

### SHARED SERVICES – SERVICE LEVEL AGREEMENT

#### SHARED FINANCIAL SERVICES

##### 1. The Services

1.1 The Host Authority (Chorley Borough Council) shall provide the Services to the Delegating Authority (South Ribble Borough Council) as described herein with reasonable skill and care and in accordance with this Agreement. For the avoidance of doubt, all services and provisions listed shall be deemed to apply equally to the Host Authority under the terms of the Shared Service Agreement, save where specific mention is made of a service or provision that applies to one authority only.

1.2 The Host Authority warrants that all staff assigned to the provision of the Services on its behalf shall possess and exercise such skill, knowledge and experience as are necessary for the proper performance of the Services.

1.3 If required by either Party, liaison meetings shall take place between representatives of the Host Authority and the Delegating Authority, at intervals agreed between the Councils.

1.4 The Services shall at all times fully support the external inspection requirements of the partner authorities and in particular;

1.4.1 The Use of Resources (UoR) Value for Money Judgement from 2008-2009 onwards ensuring that it contributes to an overall score at level 4 for each authority demonstrating strong performance that is well above minimum requirements.

1.4.2 The Comprehensive Area Assessment (CAA) from April 2009 ensuring that it contributes to maintaining an Excellent rating for each authority.

##### 1.5 Accountancy Services

1.5.1 The Host Authority shall undertake the Accountancy Service function for the Delegating Authority.

1.5.2 The Head of Shared Financial Services shall act as the Deputy Section 151 Officer for both the Host and the Delegating Authority.

1.5.3 The Host Authority shall provide a full Accountancy Services to the Section 151 Officer of the Delegating Authority including the following:

1.5.3.1 Preparation of all revenue and capital budgets in accordance with Council and statutory deadlines;

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- 1.5.3.2 Provision of ongoing monitoring and control information and support for all revenue and capital budgets in accordance with Council deadlines;
- 1.5.3.3 Prompt closure of the Council's accounts in accordance with statutory and professional requirements;
- 1.5.3.4 Preparation and submission of all statutory and professional returns including, but not limited to;
  - (a) Whole of Government Accounts (WGA);
  - (b) Local Area Agreements;
  - (c) Capital Outturn (COR), Capital Estimates (CER) and Capital Payments (CPR);
  - (d) Revenue Outturn (RO) and Revenue Estimates (RA);
  - (e) Business Rates and Council Tax;
  - (f) Benefits;
  - (g) Salaries & Wages; and
  - (h) Charities.
- 1.5.3.5 Providing ongoing professional advice and support to help ensure that it meets its corporate and service requirements. For example:
  - (a) All Partnership Arrangements including the Leisure Partnership operated by South Ribble Council.
  - (b) Charity Funds and Accounts;
  - (c) Providing the relevant financial information for Freedom of Information (FOI) requests.
- 1.5.4 In order to fulfil the requirements of the accountancy service the host authority shall provide, develop and maintain an on-site management accountancy service to the delegating authority ensuring that there is:
  - a) Close liaison and support with senior management and relevant staff; and
  - b) Provision of high standards of service to meet service customer and corporate requirements.

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- 1.5.5 The Host Authority shall provide Treasury Management functions in accordance with the CIPFA Treasury Management Code of Practice and including:
  - 1.5.5.1 Preparation of an annual Treasury Management Strategy and annual Treasury Management Report;
  - 1.5.5.2 Arrangement and client management of appropriate external Treasury Management advisors;
  - 1.5.5.3 Daily cash management;
  - 1.5.5.4 Management of both short-term and long-term investments;
  - 1.5.5.5 All financing arrangements including borrowing and leasing; and
  - 1.5.5.6 Arrangement and management of appropriate banking facilities.
- 1.5.6 The Host Authority shall provide a full tax advisory and support service including:
  - 1.5.6.1 Preparation and submission of all VAT Returns to HMRC deadlines and requirements;
  - 1.5.6.2 Tax planning for VAT;
  - 1.5.6.3 Ongoing Maintenance and advice on the Partial Exemption calculation; and
  - 1.5.6.4 Dealing with all matters relating to Corporate Income Tax and Company Tax.
- 1.5.7 The Host Authority shall provide all reports, returns and other information (both internal and external) to allow it to fulfil all of its Financial Services responsibilities including as a minimum the following:
  - 1.5.7.1 An annually updated Financial Strategy (initially 3 years for Chorley and 4years for South Ribble);
  - 1.5.7.2 Reports and information necessary to set the Annual Budget and Council Tax.
  - 1.5.7.3 All revenue and capital budget monitoring reports;

- 1.5.7.4 A report at the year-end setting out the final accounts for that year.

All reports shall go to the relevant Committee for each Council including Full Council, the Executive Cabinet, the Audit & Accounts Committee and the Policy and Service Review Scrutiny Committee as appropriate.

- 1.5.8 The Services shall be delivered in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (A Statement of Recommended Practice), the CIPFA Best Value Accounting Code of Practice, The Prudential Code, the CIPFA Treasury Management Code of Practice and relevant best practice in Financial Services.

### 1.6 **Systems Development & Exchequer Services**

- 1.6.1 The Host Authority shall undertake the Systems Development & Exchequer Services functions for the Delegating Authority including:

1.6.1.1 The regular creditors payments run, related Cheque & BACS methods of payment and all matters relating to the Construction Industry Scheme.

