



Strategic Collaboration - Draft Memorandum of Agreement

Corporate Priority:	Priority 5: Ensuring the right conditions to support delivery.
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	See section 7
Exempt Information:	No

1 Summary

- 1.1 Collaboration is commonplace within local government and within Leicestershire there is a strong track record of joint working by district councils and their partners.
- 1.2 On 12 October 2022, Cabinet confirmed their interest in exploring the establishment of a strategic partnership with Harborough District Council (HDC) and provided authority to work with them to develop a full business case and set out an approach to operating such a partnership.
- 1.3 This report sets out the governance and assurance arrangements for establishing, operating and terminating a strategic partnership between HDC and Melton Borough Council (MBC). Since members will remain politically accountable it is important to demonstrate how they will retain the right to determine policy direction.
- 1.4 The Council's Scrutiny Committee will be reviewing the business case which sets out the design principles for the partnership, the intended benefits, and the initial proposition to share a small number of senior roles. It also sets out service delivery opportunities that could be explored if the partnership is established. The business case is due to be published on 18th November.
- 1.5 The purpose of this report before the Audit and Standards Committee is to set out the proposed approach to operating the strategic partnership, should it be supported, by way of a draft memorandum of agreement (MoA) between HDC and MBC.
- 1.6 The MoA sets out the framework that would underpin the proposed arrangement.

- 1.7 The report seeks comments from members prior to presenting a draft version to Cabinet.
- 1.8 A final version will be presented to Council for approval in December 2022.
- 1.9 The relevant committees at HDC will also consider and provide feedback to their Cabinet members on the draft Business Case and draft Memorandum of Agreement.

2 Recommendation(s)

That Committee:

- 2.1 Note the draft Memorandum of Agreement and provide comments on the governance arrangements which would underpin the Strategic Partnership for consideration by Cabinet prior to making a recommendation to Council in December

3 Reason for Recommendations

- 3.1 To ensure that the MoA and associated objectives and opportunities for a Strategic Partnership between Melton Borough Council and Harborough District Council can be reviewed and scrutinised.
- 3.2 To enable the finalisation of the memorandum of agreement which will formally set out the framework that will underpin the proposed strategic partnership arrangement.
- 3.3 Audit & Standards committee comments will be considered by Cabinet members and will help inform the final stages of the MoA ahead of Cabinet consideration and recommendation to Council.

4 Background

- 4.1 Harborough District Council's (HDC's) Chief Executive retired in February 2022. At their meeting in June 2022, HDC's Leader and interim Chief Executive were given authority to undertake a review, and utilising the [criteria set out in their report](#), to identify their preferred strategic partner and to report back to their Council on the suggested way forward at a later date.
- 4.2 The basis for HDC identifying an appropriate strategic partner included three main considerations:
 - 4.2.1 Strategic Fit – including alignment of objectives, aspirations, areas of commonality
 - 4.2.2 Feasibility – into consider how such an arrangement could happen
 - 4.2.3 Viability – to consider whether a partnership could be financially viable
- 4.3 Following this analysis, Melton Borough Council were considered the best 'fit' and identified as their preferred partner.
- 4.4 In early September, Harborough District Council's Leader invited Melton Borough Council's Leader to explore the opportunity further with them. The main reasons for this included greater similarities in our respective places, broad alignment between our corporate strategies, strong positive relationships, a track record of collaborative arrangements and the initial assessment of opportunities that may exist by our organisations working more closely together.

