sought, the following ground rules are suggested

- i) The financial position would have to be rebased. In 2007 figures were produced for each member organisation setting out the annual cost at the commencement of the agreement. Those for Breckland and Forest Heath were subject to periodic

adjustment by reference to the accountancy profile appended to the agreement, which might reflect cost increases due to fluctuations in customer numbers, subsidy rules etc and reductions achieved through efficiencies. Accordingly, the figures payable in 2009/10 by Breckland and Forest Heath are different from those which applied almost three years ago, reflecting the risks taken by those authorities.

- ii) The basis for sharing risks/rewards would have to be clearly stated. As a starting point, partners would need to consider whether any changes to the 2007 agreement could be justified; any proposals for changes would have to be agreed by the joint committee. The focus here may be upon how to reflect work in progress (for example, discussions with neighbouring authorities) which has been ongoing under existing arrangements.
- iii) Member organisations could have the opportunity to input their views into future partnership deliverables and priorities and have these captured, if jointly agreed, in the partnership document
- iv) Some forward plan of financial targets could accompany the rebasing exercise. The potential for further savings is under investigation; an action plan associated with, for example, a Value For Money review could give rise to planned savings levels being identified alongside projected future charges
- v) A new term would have to be in place for any new agreement which was entered into. As a minimum, a five year term is advocated. Members may also wish to look at current break clause provisions which enable termination with 12 months notice
- vi) Separate work looking at ARP's broader strategic options may involve potential to revisit ARP(T)'s future role and membership. This issue is regarded, at this juncture, as outside the scope of any review of partnership terms.

3.3 Options

- 3.3.1 Options will arise for consideration by Joint Committee as part of the work proposed under 3.2 above.

3.4 Reasons for Recommendation(s)

- 3.4.1 The recommendations reflect the appetite to consider whether a mutually advantageous change in terms and conditions of membership exists.

4. **Risk and Financial Implications**

4.1 Risk

- 4.1.1 A review of partnership arrangements would assist in strengthening partnership links and minimising risks associated with any feeling of disengagement among partners.

4.2 Financial

- 4.2.1 Providing the rebasing exercise referred to at 3.2.2. above is undertaken, the review would not give rise to any direct implications at partnership level. It would lead to an agreed basis for sharing future risk and rewards.
- 4.2.2 Officer work in moving matters forward will be provided within existing resources.

5. **Legal Implications**

- 5.1 The proposed way forward accords with the provisions of the partnership agreement currently operating.

6. Other Implications

6.1 None

7. Alignment to Council Priorities

7.1 N/a

8. Ward/Community Affected

8.1 N/a

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