

**Cheltenham Borough Council**  
**Cabinet – 14 April 2015**  
**2020 Vision Memorandum of Understanding**

<b>Accountable member</b>	<b>Councillor Steve Jordan, Leader of the Council</b>
<b>Accountable officer</b>	<b>Pat Pratley, Deputy Chief Executive</b>
<b>Ward(s) affected</b>	<b>None</b>
<b>Key/Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>On 16 December 2014 Cabinet received a report which contained a number of recommendations to enable the partner councils to progress the 2020 Vision programme. One of the matters for note was that a further report would be brought back to the Councils to finalise the Memorandum of Understanding (MoU).</p> <p>The MoU attached at <b>Appendix 2</b> was approved at the 2020 Vision Member Governance Board on 6 March 2015. It will be considered for adoption by each of the partner Council's Cabinets over the coming weeks.</p> <p>It should be noted that the MoU does not give rise to any legally binding obligations on the Councils or establish any legal partnership, joint venture or committee at this stage. What the MoU does do is establishes a clear and accountable framework for working together to deliver the 2020 Vision programme.</p> <p>The Councils have committed to report back in the autumn of 2015 with regard to any recommendations for the future governance arrangements arising out of the 2020 Vision programme. It will be at that time that members will be asked to consider any potentially formal and legally binding governance arrangements.</p>
<b>Recommendations</b>	<b>Cabinet is recommended to approve the 2020 Vision Memorandum of Understanding.</b>

<b>Financial implications</b>	<p>The budget for the 2020 vision programme was outlined in the TCA bid and Strategic Outline Case and is funded through a combination of TCA grant plus contributions from each council. This Council's contribution is £1.095m, the proposed funding for which was agreed as part of the budget for 2015/16.</p> <p>Sections 11 to 13 of the MOU makes reference to the financial governance arrangements of the implementation of the programme and the future allocation of savings in accordance with the 2020 Vision Charging and Savings Policy.</p> <p><b>Contact officer: Mark Sheldon, <a href="mailto:mark.sheldon@cheltenham.gov.uk">mark.sheldon@cheltenham.gov.uk</a>, 01242 264123</b></p>
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<b>Legal implications</b>	<p>There are no specific legal implications arising from the memorandum of understanding as it is not a legally binding document. It is likely that future recommendations to Cabinet on 2020 Vision will have legal implications and Cabinet will be advised on these at the time. An indication of potential legal issues for consideration has already been provided in the 16 December 2014 Cabinet report.</p> <p><b>Contact officer: Peter Lewis, <a href="mailto:peter.lewis@tewkesbury.gov.uk">peter.lewis@tewkesbury.gov.uk</a></b></p>
<b>HR implications (including learning and organisational development)</b>	<p>There are no direct HR implications arising from the report at this time. The vision, as set out in the December 2014 Cabinet, raises a number of significant employee relations issues that will need to be worked through. The Head of HR is a member of the programme team. She will ensure that future Cabinet papers advise members of the potential HR implications for each stage of the process.</p> <p><b>Contact officer: Julie McCarthy, HR Manager GO Shared Services (West) <a href="mailto:julie.mccarthy@cheltenham.gcsx.gov.uk">julie.mccarthy@cheltenham.gcsx.gov.uk</a>, 01242 264355</b></p>
<b>Key risks</b>	<p>Whilst it is accepted that the MoU presented here is not legally binding, if there is no accepted protocol in place during this phase of the programme then the governance arrangements will be unclear and this may cause difficulties for the programme moving forward.</p>
<b>Corporate and community plan Implications</b>	<p>2020 Vision supports the Council's corporate objective of providing value for money services that effectively meet the needs of customers.</p>
<b>Environmental and climate change implications</b>	<p>There are no direct implications arising from this report, however potential environmental and climate change implications will need to be identified and considered as part of the formulation of the business case, business plan and any new sharing projects.</p> <p><b>Contact officer: Gill Morris, <a href="mailto:gill.morris@cheltenham.gov.uk">gill.morris@cheltenham.gov.uk</a> Tel. 01242 264229</b></p>
<b>Property/Asset Implications</b>	<p>There are currently no property implications relating to the 2020 Vision Memorandum of Understanding.</p> <p><b>Contact officer: <a href="mailto:david.roberts@cheltenham.gov.uk">david.roberts@cheltenham.gov.uk</a> Tel 01242 264151</b></p>

