

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by the Chief Executive**

**Council 29 June 2016**

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**Subject: Delivering for the Future – Joint Working and Sharing Services**

### **1. Purpose**

- 1.1** The purpose of this report is to seek approval from Council to establish a Shared Services Joint Committee that will oversee the operation of, and provide democratic accountability for, shared local authority services for West Dunbartonshire, Inverclyde and East Dunbartonshire Councils.

### **2. Recommendations**

- 2.1** It is recommended that Council:

- i) Approves the establishment of a shared services Joint Committee with partner councils;
- ii) Request the Chief Executive, in conjunction with colleagues in East Dunbartonshire and Inverclyde Councils, draft the detailed Minute of Agreement for the establishment of the Joint Committee for consideration and approval at a future meeting of the Council;
- iii) Agrees that Roads and Transportation be included in a shared service with East Dunbartonshire and Inverclyde Councils subject to approval of the joint committee agreement by Council and the subsequent approval of the business case for that to be a shared service by the Joint Committee. Thereafter agrees to the Strategic Lead – Regulatory concluding a Minute of Agreement with East Dunbartonshire and Inverclyde Councils for the inclusion of the Roads and Transportation in the shared service arrangement.
- iv) Supports the outline timetable in section 8 of this report

### **3. Background**

- 3.1** Council considered at its meeting of October 2014, the report, “Delivering for the Future” the approach to meet the anticipated financial challenges through a strategic framework, execution of efficiencies and delivery of sustainable services. At the Council meeting on February 2015, efficiency targets for 16/17 and 17/18 were agreed, to be delivered through joint working and sharing services.
- 3.2** Discussions took place during summer 2015 between the Chief Executives of West Dunbartonshire, Inverclyde and East Dunbartonshire Councils and separately with Argyll and Bute Council on the possibility of establishing

shared services for the mutual benefit of participating Councils. Further dialogue took place in late Autumn 2015 involving the Council leaders of West Dunbartonshire, Inverclyde and East Dunbartonshire Councils. It was then agreed to collate the Councils' relevant service data and prepare a report on the possibility of the participating Councils developing shared services for the following functions:

- Roads and Transportation;
- Fleet Management and Maintenance;
- Grounds Maintenance, Parks, Open Spaces, Cemeteries and Crematoriums (and Street Cleansing and Litter); and, Environmental Services - Refuse Collection, Recycling and Waste Collection

**3.3** A shared services report was then prepared following a 'desk top' study by Chief Executive of Inverclyde Council. This was issued to the Leaders and Chief Executives in March of this year and a presentation was given on the study report findings at the beginning of April.

**3.4** Whilst this desktop study has been carried out there has been ongoing discussion at national and regional level on a shared service proposal for Roads and Transportation. The opportunity to progress joint working across the three Councils may allow this shared service to be delivered more timeously than either of the other approaches.

#### **4. Main Issues**

**4.1** Councils across Scotland and the UK are operating within a context of change as a result of a number of issues including changing demographics and significant rises in associated demand, the challenging economic climate, the expectations for public sector reform, workforce pay increase demands, the increasing importance of partnerships and the extremely challenging and increasing reductions in Scottish Government funding.

**4.2** It is also expected that revenue funding from the Scottish Government will reduce across the next 4 years, while education, social care and health is expected to continue to be protected through conditions on grant allocations. Expenditure in some service areas will need to grow to meet known and anticipated demographic challenges. This means that the remaining services will need to absorb a significantly higher share of efficiencies.

**4.3** As a result of the gearing effect it is already evident that other services have been taking a disproportionate share of budget reductions due to the protection of education and social care. Capacity and resilience issues already exist for these services and it will only get worse as further savings or cuts in technical staffing levels are introduced. Improving productivity in the use of staff, technical expertise, assets and procurement will be essential if the effect of these changes on the quality of service is to be mitigated as far as practicable.

