



RESOURCE SHARING HISTORY

An initial meeting of the Latrobe and Kentish Councils was held on July 28th 2008 to discuss among other things the potential for sharing of resources between the two Councils.

The Councils subsequently appointed a Kentish and Latrobe Councils Municipal Alliances Committee with an inaugural meeting held at the Council Chambers, Latrobe on Tuesday September 9th 2008. The Kentish Council was represented on the Committee by Mayor Don Thwaites, Deputy Mayor Tim Wilson and the General Manager Mr Mark Crouch. Latrobe Council representatives were Deputy Mayor Rick Rockliff, Cr Michael McLaren and the General Manager, Mr Gerald Monson.

At a meeting held on Monday October 20th 2008 the Committee agreed to assess the current road maintenance requirements of the Kentish and Latrobe Councils and recommend on a maintenance program for the future including appropriate plant and equipment required to meet customer service levels.

The Councils appointed an independent consultant whose report was presented to the Municipal Alliance Committee on Wednesday May 13th 2009.

The outcome of this report was that:

- a) The Latrobe Council agreed to sell its grader and engage a private contractor to undertake the grading program.
- b) The Kentish Council reconsidered its policy of fully reconstructing one gravel road each year to a high standard which eroded into the overall road expenditure to re-sheet other gravel roads.
- c) The Kentish Council agreed to consider a trial on three to four roads using Stornoway gravel to compare road services, maintenance costs etc.

Regular meetings were held of the Committee however, it was not until the two Councils agreed to employ a shared General Manager that sharing of resources gathered momentum.

A three year agreement was signed, beginning on July 1st 2010, to enter into a shared General Manager arrangement and to share other resources for the purpose of carrying out duties and performing functions under the Local Government Act 1993 in the district of each Council on the terms and conditions contained in the agreement.

* Intent of the Agreement

The consideration of a resource sharing arrangement is driven by the belief that it would strengthen the future economic and social viability of each municipality. Given that the Latrobe municipality and the Kentish municipality are direct neighbours, each Council considers it is sensible and practical to explore a strategic alliance.

The Latrobe and Kentish Councils acknowledge the benefits of resource sharing including:

- *Allows Councils to maintain their independence at the local level.*
- *Allows Councils to provide services to a larger population.*
- *Spreads costs and risks.*
- *Encourages greater use of all available resources.*
- *Allows financial savings in service delivery.*
- *Releases savings for other service areas.*
- *Provides for both broader and more specialised services.*
- *Permits more equitable distribution of services for residents and ratepayers.*
- *Attracts a financial contribution from non-resident users.*
- *Generates additional capital from the sale of excess equipment or land.*

* Direct quotation from document.

The following positions are currently implemented under the Resource Sharing Agreement which was formally extended for a three year period commencing on January 1st 2013.

Manager Engineering and Works - Mr Jonathan Magor

Mr Jonathan Magor was appointed September 2011 to Manager of Engineering and Works at the two Councils. Mr Magor is employed approximately three days per week at the Latrobe Council and two days per week at the Kentish Council. The Latrobe Council subsequently appointed an Engineering Technical Officer (Mr Nigel Rist) to undertake work previously carried out by the Council's Engineering Works Co-ordinator, Mr Jason Bellchambers, who took on extra responsibilities during the absence of Mr Magor. The benefit of this arrangement is that Kentish Council has obtained an experienced engineer while the Latrobe Council has enhanced its succession planning in this area with the promotion of Mr Bellchambers and the appointment of Mr Rist. The arrangement also allows for both Councils to gain from the benefit of Mr Magor's experience and provides an extended career path for him.

Kentish Corporate Services Manager - Mr Andrew Cock

In late 2011 the Corporate Services Manager at Kentish Council, Mr James Rendell, resigned and after negotiations with the Latrobe Council, the accountant at Latrobe, Mr Andrew Cock, transferred his employment to the Kentish Council as the Corporate Services Manager. Mr Cock has continued to provide accounting services to the Latrobe Council under the Resource Sharing Agreement. The Latrobe Council subsequently appointed an accountant to assist Mr Cock with his role.