1.6.1.2 Development, Management and Systems Administration of financial systems:

- (a) Financial ledgers;
- (b) Feeder systems including Creditors, Purchasing, Debtors and Cash Receipting;
- (c) Other support systems including, but not limited to, bank account and reconciliation software, intelligent imaging, BACS submission, electronic remittances and cheque printing;
- (d) Relevant document image systems; and
- (e) Providing support to the Academy Revenues & Benefits system (Chorley only);

1.6.1.3 Income management covering debtors and cash receipting for Chorley only, and clearing miscoded income from suspense account for both councils.

- 1.6.1.4 The monthly payroll relating to all employees and members including:
- (a) Procuring value for money payroll services;
  - (b) Liaising with Human Resources over related payroll issues;
  - (c) Performing key accounting reconciliations between the payroll and the financial systems following payroll processing;
  - (d) Managing the payroll contract and service; and
  - (e) Ensuring that all tax and pension matters are dealt with promptly and in accordance with statutory or other requirements.
- 1.6.1.5 Management and administration of Chorley Council's staff car leasing scheme.
- 1.6.1.6 Management and administration of South Ribble's staff car loan scheme.
- 1.6.1.7 Administration of Council mortgages.
- 1.6.1.8 Administration of Chorley Council's Concessionary Travel Scheme for both bus and rail travel.
- 1.6.2 The Services shall be delivered in accordance with all relevant statutory and professional guidelines and best practice.
- 1.7 **Procurement Services**
- 1.7.1 The Host Authority shall provide Procurement Services for the Delegating Authority.
- 1.7.2 The Host Authority shall provide a Procurement Policy and Procurement Strategy which shall be updated on annual basis. These must cover the following areas:
- 1.7.2.1 **Value for Money (VFM) from Procurement;**
- (a) Ensuring that procurement spend across the directorates achieves VFM for the Council. This includes consideration of:
    - Spend analysis and challenge;

- Contract renewal and framework agreements;
- Collaboration and partnership arrangements; and
- Electronic procurement.

(b) Demonstrating support for regional and national developments in procurement and in particular the Regional Improvement and Efficiency Partnership and collaborative developments such as the Lancashire Hub.

### 1.7.2.2 **Sustainable Procurement;**

(a) Ensuring that the Council meets its needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment.

(b) Demonstrating how procurement will help the Council to achieve its Climate Change Strategy Objectives.

### 1.7.2.3 **Support for the Local Economy; and**

(a) In accordance with Council Policy, and as far as legally possible, supporting the local economy including the Voluntary and Community Sector.

### 1.7.2.4 **Strategic Procurement.**

(a) Supporting the Corporate and Strategic objectives of the Council through strategic commissioning of services and supporting the mixed economy approach to service provision.

1.7.3 The Host Authority shall ensure that all legal and statutory requirements with regard to procurements are complied with and that all contracts are awarded in accordance with Standing Orders and aligned with procurement best practice.

1.7.4 The services shall be provided in accordance with Council Standing Orders and relevant public procurement legislation. In addition the services shall be delivered to help achieve any efficiency targets that may be set by the respective councils or in the Lancashire Local Area Agreement.

## 1.8 **Service Development**

The Host Authority will ensure that all Financial Services continue to be operated and developed in accordance with legislative requirements and guidelines in these areas.

### 1.9 **Training and Awareness Raising**

1.9.1 The service will commit to training/promotional work across the partner authorities for both officers and members including:

1.9.1.1 holding training events;

1.9.1.2 facilitating workshops;

1.9.1.3 attending member and officer meetings to provide guidance and support; and

1.9.1.4 where appropriate, providing up to date guidance notes and manuals.

### 1.10 **Call Handling**

All 'initial contact' incoming calls will be directed to dedicated phone lines at the Host and Delegating Authority's offices.

All 'initial contact' incoming emails will be directed to dedicated email addresses at the Host and Delegating Authority's offices.

### 1.11 **Post Handling**

Any post received with respect to functions covered under this Service Level Agreement will, where appropriate, be forwarded to the Host Authority by first class post. Any item considered urgent in nature will be faxed to the Host Authority's offices as soon as possible.

### 1.12 **Press Releases**

Press enquiries and press releases in respect of the services or premises of the Delegating Authority will be managed by the Delegating Authority's Communications Officer in conjunction with the Host Authority's Communications Officer.

## 2. **Development Of Service Plans**

2.1 The Host Authority will undertake the completion of the Annual Shared Financial Service Plan as required under the Administrative Collaboration Agreement for the Financial Shared Services Service Arrangement (FSSA). This work will be completed in accordance with agreed timescales each year and in line with the relevant committee cycles including those of the FSSA Joint Committee.

### 3. **Performance Management And Targets**

- 3.1 Each year, and in conjunction with the development of the Annual Shared Financial Services Service Plan, a number of performance targets will be set. These targets will be reported on a quarterly basis. The performance targets for 2008-2009, which will remain in force until a change is agreed, are contained in Appendix 2.
- 3.2 The Host Council's Representative will be responsible for providing any necessary performance information to include in the Performance Management System operated by the Delegating Authority.
- 3.3 In addition, the Head of Shared Financial Services will produce a monthly work report for Chief Finance Officers and lead Executive Cabinet Member of each Council outlining the performance of that month.
- 3.4 Where any major issues arise that could have direct implications on the delivery of the service requirements or could have negative impact on performance targets then these shall be communicated to the Delegating Authority as soon as they are identified. Where necessary these should be referred to the Joint Committee in accordance with paragraph 3.5.
- 3.5 The FSSA Joint Committee will meet as a minimum, on a quarterly basis. Part of the normal business at these meetings will be to discuss progress, problems, achievements and to consider all performance monitoring data.