**4.4** Therefore, the underlying need to explore and deliver greater efficiencies and develop more effective service delivery models whilst retaining or protecting services as far as possible is obvious. More radical solutions are required including greater collaboration and focus on the opportunities that can be realised through active consideration of shared service options and models to enhance economies of scale, shared capacity and resilience.

**4.5** Each of the three Councils has already been delivering efficiencies and the existing management structures in the three Councils have been modified over the last few years to varying degrees to reduce management overheads and deliver efficiencies. There is a clear opportunity to develop shared services for the benefit of the participating Councils, their communities and stakeholders. The conclusions reinforce these key benefits:

- Greater value for money;
- More sustainable and resilient service delivery;
- Improved staff development and sustainability for staff; and,
- Improvements in planning, resourcing and performance.

**4.6** Table 1 below details the expenditure across Roads & Transportation for the three authorities.

**Table 1 – Total Gross Revenue & Capital Expenditure**

| <b>Total Gross Revenue &amp; Capital Budgets</b> | <u>2014/15</u> | <u>2015/16</u>    | <u>Total</u>   |
|--|----------------|-------------------|----------------|
|  | <u>Actual</u>  | <u>Projection</u> | <u>2015/16</u> |
|  | <u>£m</u>      | <u>£m</u>         | <u>Budget</u>  |
| <b>Council:</b>                                  |                |                   |                |
| East Dunbartonshire                              | 35.733         | 37.709            | 38.155         |
| Inverclyde                                       | 24.332         | 27.037            | 26.032         |
| West Dunbartonshire                              | 37.486         | 37.404            | 37.679         |
| <b>Total Gross Council Exp.</b>                  | <b>97.551</b>  | <b>102.130</b>    | <b>101.866</b> |

## **5. Review of Services**

**5.1** It was considered appropriate to prove the case for collaboration by focussing on one of the functions in detail, namely roads and transportation. Outline only assessments were provided for the following services at this stage: Fleet Management and Maintenance; Grounds Maintenance; Parks, Open Spaces; Cemeteries and Crematoriums; Refuse Collection, Recycling and Waste Collection; and, Street Cleaning and Litter.

- 5.2** Roads and Transportation facilitates the movement of people to jobs, shops, leisure, health and education. It enables the movement of goods and materials and underpins all economic activity. The performance of the road network directly influences every aspect of life, from the quality and safety of walking surfaces to travel times for commerce. Effective roads and transportation systems need to be efficient and fit for purpose twenty four hours a day every day of the year for Community Planning Partnerships to deliver on economic regeneration, employment, health, social inclusion and education.
- 5.3** The review gave active consideration of the efficient delivery of roads services set within the wider context of the national roads review set out in the Option 30 report, published in July 2012 by Transport Scotland, which recommended the adoption of regional shared services. The national report also recommended that if this approach did not realise the anticipated benefits then structural change would be considered by the Scottish Government. A follow up Audit Scotland report is expected by no later than July 2016.
- 5.4** A number of Local Authorities across Scotland are exploring the development of shared roads and transportation services. East and South Ayrshire have successfully introduced a shared service and the Ayrshire Alliance has confirmed that a combined service increases the critical mass that offers the opportunity for greater efficiencies and they have already achieved significant benefits and savings.
- 5.5** A critical factor in determining the minimum staffing levels for roads operational staffing is the resourcing of winter maintenance services to ensure appropriate levels of service are provided on a sustainable basis throughout winter months. Frontline operational staffing is already at a low level which can place the delivery of the service for Councils at risk, especially during prolonged periods of severe winter weather, and at the same time can make it difficult to comply with relevant legislation e.g. drivers hours and working time directive.
- 5.6** Duplication occurs within the roads and transportation resources deployed across the three Councils, particularly with regard to management systems, property and technical staff and as a result of the separate operations. Gaps also exist in specialist functions and resources across the Councils. There are also specialist roads services and assets that could be utilised to the service advantage of the partner Councils, staff and public. The opportunities that exist for developing and pooling these resources, staff, plant and equipment, for a full range of specialist services are significant. There is potential to increase service resilience and deliver a more effective use of resources, as well as enhance staff opportunities through a larger organisation.
- 5.7** As a result of financial challenges there has been a dilution of expertise and experienced technical and professional staff which has adversely impacted the skills base within Councils. Also, the corporate stretch of senior officers with relevant knowledge has been greatly increased where they are now managing a much wider range of services and have necessarily become

generalists. In addition, since the cessation of the Compulsory Competitive Tendering (CCT) era, aspects of both commercial and operational expertise have been dramatically reduced.

