

BABERGH DISTRICT COUNCIL

AND

MID SUFFOLK DISTRICT COUNCIL

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Inter Authority Agreement

FOR THE INTEGRATION OF COUNCIL STAFF AND SERVICES

THIS AGREEMENT is made the 18<sup>th</sup> day of January 2012

**BETWEEN**

- (1) **BABERGH DISTRICT COUNCIL** of Corks Lane, Hadleigh, Ipswich, Suffolk, IP7 6SJ (BDC).
- (2) **MID SUFFOLK DISTRICT COUNCIL** of 131 High Street, Needham Market, Ipswich, Suffolk, IP6 8DL (MSDC)

**WHEREAS**

- (A) The Local Authorities have agreed to integrate the management and staffing structures and the services of their respective Authorities in the best interests of both Authorities and their communities in terms of economy, efficiency and effectiveness.
- (B) To facilitate this, the Local Authorities have formed a Joint Member Integration Board supported by a Joint Management Board, appointed a Joint Chief Executive and established a Joint Scrutiny Committee, and Joint Appointments, HR and IT Panels. The Local Authorities have agreed to appoint joint Strategic Directors and the Chief Executive is now creating a new integrated management structure and making the necessary appointments.
- (C) The Local Authorities have agreed to work in partnership to achieve their aims and objectives on the basis of mutual benefit and contribution.

**IT IS HEREBY** agreed as follows –

**1 INTERPRETATION**

- 1.1 In this Agreement unless the context otherwise requires the following expressions have the following meanings –

“**Agreement**” means this Agreement comprising the terms and conditions together with the Schedules and Appendices attached hereto

“**Assets**” means any property (excluding real property) jointly acquired by the Local Authorities.

“**Chief Executive**” means the joint head of paid service at the Local Authorities

“**Commencement Date**” means the date on which this Agreement is executed by the Local Authorities

“**Dispute**” is as defined in Clause 20

“**EIR**” means the Environmental Information Regulations 2004

“**FoIA**” means the Freedom of Information Act 2000

**"JAP"** means the Joint Appointments Panel set up to appoint staff to the new structure.

**"JMIB"** means the Joint Member Integration Board the terms of reference for which are at Schedule 1

**"JMB"** means the Joint Management Board the terms of reference for which are at Schedule 2

**"Local Authorities"** means Babergh District Council and Mid Suffolk District Council

**"Loss"** includes any loss and liability directly suffered by the Local Authorities together or by any one Authority with any damage, expense, liability or costs reasonably incurred in contesting any claim to liability and quantifying such loss and liability

**"Members"** means the members of the Authorities, and "Member", shall mean a member of either Authority as the context provides

**"Monitoring Officer"** means the officer designated by both of the Authorities as its monitoring officer pursuant to section 5 of the Local Government and Housing Act 1989

**"Officers"** means the Authorities' staff tasked with working on the Project either as part of the Core Team or otherwise and this definition shall include any officer authorised to act on behalf of a specific officer referred to in this Agreement.

**"Transition Costs"** means those costs specified in Clause 16

**"Section 151 Officer"** has the meaning ascribed to it in the Local Government Act 1972

**"Working Day"** means any day on which the Authorities' offices are normally open for business

- 1.2 Reference to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended extended or re-enacted.
- 1.3 Words importing the singular include the plural words; importing any gender include every gender; importing persons include bodies corporate and unincorporated; and (in each case) vice versa.
- 1.4 Reference to Clauses and Schedules are references to clauses and schedules of this Agreement and any reference to a sub provision is unless otherwise stated a reference to a sub provision of the provision in which the reference appears.
- 1.5 The Clause and Paragraph headings and titles appearing in this Agreement are for reference only and shall not affect its construction or interpretation.

## 2 TERM

- 2.1 This Agreement shall come into effect on the Commencement Date and shall continue in force until the date it is terminated in accordance with clause 15.2.

