

**WEST DUNBARTONSHIRE COUNCIL****Report by Strategic Director - Transformation & Public Service Reform****Council: 28<sup>th</sup> August 2019**

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**Subject: Joint Collaboration: West Dunbartonshire and Inverclyde Councils**

**1. Purpose**

- 1.1** The purpose of this report is to advise Council on the proposals for further joint collaboration with Inverclyde Council, in relation to Internal Audit / Fraud and Fleet, Waste and Grounds Services with Inverclyde Council.

**2. Recommendations**

- 2.1** It is recommended that Council:

- approves the implementation of the Internal Audit shared management model between Inverclyde and West Dunbartonshire Councils;
- note the timeline for the development and implementation of the Fleet, Waste and Grounds collaborative model; and
- note that a report providing an update on the above will be remitted to the Shared Services Joint Committee in October 2019.

**3. Background**

- 3.1** In September 2018 the Council approved a revised approach to share strategic management through the joint appointment of a Strategic Lead Officer. The Shared Head of Service (Roads and Transportation) commenced on the 7 January 2019 and leads the Roads and Transportation Service within both West Dunbartonshire and Inverclyde Councils and has a key priority to develop strategic business plans for joint collaboration across fleet, waste and grounds services and strategically manage the wider service.
- 3.2** Officers continued to work with other councils and partners to consider and appraise opportunities for joint working and collaboration. East Dunbartonshire Council continues to work with both Councils as a Strategic Partner.

## **4. Main Issues**

### **4.1 Internal Audit and Fraud Service**

**4.1.1** As part of the consideration of opportunities for further joint working, an options appraisal was undertaken in relation to Internal Audit and Fraud Services across West Dunbartonshire and Inverclyde Councils. This is set out in more detail at paragraph 5 below. The recommendation following the options appraisal, is to introduce option 2 – shared management model - a joint manager for Internal Audit and Fraud Services employed by West Dunbartonshire Council. This would provide opportunities to share best practice, while delivering efficiencies across both Councils through reduction in a management post.

**4.1.2** The proposals have been discussed with the relevant workforce across both Councils and engagement has taken place with the Joint Trade Unions. A similar report will be remitted to Inverclyde Council (Policy & Resources Committee) on 17 September, seeking approval of the proposal.

**4.1.3** It is proposed to allow a transitional period from September to December 2019 to support the implementation of the new management model. This will include conclusion of appropriate HR processes, matching to the new joint post and effective handover arrangements with the joint manager taking effect from January 2020.

### **4.2 Fleet, Waste and Grounds Service**

**4.2.1** As set out at paragraph 3.1 above, the Services included for review within the business case are set out below:

- **The Fleet and Transport Service** - procures, manages, maintains and arranges the end of life disposal of the Council's vehicle fleet and manages & operates the transportation service for the Health and Social Care Partnership and the Council's Educational Services;
- **The Waste Service** - manages the general waste and recycling collections from all households in the Council area, in-house operations and registered commercial waste users. This amounts to the collection of bins from a total of 45,000 households; and
- **The Grounds Service** - operates the Council's grounds maintenance, street cleaning and burial and cremation services.

**4.2.2** The development of the business case will include the following:

- Baseline data collation;
- Strategy and policy review;
- Options appraisal;
- Review of resources; and
- Operational service delivery review.

**4.2.3** The business and implementation plans for the wider shared services will be developed in partnership with the trade unions and workforce through the scheduling of workshops and briefing sessions. Progress and items for decision will be reported to the Council and the Joint Committee for consideration.

- 4.2.4** Officers will continue to liaise with East Dunbartonshire Council in line with their Strategic Partnership preference to explore opportunities for joint working.
- 4.2.5** The Strategic Lead – Roads & Transportation will assume management responsibility for the Fleet, Waste and Grounds services within West Dunbartonshire Council commencing 1 October 2019. The key dates for implementation are as follows:

Due Date	Action
1 Oct 2019	Strategic Lead assumes responsibility for WDC Fleet, Waste and Grounds services
2 Oct 2019	Report to Joint Committee Shared Services
Sept/Dec 2019	Development of Business & Implementation plans
1 April 2020	Proposed implementation date of shared strategic management mode

## **5. Options Appraisal**

### **5.1 Internal Audit and Fraud Services**

**5.1.1** Inverclyde and West Dunbartonshire Councils have relatively similar internal audit functions. West Dunbartonshire has a shared service arrangement in place providing an internal audit service to the National Park. Both councils continue to provide internal audit services to their respective HSCP. The provision of fraud is however, not the same with West Dunbartonshire having taken the decision not to transfer “housing benefit fraud” to the Department for Work and Pensions (DWP), whereas, Inverclyde no longer undertake this function.