- 5.8** In addition, there is a national shortage of appropriately qualified and experienced roads personnel resulting in critical skills and capacity gaps. This is now considered to be an emerging crisis with related industry sectors such as the construction industry in Scotland alone requiring 28,500 new jobs by 2019.
- 5.9** While all three Councils have developed Strategic Asset Management plans, approximately 34% to 55% of roads within the three Councils were classed as being in either amber or red condition in the 2015 SCOTs (Society of Chief Officers of Transportation in Scotland) performance data. This compares with a Scottish figure of 29% Red/Amber. This highlights the need for increased investment in the roads, as well as identifying the need to optimise the effective use of scarce resources and to improve the capacity of staff and the skills mix needed to carry out the necessary major programmes of work that lie ahead.
- 5.10** A shared service would optimise the use of the combined skills and knowledge of co-located employees and will offer increased training and development opportunities for existing staff with greater job security in a much more sustainable and resilient roads and transportation service within local government.
- 5.11** In addition, all participating authorities would benefit from increased technical and specialist capacity, which should enable the Councils to reduce the percentage of roads and street lighting considered as being in amber or red condition. Creating a shared service provides an enhanced strategy and management capability and further benefits will be achieved through an integrated approach to management arrangements and systems, although it is acknowledged that this will require broader consideration of the existing arrangements within the three Councils.
- 5.12** The objective of the shared service is to improve the performance and condition of the roads and transportation network by increasing capacity, resilience, efficiency and effectiveness through a shared service. Although a shared service will lead to direct financial savings through reduced overhead costs and greater buying power, the primary identified benefits are associated with greater efficiency, effectiveness and sustainability, which include:
- Sharing of expertise and staff pools across the authorities to achieve greater output with the same resource;
  - Standardisation of operational processes & specifications, which in turn will lead to a consistent standard and quality of service;
  - Increased capacity through the elimination of duplication and access to joint resources;
  - Improved business intelligence through shared best practice and management information and expertise;
  - More opportunity to develop future workforce planning strategies;

- More effective use of specialist assets together with the benefits of improved joint investment planning for staff, plant and equipment;
- More effective procurement; and,
- Better value for money.

**5.13** The roads and transportation service functions reviewed in greater detail with consideration of existing key facts and the key benefits relative to each of these functions from the establishment of a shared service was as follows:

- Roads Design;
- Structures, Bridges etc;
- Integration of Flood Risk Management;
- Street Lighting;
- Roads Development Control;
- Roads Gully Maintenance;
- Procurement;
- Service Quality Inspection and Testing
- Specialist Operational Services.

In each of these cases, the study report identified important benefits as a result of introducing a shared service.

**5.14** In conclusion there is a clear opportunity to develop roads and transportation shared service proposal for the benefit of the participating Councils and their communities and stakeholders. A detailed business case will be developed prior to implementation that will clearly establish the benefits and potential savings that can be delivered by the constituent authorities.

**5.15** The expectation of an estimated recurring saving of 15% by 2020 is not an unreasonable target to be achieved through a shared roads and transportation service. Table 2 shows the suggested revenue savings target from sharing roads and transportation services on the basis that the full savings target would take time to achieve over the period to 2019/20.