### **3 GENERAL PRINCIPLES**

- 3.1 This Agreement has been entered into by the Local Authorities to establish and effect provisions for management of the integration of staff and services and to clarify the Local Authorities' responsibilities in respect thereof and to each other.
- 3.2 The Local Authorities will work together in partnership and in an open, co-operative and collaborative manner for the duration of this Agreement. The Local Authorities' members and officers will work together in order to endeavour to procure the successful implementation of this Agreement and will respond in a timely manner to all relevant requests from the other Authority.
- 3.3 Each of the Authorities hereby represents to the other that it has obtained all necessary consents sufficient to ensure any delegation of functions provided for by this Agreement for the purposes of this Agreement.
- 3.4 The Local Authorities commit to share data and knowledge relevant to this Agreement where appropriate and in accordance with their duties under the Data Protection Act 1998.
- 3.5 The Local Authorities shall review the terms of this Agreement at least annually, the first such review to take place before the 1 April 2012. Any changes to the terms shall only be made by unanimous agreement between the officers on the JMB or by a resolution of the appropriate Committee or Full Council of each of the Authorities and shall be recorded in writing and signed by both Authorities. Changes shall take effect upon signing and continue in force until termination or any further changes agreed in accordance with this Clause or other part of this Agreement.
- 3.6 The Local Authorities agree that they will formulate a mechanism to recompense an individual Authority from being adversely affected by Transition Costs, implementation costs and ongoing costs of this Agreement. The agreed mechanism is included at Clauses 7 and 16 of this Agreement.

### **4 STATUS OF THE AGREEMENT**

- 4.1 The Local Authorities agree that this Agreement shall take the form of a legally binding relationship and all mutual commitments between them created by this Agreement shall from the date hereof be construed accordingly.

### **5 AUTHORITIES' OBJECTIVES**

- 5.1 The Local Authorities are committed to continue the integration of management, staff and services across the two Authorities during 2011/12 and beyond.

### **6 GOVERNANCE ARRANGEMENTS**

- 6.1 The Local Authorities have set up the JMIB to provide member level governance under this Agreement. The membership and terms of reference for this Board are at Schedule 1 of this Agreement.

- 6.2 There is an officer group leading and providing senior management to the Local Authorities and providing support and guidance to the JMIB which is known as the Joint Management Board (JMB). The membership and terms of reference for the JMB are at Schedule 2 of this Agreement. The JMB has no powers of decision making beyond the authority delegated by the Local Authorities to the individual officers.
- 6.3 The JMB makes reports and recommendations to the JMIB who in turn provide guidance to the JMB. The JMIB has been established by and reports to the individual Authorities.
- 6.4 The Joint Scrutiny Committee has been established to scrutinise and support the work of the JMIB.
- 6.5 The Local Authorities may by agreement formalise the governance arrangements by forming a Joint Committee in accordance with section 101(5) of the Local Government Act 1972. This will replace the JMIB.
- 6.6 The Joint Committee (if established) will have the same membership and terms of reference as the JMIB or as amended by the Local Authorities.

## **7 COSTS AND EXPENSES**

- 7.1 The Local Authorities agree that the principle upon which costs and savings shall be apportioned shall be that each Authority bears an equal share. Any exception to this principle must be agreed by either the JMB or a Strategic Director and approved by each Section 151 Officer.
- 7.2 Those items of expenditure listed in Schedule 3 of this Agreement shall be considered to be legitimate costs for the purposes of this Clause.
- 7.3 A record shall be kept by each Authority's Section 151 Officer of all legitimate expenditure. At least annually on a date to be agreed or in default of agreement on 30 April each year the Section 151 Officers shall consider the expenditure and if one Authority has incurred greater costs than the other, an equalisation payment shall be agreed so that neither Authority shall bear an unequal proportion.
- 7.4 Any agreed equalisation payment shall be made within 28 days of being agreed and signed off by the Section 151 officers.

