

REPORT OF THE STRATEGIC DIRECTOR
TO THE EXECUTIVE
13 JULY 2007

Ridgeway Shared Services Organisation

1.0 Introduction and Report Summary

- 1.1 In establishing a shared financial service between Vale of White Horse District Council and South Oxfordshire District Council, known as the Ridgeway Shared Services Organisation (RSSO), an informal committee was created.
- 1.2 The report will explain that following legal advice it has been concluded that both Councils should establish a formal Joint Committee
- 1.3 This report seeks authority to agree a formal joint committee between the two councils, to formalise both the joint working and the way any future decisions are made. The report also makes recommendation that appointments to the Joint Committee should be made by the Executive (if not already done so by recent appointments to outside bodies).
- 1.4 The Contact Officer for this report is Steve Bishop, Strategic Director (Chief Finance Officer), (01235 540332), email steve.bishop@whitehorsedc.co.uk.

2.0 Recommendations

Members are recommended to:-

- (a) *approve that the Council and South Oxfordshire District Council create a Joint Committee responsible for the provision of financial services to both Councils;*
- (b) *delegate authority to the Strategic Director (Chief Finance Officer) in consultation with the Portfolio Holder for Finance, to approve any minor drafting changes to the Joint Committee agreement and constitution attached to this report;*
- (c) *authorise the Agreement between the two constituent Councils to be completed;*
- (d) *that appointments to the Joint Committee are made by the Executive.*

3.0 Relationship with the Council's Vision, Strategies and Policies

This report is consistent with the Financial Strategy Medium Term Financial Plan and Procurement Strategy

4.0 **Background**

- 4.1 At present, the provision of shared financial services is overseen by a Strategic Board comprising two Councillors from each Council advised by Officers. This is underpinned by two written Statements of Understanding setting out a framework within which the Ridgeway Shared Services Organisation operates. It also sets out the objectives of the joint working. One Statement covers internal audit whilst the other Statement covers the remaining financial services.
- 4.2 The present arrangement works but relies on the Councillors and Officers exercising individual Delegated Authorities. A formal contractual document is not yet in place. Work on the legal Agreement has been suspended pending receipt of advice on the best way to structure arrangements
- 4.3 The absence of a formal agreement has made it difficult to authorise Officers from one Council to act on behalf of the other. Matters have been working well but, as in all commercial matters, a formal contractual document is necessary to clearly set out the framework for the joint working.

5.0 **Legal Advice**

- 5.1 Counsel's advice is that the Council should create a formal Joint Committee with SODC for the following reasons:
- 5.2 Legislation provides for this as the way to jointly discharge local authority functions to be exercised by two or more local authorities. Section 20 of the Local Government Act 2000, which is headed "Joint Exercise of Functions", provides that the Secretary of State may by regulations make provision for permitting joint working arrangements under Section 101(5) of the 1972 Act.
- 5.3 If the functions are the responsibility of the Executive then arrangements to discharge those functions by a Joint Committee can be made by the Executive – Regulation 11(3)(a) of the Arrangements for the Discharge of Functions (England) Regulations 2000.
- 5.4 The Financial Services functions that are being carried out by the RSSO are the responsibility of the Executive
- 5.5 The Executive is advised to appoint the number of Members and agree their term of office.
- 5.6 The legislative authority for the Council to proceed in the manner set out in this report is also confirmed in the Constitution. Members are referred to Article 11 headed "Joint Arrangements".

6.0 **Governance**

- 6.1 The Joint Committee Strategic Board will consist of four councillors, two formally nominated from the executive of each council. The chairmanship of the Strategic Board will rotate every two years between the councils with the Executive Portfolio Holder for Finance from South Oxfordshire being Chairman for the first two years.
- 6.2 An Operations Board made up of relevant officers from the two councils will support the Strategic Board; again, the Chairmanship of the Operations Board will rotate every two years between the respective councils with the strategic director

responsible for finance for South Oxfordshire being chairman for the first two years. For clarity, the first two years term will cease on the date of the annual Council meeting in May 2008.

- 6.3 The agreement covers the need for confidentiality between the two partner organisations, both now and where legally relevant for five years after any agreement is terminated. This protects both authorities' needs. If there are any disputes between the two partner authorities that escalate and cannot be resolved then the respective chief executives and leaders will be invited to assist in finding a resolution.
- 6.4 The agreement is due to come into effect on 1 October 2007 after both parties are satisfied that the partnership and work flows are in 'steady state'. This will then require that meetings are open to the public in the same way as those of the Oxfordshire Waste Partnership and take place on no less than a quarterly basis.

7.0 **Financial Implications**

- 7.1 The creation of the Joint Committee does not lead to any additional financial obligations beyond those already agreed for the RSSO. The administrative support for the Strategic Board and the Operations Board is shared between the authorities on an equal basis.

STEVE BISHOP
STRATEGIC DIRECTOR (CHIEF FINANCE OFFICER)

Background Papers: None.