



# 1.25 Shared Services Policy

<b>Council Resolution:</b>	17/11/2020/015
<b>Date to take effect:</b>	18/11/2020
<b>Legislative reference:</b>	Section 216 of the <i>Local Government Act 2019</i>
<b>Review Date:</b>	1 June 2025

## 1. Purpose

The purpose of this policy is to set out framework for Council entering into an agreement with one or more councils for the delivery of shared services.

## 2. Principles

Council is committed to act in an economically efficient manner, to be socially and environmentally responsible and to provide innovative, high-standard services.

Some of Council's services can be delivered under a shared service model or collective procurement agreement, subject to the individual business and practical requirements of each participating council.

Collective procurement is an agreement between two or more councils to enter into a procurement agreement where a lead council is nominated, as prescribed under the *Local Government (General) Regulations 2021*. The relevant legislative provisions are to be considered and a formal agreement entered into prior to this type of arrangement commencing.

## 3. Policy Statement

### 3.1 Considering shared services and joint procurement agreements

Council may consider entering into a shared services agreement when:

- (a) a role in Council is capable of being undertaken by a person employed by another council (under a shared resourcing agreement);
- (b) a council service that cannot be supplied from within Council is able to be delivered by another council;
- (c) a council service can be supplied or delivered in another council's area, by agreement with that council; or
- (d) undertaking procurement of an asset (such as motor vehicles), which can be collectively procured under a single procurement tender process; or
- (e) the use of an asset can be shared between councils; or
- (f) it is efficient for Council to enter into an agreement with other councils to undertake a project, in accordance with legislative requirements, where one council is approved by every other participating council to take the lead on the project and make decisions on behalf of all the participating councils.

### **3.2 Assessing a shared services or collective procurement opportunity**

Council will consider the following when a shared services or collective procurement agreement is being considered:

- (a) opportunities that would result from such a decision (e.g. shared risk; economies of scale; demonstration of leadership and collaboration; long-term sustainability; potential invigoration of council staff; strengthening relationships with a like-minded or neighbouring council);
- (b) associated risks and how those risks can be best managed;
- (c) challenges likely to arise (e.g. the challenge of maintaining consistent service delivery across the Shire and any other areas);
- (d) future needs of Council and its community; and
- (e) capacity, both current and future, of Council, or councils which are parties to the agreement, to deliver the expected outcomes of a shared services or collective procurement agreement.

## **4. Council requirements**

### **4.1 Annual reporting**

Council must include in its Annual Report a list of all shared services and collective procurement agreements that operated during the financial year, (Section 291(1)(c)).

From time-to-time Council may set one or more performance indicator measurements and expectations for shared services in Council's annual Shire Plan and actual performance comparatives must be reported in the subsequent Annual Report for the same financial year(s).

### **4.2 Agreements to be in writing**

Shared services and collective procurement agreements must be in writing and clearly set out all relevant details.

### **4.3 Matters for consideration**

Before entering into a formal agreement for shared services or collective procurement activity, the following considerations will be taken into account:

- (a) cost benefit analysis of entering into the agreement;
- (b) service level standards to be met;
- (c) period of time of agreement and whether it is one-off or ongoing for a period of time;
- (d) establishment and agreement of KPIs;
- (e) risk assessment and mitigation strategies;
- (f) if access to Council information is required under the agreement, the control and protection of information (ensuring access to sensitive Council information is protected);
- (g) any change management process that may be necessary;
- (h) employment opportunities that may arise or be reduced as a result of entering into an agreement; and
- (i) any other economic, social and cultural considerations.

**DOCUMENT HISTORY**  
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<b>Date Adopted:</b>	17 November 2020	17/11/2020/015  To comply with the <i>Local Government Act 2019</i>
<b>Amended:</b>		
<b>Amended:</b>		