- 4.5 At its meeting on 10 October 2022, Harborough District Council's Cabinet approved the following recommendations:
- 4.5.1 Note the progress on the strategic partnership review which has identified Melton Borough Council as the preferred partner.
 - 4.5.2 Note the outcome of the review and authorise working with Melton Borough Council to develop a full business case, and the potential approach for operating such a partnership, which will be presented to council at a later date.
- 4.6 At its meeting on the 12 October 2022, Melton Borough Council's Cabinet approved the following recommendations:
- 4.6.1 Note that through a strategic partnership review, Harborough District Council has identified Melton Borough Council as a preferred strategic partner and has formally approached the Council to explore this further.
 - 4.6.2 Acknowledge the outcome of the review carried out by Harborough District Council and authorise working with them to develop a full business case and approach to operating such a partnership, to be considered by Council in December 2022.
- 4.7 Since then, to enable a comprehensive and robust assessment to be undertaken, within the required timescales, officers have worked alongside external independent experts to assist in developing the business case and legal frameworks.
- 4.8 The business case will set out the design principles for the partnership, the intended benefits, and the initial proposition to share a small number of senior roles. It will then provide an analysis of potential service opportunities which would then be subject to further review. It will not provide a detailed assessments of proposals for every service area but will set out the opportunities that could be explored if the partnership is established.
- 4.9 The business case will also set out the case for change and will be presented to the Scrutiny Committee on 22 November 2022 with a view to seeking comments for consideration by Cabinet at their meeting on 6th December. Whilst the Audit and Standards Committee is not being asked to review the business case, it is worth briefly summarising the case for change for a strategic partnership which are being evaluated through that separate process.
- 4.10 The potential key drivers for any partnership can be summarised as follows:
- a) **Limitations on strategic influence** Due to their scale, both councils experience challenges associated with their ability to influence decisions at a sub-regional, regional and national level. For example, HDC and MBC are two of seven second tier authorities 'trying to get a seat at the Integrated Care Board table'. Individually, HDC and MBC are ranked 259th and 311th respectively (out of 314 councils) in terms of population size. Combining populations would mean that the councils would speak on behalf of 146,000 residents, making it the 147th most populated area in the country and 92nd in terms of geographical area. By working together both councils could increase their impact, reach and influence, while still remaining connected locally.
 - b) **Limited 'place leadership' without a single voice** - Both councils are experiencing similar challenges (an ageing population, pockets of deprivation, inequality and isolation, lack of digital and transport connectivity etc.) but currently do not share strategies and approaches to address these challenges. The CEOs of both councils currently spend approximately 30% of their time managing external relations; they both

attend many of the same meetings and engage with the same stakeholders separately. The opportunity exists to address shared challenges together, doing things more effectively, once rather than twice.

- c) **Challenges to financial resilience and sustainability** - Both councils are currently experiencing financial challenges. There is uncertainty regarding future levels of government funding, while inflation is already having a significant impact on council finances. Both councils have limited further opportunities for achieving savings and efficiencies by themselves; sharing services, resources, expertise and approaches to common challenges represents a new route to realising new efficiencies and savings, while also representing a significant opportunity to improving the scope and quality of services delivered to communities and businesses. Additionally, HDC's base budget for 2022/23 and MTFS already include savings associated with the sharing of senior leadership team posts.
- d) **Improving organisational resilience** - Both councils have experienced challenges in terms of recruitment and retention, particularly amongst specialist teams and roles, including Monitoring Officers and director roles. While MBC currently has a stable leadership team, several key HDC roles are subject to interim appointments (Chief Executive, Deputy Chief Executive, Monitoring Officer). Additionally, single points of failure currently exist across both organisations, as single individuals assume responsibility for statutory roles (safeguarding, health and safety advice, Conservation Officer (planning), equalities and land charges etc.).
- e) **Improving service resilience** - Challenges relating to recruitment and retention extend to individual service areas, including planning and housing services. Recent experience demonstrates that these services are particularly susceptible to disruption given the small size of the respective teams (i.e., annual leave, sickness, resignations etc.). Should sharing and maximising the collective skills, expertise and systems across both councils result in improved service resilience, such steps would realise a highly desirable outcome from the perspective of both councils, their communities, businesses and partners.

