

**GOVERNANCE ARRANGEMENTS – MID KENT IMPROVEMENT PARTNERSHIP
(MKIP) AND MKIP SHARED SERVICES**

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MID KENT IMPROVEMENT PARTNERSHIP (MKIP) - GOVERNANCE

These arrangements relate to Maidstone Borough Council, Swale Borough Council, Tunbridge Wells Borough Council and are made pursuant to the Local Government Act 1972, Local Government Act 2000 and the Local Government and Public Involvement in Health Act 2007.

1. Key Principles

- 1.1 Each of the Parties has determined by resolution to establish a collaborative partnership to become effective from September 2008 for the purposes of developing joint and shared services across their administrative areas.
- 1.2 The partnership was established as the Mid Kent Improvement Partnership (MKIP) and operated for an initial period of four years. It has now been agreed to extend the partnership for a further four years. A minimum of six months notice is required for any Party to leave the MKIP (see clause 16).
- 1.3 The Parties are committed to establishing an MKIP Board and which will consider the co-ordination of selected services and partnership activities across the combined administrative area through mutual co-operation.
- 1.4 The Parties are committed to open and transparent working and proper scrutiny through the arrangements in each authority and this will challenge and support the work of the MKIP.
- 1.5 Any new parties to these arrangements after they become effective will have all the same rights and responsibilities under these arrangements.

2. Definitions

- 2.1 'Administrative Area' means the local government areas of the Parties.
- 2.2 'Decisions' means those decisions taken by each authority under their individual governance arrangements.
- 2.3 'Host Authority' means the local authority appointed by the Parties under these arrangements to service MKIP or to lead on a specific matter as set out in Clause 12.

- 2.4 'Joint Service' is one where each of the Parties will retain their own dedicated team but the teams will work alongside each other, unless other arrangements are agreed.
- 2.5 'MKIP Board' means the Leaders and Chief Executives of each of the Parties.
- 2.6 'Parties' means Maidstone Borough Council, Swale Borough Council and Tunbridge Wells Borough Council.
- 2.7 'Proposal' means a business case to be developed for initial consideration by each of the Parties.
- 2.8 'Recommendation' means a Proposal agreed by the MKIP Board and put forward for decision by each of the Parties individually or collectively.
- 2.9 'Shared Service' means a service delivering functions as agreed by two or more of the Parties where all or part of the service is managed by a single Party.

3. Objectives

- 3.1 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.

4. Functions

- 4.1 An MKIP Work Programme covering 4 years shall be established and owned by the MKIP Board who may appoint a Programme Manager who shall have the role set out in Annex E to manage and deliver the programme. The programme will be developed and delivered using the Gateway Decision Making Process set out in Annex A.

5. Terms of Reference

- 5.1 The terms of reference for the MKIP Board are set out in Annex B.
- 5.2 The terms of reference for the Project Boards are set out in Annex C.
- 5.3 These terms of reference will be reviewed annually by the Parties.

6. Membership and Meeting Procedures

- 6.1 The MKIP Board shall comprise the leaders and chief executives of each of the Parties. Named substitutes will be identified for the Leader (Cabinet Member) and for the Chief Executive (Director) to attend when necessary.
- 6.2 Kent County Council may send a non-voting representative (or substitute) to the MKIP Board meetings

7. Frequency of Meetings

- 7.1 The MKIP Board will meet quarterly at a time and place agreed by its members, who may change the frequency of meetings and call additional meetings as required.

8. Agenda Setting and Access to Meetings and Information

- 8.1 The agenda of the MKIP Board shall be agreed by the Chairman following a briefing by officers of the Parties. Any member of the Management Board may require that an item be placed on the agenda of the next available meeting for consideration, and may call for a meeting to be held.
- 8.2 Notice of the Management Board meetings and access to agendas and reports will be applied as if the meeting was covered by the Local Authorities (Executive Arrangements) (Access to Information) (England) Amendment Regulations 2000 and 2002 or section 100 A-K and Schedule 12A to the Local Government Act 1972, as appropriate.

9. Project Boards

- 9.1 Project Boards will be established, on a project basis, by unanimous agreement of the MKIP Board. The Project Board must put a Project Team in place with adequate Project Management support put in place.
- 9.2 When establishing additional projects the MKIP Board will agree:-
 - (a) The terms of reference for the project, including outline scope and timescales;
 - (b) Size and membership of the board including any external advisors;
 - (c) Period of operation;
 - (d) Budget for the project*;
 - (e) Tolerances for cost, quality and timescales*
 - (f) Success criteria for the project*
 - (g) Mechanisms for hosting the project and sharing the cost amongst the various Parties, as appropriate.*

9.3 The process for the production and consideration of business cases will follow the Gateway Decision Making process (Annex A). In the first instance a Project Board including Lead Director (or other senior officer) will be appointed with the MKIP Board receiving a Business Case at a later date on which to make a decision to commit to the project and establish (d), (e), (f) and (g) marked * above

9.4 Projects will be carried out in accordance with any agreed project framework that the MKIP Board has adopted. Whether in line with any adopted framework or not the MKIP Board may request an update and/or take decisions relating to a project if it determines that changes need to be made or it is not satisfied with project performance.

