

ANGUS COUNCIL

ANGUS COUNCIL – 12 FEBRUARY 2015

TAYSIDE CONTRACTS REVISED MINUTE OF AGREEMENT

REPORT BY HEAD OF LEGAL AND DEMOCRATIC SERVICES

ABSTRACT

This Report asks members to approve the terms of a revised Minute of Agreement between Angus Council, Dundee City Council and Perth & Kinross Council in respect of Tayside Contracts.

1. RECOMMENDATIONS

It is recommended that the Council:

- (i) agree to the revised Minute of Agreement between Angus Council, Dundee City Council and Perth & Kinross Council in respect of the continued operation of Tayside Contracts.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- We have a sustainable economy with good employment opportunities
- Angus is a good place to live in, work in and visit
- Individuals are supported in their own communities with good quality services

3. BACKGROUND

Tayside Contracts was established in 1995 as a joint committee under Section 57(1) of the Local Government (Scotland) Act 1973 by Angus Council, Dundee City Council and Perth and Kinross Council to carry out certain functions on behalf of the three councils.

As a result of audit reports in Angus and Perth & Kinross Councils, the councils were asked to carry out a review of the Minute of Agreement which governed the operations of Tayside Contracts to ensure that it was still fit for purpose and adequately reflected the current operational arrangements.

4. PROPOSALS

Legal officers from each Council have reviewed the terms of the Minute of Agreement and have determined that the agreement as it currently exists is fit for purpose but that some amendments would be beneficial to reflect current practice and to ensure the continued smooth running of Tayside Contracts. The new Minute of Agreement has also been framed in the context of recent transfers of services from the Councils to Tayside Contracts (in Angus the most recent example being janitorial staff) and will facilitate future transfers should those be agreed by the Councils and Tayside Contracts.

The issues raised by the legal officers have also been discussed by the three Chief Executives and the Managing Director of Tayside Contracts.

As a result of the review it is intended that a new Minute of Agreement is entered into between the three councils which will be broadly on the same terms as the previous agreement subject to a number of amendments as follows:-

1. The joint committee will still consist of 18 members but it is proposed that the membership is changed so that each council will have 6 members appointed to the joint committee. Currently, Angus appoints 5, Dundee City appoints 6 and Perth and Kinross appoints 7. This change is necessary in part because of changes in each Council's share of the Tayside Contracts business since the original Minute of Agreement was drawn up.
2. Previously a quorum of the joint committee was not less than ten members representing no fewer than two of the three councils. It is proposed that this is amended so that a quorum is still 10 but that all three authorities must be represented.
3. The councils previously agreed that they would each own a percentage share of the Tayside Contracts business representing the value of the interest of that council in the assets and the business employed in carrying out the functions by Tayside Contracts. This percentage was to be agreed between the Councils. The factors to be taken into account are the turnover of the business in respect of each division of Tayside Contracts. To date, turnover has been assessed over a three year retrospective period based on the percentage turnover of business from each council. This has then been used as the percentage of the business owned by each council for the subsequent three years. The last percentage was approved by the Joint Committee in 2011 for the three years following. Therefore the next revisal to the percentages should be in 2014/15 which would then be the percentage which would remain in force for the next three years.

With the implementation of various shared services agreements, for example, transferring janitorial staff and school crossing patrollers from Dundee and Angus, it is likely that the turnover percentages will change in 2014/15 and again in 2015/16 if further shared services arrangements come into effect. The Governance and Strategy Group which comprises Tayside Contracts corporate management team and senior officers from the three Councils has recommended a revised methodology which provides that the percentage share of the business owned by each council would be calculated on an annual basis with the percentage agreed by the joint committee no later than August in each year.

4. The opportunity has been taken to carry out a robust review of the existing Minute of Agreement. All wording relating to the transfer of the business to Tayside Contracts at local government reorganisation in 1995 has been removed and the agreement has been modernised and updated to ensure legal compliance.

Members are asked to agree the amendments to the Minute of Agreement and note that once the amendments have been approved by both Dundee City Council and Perth & Kinross Council, a new Minute of Agreement will be entered into by the Proper Officers of the councils.

5. FINANCIAL IMPLICATIONS

There are no financial implications arising from this Report. The Councils' respective shares of the businesses (which is now proposed to be reviewed annually) will determine the amount of surplus (or loss) which Angus Council receives each year.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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