



Shared Services Joint Committee

Report by Alan Douglas, Chief Officer – Regulatory and Regeneration, West Dunbartonshire Council

Date of Meeting 23 November 2023

Subject: Shared Services Review

1. Purpose

- 1.1 The purpose of this report is to ask the Joint Committee to approve the winding up of the Committee given that only one employee remains in a shared arrangement and there are no current plans for further sharing between the two Councils.
- 1.2 The report also provides the Joint Committee with an update on the review of shared service arrangements for Internal Audit Services and to make recommendations in respect of future activity in this area.

2. Recommendations

- 2.1 It is recommended that the Joint Committee:
 - (a) to approve the winding up of the Joint Committee and remit to West Dunbartonshire Council and Inverclyde Council to ratify and agree the decision;
 - (b) to note the continuation of shared Internal Audit services between West Dunbartonshire and Inverclyde Councils in the short to medium term, subject to a service level agreement; and
 - (c) to note that wider discussions will continue with neighbouring Councils on possible options to create a more sustainable delivery model for Internal Audit services over the longer term.

3. Background

- 3.1 A shared service model was developed between East Dunbartonshire Council, West Dunbartonshire Council and Inverclyde Council in 2017 to share Roads and Transportation services. Over time, the remit was expanded to include Waste, Fleet, Grounds and Internal Audit.

- 3.2 East Dunbartonshire Council did not pursue participation in the shared service arrangements and formally withdrew from the Shared Services Committee in January 2022.
- 3.3 An independent evaluation of Shared Services was jointly commissioned in October 2022 by West Dunbartonshire Council and Inverclyde Council to consider the future of the shared service model.
- 3.4 The evaluation highlighted a number of positives, as well as a number of negatives, however concluded that the current model was unsustainable.
- 3.5 In relation to the delivery of Internal Audit services specifically, the evaluation highlighted that there are a number of different considerations and there are a number of examples in other Scottish local authorities where a shared service arrangement is understood to work well and recommended that consideration be given to moving to a Lead Authority Model.
- 3.6 At its meeting on 18 April 2023, the Joint Committee agreed to discontinue the joint approach in the Roads, Waste, Fleet, and Grounds areas of operation, whilst seeking a further report in respect of the Internal Audit service.

4 Main issues

- 4.1 The Shared Service arrangement between both Councils was a significant strategic decision, however Internal Audit remains the only aspect still operating since the discontinuation of the shared Roads, Waste, Fleet and Grounds areas of operation on 1 June 2023.
- 4.2 A review has now been undertaken by officers in relation to the delivery of Internal Audit Services across the two Councils which has identified that, in the longer term, there may be benefit in considering a delivery model for Internal Audit which incorporates wider shared services across multiple councils.
- 4.3 There is agreement between the two Councils to continue with the Shared Service Manager post for Internal Audit services in the short to medium term via a Service Level Agreement whilst engaging neighbouring councils on possible options to create a more sustainable delivery model for Internal Audit services over the longer term. Each Council would continue to have its own Audit Committee.

5. Implications

5.1 People

The concerns raised in the external consultant's report about the medium term sustainability of the shared management arrangement were considered as part of the review. This report highlights the need for a more sustainable solution in the short term for the Shared Service Manager post which can be managed through a Service Level Agreement and thereafter through continued engagement with neighbouring Councils on the creation of a more sustainable Internal Audit delivery model for the medium to longer term.

5.2 Financial and Procurement

There are no direct financial implications arising from this report.

6. Equalities Impact Assessment (EIA)

6.1 This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

<input type="checkbox"/>	YES – Assessed as relevant and an EqIA is required.
<input checked="" type="checkbox"/>	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required. Provide any other relevant reasons why an EqIA is not necessary/screening statement.

7. Environmental Sustainability

7.1 There are no environmental / climate change impacts which arise directly from this report.

Has a Strategic Environmental Assessment been carried out?

<input type="checkbox"/>	YES – Assessed as relevant and a Strategic Environmental Assessment is required.
<input checked="" type="checkbox"/>	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document, which is like to have significant environmental effects, if implemented.

8. Risk Analysis

8.1 The current legal agreements will need updated/amended after approval from the Joint Committee/Councils.

8.2 A service level agreement will need to be put in place for the continued shared service arrangement for Internal Audit Services between both Councils.

9. Consultation

9.1 None.

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Background papers: **None**