



**Agenda Item**

<b>Subject</b>	<b>Support Services Service Level Agreement 2019/20</b>	<b>Status</b>	For Publication
<b>Report to</b>	Authority	<b>Date</b>	12 September 2019
<b>Report of</b>	Fund Director and Treasurer		
<b>Equality Impact Assessment</b>	Not Required	Attached	N/a
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**1 Purpose of the Report**

- 1.1 To set out the details of review undertaken of the Service Level Agreement (SLA) with Barnsley MBC for support services to be provided to the Authority and seek approval of the revised SLA for 2019/20.

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**2 Recommendations**

- 2.1 Members are recommended to:
- a. **Approve the draft, revised Service Level Agreement with Barnsley MBC for 2019/20; and**
  - b. **Authorise the Fund Director and Treasurer to agree the final version incorporating additional service provision for Health & Safety.**

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**3 Link to Corporate Objectives**

- 3.1 This report links to the delivery of the following corporate objectives:

**Effective and Transparent Governance**

To uphold effective governance showing prudence and propriety at all times.

The services provided under the SLA support the Authority in fulfilling the corporate objectives and achieving effective governance.

#### **4 Implications for the Corporate Risk Register**

- 4.1 The actions outlined in this report address the risk identified in the Corporate Risk Register that the Authority fails to meet specific regulatory requirements and also reduce risks around the workforce by providing access to specialist skills which the Authority could not maintain working in isolation.

#### **5 Background and Options**

- 5.1 Since its inception in 1988, SYPA has received its professional support services from Barnsley MBC (BMBC). The roles were previously undertaken by the South Yorkshire Joint Secretariat until it was abolished at the end of March 2015, at which point the functions were integrated within BMBC's Core Services Directorate.
- 5.2 The support provided covers 3 main areas:
- a. Statutory/assurance roles for the Authority
  - b. Delivery of other democratic representation and management roles for the Authority; and
  - c. Delivery of some corporate support service functions for the Authority.
- 5.3 The support provided is reflected in the Service Level Agreement (SLA), including Finance, Governance, Human Resources, Internal Audit and Insurance. This has been fully reviewed for 2019/20 along with new service provision for Procurement.

##### *Scope of Review*

- 5.4 The SLA has been reviewed with the aim of re-defining the service specification to provide more transparency in terms of what is being provided and the cost in order to demonstrate value for money. In addition, the nature of the services being provided has changed over time and the agreement has been brought up to date to reflect these changes.
- 5.5 The review of the provision of services under the current SLA has considered the breadth and depth of the roles of statutory officers, the delivery of other democratic representation and management roles and other services provided, with a consideration of whether the current offer is fit for purpose and achieves best value for money.
- 5.6 The Authority is an administering authority under the Local Government Pension Scheme (LGPS) and is responsible for administering the South Yorkshire Pension Fund. The LGPS is established by statute and its purpose is to provide retirement and death benefits for all eligible employees. The Fund covers the four district councils of South Yorkshire and numerous other smaller employers.
- 5.7 The Authority has a fiduciary duty to the contributors and beneficiaries of the Fund to ensure contributions are collected, benefits are calculated correctly and paid promptly and that any surplus monies are properly invested.
- 5.8 The Authority's mission is to deliver a sustainable and cost effective pension scheme for members and employers in South Yorkshire delivering high levels of customer service and strong investment returns which facilitate stable contributions. The objectives and detailed plans for achieving this are set out in the Authority's corporate strategy.

- 5.9 The following statutory officers are in place to provide independent support and challenge to the Authority in meeting its objectives.

*Monitoring Officer and Clerk*

- 5.10 Required by the *Local Government Act 1985* and the *Local Government and Housing Act 1989*, these roles are undertaken by the Executive Director for Core Services and the Chief Executive of BMBC respectively and they support the following functions:
- a. Maintaining the constitution;
  - b. Ensuring lawfulness and fairness of decision making;
  - c. Providing support and advice in relation to standards issues;
  - d. Facilitating relationships with the constituent councils;
  - e. Receiving complaints;
  - f. Conducting investigations; and
  - g. Providing advice.