**WDC Roads and Transportation – Proposed Savings Target (15%)**  
**Table 2**

| Financial Year  | 2016/17   | 2017/18          | 2018/19             | 2019/20<br>(and ongoing) |
|---|-----------|------------------|---------------------|--------------------------|
| <b>15% Savings Target<br/>(Delivered incrementally)</b> | <b>£m</b> | <b>£m<br/>3%</b> | <b>£m<br/>+4.5%</b> | <b>£m<br/>+7.5%</b>      |
| <b>West Dunbartonshire</b>                              | <b>0</b>  | <b>0.161</b>     | <b>0.242</b>        | <b>0.403</b>             |

**5.16** The savings are based on assumptions at this stage and officers from within the services will be able to deliver on efficiencies through effective joint planning and resourcing of a common service. Details on the potential financial savings relating to staff, plant and/or materials can be assessed only in the medium term.

## **6. Outline of Other Potential Shared Services**

**6.1** For the reasons agreed, each of the other services included in the study were considered in less detail at this stage. These services were:

- Fleet Management and Maintenance;
- Grounds Maintenance, Parks, Open Spaces, Cemeteries and Crematoriums (and Street Cleansing and Litter); and,
- Environmental Services - Refuse Collection, Recycling and Waste Collection

In each case, the evidence shows potential benefits from both improved efficiency and service effectiveness that would accrue for each participating Council following the introduction of shared services for these functions.

**6.2** An incremental approach to include the other services will be considered following detailed business case development that would establish the opportunities available for sharing resource and building capacity into existing services, whilst delivering financial savings.

## **7. Governance**

**7.1** There are two main governance options considered for shared local authority services. The first option is based on the creation of a single structure for all shared services across the three Councils. Governance would be undertaken through a joint committee and day-to-day operational management under the control of a lead authority.

**7.2** The second option is to set up an arm's-length external organisation (ALEO) in the form of a limited liability partnership (LLP). The ALEO option carries more risk however may offer the greater opportunity.

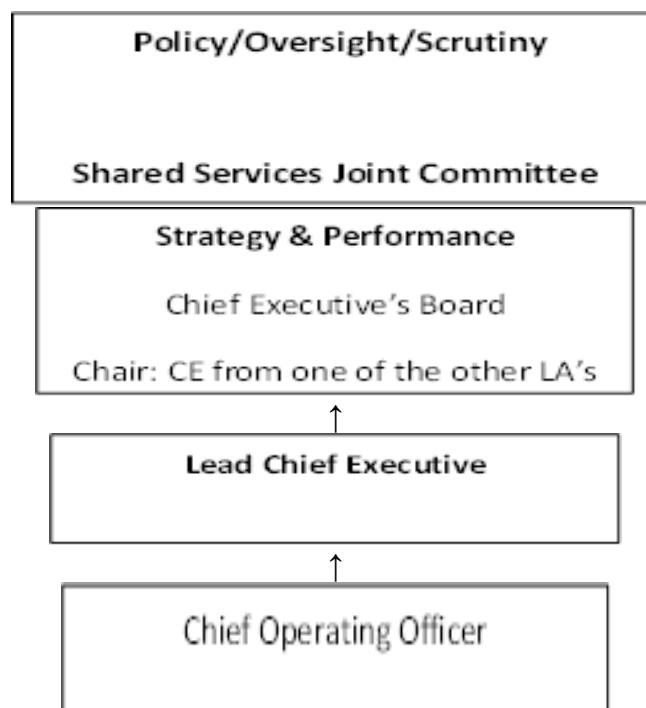
**7.3** The establishment of a Joint Committee is the most pragmatic and realistic approach. The Joint Committee has all of the merits of flexibility and good practice and is the model adopted by the successful Ayrshire Roads Alliance. It retains full democratic accountability. The Joint Committee also creates the opportunity to develop trust and confidence between the partners and stakeholders.

**7.4** The creation of a single structure for all the services under consideration by all three Councils combines the services into one single service that incorporates operational, technical & service support functions of the various services. A single structure will include representatives of all three Councils under the remit of one management team working over multiple boundaries reporting to a formally established Joint Committee comprising equal member representation from the partner Councils.

**7.5** An outline of the proposed structure is provided below. It shows that governance could be effectively undertaken through a Joint Committee with day-to-day operational management under the control of a lead authority. For the Joint Committee, the over-arching mechanism for agreeing the terms

and conditions of the partnership and for providing a framework for the managing of relationships within the project is the Minute of Agreement and an example draft, for subsequent detailed discussion, as at Appendix 1.

