

August 2013



MKIP

ANNUAL REPORT 2012/13



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## INTRODUCTION

Welcome to the MKIP Annual Report for the Mid Kent Improvement Partnership over the municipal year 2012/13.

2012/13 has been a very productive year and began with Tunbridge Wells as lead authority with Maidstone taking the lead in September 2012. Over the year MKIP funding has delivered two shared service business cases through the new Gateway model, helped implement the ICT shared service and begun work in earnest on MKIP's future structure through the Employment model project. The project hub section of this report updates on those projects.

MKIP brings together Maidstone, Swale and Tunbridge Wells in partnership to deliver the best possible services we can for all residents whilst managing the impact of severely reduced finances. To do this we learn from each other's different approaches whilst taking advantage of common aspects for benefits, confidence and economies of scale.

Primarily this is done through delivering shared services. We have six to date, Audit, HR, ICT, Legal, Parking Enforcement and Revenues and Benefits. Two other shared services have had business cases agreed – Environmental Health and Planning Support. With those services on board MKIP will represent some 20% of what the three authorities do, in terms of staff numbers and budgets. Performance, budgets and the size of MKIP are all covered in this report.

Each of the shared services has also provided a snippet of news for their service and a contact directory is provided at the end if you wish to get in touch with me or with any of the shared service managers for further information.

Wherever I've worked, be it at Maidstone, my spell at Tunbridge Wells or work on projects with Swale it is obvious that the key asset is people. MKIP's structure is crucial to supporting the people working in shared services. We're ambitious and want to drive forward service improvements and explore opportunities even in these times of austerity. MKIP can do this because we are better equipped to face tough times together than we are apart.

*Ryan O'Connell*  
*MKIP Programme Manager*

## **MKIP AT A GLANCE**

- Formed in 2008 with Audit as the first shared service. It included Ashford who used to be an MKIP partner.
- The MKIP Partners are now Maidstone, Swale and Tunbridge Wells Borough Councils.
- MKIP liaises with KCC over strategic projects (particularly ICT).
- Now stands at six shared services – Audit, HR, Legal, ICT, Parking Enforcement and Revenues and Benefits.
- Two other shared services have had business cases agreed – Environmental Health and Planning Support.
- MKIP has grown as opportunities arise and we've built trust over time. We've sped up decision making as trust has grown and the feedback from staff involved in shared services is positive.
- Other sharing initiatives also take place – such as sharing the Head of Planning between Swale and Tunbridge Wells.
- It is not an exclusive partnership – the partners are involved in partnerships with others, such as Building Control, CCTV, Licensing, and the Waste Partnership.

## **WHY FORM A PARTNERSHIP?**

Maidstone, Swale and Tunbridge Wells were ahead of the game in deciding to form a partnership that would allow closer working and to deliver a programme of shared services. Increasingly shared services (in many forms) are being pushed by central government and used by the public sector to protect services whilst making savings. The financial pressures on local government are immense and through working together they can be met with less drastic reductions than going it alone.

The objectives of the Mid Kent Improvement Partnership are to work together in partnership-

- (a) To improve the quality of service to communities;
- (b) To improve the resilience of service delivery;
- (c) To deliver efficiency savings in the procurement, management and delivery of services;
- (d) To explore opportunities for trading in the medium to long-term;
- (e) To share best practice; and
- (f) To stabilise or reduce the environmental impact of service provision.

## BUDGET AND STAFF SIZE (OF MKIP SHARED SERVICES) – 2012/13

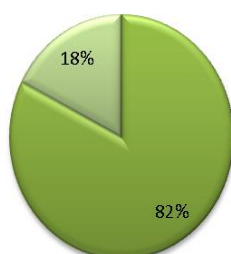
### Budgets

Expenditure on Services	£9.83m
Income generated from Services	£0.87m*
Net Expenditure on Services	£8.96m
Total Authority Budget Expenditure	£50.38m
<b>MKIP % of Total Authority Expenditure</b>	<b>17.8%</b>