10. Meetings and Chairing of Meetings

10.1 The Chairman and Vice Chairman of the MKIP Board will be the Leaders of the Parties appointed on the basis of the position being rotated annually, as follows:

<u>Chairman</u>	<u>Vice Chairman</u>
Tunbridge Wells	Maidstone
Maidstone	Swale
Swale	Tunbridge Wells

10.2 In the absence of the Chairman and the Vice Chairman at a meeting the meeting will elect a chairman for that meeting who shall be a Leader.

10.3 The quorum for the MKIP Board will be five with at least one person present from each of the Parties.

10.4 The MKIP Board may approve rules for meetings and procedures from time to time. The Chairman will also act as the 'Host' authority for the MKIP (see clause 12).

11. Decision Making

11.1 Recommendations from MKIP Board will normally be made by consensus. Alternatively a vote shall be taken when requested by the Chairman. The vote will normally be by way of a show of hands. A simple majority will be required.

11.2 The MKIP Board may make Proposals and Recommendations for partnership working between two or more of the Parties. When this is the case, consensus will only be required by the Parties involved.

- 11.3 The MKIP Board may make proposals and recommendations for the establishment of Shared or part Shared Services between two or more of the Parties. Where this is the case consensus will only be required by the Parties involved.
- 11.4 The Parties that did not take part in an initial Shared Service or partnership arrangement may do so at a later date subject to a Recommendation from the MKIP Board and agreement by all the Parties involved in the service. Any costs associated with joining later would be agreed between the Parties involved.

12. Host Authorities and Allocation of Roles

- 12.1 In order to achieve the objectives of the MKIP, the Parties will appoint a Host Authority which is, for the time being, the Authority providing the Chairman pursuant to clause 10.1.
- 12.2 Staff from the Host Authority who provide services to the MKIP Board as part of the administration of the MKIP will, at all times, be deemed to be employees of the Host Authority with the exception that in the case of a secondment of a member of staff from one partner to MKIP their pay and terms and conditions shall remain as those of the employer of their substantive role.
- 12.3 Any external support to develop business cases may be funded from the MKIP budget with a Lead Director for each business case appointed from amongst the Parties. The Business Case will need to be approved by the MKIP Board.

13. Budgetary Arrangements

- 13.1 A dedicated budget will be established to take forward the work of MKIP and will be overseen by the MKIP Board who may appoint a Programme Manager or other officer as appropriate for the day to day management of the budget.
- 13.2 Each Party will make a per-head-of-population contribution to MKIP. This funding will be used to establish a budget to enable external advice to be sought (when required) to ensure initiatives are progressed in a timely manner and to explore external funding. The payment will be made on (1 April) of each year.

The initial contribution will be 30p per head of population per annum using the most up to date population estimates (current population estimates of Maidstone 142,800, Swale 128,500 and Tunbridge Wells 104,600). Any funds that are not spent or committed at the year end will be returned based on the proportions outlined above or carried over, as agreed by MKIP Board.

- 13.3 Maidstone Borough Council will be the accountable body for MKIP and will manage the financial arrangements and will hold the budget. This administration will not be funded from the MKIP budget at this stage as the annual cost is expected to be minimal, but will be subject to review on an annual basis.
- 13.4 The cost of implementing any recommendation will be dealt with separately between the Parties who are taking the initiative forward.
- 13.5 The development of a shared or joint service will offer many advantages and these include:-
- (a) To improve the quality of service to communities;
 - (b) To improve the resilience of service delivery;
 - (c) To deliver efficiency saving 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;
 - (f) To stabilise or reduce the environmental impact of service provision;
 - (g) To assist with recruitment and retention;
 - (h) To improve value for money;
 - (i) To improve public satisfaction ratings; and
 - (j) To impact and improve on external assessments and measures.

How these elements will be accounted for in apportioning the costs of any Joint or Shared Services will be considered as part of the final recommendations to each of the Parties involved in delivering the new service.

- 13.6 MKIP will actively seek external funding to progress joint and shared services. This funding would be sought at both the business case development phase and also the implementation phase.
14. Scrutiny Arrangements
- 14.1 Overview and Scrutiny arrangements will be undertaken individually by each of the Parties when the Parties consider the Proposals and Recommendations from the MKIP as part of their decision making processes. However, it is envisaged that joint scrutiny meetings may be considered when appropriate as the Partnership develops. The Lead Director/Project Manager for a particular project would attend meetings as required.
15. Amendments to these Governance Arrangements
- 15.1 These arrangements will be reviewed on an annual basis and may be amended by a unanimous recommendation of the MKIP Board and subsequent agreement by all of the Parties.