### **Indicative Governance Structure**



**7.6** The proposed model and governance systems require a lead authority for the integrated service. This would be governed by a Joint Committee with equity in Elected Members representation from the three Councils for oversight, policy direction and scrutiny. The service would be led at a strategic level through a Chief Executives' Board. A chief operating officer from the lead authority would report to this proposed Chief Executive Group via the lead Chief Executive.

**7.7** This model does not require a separate independent organisation to be established. Employees would transfer to the lead authority under TUPE regulations. Changes to employee's terms and conditions are not necessary to implement this proposal. The senior management level will be recruited following appropriate recruitment processes.

## **8. Timetable for Progress**

**8.1** An operations group under the designated Lead Chief Executive would be established immediately to manage this transition and set out a clear programme. Trades Union involvement would be key in this process. There will be a requirement to develop a full programme plan which will include a legal, financial and HR framework to enable the transition to a single service. The anticipated timetable is outlined at Table 3.



- 8.2** It is now critical to obtain clear commitment and direction to progress the development of potential shared services by implementing the Stages outlined in this report with full support from each of the Councils.

**Table 3: Proposed Timetable:**

| <b>Date</b>               | <b>Action</b>   |
|---------------------------|---|
| June 2016                 | Chief Executives (CEs) to Engage with employee Trades Union representatives prior to the submission of formal report to respective Councils for approval and maintain ongoing consultation and dialogue thereafter. |
| June 2016                 | CEs to arrange for Members' briefings in advance of Council meeting   |
| June 2016                 | Formal report to respective Councils to secure decision to fully commit to implement a shared service   |
| July 2016                 | Establish 'Shadow' CEs Programme Board.   |
| July – August 2016        | CEs to finalise Minute of Agreement for Councils' approval.   |
| August - September        | Formal report to respective Councils to secure approval of Minute of Agreement.   |
| September - November 2016 | Formally establish Shared Services Joint Committee and governance structure.  |
| December 2016             | Development of Strategic implementation plan and report to four Councils approving lead authority.  |
| February 2017             | Joint appointment of Chief Operations Officer to lead the Shared Service.   |
| August 2016 – March 2017  | Prepare detailed business plan and secure formal approval.  |
| 1 April 2017              | Establish shared service for Roads and Transportation   |

## **9. People Implications**

- 9.1** There will be workforce implications with the development of the shared Roads & Transportation service and the TUPE transfer of employees to the lead authority. These will be further detailed and considered in line with the timetable at 8.2 above and reported to a future meeting of Council.

## **10. Financial and Procurement Implications**

- 10.1** As is noted above, the ongoing anticipated funding reductions from Scottish Government aligned to the likely protection through Scottish Government funding rules is likely to mean the unprotected services will require to deliver significant cost savings over the period to 2020.
- 10.2** The option to generate efficiencies through sharing services should be considered and the report provides an assumption that, by sharing Roads and Transportation Services, there is the potential to generate significant cost reductions. The report suggests a target saving from such an arrangement of 15% of the current budget by 2020. Further work will be required to fully understand the potential cost reduction opportunities to finalise this figure. The desk top report also advises that there is likely to be some costs incurred in planning and delivering the proposal and this will be reported to Council.
- 10.3** The proposal advises that by being part of a bigger single organisation there should be opportunities for procurement savings through scale of procurement increases, etc. Other than that there are no direct procurement implications arising from this report.

## **11. Risk Assessment**

- 11.1** There is a risk that the three Councils do not agree to proceed with this shared service. There is a risk that the timetable could extend beyond April 2017 implementation. There is a risk that the estimated financial savings are not achieved once the final business plan is completed. There is a risk that if we do not proceed with shared services we will not deliver savings and efficiencies.

## **12. Equalities Impact Assessment**

- 12.1** There are no significant issues identified in relation to equality impact.