\*Includes income between partners to show complete picture for cost of services

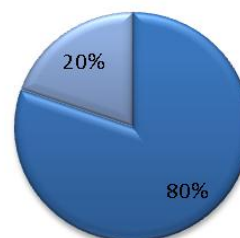
#### MKIP

■ Authority Budgets ■ MKIP Budgets



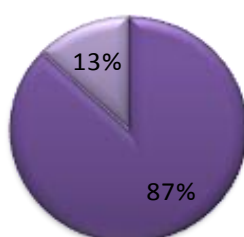
#### Maidstone

■ Local Authority ■ MKIP



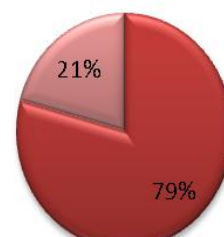
#### Swale

■ Local Authority ■ MKIP



#### Tunbridge Wells

■ Local Authority ■ MKIP



## Breakdown 2012/13

	<b>Maidstone</b>	<b>Swale</b>	<b>Tunbridge Wells</b>
<b>ICT</b>	1,312,270	626,590	1,502,570
<b>Add ICT Budgets outside of ICT</b>	15,500	390,400	
<b>Total ICT Expenditure</b>	1,327,770	1,016,990	1,502,570
<b>Income</b>	-149,600		-40,900
<b>Net Expenditure</b>	<b>1,178,170</b>	<b>1,016,990</b>	<b>1,461,670</b>
<b>Legal</b>	493,020	382,400	430,480
<b>Add External legal - other services</b>	55,520	32,930	53,600
<b>Total Legal Expenditure</b>	548,540	415,330	484,080
<b>Income</b>	-114,640	-47,800	-39,400
<b>Net Expenditure</b>	<b>433,900</b>	<b>367,530</b>	<b>444,680</b>
<b>HR</b>	758,650	376,590	N/A
<b>Income</b>	-241,320	1,170	N/A
<b>Net Expenditure</b>	<b>517,330</b>	<b>377,760</b>	
<b>Revenues &amp; Benefits</b>	1,394,030	N/A	928,480
<b>Income</b>	-32,740	N/A	0
<b>Net Expenditure</b>	<b>1,361,290</b>		<b>928,480</b>
<b>Audit</b>	299,700	180,110	166,200
<b>Income</b>	-108,340	0	-32,830
<b>Net Expenditure</b>	<b>191,360</b>	<b>180,110</b>	<b>133,370</b>
<b>Parking - Admin</b>	279,990	148,700	N/A
<b>Income</b>	-36,390	-23,000	N/A
<b>Net Expenditure</b>	<b>243,600</b>	<b>125,700</b>	<b>N/A</b>
<b>Number of shared services</b>	<b>6</b>	<b>5</b>	<b>4</b>
<b>Total Net Expenditure*</b>	<b>3,925,650</b>	<b>2,068,090</b>	<b>2,968,200</b>
<b>Authority Budget</b>	19,939,950	16,187,780	14,254,450
<b>Percentage of authority budget in MKIP</b>	<b>19.7%</b>	<b>12.7%</b>	<b>20.8%</b>

\*All figures exclude recharges

## Staff Numbers (12/13)

Service	No. Staff
Audit	12
HR	17
ICT	42
Legal	23
MKIP	1
Parking	4
Revenues & Benefits	64
Total	163

## Overall Staff Numbers (12/13)

Authority	Approx. Staff
Maidstone	520
Swale	320
Tunbridge Wells	380
Total	1220
MKIP % of Total	13.36%

## Planned Budget Growth 2014/15

Service	Budget Est.	Est. Growth	Service	No. Staff *	Est. Growth
Environmental Health	£2m	15.3%	Environmental Health	37	22.7%
Planning Support	£1m	9%	Planning Support	42	25.8%
Total	£3m	24.3%	Total	79	48.5%

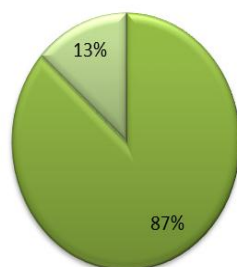
## Total Predicted MKIP 2014/15

	Amount	Authority Total
Budgets	£12m	23.7%
Staff	242	19.8%

\*Current numbers of staff employed

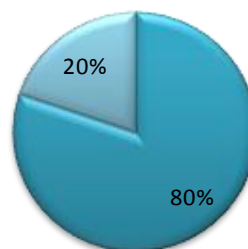
## Percentage of Staff in MKIP

■ Authority Staff ■ MKIP Staff



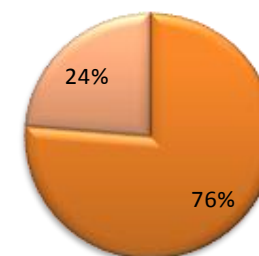
## MKIP Predicted Size (Staff)

