

AGENDA ITEM

REPORT TO CABINET

12 MARCH 2015

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Corporate Management and Finance – Lead Cabinet Member – Councillor Harrington

XENTRALL PARTNERSHIP AGREEMENT

Summary

This report updates Members on the ongoing success of Xentrall Shared Services, and seeks approval at the end of the initial 10 years in 2018 to further extend the operational period of the partnership on a continually rolling basis.

Recommendation

Members are recommended to:

1. Note the ongoing success of the partnership in achieving savings as well as sustaining service performance.
2. Re-confirm the role of Stockton-on-Tees Borough Council as host authority for the partnership and accept the delegation of functions from Darlington Borough Council.
3. Approve a revision to the original ten year partnership agreement thereby at the end of the initial period in 2018 making it a rolling agreement with no defined end date, but retaining the existing 12 month notice termination clause.

Reasons for the Recommendation/Decision

To allow the partnership to operate as a going concern and provide stability for the services and staff.

Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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DETAIL

1. Xentrall Shared Services, the Stockton and Darlington partnership, was established in May 2008 and is now almost seven years through the original ten year partnership agreement.
2. In establishing the partnership the Councils established an administrative arrangement called "Xentrall Shared Services". The administrative arrangement specifically means the delivery of Shared Services provided through a public/public shared service partnership of both Councils, with the Shared Services provided by Stockton-on-Tees Borough Council to both Councils, under powers delegated to Stockton-on-Tees Borough Council by Darlington Borough Council.
3. The administrative arrangement is governed by the Executive Board, namely the Director of Resources (Stockton) and Director of Resources and Neighbourhood Services (Darlington), and is managed by two Heads of Service (Head of Transactional Services and Head of ICT and Design & Print). The Partnership Consultative Panel, the respective lead Cabinet members from each Council, monitor performance and act as "Champions" of the Shared Services within their respective Council.
4. The administrative arrangement commenced on 1 May 2008 for a period of ten years and is due to end on 30 April 2018 unless otherwise terminated or extended. The period of ten years may be extended for such further period as may be determined by the mutual agreement of the

Councils. The administrative arrangement provides for termination of the partnership with twelve months' notice.

5. The ongoing success of the partnership in achieving savings as well as sustaining service performance and improvement is reported to both Cabinets in the Xentrall Annual Report. The original business case identified a number of efficiencies and benefits to be delivered resulting in initial savings of £7.4m over the original ten year period. Xentrall has delivered all of these plus additional efficiencies and benefits and is now on target to make £13.6m savings over the same ten year period.
6. The Executive Board and Partnership Panel have discussed and agreed that the partnership should continue in its current form beyond the end of the original ten year partnership agreement.
7. It is recommended Cabinet approve a revision to the original ten year partnership agreement thereby making it a perpetual agreement with no defined end date.

FINANCIAL IMPLICATIONS

8. The financial implications of the partnership were approved by Members when they approved the business case in November 2007 and are on target. Further savings following a review of the service have also been approved by Members and are also on target. The budget implications are built into the Council's Medium Term Financial Plan.

LEGAL IMPLICATIONS

9. The arrangements will be the subject to a formal agreement between the Councils under sections 101(1) of the Local Government Act 1972 and under Part 1A Chapter 2 section 9EA of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.

RISK ASSESSMENT

10. The partnership is categorised as medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

11. The Partnership delivers efficiencies which assist in the retention of the current medium term financial plan. It also responds to the Government's efficiency agenda.

EQUALITIES IMPACT ASSESSMENT

12. This report is not subject to an Equality Impact Assessment because there are no changes to service delivery or existing strategies.

CONSULTATION INCLUDING WARD/COUNCILLORS

13. No specific consultation has been undertaken in the preparation of the report

Julie Danks
Corporate Director of Resources

Name of Contact Officer: Ian Coxon
Post Title: Head of Transactional Services, Xentrall Shared Services

Telephone No. 01642 527019

Email Address: ian.coxon@xentrall.org.uk

Education related? No

Background Papers

Cabinet report November 2007 including the original business case, a full copy of which is available in the Members' Library and on the intranet.

Ward(s) and Ward Councillors:

Not applicable

Property

Property matters were dealt with during the setting up of the Partnership.