## **13. Consultation**

- 13.1** Discussion with the Trade Unions and staff about shared services has been ongoing for a number of months. This process will continue through the development of the detailed business case.

## **14. Strategic Assessment**

- 14.1** The implementation of shared services will assist in delivering:
- Improve economic growth and employability
  - Improve local housing and environmentally sustainable infrastructure

Name: Joyce White  
Designation: Chief Executive

Date: 14<sup>th</sup> June 2016

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**Person to Contact:** Ronnie Dinnie, Strategic Lead, Environment and Neighbourhood, 01389 73(7601)  
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**Appendices:** Appendix1 – Notes on Governance Arrangements

**Background Papers:** Delivering for the Future – Report to Council Oct 2014  
General Services Revenue Estimates 2015-2017/18 and  
Council Tax – Financial Year 2015/16 – Report to Council  
February 2015

**Wards Affected:** All Wards

# **APPENDIX 1**

## **GOVERNANCE**

### **APPENDIX 1: NOTES ON GOVERNANCE ARRANGMENTS**

The report seeks approval from the Councils to establish an East Dunbartonshire, Inverclyde and West Dunbartonshire wide joint committee that will oversee the operation of and provide democratic accountability for shared local authority services across the three Councils' areas for the Roads and Transportation.

1. The Joint Committee is considered the simplest way for providing an effective model of governance for the Shared Services.
2. There is also a need for the establishing of a Shared Services executive to oversee the implementing of operational decisions.
3. Governance can be undertaken through a Joint Committee with day-to-day operational management under the control of the lead authority. It is considered that such arrangements would provide simplicity, robustness and transparency that are needed for the establishing of a comprehensive framework.
4. For a Joint Committee, the over-arching mechanism for agreeing the terms and conditions of the partnership and for providing a framework for the managing of relationships within the agreement is the Minute of Agreement. A draft Minute of Agreement for subsequent, detailed discussion is provided and individual service specific "service agreements" could be put into place for the Shared Services.
5. For the Joint Committee Minute of Agreement, there would be terms as follows:

#### **a) Commencement and Duration**

The Agreement will commence when all three Councils have approved the document and will continue until signatories have given notice of their wish to withdraw.

#### **b) Constitution and Remit**

- managing and monitoring budget spend;
- developing and implementing a strategic policy framework;
- coordinating, monitoring and reviewing service performance;
- making decisions within the confines of the service budget; and,
- Considering and approving an annual Service Plan.

#### **c) Membership**

Our elected Members who will continue as members of the Committee until he or she ceases to be a Member of the Council or until the Council replaces that member

#### **d) Standing Orders**

The Joint Committee will adopt its own Standing Orders.

**e) Meetings**

Meetings will take place at least twice per year, but as often as required to conduct business.

**f) Chair**

The position of Chair of the Committee will be rotated on an annual basis.

**g) Administration**

Administrative Committee support will be provided by the Council from which the Chair of the Committee is drawn in any particular year.

**h) Finance**

- Resources to be allocated by each Council will be defined in the relevant Service Agreement, and will be previously agreed by each Council.
- The annual Service Plan will be prepared by the Lead Authority and will include the budgets required to deliver the Plan.
- The Service Plan will be submitted to the Joint Committee not later the first of November each year.
- The proportion of the cost of service delivery will be set out in the schedule to the relevant Service Agreement.
- Each Council will approve the level of funding for the following financial year by the end of February each year.
- Annual accounts will be prepared for the shared service by the Lead Authority, will be audited as part of that Council's external audit process, and will be submitted to each Council at their first meeting following 30 June each year.
- The Joint Committee will be subject to an annual audit, the terms of which will be agreed with Audit Scotland.

**i) Scrutiny**

Scrutiny in respect of the Joint Committee will be undertaken by each of the parties in accordance with their own scrutiny processes, as set out within their respective Corporate Governance arrangements. A review to assess the suitability of arrangements will be undertaken at the conclusion of the first year of the Roads shared service.