## **8 OFFICER SUPPORT TO THE PROJECT AND USE OF CONSULTANTS**

- 8.1 Lead officers have been appointed for all pieces of work affecting the Local Authorities to avoid duplication. Lead officer roles and work will be distributed broadly equally between the Local Authorities.
- 8.2 Officer training events and associated costs will be shared wherever possible.
- 8.3 Use of external consultants or the outsourcing of any work in relation to the Project delivery must be approved in advance either by the JMB the Chief Executive or by both Local Authorities at Strategic Director level.

## 9 AUTHORITY SUPPORT FOR THIS AGREEMENT

- 9.1 Each Authority shall be responsible for ensuring that its Authority provides the support necessary to secure the effective advancement of this Agreement. In this context, "support" shall include the involvement and time of capable officers, the provision of information and the prompt consideration of matters referred to his/her Authority for determination.

## 10 INTEGRATION OF STAFF

- 10.1 The Local Authorities will not advertise staffing vacancies/new posts without prior agreement with the JMB. Vacant posts must be referred to the appropriate Joint Management Team member to determine whether the post may be filled.
- 10.2 All vacancies arising in either Authority will be advertised in both Authorities prior to external advertisement.
- 10.3 Each Authority will seek to assist the other Authority by making appropriate staff available during staffing shortages, absences etc in order to facilitate joint working and efficiency.
- 10.4 Appointments to the new overall staffing structure will be completed in accordance with an agreed timetable. The Local Authorities will seek to align employee terms and conditions so far as is practicable and lawful.
- 10.5 Consultation with staff on proposals for integration of the service in which they are employed will continue in each Authority and so far as possible the Authorities will utilise the same consultation information. Each Authority will be responsible for engaging with its own HR representative and consulting their own staff and trades union representatives. Wherever possible opportunities will be utilised for joint staff briefings and trades unions will be invited to attend.
- 10.6 Pending integration of services any staff which may be seconded from BDC to MSDC or vice versa will be deemed to be an employee of the other Authority whilst undertaking work for that Authority and must abide by the policies and procedures of the other Authority whilst working for that Authority. The agreement of staff members to be so seconded whilst formal integration is being developed must be secured and a standard form secondment agreement will be developed and used by both Authorities.
- 10.7 Staff employed by one Authority may be made available to the other under s113 of the Local Government Act 1972. Such staff will report to the Authority to whom they are made so available and shall comply with the policies and procedures of that Authority as though they were an employee of that Authority throughout the period in which they are covered by the arrangements made under s113.
- 10.8 Any additional mileage is to be claimed by seconded staff from their employing Authority at the employing Authority's rate.
- 10.9 The Local Authorities agree not to review their employees' terms and conditions of employment without consultation with the other Authority (including posts and titles).
- 10.10 A staff at risk register will be established for each service area within each Authority and the Authorities agree to share their at risk registers with one another and work

towards the establishment of a joint staff at risk register subject always to complying with their individual duties as an employer.

- 10.11 Where an 80% fit for role is established for an identified at risk employee, then the Local Authorities agree that consideration must be given to that employee for vacant posts which are to be filled.

## **11 POLICIES, PROCEDURES, PROTOCOLS AND MEETINGS**

- 11.1 The Local Authorities agree to align policies and procedures as far as is practicable.
- 11.2 In developing new policies, the Local Authorities agree to consult one another and to develop a single agreed policy to be adopted by both Authorities wherever possible.
- 11.3 The Local Authorities will develop and utilise an aligned template for Committee reports.
- 11.4 A list of agreed protocols is attached at Schedule 4, such list to be updated as new protocols are developed.
- 11.5 The Local Authorities will endeavour to align Strategy, Executive Committee and Full Council Meetings as closely as possible, and Committee and Full Council dates will be agreed in consultation between the Local Authorities.

## **12 MAJOR PROJECTS AND CONTRACTS**

- 12.1 The Authorities agree to notify one another of any:

- 12.1 projects;
- 12.2 expenditure, and/ or
- 12.3 liabilities

with a value in excess of £50,000 existing at Commencement Date or planned to be incurred during the term of this Agreement.

