

Shared Services Policy

GS09-CP



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1. Purpose

This policy describes the framework for MacDonnell Regional Council (MRC) entering into an agreement with one or more councils for the delivery of shared services.

2. Scope

Applies to contracts or agreements entered into with one or more councils for the purpose of delivery of shared services.

3. Objectives

The objectives of this policy are:

- 3.1. To provide clarity in evaluating circumstances where entering a shared service agreement is appropriate; and
- 3.2. To promote efficiencies within the organisation by engaging with other councils to deliver shared services.

4. Definitions

Collective procurement	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.
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5. Statement

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

All council services are open to being delivered under a shared service model or collective procurement agreement, subject to the individual business and practical requirements of each participating council.

5.1. Considering shared services and joint procurement agreements

- 5.1.1. MRC may consider entering into a share services agreement when:
 - a. a role in MRC 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 MRC 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

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- 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.

5.2. Assessing a shared services or collective procurement opportunity

- 5.2.1. MRC will consider the following when a shared services or collective procurement agreement is being contemplated:
 - 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 council area and any other areas);
 - d. future needs of council and its constituency; and
 - e. capacity both current and future, of the council, or councils which are parties to the agreement, to deliver the expected outcomes of a shared services or collective procurement agreement.
 - f. period of time of agreement and whether it is one-off or ongoing for a period of time;
 - g. establishment and agreement of KPIs;
 - h. if access to council information is required under the agreement, the control and protection of council information (ensuring access to sensitive council information is protected);
 - i. any change management process that may be necessary;
 - j. employment opportunities that may arise or be reduced as a result of entering into an agreement; and
 - k. any other economic, social and cultural considerations.

5.3. Annual Reporting

- 5.3.1. A list of all shared services and collective procurement agreements that operated during the financial year are to be listed in Council's annual report.
- 5.3.2. From time-to-time the Council may set one or more performance indicator measurements and expectations for shared services in Council's annual plan and actual performance comparatives must be reported in the subsequent annual report for the same financial year(s).

5.4. Agreements to be in writing

- 5.4.1. Shared services and collective procurement agreements must be in writing and clearly set out all relevant details.
- 5.4.2. Collective procurement agreements must be in writing and contain certain details pursuant to regulation 44 of the Local Government (General) Regulations 2021.

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6. Policy Details

Replaces Policy No: (if applicable)	N/A
Responsible Directorate/Department:	Corporate Services - Finance
Approval Date:	25 June 2021
Minutes Reference and Resolution number:	OCM Item # 15.2 – OC2021-034
Review Cycle:	June 2025. Review every four (4) years or after changes to relevant legislation or Council policy.

7. Legislation and References

Related Legislation:	<i>Local Government Act 2019, s216</i>
Related Policies:	
Associated Documents:	

8. Version Control

Version No.	Approval Date	Policy No.	Minutes reference and Resolution number
1.	25 June 2021	GS09-CP	OCM Item # 15.2 – OCM2021-034