4.11 As mentioned, this Committee is being asked to review and provide comments on the draft Memorandum of Agreement (MoA) which will set out:

4.11.1 the framework that will underpin the proposed arrangement including:

- (i) the principles for the creation of a strategic partnership
- (ii) the perceived benefits
- (iii) Arrangements for exiting the arrangement

4.11.2 how the partnership will be governed.

4.12 The MoA will not:

4.12.1 seek to combine the Councils

4.12.2 undermine the sovereign obligations of each Council

4.12.3 replace those existing contractual arrangements at this time

4.13 This Committee is being asked to provide comments on the governance arrangements detailed in paragraphs 5.8 - 5.26.

- 4.14 All comments from this Committee will be considered prior to presentation of a final draft document to Cabinet and by the Cabinet itself prior to making recommendations to Council in December 2022.

5 Main Considerations

- 5.1 The MoA forms Appendix A of this report.
- 5.2 The MoA is largely a legal document which has been developed with the support of external strategic advice, drawing on agreements in effect through existing partnerships operating elsewhere and demonstrates the rationale and opportunities for forming the Strategic Partnership. It sets out the governance arrangements proposed but some of the key points for members to consider are detailed below:

The Proposition

- 5.3 In developing a business case, it is necessary to have a proposition which can be considered and tested. The proposition for the establishment of a strategic partnership between the two councils would be designed to provide a platform that enables both councils to improve service quality, resilience and efficiency, while also increasing their collective influence and ability to improve outcomes for their communities and businesses.
- 5.4 To establish the required platform, the following changes have been built into the business case to facilitate a stable initial leadership platform for the new partnership. These changes will enable the exploration of further collaboration; however, these changes have no direct impact on the sovereignty, decision making and independence of either council. These changes have been designed to adhere to the required characteristics, qualities and safeguards identified within the design principles which are set out below:
- 5.4.1 Shared Chief Executive (CEO) and Head of Paid Service
 - 5.4.2 Shared Deputy Chief Executives (x2) with thematic responsibilities
 - 5.4.3 Partnership governance arrangements

Draft Design Principles

- 5.5 It is important that the development and delivery of a strategic partnership is guided by a set of principles. Design principles should:
- 5.5.1 Determine the characteristics and qualities that any proposed change is required to demonstrate
 - 5.5.2 Provide a blueprint that informs the proposition options to be appraised within the business case
 - 5.5.3 Be both desirable and realistic (viable and feasible)
- 5.6 The proposed design principles for the Strategic Partnership are:
- **Design Principle 1 (DP1)** - To enhance each councils' ability to address common issues and challenges for the benefit of residents, communities and business, through a common purpose, whilst maintaining democratic accountability;

- **Design Principle 2 (DP2)** - To enable both councils to maximise influence, reach and impact; locally, regionally and nationally, particularly on shared opportunities and challenges;
- **Design Principle 3 (DP3)** - To enable greater financial sustainability, deliver resilience and maximise opportunities to secure external funding;
- **Design Principle 4 (DP4)** - To attract and retain workforce talent through the opportunities for shared learning, job enrichment, new experiences and progression;
- **Design Principle 5 (DP5)** - To create a mechanism that allows the effective and equitable deployment of resources;
- **Design Principle 6 (DP6)** - To consider and embrace future collaboration options and to review and evaluate existing arrangements;
- **Design Principle 7 (DP7)** - To ensure that council sovereignty and clear lines of accountability are maintained; and
- **Design Principle 8 (DP8)** - To create a mechanism that ensures a fair, equitable and proportionate allocation of costs.

