

**MAIDSTONE BOROUGH COUNCIL**  
**RECORD OF DECISION OF THE CABINET**

Decision Made: 16 April 2012

**MKIP ICT PARTNERSHIP**

**Issue for Decision**

Report detailing the business case for a MKIP ICT shared service/partnership

**Decision Made**

That Cabinet Agree:

- i. That Swale Borough Council, Tunbridge Wells Borough Council and Maidstone Borough Council enter into a ten year ICT partnership commencing on the 1 April 2013 based on the collaboration agreement set out at Exempt Appendix J to the report of the Director of Change, Planning and the Environment with a full review (to include future options and funding arrangements for the service) after a five year period and a post implementation review after 3 years.
- ii. That authority be given to the Chief Executive, in consultation with the Leader, to agree the final terms of the collaboration agreement, and that the Head of Legal Services be given delegated authority to enter into the agreement on behalf of Maidstone Borough Council.
- iii. That a Head of MKIP ICT is appointed by the three Councils to lead the new shared service, and;
- iv. That:
  - a) The vision, strategic direction and three year operational plan (Appendix F to the report of the Director of Change, Planning and the Environment) be endorsed.
  - b) That the MKIP ICT staffing structure (Appendix E to the report of the Director of Change, Planning and the Environment) be approved and that delegation for varying the structure be given to the Chief Executive in consultation with the Leader.
  - c) Staff are transferred to a host partner using TUPE after full consultation, and that the Chief Executive is given delegated authority, in consultation with the Leader, to decide on the most appropriate host authority based on criteria agreed by the Chief Executives of the three authorities.
  - d) All ICT revenue budgets are consolidated and administered by the Head of MKIP ICT under delegated authority, in line with each Authority's scheme of delegations.

- e) An ICT capital fund of £300k is created to support the strategy, using Option three as highlighted in section nine of this report. Each authority will provide £100k capital in the first year of operation of the agreement, the future capital funding approved as part of the formal capital bidding process in each authority.
- f) A strategic alliance between Tunbridge Wells Borough Council, Swale Borough Council, Maidstone Borough Council and Kent County Council be established at the terms of the Memorandum of Understanding attached as Appendix I to the report of the Director of Change, Planning and the Environment, on terms to be agreed by the Chief Executive. That the Head of Legal Services be authorised to enter into the Memorandum of Understanding with Kent County Council on behalf of Maidstone Borough Council.

### **Reasons for Decision**

Information Communication Technology ("ICT") is a key building block in the establishment of further shared services and a factor in ensuring the success of those shared services already in place. Each authority produces their own ICT related policies but a partnership offers an opportunity to develop a single voice and contribute effectively to the County agenda. Exploring options for pursuing a partnership arrangement was therefore identified by the Mid Kent Improvement Partnership ("MKIP") Management Board as strategically sound.

Substantial work has been undertaken to date on assessing the best model for partnership working. This included exploring an outsourcing model which would have enabled initial savings of 35-40% but wouldn't have offered the opportunity of ongoing savings. It was therefore discounted at this time though it was noted that this could be considered at a later date.

The project has demonstrated however that there are opportunities to transform the way the service is provided within all the authorities through the shared service model. Through providing resilience and also average savings<sup>1</sup> in the region of £3.71M (£371,000 per annum) across the three districts over the next ten years.

Prior to the report of the Director of Change, Planning and the Environment, detailed work had already been undertaken on exploring an MKIP ICT partnership which involved looking at a range of operational and financial information, seeking the views of key stakeholders and exploring different models of operation.

Following a final paper in October 2011 MKIP Management Board was satisfied in principle with a recommendation of a shared service model and requested that an Interim Head of ICT be appointed to develop the business case further and develop a strategy for a shared service.

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<sup>1</sup> This includes staff and non staff savings

Work has been undertaken since then to develop a strategy, staff structure, operational plan as well as establishing expected savings.

In developing these proposals over the past six months discussions have taken place with leading members, officers and staff, as well as reviewing a range of documents and plans.

As part of the project consultation has been undertaken with Political Leadership, Corporate Management Teams, MKIP Management Board, Staff within the ICT services and the wider business delivery units. A staff survey was distributed to various staffing groups in 2011 and the responses informed the original options appraisal. Contact has been made with the appropriate union representatives.

The report of the Director of Change, Planning and the Environment set out in detail the aims and outcomes expected from a shared ICT service.

### **Alternatives considered and why rejected**

The alternative actions were considered by MKIP Management Board in the original options appraisal. A decision was taken to progress the ICT Shared Service Delivery Model.

### **Background Papers**

ICT Partnership Business Case  
MKIP ICT Outline Business Case  
MKIP ICT Costing Report

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| Should you be concerned about this decision and wish to call it in, please submit a call in form signed by any two Non-Executive Members to the Head of Change and Scrutiny by: <b>24 April 2012</b> |
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