■ Local Authorities ■ MKIP



## MKIP Predicted Size (Budgets)

■ Local Authorities ■ MKIP







# SHARED SERVICE CENTRE

- National Shared Service Picture p10
- Shared Service News p11
- Annual Performance Summary 2012/13 p13
- MKIP and Shared Service Savings p14

## NATIONAL SHARED SERVICE PICTURE

Nationally, shared services are becoming an increasing part of how local government operates, primarily as it deals with reduced finances. This is demonstrated by the significant growth in shared service arrangements nationally:

Year	Number of Councils Sharing	Number of shared arrangements	Savings achieved
<b>2012/13</b>	219	143	£156.5m
<b>2013/14</b>	337*	325	£278m
<b>Growth</b>	<b>54%</b>	<b>127%</b>	<b>78%</b>

*\*95% of English councils now share*

*All statistics from LGA shared services map*

As shared services mature there will be a lot MKIP can learn from others, but MKIP should be proud of the fact that it is ahead of the game on shared services and has been delivering them since 2008. There is a lot of learning we can share nationally and we will be looking to better publicise our achievements nationally, including presenting at conferences, in 2013/14.

## SHARED SERVICE NEWS

**AUDIT** – The service is the longest running of the shared services and with the impending retirement of Brian Parsons its structure and operation are being reviewed ready for a new Head of Service to come in during 2014. It is important that the new Head is able to have an input and introduce their ideas but a lot of work will be carried out before they arrive to make that as easy as possible for them.

Performance and the outcomes from audit work for 2012/13 will be reported to the respective Audit Committees during June and July. A survey of Chief Executives/Directors and Heads of Service in June 2013 produced 30 responses. The responders were all either satisfied (43%) or very satisfied (57%) with the service.

**LEGAL** - John Scarborough, the new Head of Legal Partnership for Mid Kent Legal Services, has now started work for Swale, Maidstone and Tunbridge Wells Borough Councils. Before coming to Kent, John spent the last 23 years at five local authorities progressing from Trainee Legal Executive up to senior management level. Although the majority of his time has been spent practising as a Solicitor and managing Legal Services, John has also managed a variety of other front line and back office services. Importantly for this role, John has previously been involved in some ground breaking collaborative working and shared service projects.

Since arriving, John has been busy meeting staff, councillors and senior managers across the three authorities in order to learn more about the history of the shared service and the key challenges facing Mid Kent Legal Services. John will now be putting together proposals for discussion with key stakeholders in order to deliver the Vision for the shared legal service agreed by the MKIP Board last year.

John is really looking forward to working with colleagues at the three authorities.

**HUMAN RESOURCES** - This has been a year of consolidation for the HR Shared Service. The team have focussed on stream-lining policies and processes to increase consistency and effectiveness, although there is still work to be done on the electronic approval processes.

One of the key drivers for the HR Shared Service was resilience and this year has demonstrated that this has been delivered effectively. The team has experienced some long term health issues and at the same time an extremely high level of employee relations case work, if the teams had not been part of the shared service we would not have been able to cope with the work requirements, but together this was possible.

The strength and resilience of the service enabled a short term secondment of Tina Edwards, Learning and Development Shared Service Manager to East Kent HR Shared Service which enabled us to learn more about different models of delivery.

There have been significant changes in the payroll and pensions arena this year and Peter Jones, Payroll Manager has ensured that he is up to date with the changes through the iTrent seminars, the new reporting processes to HMRC went smoothly in April as did the move to e – payslips.

Tina Edwards, Learning and Development Shared Service Manager has been successful in attaining a promotion to a local Housing Association – we would like to wish her well and thank her for all her support and enthusiasm during the last 7 years. She will be replaced by Catherine Harrison who comes to us with excellent skills in the Learning and Development arena – we wish her every success in the appointment.

The team are in discussions with several other organisations about the possibilities of extending the partnerships and collaborating in various areas of our business to generate increased income for the council, these discussions are in early stages.

**ICT** – The ICT shared service up and running after being put together throughout 2012/13 with a lot of hard work from the staff involved. There are still some outstanding issues to be completed and the real work begins to deliver the shared ICT strategy and business plan. This will involve lots of changes and innovation from the team and the right staff are in place to meet the challenges of joining the ICT of three authorities together.

**Delivering the Service and Changes for Staff** - The aim is to join up ICT across the partnership to better support shared services, provide opportunities for closer working and of course to deliver cost savings through procuring and supporting a single instance of a piece of software. We will also be taking the best bits of ICT from across the partnerships to deliver a better service to you.