The benefit of this arrangement is that the Kentish Council secured a qualified, respected accountant, while the Latrobe Council retained the service of Mr Cock for specialist accounting advice. The appointment of the accountant at Latrobe also provides for back-up support during periods of absence etc.

Tourism and Economic Development Officer

In 2012 Kentish Council appointed a Tourism and Economic Development Officer whose time shared and costed on a 50/50 basis with the Latrobe Council.

The Latrobe Council previously employed a full time Tourism Coordinator while the Kentish Council employed an Economic Development Manager and a part-time Tourism Officer (three days per week).

The appointment has avoided duplication of officers attending the same meetings to discuss tourism and economic development promotions and ideas within the North-West Coast area and has led to several joint marketing initiatives between the two Councils.

Workplace Health and Safety Officer

Latrobe Council appointed in October 2013 a Workplace Health and Safety and Risk Management Officer for the two Councils on a 50/50 shared basis with the Kentish Council.

The Latrobe Council previously employed a full-time Risk Management Officer who was not replaced when he left in 2008. The Work Health and Safety Act 2012 came into operation as from January 1st, 2013 and it has placed a significant workload on Council to comply with the new regulations.

The objectives of this newly created position are to develop, implement and maintain a risk management strategy and framework for both Councils and to develop, implement and maintain workplace health and safety systems, programs and procedures to ensure compliance with legislation, codes of practice and industry best practice.

Animal Control/ Compliance

The Latrobe and Kentish Council both engage North West Animal Control to provide animal control/compliance services between the two Councils.

Environmental Health Officer

The Environmental Health Officer, Mrs Georgina Crantock, is employed by both the Latrobe and Kentish Councils. Mrs Crantock provides back-up service to the Latrobe Council's Environmental Health Officer and works as the Environmental Health Officer at the Kentish Council for three days per week.

Plumbing Inspection Services

The State Government introduced legislation applicable from November 2012 requiring that 20% of all plumbing applications approved be inspected by a qualified plumbing inspector.

The Latrobe and Kentish Councils entered into a Resource Sharing Agreement with the Devonport City Council to provide this service for the two Councils.

In February 2017 Latrobe Council employed a plumbing inspector who undertakes plumbing inspection work for the two Councils.

Planning and Building Services

At the October 2013 Council meetings it was agreed that a new organisational structure be implemented whereby the Latrobe Council would provide planning and building services to the Kentish Council.

The Kentish Council previously engaged a planning consultant from interstate at a cost of approximately \$100,000 per annum to provide planning services. Under the new arrangement the Latrobe Council will employ an additional planning officer which will allow for succession planning to occur within the department and provide an improved back-up service when staff are away on annual leave, sick leave etc. It is also expected that there will be a cost saving for both Councils as the combined service is implemented.

Residents at Kentish are able to lodge planning and building applications at both Councils. A planning officer from Latrobe attends the Kentish office approximately two days a week to meet with developers.

Works Manager

Mr David Sondergeld was appointed as works manager by Kentish Council in July 2015. The position is shared between both Councils on a 50/50 basis and was created with the pending retirement of the works supervisor and long service works foreman at Kentish.

The works manager was given the scope to identify resource sharing initiative particularly with the use of major plant and equipment items.

OTHER INITIATIVES

Resource Sharing of Plant and Equipment

The Councils have appointed a sub-committee to investigate and report on any opportunities that are available to improve on operation efficiencies within the provision of road services (use of grader, flocon, resealing etc), roadside slashing and spraying services.

The resource sharing of plant and equipment and provision of these services is on the philosophy of "Council's Without Boundaries" and that neither Council is worse off financially than their current arrangements.

New Phone Systems

Kentish and Latrobe Councils have worked together to purchase an integrated phone system between the two councils. There were savings made by the joint purchase and the phone system allows free phone calls between the two Councils including Voice Over Internet Protocol (VOIP) and video conferencing.

Audit Panels

The State Government has legislated that each Council must appoint an Audit Panel to operate under a formal charter including terms of reference.