5.7 Whilst the design principles will be considered within the business case, the MoA directly addresses design principles DP5 – DP8 above and sets out the legal framework and approach to operating the partnership, including the following aspects:

5.7.1 Partnership Governance

5.7.2 Arrangements for Shared officers

5.7.3 Finance and apportionment of costs

5.7.4 Review and if required Termination including Exit arrangements

5.7.5 Risk management

5.7.6 Other standard legal clauses

5.8 The MOA sets out a number of considerations for members to consider:

Partnership Governance

5.9 To facilitate the effective running of the partnership, a number of informal meeting structures will be created. These will be advisory only with formal decision making remaining with both councils. The following informal structures are proposed:

5.9.1 Shared Chief Officer Employment Panel

- This will be the advisory body with the terms of reference set out in Schedule 1
- This Panel will provide feedback on the appointments, disciplinary and / or performance action of any shared statutory or non-statutory Chief Officer
- The Panel's role is limited to the provision of feedback and representations to the employing Council as decisions on recruitment, performance and discipline may only be taken by the Council which employs the officer in question.

5.9.2 Shared Stakeholder Group

- i) This is an operational advisory body with the terms of reference set out in Schedule 2 and will comprise the Leaders, Deputy Leaders, Shared Chief Executive / Deputy Chief Executives and the Statutory Officers
- ii) The Group will have responsibility for overseeing strategic direction and assurance and monitoring of the programme across organisations, ensuring the programme delivers to agreed strategic objectives as set by the Shared Strategy Board.

5.9.3 Shared Strategy Board

- i) This is an advisory body with the terms of reference set out in Schedule 3
- ii) The Board will consist of the Cabinet and the Shared Chief Executive and other senior officers as required.
- iii) The Board is an informal non-decision-making group responsible for the monitoring of the arrangements of the Strategic Partnership including (but not limited to) development, future opportunities, expansion, exit, innovation and budget efficiencies.

Arrangements for shared officers

5.10 Shared Chief Executive

5.10.1 The Shared Chief Executive will be responsible for the development, implementation and oversight of the Strategic Partnership, including the Shared Officer Structure.

5.10.2 The Shared Chief Executive is appointed as the Head of Paid Service in respect of the workforce of the Councils as a consequence of the Resolutions.

5.10.3 The Shared Chief Executive shall:

- a) Lead the senior management team of each Council;
- b) Determine the constitution of the Shared Management Team for the Strategic Partnership

5.11 Shared Deputy Chief Executive

5.11.1 The Shared Deputy Chief Executives will be responsible for such functions of the Strategic Partnership as are delegated to them by the Shared Chief Executive from time to time.

5.12 Statutory Officers

5.12.1 Each Council shall identify and designate its statutory officers and they shall monitor the operation of the Strategic Partnership in compliance with their statutory obligations.

5.13 Other Shared Officers

5.13.1 Save for short term temporary arrangements, no officer shall be added to the Shared Officer Structure until:

- a) a draft business case in respect of the proposed service and officer(s) has been endorsed by the Shared Strategy Board;

- b) the portfolio holder, Cabinet or relevant body at each Council formally approve a complete business case, taking account of any feedback from the Shared Strategy Board, for the sharing of additional officers in accordance with the provisions of Section 113 of the Local Government Act 1972 including confirmation of the appropriate apportionment of costs for any proposed change;
- c) the Council employing the officer(s) proposed to be shared complies with all employment law requirements including but not limited to consultation with officers proposed to be shared; and
- d) the Councils execute a service level agreement (in the form set out at Schedule 4) confirming the terms of the arrangement, the agreed legal basis for the arrangement and the financial arrangements relating thereto.
- e) It is proposed that any short-term temporary arrangements for sharing an officer or officers may be authorised by the Shared Chief Executive (with the exception of Statutory Officers (see 5.12 above) provided that written confirmation of the same is sent to the Leaders of the Councils within 7 days of the decision to enter into temporary arrangements being made.
- f) The Council which employs a Shared Officer who is part of the Shared Officer Structure shall, upon that officer leaving the shared role, recruit and employ the replacement officer unless otherwise agreed between the parties.
- g) Shared Officers within the Shared Officer Structure may be employed by either Council and shall be placed at the disposal of the non-employing Council where deemed appropriate.
- h) Shared Officers shall be authorised to act for both Councils in accordance with the Constitution of the Councils and shall not display bias in favour of either Council.