*Treasurer*

- 5.11 Section 73 of the *Local Government Act 1985* requires that “each authority shall make arrangements for the proper administration of its financial affairs and shall secure that one of its officers has responsibility for the administration of those affairs”. This role is fulfilled by the Section 151 Officer for BMBC who has the following duties:
- a. Establish financial strategies and maintain financial controls;
  - b. Provide support and advice on operational finance;
  - c. Ensure efficiency and effectiveness of the finance function;
  - d. Provide support and advice to Members on financial matters; and
  - e. Contribute to wider policy development.
- 5.12 In addition, further support services in relation to democratic representation and management functions are provided by BMBC including:
- a. Governance;
  - b. Internal Audit and Information Governance;
  - c. HR Business Partnering; and
  - d. Procurement.

- 5.13 The detailed service specifications and associated costs for all of the above services are set out in the draft Service Level Agreement attached at Appendix A.

- 5.14 A requirement has recently been identified for support in respect of fulfilling the role of Competent Person required by Health & Safety regulations and this is currently being negotiated with Barnsley MBC with a view to adding this to the SLA.

*Service Level Agreement Charges*

- 5.15 The costs for the services, excluding Internal Audit and HR Business Partnering, provided by BMBC were reviewed in 2015/16 when the Core Services Directorate took over this role. That resulted in a total charge of £115k that year, followed by a reduction to £106k in 2016/17 which has continued to apply until 2018/19. BMBC have not applied any annual uplifts to these costs for inflation during that period, despite there being allowance for this in the existing agreement.

- 5.16 Whilst undertaking this review of the SLA, the opportunity has been taken to consolidate all the different support services provided by BMBC into one agreement

and therefore the proposed SLA includes the specifications for Internal Audit & Corporate Anti-Fraud and HR Business Partnering – both of which have been previously separately agreed.

5.17 The following table shows a comparison of the total costs for services proposed for 2019/20 with the costs under the existing SLA.

Service	Current Fee	Proposed Fee	Change	Comments
Treasurer	£6,900	£3,900	(£3,000)	
Governance	£66,313	£68,000	£1,687	Includes fees for Monitoring Officer and Clerk roles.
Procurement	£0	£10,800	£10,800	New Service Offer
Insurance	£6,600	£6,600		
Facilities Management	£10,060	£0	(£10,060)	This applied to Regent Street office; FM costs now included in the lease agreement for Gateway Plaza office.
HR Support Re Fund Director	£10,000	£0	(£10,000)	Retainer no longer required; service available at daily rates shown below the table.
Legal Services	£6,587	£0	(£6,587)	Retainer no longer required; service available at daily rates shown below the table.
<b>Subtotal</b>	<b>£106,460</b>	<b>£89,300</b>	<b>(£17,160)</b>	
Internal Audit	£63,840	£63,840	£0	Based on £280 per day x 228 days
HR Business Partnering	£29,172	£29,172	£0	Agreed as a stand-alone SLA in 2018/19. Fee is subject to annual inflation uplift.
Health & Safety	£0	To be agreed		New service of Competent Person role currently being discussed.
<b>Grand Total</b>	<b>£199,472</b>	<b>£182,312</b>	<b>(£17,160)</b>	

5.18 Should the Authority wish to procure any ad-hoc support in addition to that outlined within the specification, the following charges will be applicable for 2019/20, subject to inflationary increases.

- a. Financial Services: £300 per day
- b. Human Resources: £75 per hour
- c. Legal Services: £75 per hour
- d. Procurement: £54.06 per hour

- 5.19 The service provision comprises a range of duties that require specialist knowledge as well as understanding of the operating environment of the Authority that has been built up over a number of years and it is considered that the proposed agreement offers value for money and a cost effective service based on a number of factors:
- a. Charges are based on actual cost of staff time;
  - b. Staff costs are based on NJC pay schemes and are comparable with other Local Authorities;
  - c. BMBC offers knowledge, understanding and continuity of business operations; and
  - d. Previous track record of provision and good working relations with key officers and Members.

## **6 Implications**

6.1 The proposals outlined in this report have the following implications:

Financial	As detailed in the main body of this report.
Human Resources	None directly, however, utilising BMBC to provide specialist services of this sort reduces the risk to the Authority in relation to the ability to recruit and retain appropriate levels of knowledge and experience in these areas.
ICT	None
Legal	The Authority and BMBC have powers to enter into these agreements under the provisions of the various Local Government Acts.
Procurement	The SLA includes provision of procurement support.

**George Graham**      **Neil Copley**  
**Fund Director**      **Treasurer**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
None	-