**5.1.2** Examples of collaboration across Scottish councils were also considered as part of the options appraisal.

#### **5.1.3 Option 1 – Lead Authority Model**

This option would see a shared service with one combined team employed by a single council employer providing the audit and fraud service on behalf of both councils – i.e. a lead authority model. Reporting to a Director, leadership of the service would be through a Strategic Lead / Head of Service supported by a senior manager, with strategic responsibility for the delivery of service including financial accountability, workforce management and strategic planning. The Strategic Lead and Audit & Fraud Manager would be the interface with the Directors, Chief Executives and Chief Finance Officers of both councils, together with appropriate Elected Members, including the conveners of Audit Committees. The potential benefits from this option include:

- Improved efficiency and best value within the current climate of reduced funding for local government with potential to reduce further costs;
- Reduced duplication through development of one team, with standard processes and procedures;
- Improved service delivery through adoption of best practice;
- Service delivery retained within the public sector;
- Increased resilience across greater pool of resources and expertise;
- Potential to increase competence and skills across wider team members;
- Flexible work locations; and
- Ability to be flexible to future change, to add other partners.

The potential risks with this option are:

- Failure to secure agreement with Trades Unions and workforce;
- Failure to secure agreement from Elected Members; and
- Single team position proves unmanageable due to differences between the two Councils governance requirements, service demands, etc.

#### **5.1.4 Option 2 – Shared Management**

This option would consist of shared management arrangements with a senior manager employed by one council, reporting to a Strategic Lead / Head of Service leading two separate audit and fraud teams employed by their current council employer. Any change of employer, or changes to employment terms and conditions would be restricted to the senior manager; there would not be any employee implications for other members of the audit and fraud teams. It is recommended that West Dunbartonshire Council employs the shared management post. The potential benefits of this option include:

- Increased potential to share best practice, learning and improve service;
- Service delivery retained within public sector;
- Efficiency delivered at management level; and
- More likely to secure support from workforce, trades unions and Elected Members.

The potential risks with this option are:

- Limited ability to fully share service and resources across teams unless agreed on a voluntary basis;
- Reduced opportunity to deliver efficiencies; and
- Single Manager position proves unmanageable due to differences between the two Councils governance requirements, service demands, etc.

#### **5.1.5 Option 3 – External Provision**

This option would result in the provision of service outsourced and delivered by another provider, out with either of the two councils – for example private company. Given the recent experiences in considering shared service together with the potential political expectations, it is considered that investigating this option would not be best use of time and resource.

#### **5.1.6 Option 4 – Status Quo**

As with all options appraisals, there is the option to “do nothing,” which would mean no change across the current workforce structure and management arrangements. This option would result in loss of opportunity to enhance collaboration, work jointly together across councils and achieve efficiencies.

#### **5.1.7 Evaluation of Options and Recommended Approach**

The joint working group concluded that option 2 above, as set out at paragraph 5.1.4 would be the recommended approach. This is similar to the joint management arrangement currently in place for Roads Services across Inverclyde and West Dunbartonshire Councils.

### **5.2 Fleet, Waste and Grounds Service**

An options appraisal for delivering the fleet, waste and grounds service will be completed during the development of the business case.

## **6. People Implications**

- 6.1** The shared post of Internal Audit and Fraud Manager will be employed on West Dunbartonshire Council conditions of service and report to the Strategic Lead – Resources, West Dunbartonshire Council.
- 6.2** Implementation of this joint management model will be achieved through the reduction of one post across both councils. This will be facilitated through agreed HR process, including the voluntary early retirement of one employee and in turn directly matching of remaining current manager to the new joint post.
- 6.3** There are no personnel implications for the wider Internal Audit and Fraud team.

## **7. Financial and Procurement Implications**

- 7.1** With the internal audit shared management option there would be a reduction at manager level. The current combined revenue costs for both teams are gross £648k and net £408k. Implementing the revised model based on using current council salary levels will deliver combined savings in the region of £70k dependent on salary placement of the joint manager post.
- 7.2** Any financial implications for Fleet, Waste and Ground Service will be identified and presented in a future report.
- 7.3** There are no procurement implications with this report.

## **8. Risk Analysis**

- 8.1** There is a risk that any potential opportunities for joint collaboration are not optimised if this proposal is not progressed. The other risks identified will be managed through ongoing engagement with the workforce throughout the implementation process, as well as identifying opportunities within the identified benefits for the preferred option to minimise additional work, standardise practices and processes and implement best practice across the two council's internal audit services.

## **9. Equalities Impact Assessment (EIA)**

- 9.1** An equalities impact screening has been carried out on joint collaboration and indicated that there are no vulnerable groups adversely affected by this proposal.

## **10. Environmental Sustainability**

- 10.1** There are no environmental implications with this report.

## **11. Consultation**

- 11.1** Consultation and engagement is ongoing through the established Joint Trades Unions group and with the workforce. In relation to the proposals for Internal Audit and Fraud, the Joint Trades Unions have not raised any objections or concerns from their members.

**11.2** Consultation will continue throughout the development of the options appraisal for Fleet, Waste and Greenspace.

## **12. Strategic Assessment**

**12.1** Joint working supports the delivery of the strategic priorities of the Council.

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### **Appendices:**

**Background Reports** 27 September 2018: Joint Collaboration with Inverclyde Council - Strategic Leadership  
  
28 March 2018: Shared Services Implementation – Roads and Transportation

**Wards Affected:** All