Finance and apportionment of costs

- 5.14 The proposal is for Harborough District Council to meet **50%** per cent and Melton Borough Council **50%** per cent of any employee related costs of the Shared Chief Executive and Shared Deputy Chief Executive(s) after the commencement of this Agreement;
- 5.15 This approach would ensure a balanced and equalised strategic leadership approach across both organisations within the partnership.
- 5.16 It is a legal requirement that one council cannot fund another, and so any shared arrangements subsequently agreed by both councils will be based on a pro-rata basis as set out in the MoA.
- 5.17 The costs of employing Shared Officers within the Shared Officer Structure, including training, redundancy and associated pension costs, shall be apportioned between the Councils equally unless otherwise agreed between the Councils in writing.
- 5.18 The Section 151 Officer(s) may, with the prior written agreement of the Shared Chief Executive and the Leaders of the Councils, adjust the apportionment of any on-going costs attributable to the Strategic Partnership, provided that the adjusted apportionment is approved by the Councils as appropriate.

5.19 Where business cases are developed which consider the sharing of other officers or services the Section 151 Officer(s) shall determine which of the following rationales shall be utilised:

5.19.1 Population Rationale – 65% HDC and 35% MBC;

5.19.2 Council Tax Base Rationale – 66% HDC and 34% MBC;

5.19.3 Geographic Rationale – 69% HDC and 31% MBC; or

5.19.4 Service Specific Rationale – split to be agreed on a case by case basis.

Termination & Review

5.20 There is a provision for any of the Councils to withdraw from the Agreement wholly or in relation to part of the shared services in accordance with the MoA which sets out the procedure to be adopted. In summary:

5.20.1 The decision to withdraw must be approved by the full Council

5.20.2 Not less than twelve months written notice must be given

5.20.3 The Shared Chief Executive will be required to submit to the Shared Strategy Board following consultation with the withdrawing Council's deputy chief executive a report setting out the implications of the withdrawal

5.20.4 The Shared Chief Executive has liaised with the withdrawing council to plan for an orderly withdrawal

5.20.5 The Shared Chief Executive has liaised with the remaining council to advise of any financial consequences, potential service implications, reputational implications and to update on the preparation of an exit plan detailing the allocation of resources, assets and staff.

5.20.6 Each employee will revert to their substantive posts unless otherwise agreed.

5.20.7 There will also be a provision for either Council to terminate the agreement in full or in part within the first 6 months. The schedule for these arrangements will detail the practical steps to be taken to effect a decision of this kind.

5.21 If the Strategic Partnership is to be formed, the participating Councils would continue to retain their own sovereignty and democratic accountability to their communities, as well as their own local decision making.

Risk Management

5.22 Partnership working is in essence built on a basis of trust, good leadership and good communication. For a partnership to be successful, it needs to be constantly worked upon, nurtured and developed. The following areas act as the key factors which can hinder success based on case studies of unsuccessful partnerships:

5.22.1 Lack of clear and shared vision of the reasons for shared management

5.22.2 A poor relationship or lack of trust between members, leaders or managers

5.22.3 Concerns around the loss of sovereignty of a council

5.22.4 Fears of a 'takeover' by one council

5.22.5 A fundamental difference in the organisational culture of the councils

- 5.23 These will be mitigated by being a constant focus for the Strategic Partnership through the development of a strategic risk assessment as part of the Business Case which will then be monitored through the Council's normal risk management arrangements. It will also be monitored regularly through the informal shared governance arrangements, alongside annual updates to council.

Other Clauses

- 5.24 There are other clauses contained within the MoA that are standards clauses which would form part of any legal agreement.