Delivering this will mean changes for all members and council officers, many of which will be behind the scenes as the authorities are joined together in an MKIP domain but others will be visible and we will involve staff in the process of designing and testing solutions where appropriate, but you will all notice changes.

We'll keep you informed along the way of this exciting time for ICT across the partnership and help you through the process.

Changes over the next 18 months

- Improved ICT communications
  - Single helpdesk function
  - On line knowledge base for ICT issues
  - ICT service catalogue
  - Single ICT intranet presence
- Shared parking system between SBC and MBC
- Shared Planning/ EH systems
- Improved integration between telephony and email across the partnership
- Standardised desktop environment
- Improved mobile work offering for staff/members and mobile access for customers
- New corporate printer/photocopy contract

**PARKING ENFORCEMENT** – performance within the parking team remains good with improved levels of civil parking enforcement patrols being deployed to areas where parking problems have been identified.

The next short term step for the service is to consolidate ICT systems to support the team who are working extremely hard under significant pressures to maintain performance.

Longer term we are also exploring the possibilities of joint supplier contracts and partnership changes including looking at introducing a cashless payment system and expanding the model of the service out to others. This will only be done if the case for doing so is right and we can support the team in delivering a high quality service going forwards.

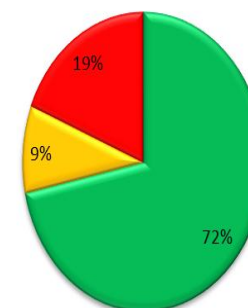
**REVENUES AND BENEFITS** - the longer term structural reform of the welfare state will see a reduction in the Councils role within the benefit system with housing benefit to be phased out between October 2013 and October 2017 as part of the migration to Universal Credit. Responsibility for benefit fraud will also transfer to the new Single Fraud Investigation Service, both operated centrally by DWP. The resulting immediate changes have placed considerable extra demand on the benefits service.

Whilst the changes will inevitably reduce the staffing requirement within the service, in retaining the council tax discount scheme as well as some specialist supported housing posts, the team will continue to provide a benefit service to a similar number of residents but without the complexity of the housing benefit system.

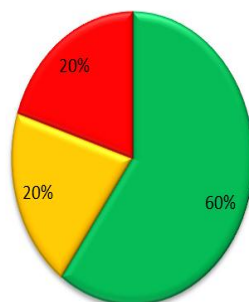
## ANNUAL PERFORMANCE SUMMARY 2012/13

Service	Green	Amber	Red	(N/A)	Total
Audit	3	1	1	-	5
Human Resources	7	1	6*	-	14
ICT	8	1	1	(1)	10 (11)
Legal	3	1	0	-	4
Parking	5	0	1	-	6
Revenues and Benefits	12	1	1	(3)	14 (17)
<b>MKIP (Total)</b>	<b>38</b>	<b>5</b>	<b>10</b>	<b>(4)</b>	<b>53 (57)</b>