## 1. Background

- 1.1 On 16 December 2014 Cabinet received a report which contained a number of recommendations to enable the partner councils to progress the 2020 Vision programme. One of the matters for note was that a further report would be brought back to the Councils to finalise the Memorandum of Understanding (MoU).
- 1.2 The MoU at Appendix 2 sets out the background to 2020 Vision explaining that in June 2014 the Councils (Cheltenham Borough, Cotswold District, West Oxfordshire District and Forest of Dean) approved a vision for further joint working between them of *"a number of Councils, retaining their independence and identifies, working together and sharing resources to maximise mutual benefit leading to more efficient, effective delivery of local services"*.
- 1.3 When the December report was considered the view was that an interim joint committee would be created operating under a MoU. However, as there is no intention at this time to formally constitute a joint committee, the MoU presented here does not give rise to any legally binding obligations on the Councils or establish any legal partnership, joint venture or committee at this stage.

**1.4** The purpose of the MoU is therefore to provide the Councils with a clear and accountable framework to guide their work together at this time. The aims and objectives described in the MoU explain the underlying principles which will guide the partnership, ie, to work together in good faith, in a spirit of mutual trust, and to share in a fair and equitable manner the costs, risks, benefits and resource demands involved in its delivery.

## **2. Memorandum of Understanding Principal Clauses**

**2.1** The MoU was approved, subject to any minor changes, at the 2020 Vision Member Governance Board on 6 March 2015. It will be considered for adoption by each of the partner Council's Cabinets over the coming weeks. The principle matters contained in it are as follows:

### **2.2 2020 Vision Member Governance Board**

**2.2.1** The Board shall consist of 2 executive members from each of the partner councils. It will oversee the development of the detailed programme plans, any new sharing projects agreed upon and oversee and review any current governance arrangements in place for shared services.

**2.2.2** The Board will negotiate the terms of the future agreements that will underpin the new partnership venture arrangements reporting to the Councils in the autumn of 2015 with final proposals. The Board is not a legal entity and will work in a spirit of mutual trust, support and respect.

### **2.3 Roles and Responsibilities of the Councils**

**2.3.1** The Councils agree to use all reasonable endeavours to make decisions to support the work of the Board. If there is a requirement to increase the budget for the 2020 Vision programme then approval will be required by each Council.

### **2.4 The Programme Team**

**2.4.1** The Programme Team will comprise the Lead Commissioner, Managing Director, Programme Director and the Heads of Paid Service of each council or his/her nominee. It will be the responsibility of the Programme Team to review the 2020 Vision strategic outline case and make recommendations to the Member Governance Board prior to submission to the Councils for approval.

### **2.5 2020 Vision Budget**

**2.5.1** The budget for 2020 Vision comprises TCA (Transformation Challenge Award) funding and additional contributions allocated by each of the Councils set out in the strategic outline case and as laid down in the MoU. Cheltenham Borough Council will be the body responsible for holding the budget for 2020 Vision and will receive the TCA grant and hold it on behalf of the Councils.

**2.5.2** The Councils have agreed to share any savings achieved by the 2020 Vision programme in a fair and equitable manner in accordance with the 2020 Vision Charging and Savings Policy.

### **2.6 Termination Provision**

**2.6.1** The Councils may terminate this MoU at any time by mutual agreement or by giving 3 months notice in writing to the other Councils. In such circumstances the Board shall agree the next steps to be taken and will report to the remaining partner Councils as appropriate.

## **3. Reasons for recommendations**

**3.1** As explained in the body of this report.

#### **4. Alternative options considered**

- 4.1** The councils could have decided not to adopt an MoU as it is not at this stage a legally binding document however an operating and decision making protocol of some sort would have been required in order to provide an aligned governance framework for this part of the programme.

#### **5. Consultation and feedback**

- 5.1** The 2020 Member Governance Group has fed back on the format and content of the MoU and partner council legal colleagues have also had input into its development.

#### **6. Performance management – monitoring and review**

- 6.1** The MoU provides the governance framework which will guide the 2020 Vision programme and which will be used until any future governance arrangements are approved by the partner councils.

<b>Report author</b>	<b>Contact officer: Pat Pratley; Deputy Chief Executive; pat.pratley@cheltenham.gov.uk; 01242 775175</b>
<b>Appendices</b>	1. Risk Assessment 2. Memorandum of Understanding
<b>Background information</b>	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the MoU is not approved by the partner councils then there will be lack of clarity on the governance arrangements for this part of the project	Pat Pratley	14.4.15	4	2	8	Reduce	2020 Member Governance Group has approved the MoU and it has been endorsed through each council's democratic process	14.4.15	Pat Pratley	
<p><b>Explanatory notes</b></p> <p><b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p><b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p><b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											