- 12.2 The Authorities undertake to conduct a review of their existing contracts as at Commencement Date and to consider opportunities for the joint letting of contracts by the Authorities.
- 12.3 Any contracts with a value in excess of £50,000 which fall due to be renewed will be procured in consultation between the Authorities.

## **13 MEMBER AND OFFICER LIABILITY**

- 13.1 Member and Officer Liability

- 13.1.1 When working as a member of the JMIB, the members shall be deemed to be working on behalf of their own Authority even where the particular matter under consideration relates to or also relates to the other Authority.
- 13.1.2 When working on the Project or pursuant to it, officers shall be deemed to be working on behalf of both their employing Authority, and made available and working on behalf of the other Authorities under Section 113 of the Local Government Act 1972
- 13.1.3 In consequence of the above, both members and officers shall be treated as falling within the statutory immunity provided by Section 265 of the Public Health Act 1875, as amended, in respect of their actions or omissions in respect of the Project.

13.2 Losses to each Authority

- 13.2.1 No Authority shall have any liability to the other Authority unless specifically provided for under this Agreement in respect of any Loss which that other Authority may suffer as a consequence of any action or omission by any officer or member, whilst working on the Project on behalf of the JMIB or JMB.

**14 INSURANCE**

- 14.1 Each Authority shall obtain and maintain throughout the term of this Agreement insurance sufficient to cover all of their obligations under this Agreement. Each Authority shall indemnify the other against loss sustained as a result of breach of this Clause.

**15 WITHDRAWAL AND CONSEQUENCES**

15.1 Where any Authority withdraws from this Agreement—

- 15.1.1 Subject to the remaining provisions of this clause the obligations of that Authority under this Agreement shall cease on such withdrawal;
- 15.1.2 The Agreement shall continue in force in respect of any financial liabilities which have arisen out of the performance of this Agreement up to the date of the Authority's withdrawal;
- 15.1.3 The withdrawing Authority shall not be entitled to a reimbursement of any costs incurred by it or contributions made prior to the date of withdrawal other than in accordance with Clause 7 above.
- 15.1.4 The withdrawing Authority shall become immediately liable to pay any sums due from it to the other Authority under this Agreement.
- 15.1.5 The Disputes Procedure set out in Clause [20] of this Agreement shall remain in force in respect of any of the matters arising from the performance of or withdrawal of an Authority under this Agreement.

- 15.2 An Authority wishing to withdraw from this Agreement shall give at least six months written notice to the other Authority, such notice to take effect on 31 March in any year.



- 15.3 An Authority exercising their right to withdraw ("the Withdrawing Authority") under Clause 15.2 above shall indemnify the remaining Authority for all and any Loss suffered by them as a consequence of the withdrawal of the Withdrawing Authority.

## 16 TRANSITION COSTS

- 16.1 The Local Authorities agree that any Authority which has suffered disproportionate Transition Costs shall be entitled to have these reimbursed. The reimbursement shall consist of amounts falling within the following agreed heads of cost:
- 16.1.1 upgrading of systems/ technology/ infrastructure
  - 16.1.2 redundancies
  - 16.1.3 costs of early termination of contracts to facilitate new joint contracts.

## 17 PREMISES

- 17.1 The Local Authorities agree that it will be necessary to make premises available in accordance with the requirements of the integration of staffing and services in order to efficiently house staff teams and best resource service provision.
- 17.2 Premises made available on this basis will be recorded as having been contributed to this Agreement and any premises which become vacant as a result will also be recorded as such. Vacant premises which fall to be reused, leased, let or sold by the Authority in ownership of them shall be the subject of consultation between the two Authorities before any such reuse or disposal shall be proceeded with.
- 17.3 The consultation specified in clause 17.2 above shall be based on the principle of the Authorities' equal contribution to and benefit from involvement in the Project.