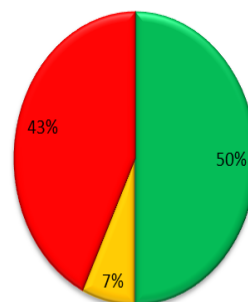
**MKIP Total**



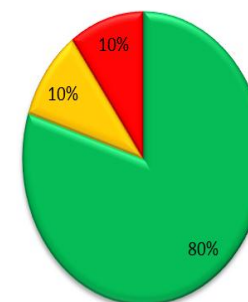
**Audit**



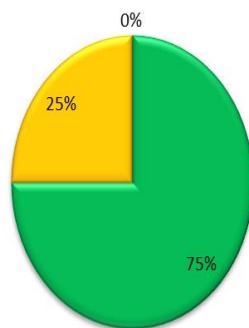
**Human Resources**



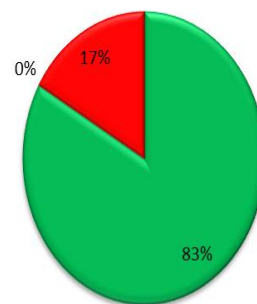
**ICT**



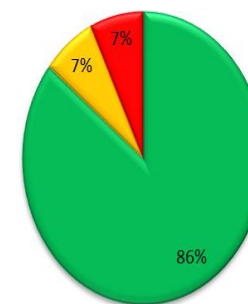
**Legal**



**Parking**



**Revenues and Benefits**

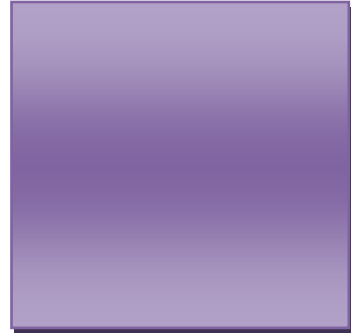


## MKIP AND SHARED SERVICE SAVINGS

		Base Year	Annual Savings 2012/13	Cumulative Savings 2012/13	Cumulative Savings 2013/14 (predicted)	MKIP Funding and Implementation Costs
<b>Shared Services</b>	Audit	2009/10	£115,560	£253,120	£368,680	
	Human Resources	2010/11	£103,000	£226,000	£329,000	
	Legal	2008/09	£82,500	£195,000	£277,500	
	Parking Enforcement	2010/11	£185,000	£340,000	£525,000	
	Revenues and Benefits	2009/10	£364,230	£742,910	£1,107,140	
			<b>£850,290</b>	<b>£1,757,030</b>	<b>£2,607,320</b>	
<b>Transformation</b>	Contract monitoring	2008/09	£91,800	£344,400	£436,200	
	Finance	2008/09	£75,240	£298,877	£374,117	
	R&B (Swale)	2009/10	£347,000	£1,041,000	£1,388,000	
	Print & Graphics	2007/08	£64,150	£189,950	£254,100	
			<b>£578,190</b>	<b>£1,874,227</b>	<b>£2,452,417</b>	
<b>Procurement*</b>	Banking	2010/11	£18,000	£36,000	£54,000	
	Parking Enforcement contract	2010/11	£143,000	£243,000	£386,000	
			<b>£161,000</b>	<b>£279,000</b>	<b>£440,000</b>	
<b>Total</b>			<b>£1,589,480</b>	<b>£3,910,257</b>	<b>£5,499,737</b>	<b>£1,772,000</b>

*\*Assumes no saving  
achievable individually*

Net Cumulative Savings 2012/13	<b>£2,138,257</b>
Net Cumulative Savings 2013/14	<b>£3,727,737</b>



# PROJECT HUB

- MKIP's Project Gateway Model p16
- Environmental Health – Snapshot p17
- Planning Support – Snapshot p19
- Employment Model – Spotlight p21
- Lessons Learned p22

## MKIP's Project Gateway Model

MKIP runs numerous shared service projects and through the lessons learned and the trust built through successful delivery is constantly refining its project methods and decision making. MKIP has adopted its own 'Gateway Model' set out below:

### Gateway Model



1. Defining the programme – MKIP Board agree a list of projects for inclusion in the programme and the MKIP Programme Manager adds smaller scale projects to the programme on an on-going basis
2. Initiating the programme – Gateway 1 – MKIP Programme Manager produces a programme for agreement by the Board, along with critical programme elements including governance arrangements, communications strategy, collaboration agreement templates and consideration of resourcing
3. Viability study/business case – Gateway 2 – Business case is scoped to show shared service is viable, business case then produced for MKIP Board, with final decision for Cabinets
4. Implementation – Gateway 3 – Business cases will include implementation timetables and the Shared Head/Manager supported by a project Board and team will need to deliver. Business case retains some flexibility for the Shared Head/Manager to adapt to their vision and to changing circumstances
5. Benefits Realisation – Shared Service comes under MKIP governance, regular reporting of benefits delivered and monitoring of continuous improvement, final elements to be tied up and completed.

### The Gateway Model in Practice

Listed below are some of MKIP's more prominent projects progress through the Gateway Model. The project snapshots, where the primary business case information for a project is distilled onto 2 sides of A4, for Environmental Health and Planning Support are provided (correct as at 12 June 2013). A spotlight look at MKIP's Employment Model project is also provided.

