RESOURCE SHARING

BUILDING STRONGER AND BETTER COUNCILS

STATUS REPORT SUMMARY MAY 2012

What is and why resource sharing?

This report summary is designed to provide a brief overview of the current status of the resource sharing arrangement between the Circular Head Council and the Waratah-Wynyard Council, provide some background on why the resource sharing arrangement was put in place and the benefits and achievements reached so far.

A resource sharing arrangement between Circular Head and Waratah Wynyard Councils was initiated in 2008 for a number of reasons. The key driver was to make each Council stronger and better in a response to the ever expanding demands and continual pressure to limit rate increases.

Resource sharing was also seen as being proactive and that by choosing an alliance with ‘like minded players’ with similar objectives, both Councils would get access to greater economies of scale and be able to deliver better and relevant services to the communities.

Resource sharing was also seen as providing the opportunity to develop shared systems, whereby both Councils would gain improved systems and access to skilled staff while offering greater opportunity and job satisfaction to its key staff.

The appointment of the General Manager of the Circular Head Council to the role of General Manager of the Waratah-Wynyard Council acted as the impetus for the arrangement. Consequently both Councils engaged consultancy firm KPMG to compile a report as a basis for assessing the opportunity for resource sharing between the two Councils and employing one GM to serve both.

One thing that was made clear in the process was that there were no plans to amalgamate the Councils. The intention was to share resources where it made sense to do so and where it was of benefit to ratepayers.

From Report to Reality: Resource Sharing

While much of the published literature focuses upon efficiency gains and the cost savings via economies of scale in areas such as IT, plant, purchasing and administration, the KPMG report enabled both Councils to also look at the effectiveness gains that would be possible from such an arrangement.
The KPMG study found that Councils are under increased pressure to provide innovative ways to allocate resources across a range of competing activities to meet the needs of current and future generations.

The KPMG report identified that resource sharing was an effective alternative to amalgamation in that it provided opportunities to develop sharing of human resources, financial management, planning and development, works and maintenance, plant and equipment, joint purchasing, contract services, social and community services, while also giving both access to each other’s tourism activities and understanding of regional issues.

The report also identified that both Councils would benefit by having common directions and leadership. The ability to have better representation particularly for lobbying, grants submissions was also put forward as a key benefit, while both Councils would be able to retain their local identities, representation and governance.

The report found that likeminded communities would benefit from the broadening of boundaries and thinking and a further advantage of resource sharing would be the development of better management teams, which would enable analysis of where the key gaps in services existed.

**Resource Sharing in Action - What has it achieved?**

As at April 2012 there are 14 resource-shared staff, with seven staff based at Waratah-Wynyard and the remainder at Circular Head.

While staff may be based at certain Councils, they generally spend 50% of their time working for each. As some roles are incident or people-based, it is difficult to quantify how much time is spent working for each council on a week to week basis.

A Resource Sharing Committee steers the process, meeting each quarter to oversee progress reports and to ensure the model is delivering what it was designed to do. The following information summarises matters which have been or are being progressed within functional areas.

In addition to the higher level priorities, the following information summarises a number of the matters which have been or are being progressed within functional areas.

**Human Resources Management:** A Human Resources Coordinator has been employed across both Councils to assist in improving and advancing skills development of staff, leadership skills, performance management systems, identifying staff and department needs and refining the recruitment and retention process.

**Occupational Health and Safety:** An Occupational Health and Safety Officer is resource shared between Councils to ensure both Councils not only meet legislative requirements, but also to further advance health and wellbeing programs in the workforce. A number of
programs, including a re-induction process has ensured all staff are up to date on the most modern and advanced practices in ensuring a safe and healthy workplace and workforce.

**Emergency Management:** Both the Circular Head and Waratah-Wynyard Councils cooperate to ensure legislative requirements are met in this area and also to ensure the Emergency Management Plans for both municipalities apply best practice principles.

**IT Services:** A resource shared IT officer has been employed to look at the number of opportunities available in working on efficiencies and shared systems. This role is also complementing other resource shared staff who are based at both Councils from time to time, who require access to both systems.

**Policy Development:** A cooperative approach between both Councils has seen the implementation of a shared knowledge base, which has delivered more consistent policy development. This area is still in development.

**Risk Management:** The Risk Management Officer at Waratah-Wynyard is resource shared with Circular Head to ensure not only compliance with legislation, but also to ensure staff and services are delivered in line to minimise risk.

**Staff Training Efficiencies:** Combined Human Resources has meant continued success not only internally, but also at LGMA management challenges. Through both, staff have developed better collaborative working relationships and approaches to workplace health and safety.

**Sharing of Skills and Knowledge:** There has been a considerable exchange of skills and knowledge across both Councils. This success has been gained as the relationships are embedded and members work collaboratively within their individual areas of responsibility. There have been many examples of shared skills and expertise across the organisations and considerable advancement of a shared ‘pool’ of staff skills and expertise to access.

**Financial and Asset Management:** A number of ideas have been implemented including the combination of functions to provide for the sharing of financial and asset planning skills to implement comprehensive long term asset and financial management programs.

**Development Services:** Both Councils are working with each other to look at ways to improve the planning approvals, building permits, zoning, weed management, environmental management, animal control, public health, regulatory compliance and other systems within this area. The sharing of skills and knowledge in this area has been beneficial to both Councils because of common issues and different approaches to resolutions.

**Engineering, Works and Maintenance:** Contract management systems have been improved to further a number of programs within this area, as have asset management and development, sharing of specialised equipment and software. A combined approach to tenders and the sharing of specialised survey and design skills is ongoing. Comparison and
optimisation of works and maintenance techniques is delivering improved results in both Council areas.

**Social and Community Services:** A number of collaborations has seen the sharing of knowledge particularly beneficial especially in the areas of child care, program delivery, cultural programs, youth support, family services, leisure and recreation, sporting, public events and arts and culture activities. While grants are often specific to each community, opportunities have been identified to work cooperatively where possible to apply for joint funding when it comes available.

**Communication and Consultation:** A resource shared Communications Officer has been employed to further drive regular and constructive communication between both organisations in relation to operational matters. This includes shared documentation, procedures, thoughts and ideas.

**The Next Phase – 2013 and Beyond**

There were no plans to amalgamate the Councils. The intention is to share resources where it makes sense to do so and where it is of benefit to ratepayers.

KPMG found that political will was essential to success and that while there were a number of barriers to achieve the aims of resource sharing; most of these were centred on resistance to change. The key to success, the report noted, was that there needed to be a genuine commitment to properly support and strategically engage.

The present agreement will be reviewed in mid 2013.

While previously the focus has been on the role of a shared General Manager and possible cost savings, the realisation from resource sharing in action has been that there are many positive benefits from the arrangement.

The resource sharing process has encouraged a broadening of boundaries, a broadening of thinking - whether the best outcome can be delivered individually, jointly, regionally or indeed at a statewide level.

Albert Einstein is quoted with once saying - Everything that can be counted does not necessarily count; everything that counts cannot necessarily be counted.

The true measure of success will be cultural change.