**j) Variation of Agreement**

An additional Minute of Agreement will be prepared and agreed to accommodate alterations to this Agreements.

**k) Withdrawal from Agreement/ Disaggregation**

Eighteen months' notice will be required for any party to withdraw from the Agreement, subject to the provisions of the relevant Service Agreement.

6. The Joint Committee will be the vehicle through which all local authority roads projects are managed.

7. Legal and Financial implications – all of the legal and financial implications associated with the setting up of a Joint Committee will be contained in the future report (see Section 7 of the report, above).

**Appendix 1 contd.**

**DRAFT**

**MINUTE OF AGREEMENT**

Between

(one) EAST DUNBARTONSHIRE COUNCIL constituted in terms of the Local Government etc. (Scotland) Act and having its principal office at Southbank Marina, 12 Strathkelvin Place, Kirkintilloch, Glasgow G66 1TJ;

(Two) INVERCLYDE COUNCIL constituted in terms of the Local Government etc. (Scotland) Act 1994 and having its principal office at Municipal Buildings, Clyde Square, Greenock, PA15 1LY; and,

(Three) WEST DUNBARTONSHIRE COUNCIL, constituted in terms of the Local Government etc. (Scotland) Act 1994 and having its principal office at Garshake Road, Dumbarton, G82 3PU.

(Hereinafter referred to as “the parties”)

WHEREAS the purpose of this Agreement is to make arrangements for the joint discharge of statutory functions in terms of Sections of the Local Government (Scotland) Act 1973 (“the 1973 Act”) and Section of the Local Government in Scotland Act 2003 and the establishing of a Joint Committee to oversee the delivery of Local Authority Services to the communities of, East Dunbartonshire, Inverclyde and West Dunbartonshire Councils, AND WHEREAS the parties hereto have agreed to delegate the discharge of various functions jointly, in terms of section 57 (1) (b) of the Local Government (Scotland) Act 1973 NOW THEREFORE the parties agree as follows:

**1. Commencement and Duration**

This Agreement shall commence with effect from 1st November 2016 and shall thereafter subsist for such period as the parties (or at least two of them) shall continue to participate in the Shared Service (as after defined), subject to the provisions of Clause 12 (Withdrawal from Agreement). The Service Agreement (as after defined) shall make provision for the disaggregation of the Shared Service to which it relates in the event of withdrawal by any of the parties from the Shared Service, including provision for liability of the withdrawing party for the costs associated with such withdrawal.

## **2. Constitution and Remit**

There is hereby constituted a Joint Committee to be known as the, East Dunbartonshire, Inverclyde and West Dunbartonshire Councils Shared Service Joint Committee, (to be hereinafter referred to as “the Joint Committee”). The functions to be delegated to the control of the Joint Committee shall be carried out by a Lead Authority, being the authority charged by the parties hereto to undertake the provision of defined services as set out in the relevant Minute of Agreement between the parties and as selected from the parties. The specific services and functions to be delegated to the Joint Committee (each hereinafter referred to as a “Shared Service”) shall be determined by the parties from time to time and set out in the Service Minute or Minute of Agreement to follow hereon (“the Service Agreements”). The Joint Committee is empowered by each of the parties hereto:

- 2.1 To manage and monitor spend within the budget approved by the parties hereto in relation to each Shared Service;
- 2.2 To develop and implement a strategic policy framework for the operation of each Shared Service to receive, scrutinise and approve service plans for implementation of the policies and priorities for service delivery relative to Shared Services including establishing appropriate service targets and performance indicators;
- 2.3 To co-ordinate, guide, monitor and review the performance and discharge of Shared Services by officers of the relevant Lead Authority;
- 2.4 To take decisions on a service by service basis, provided that any associated spend must be offset by additional income or savings from elsewhere within the budget for that service;
- 2.5 To consider and approve an annual Service Plan in respect of each Shared Service including the Budget as provided for in Clause 9.2 hereof for submission to the parties hereto.