#### Benefits:

ICT (see news item)

#### G2 - Business Case:

Environmental Health (see Snapshot)

Planning Support (see Snapshot)

#### G2 - Viability:

Shared Fraud Investigation

Employment Model (Spotlight)



## MKIP PROJECT SNAPSHOT – ENVIRONMENTAL HEALTH SHARED SERVICE – MBC, SBC, TWBC

### PRIMARY SUCCESS FACTOR – IMPROVED RESILIENCE

**Delivery Model** – Shared Service Gateway Model – Gate 2 decision point (business case approval)

Initiated (G1)	Scope Approval (G2)	Business Case Approval (G2)	Business Case Decision Due (G2)	Implementation Date (G3)	Benefits Review (Ben)
June 2012	September 2012	March 2013	June 2013	August 2014*	November 2014

#### Investment table\*

Item	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Business Improvement /Delivery sections	£10,700					£10,700
HR Support	£6,200					£6,200
Investment (training and equipment)	£7,000	£7,000	£6,000			£20,000
Redundancy and pension cost allowance	£26,300					£26,300
Additional mileage costs	£2,500	£10,100	£10,100	£10,100	£7,600	£40,400
Additional mileage between sites (ONGOING)	£5,000	£10,000	£10,000	£10,000	£10,000	£45,000
<b>Total</b>	<b>£57,700</b>	<b>£27,100</b>	<b>£26,100</b>	<b>£20,100</b>	<b>£17,600</b>	<b>£148,600</b>
Project Support (MKIP Central budget)	£15,000	£5,000				

#### Savings table\*

	Budget Cost 2012/13	Estimated Cost of Shared Service	Calculated Staff Savings - Based on 2012/2013 Budgets
<b>MBC</b>	£460,340	£456,070	£4,270
<b>SBC</b>	£371,280	£362,950	£8,330
<b>TWBC</b>	£570,480	£533,640	£36,840
	<b>£1,402,100</b>	<b>£1,352,660</b>	<b>£49,440</b>

#### Other benefits

- **IMPROVED RESILIENCE** (cover for technical positions, professional expertise, sharing of best practice)
- Additional savings through economies of scale and potential joint contracting

#### Delivery milestones\*

- **Key – Interim Environmental Health Manager appointed – August 2013**
- **Key - ICT procurement decision – August 2013 (Dependency on external project)**
- **Key – Operational Model designed, business case updated, approved by portfolio holders – October 2013**
- **Key – Review contract arrangements for major EH contracts (inspections and IPPC) – October 2013**
- **Key - Finalise structure and Staff consultation – December 2013 – March 2014**
- Sign-off SLAs and Collaboration Agreement – March 2014
- **Key - Staff appointed to new structure – May 2014**
- **Key - Combine Sites – June 2014**
- Accounts sign-off – June 2014

#### Key Dependencies

Joint Planning Support/Environmental Health ICT System procurement project – will impact on timetable directly – dependent on procurement outcome – will need to revise timetable in accordance with ICT project.

#### Tolerances\*

- Maximum cost - £163,460 (projected project costs +10%)
- Maximum timescale – operational from August 2014
- Maximum impact on Environmental Health services – action to be completed by Environmental Health Manager following completion of detailed implementation plan

## Headline Risks

Risk	Control & Management	MKIP Control
Performance impact on Environmental Health services	Managed through the project by agreeing quality tolerance (see tolerances below)	Managed by Environmental Health Manager during delivery
Failure to deliver project impacting on benefits realisation and return on investment	Managed through project controls and managing a subset of risks to be identified by the Environmental Health Manager	Managed by Environmental Health Manager during delivery, maintain a risk register, regular reporting to the Project and MKIP Board
Employment change risks (lower morale, reduced performance, dealing with change)	Managerial support and leadership HR support for officers Availability of EAP HR Support Training Communication	Managed by Environmental Health Manager during delivery, maintain a risk register, regular reporting to the Project and MKIP Board
Redundancy cost risks (i.e. maximum redundancy costs are required)	Estimates based on an average of professional and administrative redundancy costs.	If likely to occur Environmental Health Manager will need to review the business case, revise cashflow projection and get approval from Project and MKIP Board
ICT project risks	Management through the ICT Project	Managed by the Head of ICT (or delegate) through maintaining risk registers and controls in ICT project

## Gateway Model



1. Defining the programme – MKIP Board agreed Environmental Health inclusion in the programme
2. Initiating the programme – Gateway 1 – MKIP Programme Manager produced programme agreed at Board meeting June 2012, along with critical programme elements including governance arrangements, communications strategy, collaboration agreement templates and consideration of resourcing
3. Viability study/business case – **Gateway 2** – Underway for environmental health, business case scoping showed service was viable, business case produced for March 2013 MKIP Board, with final decision for Cabinet on 12 June 2013
4. Implementation – Gateway 3 – Business cases will include implementation timetables and the Shared Environmental Health Manager with the project team will need to produce a more detailed implementation plan.
5. Benefits Realisation – Shared Service comes under MKIP governance, regular reporting of benefits delivered and monitoring of continuous improvement

