

Report to: **Audit Committee**
Date: **18th July 2017**
Title: **Shared Services Methodology 2016/17**
Portfolio Area: **Support Services – Councillor C Edmonds**

Wards Affected: **ALL**

Urgent Decision: **N** Approval and clearance obtained: **Y**

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Recommendations:

That the Audit Committee notes the methodology of the shared services apportionment of costs between West Devon Borough Council and South Hams District Council, as attached in Appendix A.

1. Executive summary

The methodology for the apportionment of costs (predominantly staffing costs) between West Devon Borough Council and South Hams District Council is set out in the attached Appendix. The staffing costs of a particular service team are split on a defined basis as set out. The split of costs reflects the level of caseload which is attributable to each Council's individual service.

2. Background

This report is the annual report to the Audit Committee which sets out the methodology and mechanisms that are being used to calculate the cost allocations between the two Councils.

West Devon Borough Council and South Hams District Council have been shared service partners since 2007. The Councils have a shared non-manual workforce.

Appendix A sets out the methodology and the percentage on which staff costs and other related costs for each service are split between West Devon Borough Council and South Hams District Council. The caseload statistics are the actual caseloads for each service for the 2016/17 financial year.

In KPMG's annual report to the Audit Committee in September 2016 they stated that 'No significant issues arose as a result of their work in the allocation of shared costs.'

3. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council is legally required to maintain adequate governance and financial arrangements to ensure a fair allocation of shared costs is absorbed by each individual Council.
Financial	Y	As above.
Risk	Y	The allocation of shared costs was identified by KPMG as a key financial statements audit risk. KPMG's final report concluded that 'No significant issues arose as a result of their work in this area.'
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	N/a
Safeguarding	N	N/a
Community Safety, Crime and Disorder	N	N/a
Health, Safety and Wellbeing	N	N/a
Other implications	N	none

Appendices

Appendix A – List of shared service apportionments for 2016/17.