

NORTH LINCOLNSHIRE COUNCIL/NORTH EAST LINCOLNSHIRE COUNCIL

**JOINT COMMITTEE FOR SHARED SERVICES
BETWEEN NORTH LINCOLNSHIRE AND
NORTH EAST LINCOLNSHIRE COUNCILS**

DRAFT LEGAL AGREEMENT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To update the Committee on the progress being made in drafting a legal agreement to underpin the shared services programme between North Lincolnshire Council and North East Lincolnshire Council.
- 1.2 The key points are:
- A draft legal agreement has been prepared by specialist external solicitors;
 - This report seeks to highlight the purpose and key provisions of the legal agreement which are currently being considered by the Shared Services Board; and
 - To note the Board's intention that the legal agreement is in place by 1 April 2016 and to obtain approval for the Monitoring Officers of each Council to sign the agreement on behalf of their respective Councils.

2 BACKGROUND INFORMATION

- 2.1 A programme plan of actions has been developed to implement the shared services programme between North Lincolnshire Council and North East Lincolnshire Council. Identified in this programme is the need to ensure that a legal agreement is prepared to regulate the relationship between both Councils under the shared services programme.
- 2.2 Specialist external solicitors have been jointly instructed by the Monitoring Officers of both Councils to draft a legal agreement which will set out the legal basis for the joint committee and the shared services programme and comprehensively detail and regulate the responsibilities of each Council under the shared services programme.
- 2.3 A draft legal agreement has been produced and is currently being considered by the Shared Services Board. Many of the provisions are relatively standard in nature and are to be found in most legal agreements of this type. Some of the provisions though require a bespoke approach and the following is a summary of the key provisions that the Board is currently working through for inclusion in the final agreement:

- The precise functions and decision making powers to be discharged by the joint committee, including terms of reference and any attendant delegation arrangements.
- The financial arrangements that will underpin the shared services programme in terms of budget alignment, cost sharing and savings allocation between the Councils.
- How the respective commercial agendas of both Councils will be incorporated into the shared services programme including the allocation of income generated post agreement.
- Whether staffing secondment arrangements should be put in place to authorise staff to act for both Councils.
- The assets that both Councils will commit to support delivery of the shared services programme, including their maintenance, insurance and how any new assets will be funded and procured.
- How both pre and post agreement liabilities should be allocated between the Councils.
- How the Commissioned Business Plan will be factored into the agreement.

2.4 By definition the legal agreement will be legally binding on both Councils and the intention is that it will be in place by 1 April 2016. In readiness it will be necessary for both Councils to take a report to their respective cabinet and full council meetings to approve some consequential constitutional amendments arising from the governance related issues referred to in this report. Thereafter it is proposed that the Monitoring Officers of each Council, having been authorised, sign the agreement to bind their respective Council's.

3 OPTIONS FOR CONSIDERATION

3.1 It is essential that a legal agreement is in place to underpin the shared services programme as detailed in this report. As such this is the only viable option for consideration. Good progress has been made in drafting the agreement and once it is finalised, authority is sought for the Monitoring Officers of each Council to sign the agreement on behalf of their respective Councils.

4 ANALYSIS OF OPTIONS

4.1 This will ensure that a necessary and appropriate legal agreement is in place which will set out the legal basis for the joint committee and the shared services programme and comprehensively detail and regulate the responsibilities of each Council under the shared services programme.

5 RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial

The costs of the external legal advice are to borne from the funding secured under the TCA award.

5.2 Staffing

There are no staffing implications other those that will be addressed in the legal agreement.

5.3 Property

There are no property implications other than those that will be addressed in the legal agreement.

5.4 Information Technology

There are no Information Technology implications other than those that will be addressed in the legal agreement.

6 OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 An integrated Impact Assessment has been carried out for the shared services programme and no adverse issues were highlighted.

7 OUTCOMES OF CONSULTATION AND CONFLICTS OF INTEREST DECLARED

7.1 This report has been compiled following discussions with the external solicitors, the Monitoring Officers of both Councils and the Project Board.

7.2 No conflicts of interest have been identified.

8 RECOMMENDATIONS

8.1 That the Joint Committee notes the progress made in drafting the legal agreement and authorises the Monitoring Officers of each Council to sign, once settled, the legal agreement on behalf of their respective Councils.

REPORT OF THE SHARED SERVICES BOARD

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Background Papers used in the preparation of this report: None