## 18 ASSETS AND INTELLECTUAL PROPERTY

- 18.1 All Assets and intellectual property and material created under this Agreement shall be owned jointly by the Authorities and shall be available equally to each Authority subject to any terms with third parties under which the intellectual property and material was commissioned. The Authorities shall use their best endeavours to reflect the intention of the Authorities to jointly own these items in any terms used when commissioning third party work under this Agreement.
- 18.2 Each Authority warrants that any intellectual property created by its officers for the purposes of this Agreement will not infringe any third party's intellectual property rights
- 18.3 Each Authority shall indemnify the other Authority against any Loss arising out of any dispute or proceedings brought by a third party alleging infringement of its intellectual property rights by use of the first Authority's intellectual property for the purpose of this Agreement
- 18.4 Each Authority hereby authorises the other Authority to use its logo on documents and signage for such period as this Agreement remains in force save that this provision shall not apply after an Authority has withdrawn.

## 19 RESOLUTION OF BREACHES AND DISPUTES

- 19.1 In the event of a dispute concerning the construction or effect of this Agreement or that an Authority has failed to comply with any obligation under this Agreement the

matter will be raised with the relevant Strategic Director unless the matter concerns the Strategic Director in which case the matter will be raised with the Chief Executive.

- 19.2 If the matter cannot be resolved to the satisfaction of the Local Authorities by the Strategic Director (or Chief Executive) within 14 days the matter will be referred to the Chief Executive.
- 19.3 If the Chief Executive cannot resolve the matter to the satisfaction of the Local Authorities within 14 days the matter will be referred to the next JMIB meeting (which must take place within 28 days).
- 19.4 If the JMIB is able to resolve the matter it will be referred to the Executive Committee/Strategy Committee for formal agreement.
- 19.5 If the matter cannot be resolved by the JMIB to the satisfaction of the Local Authorities the matter will be referred to an independent arbitrator from a professional body appropriate to the matter in dispute.
- 19.6 The arbitrator shall be appointed with the agreement of the Local Authorities or in the event that agreement cannot be reached, by the President or chief officer of the appropriate profession.
- 19.7 For the avoidance of doubt this clause remains in effect after the termination of this Agreement to confer powers on the Local Authorities to resolve matters in dispute

## **20 VARIATION**

- 20.1 The Local Authorities may vary the terms of this Agreement, such variations to be agreed unanimously by recommendation of the JMB to the JMIB and by them to the Authorities, recorded in writing, signed and appended to this Agreement.

## **21 CONFIDENTIAL INFORMATION AND PUBLICITY**

- 21.1 The Local Authorities shall at all times use their reasonable endeavours to keep confidential (and to procure that their respective employees, agents, consultants and sub-contractors shall keep confidential) all Confidential Information concerning the Project or the business and affairs of the other Authority which may now or at any time hereafter be in its possession and shall not disclose it except with the consent of the other Authority, such consent not to be unreasonably withheld.
- 21.2 For the purpose of this Agreement "Confidential Information" means any information imparted to any Authority or their employees, agents, consultants and sub-contractors ("the Receiving Party") which was imparted to the Receiving Party on the basis that it is to be kept confidential or would by its nature normally be regarded as being confidential or which to the knowledge of the Receiving Party was obtained by the other Authority on the basis that it was to be kept confidential or is of commercial value in relation to the Project but shall not include any information which is for the time being in the public domain otherwise than by reason of its wrongful disclosure by the Receiving Party.
- 21.3 This Clause 21 shall continue without limit of time and shall survive the termination of this Agreement.

- 21.4 This Clause 21 shall not prevent the disclosure of any Confidential Information relating to any matters under this Agreement which are reasonably disclosed for the furtherance of or the promotion of such matters provided that the Authority or person disclosing the information takes all steps that are commercially practicable to preserve the confidentiality of the information and shall not prevent the disclosure of any Confidential Information where required by law.
- 21.5 Neither Authority shall issue any media release publicity concerning or affecting matters under this Agreement unless previously agreed in advance with the other Authority at Strategic Director level or above, each Authority's Communications Officer having advised on the content.
- 21.6 Subject to clause 21.7 any formal statements or communications to staff and/or members concerning matters under this Agreement shall be agreed between the Local Authorities in advance, agreement to be sought at Strategic Director level or above.
- 21.7 Clause 21.6 does not apply to the circulation of minutes, the routine reporting of decisions or requests for information or action to be taken.