**\*NOTE: This snapshot is the current position and will change following completion of operational model by Interim Environmental Health Manager and will be updated prior to approval by portfolio holders.**

## MKIP PROJECT SNAPSHOT – PLANNING SUPPORT SHARED SERVICE – MBC, SBC, TWBC

### PRIMARY SUCCESS FACTOR - SAVINGS

**Delivery Model** – Shared Service Gateway Model – Gate 2 decision point (business case approval)

Initiated (G1)	Scope Approval (G2)	Business Case Approval (G2)	Business Case Decision Due (G2)	Implementation Date (G3)	Benefits Review (Ben)
June 2012	September 2012	December 2012	June 2013	June 2014	September 2014

#### Investment table

Item	2013/14	2014/15	2015/16	2016/17	Total Cost
Business Improvement / Delivery Sections	£8,000	£2,700			£10,700
HR Support (0.3 FTE)	£6,400	£1,600			£8,000
Investment (training and equipment)	£2,000	£8,000	£5,000		£15,000
Redundancy & Pension cost allowance		£117,000			£117,000
Additional mileage costs		£15,000	£15,000	£15,000	£45,000
<b>Total</b>	<b>£16,400</b>	<b>£144,300</b>	<b>£20,000</b>	<b>£15,000</b>	<b>£195,700</b>
Project Support (MKIP central budget)	£15,000	£5,000			

#### Savings table

	Budget Cost 2013/14	Estimated Cost of Shared Service	Calculated Staff Savings - Based on 2013/2014 Budgets	Less Budget Saving already included 2013/14	Total Net Budget Staff saving per annum
<b>MBC</b>	£253,753	£207,299	£46,454		£46,454
<b>SBC</b>	£303,926	£248,287	£55,639	£21,940	£33,699
<b>TWBC</b>	£403,716	£329,808	£73,908		£73,908
	<b>£961,395</b>	<b>£785,394</b>	<b>£176,001</b>	<b>£21,940</b>	<b>£154,061</b>

#### Other benefits

- Estimated £27-32k saving in planning officer time at Swale and Maidstone
- Post-implementation benefits – streamlined processes, improved processing times, additional savings
- Service positioned to generate income (medium to long term)

#### Delivery milestones

- **Key - Planning Support Manager appointed – August 2013**
- **Key - ICT procurement decision – August 2013 (Dependency on external project)**
- Agree local functions – September 2013
- **Key - Finalise structure and Staff consultation – December 2013 – February 2014**
- Sign-off SLAs and Collaboration Agreement – March 2014
- **Key - Staff appointed to new structure – April 2014**
- **Key - Combine Sites – April 2014**
- Accounts sign-off – June 2014

#### Key Dependencies

Joint Planning Support/Environmental Health ICT System procurement project – will impact on timetable directly – dependent on procurement outcome – will need to revise timetable in accordance with ICT project.

#### Tolerances

- Maximum investment - £215,270 (cost table figure + 10%)
- Maximum timescale – July 2014 (combine sites date + 3 months - to be reviewed following ICT procurement outcome)
- Maximum impact on planning services – action to be completed by Planning Support Manager following completion of detailed implementation plan

## Headline Risks

Risk	Control	Action
Performance impact on planning services	Managed through the project by agreeing quality tolerance (see tolerances below)	Managed by Planning Support Manager during delivery
Failure to deliver project impacting on return on investment	Managed through project controls and managing a subset of risks to be identified by the Planning Support Manager	Managed by Planning Support Manager during delivery, maintain a risk register, regular reporting to the Project and MKIP Board
Employment change risks	Numerous risks associated with significant changes for staff. Full project support to the project manager required including HR support	Managed by Planning Support Manager during delivery, maintain a risk register, regular reporting to the Project and MKIP Board
Redundancy cost risks (i.e. maximum redundancy costs are required)	Estimates based on midpoint of lowest and highest redundancy costs.	If likely to occur planning support manager will need to review the business case, revise cashflow projection and get approval from Project and MKIP Board
ICT project risks	Management through the ICT Project	Managed by the Head of ICT (or delegate) through maintaining risk registers and controls in ICT project