The roles and functions of an audit panel may include:

- a) Reviewing the adequacy, efficiency and effectiveness of Council operations including accounting, internal control, anti-fraud, anti-corruption and risk management policies, processes and systems.
- b) Reviewing annual financial statements to ensure they present fairly the state of affairs of the Council and that they were developed using rigorous and transparent processes consistent with National Accounting Standards.
- c) Evaluating and reporting on the compliance, integrity and integration of the Councils;
 - i) Strategic Plan
 - ii) Rates and Charges
 - iii) Asset Management Policy
 - iv) Asset Management Strategy
 - v) Long Term Strategic Asset Management Plan(s)
 - vi) Financial Management Strategy
 - vii) Long Term Financial Management Plan; and
 - viii) Annual Plan

The Councils have adopted identical Audit Panel policies and have appointed an independent Chairperson to sit on both Council's Audit Panels.

Fraud Policy

At the May 2014 meetings of the two Councils an identical Fraud and Corruption Control Policy and Fraud Control Plan was adopted.

The report of the Auditor-General No. 1 of 2013-14 – Fraud Control in Local Government noted that “anti-fraud culture is a more recent concept which has received less attention in the past.” Six councils were audited to assess the effectiveness of fraud control and a number of recommendations were made to improve practices at those councils. The Auditor General also encouraged the remaining 23 councils to apply the frameworks which were adopted during the audit.

The Australian Standard 8001-2008 Fraud and Corruption Control (AS8001) in addition to prescribing good systems of internal control, calls for implementation and maintenance of a sound ethical culture as a central element to prevent and detect fraud.

The introduction of the Fraud and Corruption Control Policy and Plan is considered a best practice approach to the governance of both Councils.

The two Councils are now aligning other Council policies.

Strategic Plans

Kentish Council's Strategic Plan 2014-2014 was adopted in the same format as Latrobe Council's with work also to proceed on realigning the general ledgers of both Councils, costing and on-cost systems.

The alignment of Councils information technology and costing systems will greatly improve the efficiency of resource sharing.

Kentish and Latrobe Councils may look to develop partnerships with other Councils in the future to build further on the benefits of this business model, provided all parties involved with Council receive value and gain as a result.

REVIEW OF RESOURCE SHARING ARRANGEMENTS

Kentish and Latrobe Council engaged the Australian Centre of Excellence for Local Government (ACELG) at the University of Technology Sydney to review the resource sharing arrangements between the two councils. The report released in November 2016 revealed conservative savings due to resource sharing of \$768,000 across the two Councils in the 2015/16 financial year. It also made 21 recommendations in the areas of:

- strategic planning and leadership development,
- communications,
- staffing and workforce,
- new and expanded opportunities,
- governance,
- succession planning,
- managing change, and
- project management

EMBEDDING SHARED RESOURCES

Kentish and Latrobe Council engage LKS Quaero for the expertise and guidance to assist with the implementation of the 21 recommendations of the Review of Resource Sharing Arrangements Between Kentish and Latrobe Councils (UTS:CLG 2016).

Following seven years of successful collaboration in December 2016 the two Councils commenced an Embedding Shared Resources Program. The program will:

- Establish common policies, systems and ways of working between the two Councils
- Identify economies and efficiencies through cash savings and service uplift
- Ensure the workforces of both Councils meet the current and future needs of their communities in terms of numbers, skills and attributes
- Mitigate the risks of critical services required of the Council in the two communities being unable to be delivered
- Developing common, simplified ways of working.

The two Councils are currently in the process of implementing a restructure of the outdoor works Operations Departments of both Councils. The restructure will result in the sharing of staff and equipment across both Councils to create a bigger pool of resources to do the work. Pooling resources creates flexibility to better cover staff absences, get better return on investment from equipment, deal quickly with urgent works, and smooth out the busy and quiet times across both municipal areas.

The restructure also aims to create knowledge centres where staff from both Councils work together and share their skills, ideas and experience in three virtual teams: building and facility maintenance, parks and reserves and road construction and maintenance.

SUMMARY

Local Government is facing challenging times with ratepayers and residents continuing to expect more in improved services while also wishing not to pay extra rates and charges.

The resource sharing of Council's plant and equipment and expertise enables more cost effective services to be provided while at the same time improving career paths, succession planning and back-up resources for both Councils. The two Councils feel confident that the resource sharing agreement in place is proving beneficial and well worth the extra effort required by management to change how both Councils operate into the future.