## **22 COMPLIANCE WITH LAWS**

- 22.1 The Local Authorities shall at all times comply with all laws including but not limited to the Data Protection Act 1998 and the Equality Act 2010 and will, where appropriate maintain a valid and up to date registration or notification under such Laws.
- 22.2 Each Authority shall indemnify and keep indemnified the other Authority against all losses, claims, damages, liabilities, costs and expense (including reasonable legal costs) incurred by the other Authority in respect of any breach of this Clause by the Authority and/or any act or omission of any sub-contractor.
- 22.3 Each Authority shall grant to the other Authority the right of reasonable access to all records of Personal Data relevant to matters under this Agreement, as defined and as permitted in the Data Protection Act 1998, and shall provide reasonable assistance at all times during the currency of this Agreement to ensure the quality and security of data collected.

## **23 FREEDOM OF INFORMATION**

- 23.1 Each Authority acknowledges that the other Authority is subject to the requirements of the FoIA and the EIR and each Authority shall where reasonable assist and co-operate with the other Authority (at their own expense) to enable the other Authority to comply with these information disclosure obligations.
- 23.2 Where an Authority receives a request for information under either the FoIA or the EIR in relation to information which it is holding on behalf of the other Authority in relation to matters under this Agreement, it shall:
- 23.2.1 transfer the request for information to the other Authority as soon as practicable after receipt and in any event within two Working Days of receiving a request for information;
  - 23.2.2 provide the other Authority with a copy of all information in its possession or power in the form that the Authority requires within ten

Working Days (or such longer period as the Authority may specify) of the Authority requesting that information; and

23.2.3 provide all necessary assistance as reasonably requested by the other Authority to enable that Authority to respond to a request for information within the time for compliance set out in the FoIA or the EIR.

23.3 Where an Authority receives a request under FoIA or EIR which relates to matters under this Agreement, it shall notify the other Authority and afford them an opportunity to make any comments or representations in respect of the disclosure of the information sought. The other Authority shall respond within five working days of receipt of this notification. The Authority responding to the request shall take into account any such comments or representations in so doing and shall not respond to the request until the five day response period referred to above has passed.

## 24 CONFLICTS

24.1 If any situation arises where there is a potential or actual conflict of interest or a perceived conflict of interest between Babergh and Mid Suffolk, the Chief Executive shall:

24.1.1 Draw such conflict to the notice of the Monitoring Officer in writing;

24.1.2 Remove herself from all aspects of the decision-making process in relation to the situation;

24.1.3 Provide the Monitoring Officer with such resources as they require to ensure that the interests of each authority are appropriately represented including taking independent professional advice or seeking independent third party support if appropriate.

24.2 On receipt of notice under clause 26.1 the Monitoring Officer shall immediately:

24.2.1 notify the Section 151 officers of the circumstances of the conflict;

24.2.2 ensure that officers instructed to provide them with support are clearly informed that a conflict between the two authorities exists and are notified to which authority the Monitoring Officer is reporting; and

24.2.3 ensure that officers are not or might not be compromised in any way in performing their duties on behalf of either or both of the authorities;

24.3 If it becomes apparent to the Monitoring Officer acting on receipt of a notice under clause 26.1 that the interests of an authority or the position of any officer supporting her will or might be compromised the Monitoring Officer shall immediately make arrangements for independent professional advice or independent third party support.

24.4 The Local Authorities shall ensure that procedures and safeguards are in place to identify such conflicts at an early stage.

24.5 The Local Authorities shall keep a written record of any such conflicts which have been identified and how such conflicts have been resolved.

**25 SEVERANCE**

25.1 If any condition, provision or Clause of this Agreement shall become or shall be declared by any court of competent jurisdiction to be void, invalid, illegal or unenforceable in any way, such invalidity or unenforceability shall in no way impair or affect any other provision all of which shall remain in full force and effect.