6 Options Considered

- 6.1 The Council could choose not to consult with the Audit & Standards Committee. This is not recommended. This Committee's comments and feedback form a key part of the MoA development process. All comments will be presented to Cabinet for consideration.
- 6.2 It would not be appropriate to enter a strategic partnership without a MoA in place. This Committee's comments form a vital part of this process.

7 Consultation

- 7.1 Communication, consultation and engagement has been wide ranging and has been carried out on an ongoing basis. Some key examples relevant to Melton Borough Council are included below:
- a) Chief Executive and Leader emails to all members and staff on 21st September 2022
 - b) All staff briefing on 26th September 2022
 - c) All Member briefing as part of the State of Melton Debate on 28th September 2022
 - d) Emails to the Chair of Audit and Standards and Scrutiny on 30th September 2022
 - e) Report to [Cabinet](#) 12th October 2022
 - f) All staff emails on 7th and 14th October 2022
 - g) All member briefing 2nd November 2022
 - h) All staff briefing 11th November 2022
 - i) Scrutiny Committee to consider and provide feedback on the business case on 22nd November 2022
 - j) Audit and Standards Committee to consider and provide feedback on the Memorandum of Agreement on 23rd November 2022
 - k) Ongoing opportunity for members to provide comments prior to Council agenda release on 12th December 2022
 - l) Cabinet to consider business case and MoA on 6th December 2022
 - m) Council to consider recommendations from Cabinet on 20th December 2022
 - n) Consultation with those employees directly affected by the proposals

- 7.2 Communication with stakeholders has also been carried out. This includes:
- a) Letters to key stakeholders on 30th September 2022 and Parish Councils on 5th October 2022, with a further letter to stakeholders on 9th November 2022.
 - b) Parish Council liaison session to be held on 28th November 2022.
 - c) Updates to the MP and Police and Crime Commissioner

8 Next Steps – Implementation and Communication

- 8.1 Frequently Asked Questions (FAQ's) developed and circulated to staff and elected members
- 8.2 Opportunity for members to hear from another strategic partnership
- 8.3 Further briefings to staff and elected members to be arranged as appropriate
- 8.4 Draft final Business Case and MoA for consideration and comment for Cabinet Meeting 6th December 2022
- 8.5 Present final Business Case and MoA to Council on 20th December 2022
- 8.6 Communication and engagement plan to support implementation will be developed should a decision to proceed be taken.

9 Financial Implications

- 9.1 In forming the strategic partnership there was a clear ambition for both Councils to become more financially efficient in the way they operate through greater collaboration.
- 9.2 The Memorandum of Agreement includes a number of financial principles relating to the strategic partnership and its operation. This includes the equal sharing of costs relating to shared senior leadership officers unless otherwise agreed, as well as including further rationale for how costs could be shared should other services be considered for sharing in the future. Also included is provision for the accounting, reporting and review of the finances relating to the partnership. Provision is also made relating to the liability and apportionment of costs in the event of termination or the withdrawal of a partner from the partnership.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 Section 113 of the Local Government Act 1972 allows a local authority to enter into an agreement with another local authority to place an officer of one at the disposal of the other for the purposes of discharging the latter's functions. Any officer placed at the disposal of a Council other than his/her employer must first be consulted on the proposal. Once placed at the disposal of the non-employing authority, the officer is classed in law as an officer of that authority and is able to exercise powers delegated to him/her.
- 10.2 The partnership would be governed constitutionally through a Memorandum of Agreement between the Councils. There will also be a need to make certain constitutional changes (including, for instance, the creation of shared panels spanning the two councils).

This MoA will be drafted pursuant to

- 10.2.1 Sections 101 and 102 of the Local Government Act 1972 (delegation to joint committees);
- 10.2.2 Section 112 of the Local Government Act 1972 (duty to appoint officers);
- 10.2.3 Section 113 of the Local Government Act 1972 (power to place staff at the disposal of other local authorities);
- 10.2.4 Section 1 of the Localism Act 2011 (local authorities' general power of competence);
- 10.2.5 Sections 9EA and 9EB of the Local Government Act 2000; and
- 10.2.6 The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012/1019 (joint arrangements for the exercise of executive functions)

and any other enabling powers.

