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**SOUTH YORKSHIRE  
JOINT SECRETARIAT**

Our ref: WJW/DG

Your ref:

Date: 18 April 2005

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Sir Michael Lyons  
Rooms 3/12  
1 Horse Guards Road  
London SW1A 2HQ

Dear Sir Michael

#### **LYONS LOCAL GOVERNMENT FUNDING INQUIRY**

Thank you for your letter of 18 March, following our discussion in Leeds. Apologies for only getting back to you at the very last minute.

On the issue of Police and Fire funding, I don't have anything to add to the points that my colleagues raised in February. The general comments that I made related to the public perception of the cost of services and the way in which they are funded. It would go some way to improve accountability and understanding if the local Council Tax contribution could in some way be related to services delivered; using the example of Police, the public pays a much smaller proportion of the total cost locally than it does for most other local services. Do they understand that, and what do they make of it? If there are any other issues on Police or Fire finance that the Inquiry team wishes to discuss, please contact me.

You specifically invited me to comment on the Joint Secretariat in South Yorkshire.

It was created in 1986 following abolition of the Metropolitan County Council. All the other former Counties opted at the time for lead Authority support arrangements for the new Joint Authorities. The concept of the Joint Secretariat arrangements was developed on the following lines:

- Each of the Joint Authorities needed a range of advisory and support services
- The services all had strong executive functions (ie the Police Force; the Fire Brigade; the PTE). This meant a requirement for the members of the Authorities to perform a strong strategic and monitoring role.
- On the face of it, lead Districts were a viable option, but it was felt that asking a particular District Council to undertake all the support and advisory functions for one of the Joint Authorities would lead to potential conflicts (between District Council and Joint Authority priorities) and tension (between the District Councils, who might perceive unfair influence). The independent Joint Secretariat, responsible to all of the stakeholders, offered neutrality and potentially a more objective approach.

The benefits of the arrangement are:

- Core functions are resourced effectively. The most compelling example is for "Chief Executive/Treasurer" functions. These need to be independent from the operational services eg.

Section 73 Treasurer roles, but there isn't necessarily a requirement for the expertise to be available 100% of the time for every Authority. Combining the top level Strategic roles for several Authorities provides 100% presence for each Authority but only partial costs (my personal time and cost goes roughly 40% Police; 30% Fire; 20% Pensions; 10% PTA).

- Economies of scale on specialist. Examples include Treasury Management (all cash funds are pooled for investment) and Freedom of Information.
- On similar lines, providing support to several organisations offers the scope to support qualified and experienced staff to lead functions such as legal services, internal audit, Chief Officer appointments, committee and member support.
- Lines of accountability to all the various stakeholders are in practice fairly straightforward. I am responsible to the four District Councils, through the Chief Executives and the South Yorkshire Leaders Meeting, for the effectiveness of the organisation, its overall budget and its roles and responsibilities. I am responsible to the four Joint Authorities for the supply of support services and advice and for how well I deliver the statutory functions of Treasurer/Monitoring Officer/Clerk, together with the other support functions. There is still a strong 'ownership' by the District Councils – for example, an extensive Best Value review of the Secretariat in 2002/3 was initially commissioned by, and reported to, the District Leaders.

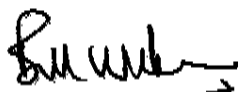
The organisations role was strengthened and refocused following the Best Value Review and subsequent inspection by the Audit Commission. A number of non-core functions have been transferred to the operational services, and the Secretariat was asked to restructure around two core roles:

- Support to the Strategic Leadership
- Corporate Governance

The uniqueness of the organisation makes benchmarking difficult. During the Best Value review, we attempted to compare costs for common functions with a selection of other Joint Authorities. No two Joint Authority support arrangements do exactly the same range of functions, and even where functions are common there are widespread differences between Authorities in terms of the depth or the style of support. The evidence we were able to collect suggested that the Secretariat was cost effective. This is the evidence also from data collected by the APA on Police Authority support costs (Chief Officer costs are substantially lower than average; total costs are high in absolute terms, but South Yorkshire Police Authority receives a wider range of support than most Police Authorities, and we also undertake a number of finance functions at the Secretariat which in a lot of Authorities are in the Force – this does not affect total costs). We are currently working with the Police Authority to draw up a Service Level Agreement.

I hope this is useful. Please contact me if you need anything further. I have no objections to you using or referring to this note.

Regards



Bill Wilkinson  
Clerk and Treasurer

cc M W Sanderson