**26 ENTIRE AGREEMENT**

26.1 This Agreement constitutes the entire agreement and understanding of the Authorities and supersedes any previous agreement between the Authorities relating to the subject matter of this Agreement.

**27 WAIVER**

27.1 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.

27.2 A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this Agreement.

27.3 A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement will not prevent an Authority from subsequently requiring compliance with the waived obligation.

**28 GENERAL**

28.1 Nothing contained or implied herein shall prejudice or affect the Authorities' rights and powers duties and obligations in the exercise of their functions as Local Authorities and/or in any other capacity and all rights, powers, discretions, duties and obligations of the Authorities under all Laws may at all times be fully and effectually exercised as if the Authorities were not party to this Agreement and as if this Agreement had not been made.

28.2 The Authorities shall only represent themselves as being an agent, partner or employee of any other Authority to the extent specified by this Agreement and shall not hold themselves out as such nor as having any power or Authority to incur any obligation of any nature express or implied on behalf of any other Authority except to the extent specified in this Agreement

28.3 This Agreement shall be governed by and construed in accordance with English Law and shall be subject to the jurisdiction of the Courts of England.

28.4 This Agreement is personal to the Authorities and no Authority shall assign transfer or purport to assign or transfer to any other persons any of its rights or sub-contract any of its obligations under this Agreement.

28.5 No person other than the Authorities shall be entitled to enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

28.6 Any notice required or permitted to be given by an Authority to the other Authority under this Agreement shall be in writing and addressed to the Chairman of the other Authority at its principal office.

28.7 The Authorities shall at all times in the conduct of the Project under this Agreement deal with one another and their respective rights and responsibilities in good faith including in respect of any disputes between them.

**IN WITNESS** hereof the parties hereto have executed this Agreement as a Deed the day and year first written

The Common Seal of **Babergh District Council**  
was affixed hereto in the presence of

The Common Seal of **Mid Suffolk District Council**  
was affixed hereto in the presence of

**Schedule 1**

## **Terms of Reference of JMIB**

1. Provide political leadership to ensure integration and transformation of management, staffing and services across the two councils.
2. Aligning activities at member level where this is appropriate and necessary to facilitate integrated working.

## **MEMBERSHIP OF THE JMIB**

5 members appointed by Babergh District Council at its annual meeting

5 members appointed by Mid Suffolk District Council at its annual meeting

Each council may appoint substitutes.

## Schedule 2

### Terms of Reference of Joint Management Board (JMB)

1. Providing managerial leadership to ensure integration and transformation of management, staffing and services across both councils.
2. Aligning policies and processes across both councils to ensure integration and transformation building on best practices from both councils.
3. Aligning ICT and technology in such a way as to aid integration and transformation.



### Schedule 3

#### COSTS AND EXPENSES

[Extract from the document, "Babergh and Mid Suffolk District Councils Updated Business Case for Staff and Service Integration, and Transformation", October 2011]

The updated annual ongoing estimated revenue savings are summarised in the table below. The range of savings reflects that they will build up over a period of time, with a minimum saving from integration of £1.3m in 2012/13, increasing to nearly £2m by 2015/16. Any further transformation savings would be on top of that and subject to 'mini business cases' for specific areas/activities:

| Previous Business Case (integration) £000 |                     | Refresh                                   |   | Potential Total Savings £000 |
|---|---------------------|---|---|------------------------------|
|   |                     | Initial Integration (fairly certain) £000 | Further Transformation (uncertain) £000 |                              |
| 379                                       | Senior Management   | 489 – 678                                 | -                                       | 489 – 678                    |
| 922                                       | Other staff savings | 625 – 850                                 | 200 – 600                               | 825 – 1,450                  |
| -   | Non-staff savings   | 225 - 445                                 | -                                       | 225 - 445                    |
| 1,301                                     | <b>Total</b>        | 1,339 – 1,973                             | 200 - 600                               | 1,539 – 2,573                |

