

---

**XENTRALL LEGAL AGREEMENT**

---

**Responsible Cabinet Member - Councillor Stephen Harker**  
**Efficiency and Resources Portfolio**

**Responsible Director -**  
**Paul Wildsmith, Director of Neighbourhood Services and Resources**

---

**SUMMARY REPORT**

**Purpose of the Report**

1. To seek Members approval to vary the operational period of the shared service partnership with Stockton –on Tees Borough Council.

**Summary**

2. This report updates Members on the ongoing success of Xentrall Shared Services and seeks approval, to vary the operational period of the partnership (which currently ends in 2018) to a continuing agreement with no defined end date (but retaining the current termination provisions of a year's notice).

**Recommendation**

3. Members are recommended to:-
  - (a) Note the ongoing success of the partnership in achieving savings as well as sustaining service performance.
  - (b) Confirm the role of Stockton-on-Tees Borough Council as host authority for the partnership for the operational period of the agreement
  - (c) Confirm the delegation of functions from Darlington Borough Council to Stockton –on- Tees Borough Council, to carry out executive functions for the delivery of ICT, print and design, transactional human resources and transactional finance for the operational period of the agreement.
  - (d) Approve a variation to the original ten year partnership agreement thereby making it a continuing agreement with no defined end date, but retaining the existing 12 month notice termination clause.

## Reasons

4. The recommendations are supported by the following reasons:-
- (a) To enable the agreement to continue beyond the expiry of the current term.
  - (b) To give further clarity of the ongoing commitment of Council to the Xentrall shared service delivery model.
  - (c) To enable the Council to continue to deliver financial efficiencies.

**Paul Wildsmith**  
**Director of Neighbourhood Services and Resources**

## Background Papers

Cabinet report November 2007 including the original business case.

Author: Ian Coxon Ext 1527019

S17 Crime and Disorder	There are no S17 crime and disorder implications in this report
Health and Well Being	There are no health and well-being implications in this report
Carbon Impact	There are no carbon impact implications in this report
Diversity	There are no diversity implications in this report
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	This report does not represent a key decision
Urgent Decision	This report does not represent an urgent decision
One Darlington: Perfectly Placed	There are no relevant implications in this report
Efficiency	To allow the partnership to operate as a going concern and continue to deliver efficiency savings

## MAIN REPORT

### Information and Analysis

5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. It is recommended Cabinet approve a revision to the original ten year term thereby making it a continuing or perpetual agreement with no defined end date (but retaining the option for termination of the partnership with twelve months' notice).

### Financial Implications

12. 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**

13. Local authorities have the powers to delegate executive functions to other local authorities by virtue of the S. 19 of the Local Government Act 2000. Under EU law shared service administrative arrangements between public bodies potentially come within recognised exceptions (this has been clarified both in EU case law and also is now provided for in the Public Contracts Regulations 2015). The Xentrall Shared Services administrative arrangement was set up so that it was compliant with both with national and EU law.

### **Consultation**

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