- 10.3 The MoA makes certain provisions for termination and the Councils need to observe those requirements or reach Agreement as to any alternative proposed approach.
- 10.4 As with many such arrangements it is not possible for an Agreement to make provision for all of the implications and consequences of the termination of that Agreement in full or in part, and the s.113 Agreement is no exception. Each Council must be realistic that it is essential that resource is deployed into the planning and implementation of the termination arrangements. It is likely that further key issues will need to be resolved and each Council must commit to the overarching principle of a fair and mutual decision to terminate the s.113 Agreement and to work together to reach fair outcomes in the implementation of that decision.
- 10.5 Each Council will seek an independent legal view on the MoA before it is presented to Council which will include advice on the format and contents of the agreement any other agreements necessary to effect opportunities going forward.

Legal Implications reviewed by: Monitoring Officer

11 Equality and Safeguarding Implications

- 11.1 None arising directly from this report. However, a screening process will be carried out to determine whether a full Equalities Impact Assessment is required prior to Cabinet and Full Council consideration.

12 Community Safety Implications

- 12.1 None arising directly from this report. However, opportunities to collaborate at service level include the progression of a collaborative approach to CCTV which will be referred to within the business case.

13 Environmental and Climate Change Implications

- 13.1 New technologies and ways of working provide the opportunity to reduce travel-based carbon emissions across the proposed Partnership.
- 13.2 The proposed partnership also has the potential to deliver greater climate change and environmental outcomes for the Councils and the communities they serve. This would be an opportunity which could be explored further if the partnership is approved.

14 Other Implications (where significant)

HR Implications

- 14.1.1 It will be critically important to ensure we continue to support our officers and ensure they are kept well informed, engaged and consulted of developments.
- 14.1.2 Our staff are our greatest asset and we need to ensure they are fully supported during any change processes.
- 14.1.3 Where there is a potential for impact on or changes to any roles, normal HR processes must be followed.

15 Risk & Mitigation

- 15.1.1 Key Strategic risks will be identified, reviewed and mitigated through the development of the risk assessment as part of the Business Case which will then be monitored as part of the Council's normal risk management processes. The Business Case, including the identified risks, is due to be reviewed at the Council's Scrutiny Committee on 22nd November.
- 15.1.2 In view of the Audit and Standards Committee consideration of the Memorandum of Agreement, the following risks have been captured.

Risk No	Risk Description	Likelihood	Impact	Risk
1	The MoA is insufficient to protect the Council resulting in the following: <ul style="list-style-type: none">- Poor or less effective service provision, and value for money- One council unlawfully subsidises the other council- The council incurs unexpected exit costs	Low	Critical	Medium Risk
2	The proposed partnership governance arrangements are ineffective in ensuring effective relationships and a shared approach	Low	Marginal	Low risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant				
	3 Low		2	1	
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	The agreement has been drafted and will be subject to an external legal opinion to ensure it is fit for purpose. Statutory officers at both councils have been included and consulted on the terms
2	The arrangement is to be reviewed regularly which is provided for within the MoA

16 Background Papers

- 16.1 Harborough District Council Cabinet Report 10th October 2022 – Opportunity to explore establishment of a strategic partnership with Harborough District Council
- 16.2 Melton Borough Council Cabinet Report 12 October 2022 – Opportunity to explore establishment of a strategic partnership with Harborough District Council

17 Appendices

- 17.1 Appendix 1 – Draft Memorandum of Agreement

Report Author:	Kieran Stockley , Assistant Director for Governance and Democracy
Report Author Contact Details:	01664 504336 KStockley@melton.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services
Chief Officer Contact Details:	01664 502444 DGarton@melton.gov.uk