## **3. Membership**

- 3.1 The Joint Committee shall comprise a total of twelve members, four members representing each of the parties hereto.
- 3.2 Each of the parties shall appoint four of its elected members to be members of the Joint Committee and the members so appointed shall, subject as hereinafter provided, continue in office until they are re-appointed or replaced by each of the parties, subject always to s57(5) and s59 of the 1973 Act. No substitutes shall be permitted
- 3.3 A member of the Joint Committee shall cease to be a member when he or she ceases to be a member of the Council which appointed him or her or on the appointment by that Council of another member in his or her place, whichever shall first occur.

## **4. Quorum**

A quorum of the Joint Committee shall be five members with at least one member representing each of the parties hereto.



## **5. Standing Orders**

The Joint Committee shall adopt its own Standing Orders. In the event of any inconsistency between the Standing Orders and this Agreement the provision of this Agreement shall prevail.

## **6. Meetings**

The Joint Committee shall meet at least twice in each financial year or more often as is required to conduct its business.

## **7. Chair**

The position of Chair shall be held for a period of one year by a member from each of the parties in turn, with each subsequent Chair taking up his or her position on the anniversary of the first meeting. The appointment of the Chair of the Joint Committee shall be undertaken by the authority from whose members the Chair shall be selected. In the event of the Chair being absent from a meeting, another member from that authority shall assume the Chair for that meeting.

## **8. Administration**

The administrative support for the Joint Committee in any year shall be undertaken by the Council, the member for which is currently Chair and which administrative support shall rotate as with the position of Chair. The cost of providing such administrative support shall be borne by the Council which is providing such administrative support in that year.

## **9. Finance**

- 9.1 Prior to the commencement of any Service Agreement the Joint Committee shall receive from each party, confirmation of resources to be allocated by that party for the provision of the functions identified as being the Shared Service as defined in the Service Agreement relative to that function. Such allocation of resources will have previously been approved by each of the parties.
- 9.2 In each subsequent year and in respect of each Shared Service, the relevant Lead Authority shall prepare a Service Plan for the following three financial years setting out the level of service to be provided to the parties hereto, in accordance with the Service Agreement for that Shared Service, and the budget required to fulfil that plan. Such Service Plan shall be submitted for approval to the Joint Committee not later than First November in each year. The Joint Committee shall thereafter make recommendation to each of the parties hereto for formal approval of the Service Plan including the relevant budget.
- 9.3 The proportion of the cost of delivery of any Shared Service to be met by each Council in respect of the Shared Service shall be as set out in the Schedule to the Minute of Agreement relating to that Shared Service.
- 9.4 Each of the parties agrees to approve and confirm to the Joint Committee the level of funding to be allocated by that party for the following financial year for each Shared Service by no later than 28 February in each year. In the event that the parties fail to agree on the allocation of funding for a shared service for the succeeding year, the allocation for the current year shall apply.

- 9.5 Annual accounts for each of the Shared Services shall be prepared by the respective Lead Authority and submitted to the Joint Committee and thereafter submitted to each of the parties hereto at their first meeting following 30 June in each year for noting and approval. Audit Scotland will put in place appropriate arrangements for external audit.

## **10. Scrutiny**

Scrutiny in respect of the Joint Committee will be undertaken by each of the parties hereto in accordance with their own scrutiny processes, as set out within their respective Corporate Governance arrangements.

## **11. Variation of Agreement**

Any alteration of the terms of this Agreement shall be by way of a further Minute of Agreement signed by all the parties hereto.

## **12. Withdrawal from Agreement/Disaggregation**

- 12.1 If any party hereto wishes to withdraw from this Agreement it may do so with effect from the end of the Joint Committee's next financial year by giving to the Clerk to the Joint Committee, not less than 18 months' notice in writing to that effect. Any party which wishes to withdraw shall be responsible for meeting any costs, including severance costs, associated with such withdrawal.
- 12.2 Any party hereto may withdraw from any Shared Service subject to the provisions in the relevant Service Agreement relating thereto and subject to meeting any costs, including severance costs, associated with such withdrawal: IN WITNESS  
WHEREOF