The overall position on estimated transitional costs (Best/Worse case scenarios) up to 2015/16 to achieve the above savings is summarised in the table below along with more details on the estimated phasing of the savings indicated in the previous table, which are compared to the previous business case for integration only.

|  | Previous Business Case (Integration) £000 | Updated Position – (excluding transformation) £000 |
|--|---|--|
| <b>Transitional Costs</b>  |   |  |
| CE and senior management - Redundancy & Pension costs - see note 1 | 578 -1,144                                | 945 – 1,478*                                       |
| Other Redundancy & Pension costs                                   | See note 2                                | 1,100 -1,600*                                      |
| ICT integration - see note 3                                       | 1,457                                     | 1,457  |
| Other one-off and transitional costs                               | 446 – 461                                 | 530  |
| Pay protection - see note 4  | -   | 150 - 408  |

|                                 |                      |                      |
|---------------------------------|----------------------|----------------------|
|                                 | 2,481 – 3,062        | 4,182 – 5,473        |
| Less: RIEP funding – see note 5 | -265                 | -265                 |
|                                 | <b>2,216 – 2,797</b> | <b>3,917 – 5,208</b> |
| <b>Savings</b>                  |                      |                      |
| 2011/12                         | 290                  | 219                  |
| 2012/13                         | 781                  | 1,339                |
| 2013/14                         | 1,301                | 1,684                |
| 2014/15                         | 1,301                | 1,879                |
| 2015/16 onwards                 | 1,301                | 1,973                |
|                                 | <b>4,974</b>         | <b>7,094**</b>       |
| <b>Net savings</b>              | <b>2,177 – 2,758</b> | <b>1,886 – 3,177</b> |

\* Earmarked reserves set aside of £1.4m across both councils for redundancy/other transitional costs. In addition, there is the ability to capitalise up to £1.5m of redundancy (pension) costs in 2011/12. Therefore, actual costs to annual revenue budget will be significantly lower than shown.

\*\* Excludes potential indicative £1.8m savings for service transformation from 2012/13 to 2015/16 and one-off transitional costs of £0.3m.

The above table only shows savings up to the point where a 'steady state' exists. The aim and expectation, however, would be for continuing efficiency savings in future years – perhaps of between 3% and 5% a year minimum.

Projecting the above forward over an 8 year period, as in the previous business case, and allowing for 3% p.a. additional savings would result in total potential savings of around £13m, if the additional potential transformation savings are included, the total potential savings over 8 years would be around £17m.

Notes:

1. Includes agreed CE costs and revision to estimates to reflect latest senior management proposals and the higher savings that will result.
2. This was netted off the savings in the previous business case. Now costs shown separately – as recommended in the external validation report
3. The previous business case only reflected the revenue/borrowing costs associated with this capital investment. The above table now reflects and includes the capital costs to ensure 'like for like' comparison.
4. An estimate has now been included for potential pay protection costs.
5. Excludes 'sunk' costs re. merger proposals of £100k.

## Schedule 4

List of Agreed protocols, as at August 2011

| Protocol Title / Description  | Date   | Location   |
|---|--|--|
| BABERGH AND MID SUFFOLK DISTRICT COUNCILS: A Consultation Framework for Matters affecting Staff   | August 2010<br>[Endorsed: 28 Sep 2010 at BDC Full Council; 30 Sep 2010 at MSDC Full Council] | BMI SharePoint, 'Open Area', 'REFERENCE LIBRARY' |
| BABERGH AND MID SUFFOLK DISTRICT COUNCILS: Vacancy and Post Management Protocol for Integration   | August 2010<br>[Endorsed: 28 Sep 2010 at BDC Full Council; 30 Sep 2010 at MSDC Full Council] | BMI SharePoint, 'Open Area', 'REFERENCE LIBRARY' |
| BABERGH AND MID SUFFOLK DISTRICT COUNCILS: REPORT WRITING GUIDANCE FOR OFFICERS<br>[Together with the associated joint Templates for non-confidential and confidential reports] | July 2011  | BMI SharePoint, 'Open Area', 'REFERENCE LIBRARY' |