

Taunton Deane Borough Council

Executive - 10 November 2010

Delegation of Southwest One Shareholder powers in relation to new business/partners

Report of the Performance and Client Manager

(This matter is the responsibility of Executive Councillor Terry Hall)

1. Executive summary

The report recommends that the Council should delegate its responsibilities as the Authority's 'Shareholder' in Southwest One for making decisions in relation to any potential new joiners to the Southwest One partnership and/or for Southwest One to engage in work outside of the region.

This delegation of powers is required to reflect the likely need for quick decision making in relation to the procurement processes for new partners joining the partnership.

2. Background

- 2.1 The intention with the Southwest One partnership has always been to expand it beyond the original founding partners (Avon & Somerset Police, IBM, Somerset County Council and Taunton Deane Borough Council) to include other public Authority's within the South West region. Southwest One has actively been pursuing new business since the start of the contract. Regrettably to date no new partners have joined.
- 2.2 The current economic climate is likely to result in many Authorities looking for quick and innovative solutions to deliver savings. Southwest One is well placed to deliver these solutions. Consequently fresh impetus is being given within Southwest One to identifying new business. Additionally, there are potentially advantages to the Authority, both financial and otherwise, in expanding the Southwest One partnership.
- 2.3 The ability to win new business, particularly in the current economic environment, may well require Southwest One to be able to make quick decisions and/or to consider taking on business from outside of the region.
- 2.4 The Authority, as a shareholder in Southwest One, will play a key part in the decision making process. Consequently we need to ensure that we can quickly turn around any decisions we need to make.

3. Recommendation to delegate 'Shareholder' powers

- 3.1 The contract with Southwest One provides for certain 'Reserved Matters'. These

relate to elements of the contract and the way in which services are delivered which cannot be changed without the agreement of all of the shareholders. Included within these reserved matters are any decisions to 'Extend the Business outside South West England' or to 'enter into any Material New Contract'.

- 3.2 The 'Shareholder' for this Authority, in the absence of any delegation of power, is Full Council.
- 3.3 This means that a Full Council decision is required in relation to every new joiner to the partnership and/or to accept new partners from outside of the region.
- 3.4 The deadlines for making such decisions will often be tight and largely outside of our or Southwest One's control. Delays in making such decisions could result in losing potential new partners and thereby hamper our ability to grow the partnership. Therefore it is impractical to have Full Council as the decision making body for such decisions.
- 3.5 It is recommended therefore that Full Council delegate the authority to make all decisions, as the Southwest One 'Shareholder', in relation to entering into new material contracts and/or to extending the business outside of the region to the Group Leaders following advice from the S151 Officer, the Solicitor to the Council and the Chief Executive or, in the absence of any of the foregoing, their nominated deputies.
- 3.6 All decisions made by the Group Leaders (or, where required, their nominated deputies) in this regard will need to be agreed unanimously. Where unanimity cannot be achieved the matter will be referred to full Council to determine. Where required by the time constraints of any bidding or commercial process a special full Council meeting will be convened.
- 3.7 Having this system of delegation in place should ensure both quick and representative decision making.
- 3.8 This delegation would not affect the other reserved matters and any decisions required in that regard would still have to be agreed by Full Council.
- 3.9 This approach is consistent with that taken by our partners in the Avon & Somerset Police and Somerset County Council, both of whom have systems of delegated responsibility in place.

4. Corporate Scrutiny Committee comments

- 4.1 This report was considered by the Corporate Scrutiny Committee on 21 October 2010. The Corporate Scrutiny Committee commented that whilst they recognised the importance of pursuing new business, they were concerned that the group detailed in 3.5 may not be able to make a unanimous decision, in which case, a meeting of Full Council would need to be convened. They believed that a meeting of Full Council could be convened at relatively short notice and were reluctant to dilute the powers of Full Council. The recommendation by the Corporate Scrutiny Committee was for Full Council to remain as the shareholder.

5. Finance comments

- 5.1 There are potentially positive financial implications for the Council resulting from Southwest One entering into contracts with new partners. Hence it is recommended that the S151 Officer be included within the group with delegated powers.

6. Legal comments

- 6.1 The Authority as shareholder will be authorising Southwest One to enter into legally binding contracts. Therefore it would be appropriate for the Solicitor to the Council to be included within the group. In addition as the Solicitor to the Council is also the Council's Monitoring Officer this means that all three of the Council's statutory officers are involved in this decision making process.

7. Links to Corporate Aims

- 7.1 There are no direct links to the corporate aims.

8. Environmental and Community Safety Implications

- 8.1 There are no direct implications in this area.

9. Equalities Impact

- 9.1 Not relevant.

10. Risk Management

- 10.1 Not being able to make decisions quickly may result in Southwest One losing business, which may impact upon our relationship with the other partners and our reputation. Additionally, this may have a detrimental financial impact upon us and result in our losing the opportunities to extend partnership working with any new partner.

11. Recommendations

- 11.1 Members are requested to recommend to Full Council that they authorise the scheme of delegation outlined above at the meeting on 14 December 2010.

Contact

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