## Gateway Model



1. Defining the programme – MKIP Board agreed Planning Support inclusion in the programme
2. Initiating the programme – Gateway 1 – MKIP Programme Manager produced programme agreed at Board meeting June 2012, along with critical programme elements including governance arrangements, communications strategy, collaboration agreement templates and consideration of resourcing
3. Viability study/business case – **Gateway 2** – Underway for Planning Support business case scoping showed service was viable, business case produced for December 2012 for MKIP Board, additional feasibility work completed March 2013, **final decision for Cabinet due on 12 June 2013**
4. Implementation – Gateway 3 – Business cases will include implementation timetables and the Shared Planning Support Manager with the project team will need to produce a more detailed implementation plan.
5. Benefits Realisation – Shared Service comes under MKIP governance, regular reporting of benefits delivered and monitoring of continuous improvement

## EMPLOYMENT MODEL (SPOTLIGHT PROJECT)

One of the difficulties in delivering projects that impact on staff is how to be as open and transparent as possible, involving as many people as possible, whilst managing fears expectations and the need for frank and open discussions at project level (for example discussions on salaries).

The MKIP employment model is one such project, and as it *could* impact on all shared service staff, current and future, it is important that the project is kept confidential to manage fears and expectations at this very early stage in the project.

Information released from the project needs to be managed but we also want to be as open as we can within those limitations to prepare people for what might happen and also to get the views of people to feed into the project where appropriate.

Bearing in mind those limitations, what is the Employment Model project, why is MKIP carrying it out and what's in it for staff?

**What it is** – a project across the three partners to look at the model used to employ shared service staff (such as one employer or multiple employers) and more widely than that, to look at the overall structure for MKIP, for example whether or not to make MKIP a legal entity in its own right.

**Why we are doing this** – MKIP has been hugely successful and as can be seen from the statistics elsewhere on MKIP's size, the partnership and numbers of staff employed in shared services is growing and will stand at roughly 20% of the total of all staff and budgets of the three partners combined. Shared services are now a significant part of the partners' activities and whilst they deliver efficiencies overall have their own issues as a result of working across multiple authorities. For example, a shared service could have multiple terms and conditions for staff and increased travel times for certain individuals.

Additionally, when a shared service is delivered we often deliver a significant saving as we produce the service. However, with the increasing financial burdens on local authorities the need to deliver further savings and efficiencies from shared services does not diminish once established. As part of this project we are therefore looking at what we can do with the structure and environment within which we operate, rather than specific shared service elements, to deliver significant efficiencies and ease the burden on individual services.

We are also proud of our partnership and shared services and firmly believe that in future if an opportunity to trade and sell our services comes up we should be in a position to take advantage of that opportunity. One of the aims of changing the structure of MKIP is to make us able to do that as effectively as possible.

**What's in it for staff** – the project could result in significant changes for staff in shared services if their employer changes. Clearly all employment law and practices would be followed should this be the case but this can still be unsettling and we'll support staff throughout.

In addition MKIP will be looking to offer as many opportunities for staff as possible and to make the most of its most important asset – people. The aim of the changes is to make working for a shared service as efficient as possible and this will hopefully make life easier, particularly for those working across more than one site.

We'll also look at development opportunities for staff including gaining experience of different working practices and improving the identity of the shared services they work for to create a sense of belonging and achievement. If the trading aspirations become reality in the future there is the real possibility of expanding services and significant opportunities for advancement.

## LESSONS LEARNED

Delivering shared services and other projects across three authorities is complex and, as with all projects, it is crucial we learn what we could be doing better and what was particularly effective. Below are some of the key lessons MKIP has learned and will now apply to all projects going forward where relevant:

- A single Head of Shared Service or Shared Service Manager appointment is crucial to oversee and drive forward the delivery of a successful shared service;
- Gateway decision making is quick and built on trust at Board and Senior Management level, staff involved in a potential shared service have not had a chance to build up that trust and the speed and detail of decision making can therefore be alarming for them. This must be factored into staff engagement and key messages;
- Location and employer decisions should be taken as part of the business case where possible, this reduces the length of time of implementation and reduces uncertainty for staff;
- Cost sharing models and budget treatments must be considered early in the process including how this will be reflected in the collaboration agreement. A separate accounting work stream should be used during implementation where appropriate;
- Delivering savings is the most understood and most easily definable driver for creating a shared service. Time should be spent at viability stage to define resilience, quality and culture drivers with the Board and staff to ensure there is universal buy-in for those drivers particularly where one of them is the primary driver;
- The experiences of shared service staff who work in an operational shared service should be shared with staff who are undergoing shared service changes as soon as possible; and
- Meetings of relevant portfolio holders across authorities are extremely useful for getting political buy-in and understanding sensitivities.

## GET IN TOUCH

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