16. New Membership and Cessation of Membership

- 16.1 Other councils, or public bodies, may join the Mid-Kent Improvement Partnership provided that the Executive/Council of the joining Council and that of all of the Parties are unanimously in agreement.
- 16.2 Any of the Parties may cease to be a party to these arrangements following a notice of cessation made subsequent to a decision of that authority. A minimum of six months notice is required for any Party to leave the MKIP.
- 16.3 On any of the Parties ceasing to be a party to these arrangements, these arrangements shall continue unless the remaining Parties unanimously determine that those arrangements shall terminate. The benefits and burdens of such termination shall be agreed between the Parties and in default of such agreement shall be determined in accordance with 17.1
- 16.4 Termination of these arrangements may occur by agreement of all of the Parties.

17. Dispute Resolution

- 17.1 In the event of one or more of the authorities being dissatisfied with any aspect of a shared service or element of joint working to the extent that they wish to take or would wish to have another authority take remedial action this will first be discussed by the Heads of Paid Service involved in the relevant Shared Service having consulted with the Chair of the relevant Shared Service Board. Leaders of the Council shall be kept informed of the discussions and any authority may request that the issue be brought to the next MKIP Board meeting for resolution.

If agreement on the matter cannot be reached between those parties or at the MKIP Board meeting then if there is one authority who is not involved in the dispute or an agreement can be reached on an external (to MKIP) party they will act as an independent mediator to resolve the issue. In the event that agreement cannot be reached having followed those procedures then the arbitration clause below will be followed (see flowchart in Annex F)

17.2 Arbitration

Any dispute between the Parties arising out of these arrangements which has not been resolved in accordance with the MKIP dispute resolution procedure where appropriate may on written notice from any party to the dispute to the other party be referred to a single arbitrator to be agreed between the Parties or where no agreement can be reached and having regard to the nature of the dispute by an arbitrator nominated by the chairman of the Local Government Association and will be carried out in accordance with the

provisions of the Arbitration Act 1996 as amended modified and in force for the time being.

18. Claims and Liabilities

18.1 The purpose of these arrangements and any actions taken under them is to assist all of the Parties (or those of the Parties as are engaged in any particular Joint or Shared Service). The Parties therefore have agreed that:-

- (a) all of the costs attributable to the provision of any Shared or Joint Service shall be apportioned between those of the Parties that are engaged in the service and in such proportions as they shall agree (and if not otherwise then in equal shares).
- (b) where one of the Parties takes responsibility for leading on a particular business case and undertakes actions or incurs liabilities in that respect then it shall be entitled to be indemnified by the other Parties for the appropriate proportion of all of its costs and liabilities incurred in good faith.

18.2 Each of the Parties shall at all times take all reasonable steps within its power to minimise and mitigate for any loss for which it is seeking reimbursement from any of the other Parties.

19. Data Protection, Freedom of Information, Information sharing and Confidentiality

19.1 Subject to the specific requirements of this clause, each of the Parties shall comply with its legal requirements under data protection legislation, freedom of information and associated legislation, and the law relating to confidentiality.

19.2 Each Party involved with the development of a business case or delivery of a Shared or Joint Service will ensure compliance with any legislative or legal requirements.

19.3 Each of the Parties shall:-

- (a) treat as confidential all information relating to:
 - (i) the business and operations of the other Parties and/or
 - (ii) the business or affairs of any legal or natural person in relation to which or to whom confidential information was held by that Party ('Confidential Information')
- (b) not to disclose the Confidential Information of any other of the Parties without the owner's prior written consent

19.4 Clause 19.3 shall not apply to the extent that:

- (a) such information was in the possession of the Party making the disclosure, without obligation of confidentiality, prior to its disclosure; or
 - (b) such information was obtained from a third party without obligation of confidentiality; or
 - (c) such information was already in the public domain at the time of disclosure otherwise than through a breach of these arrangements; or
 - (d) disclosure is required by law (including under Data Protection Legislation, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004).
- 19.5 Subject to Clause 19.4, The Parties may only disclose confidential information of another of the Parties to staff who need to know by reason of their work. Each of the Parties shall ensure that such staff are aware of, and comply with, these confidentiality obligations and that such information is not used other than for the purposes of MKIP.
- 19.6 If any of the Parties receives a request for information relating to the partnership activity under the Freedom of Information Act 2000 and/or the Environmental Information Regulations 2004 then the other Parties shall (at their own expense) assist and co-operate to enable the request to be dealt with.
- 19.7 If a request for information is received then the Party receiving it shall copy it to the other Parties and consider when making its decisions any views of the other Parties and ensure that the request is dealt with within the statutory period.
- 19.8 Notwithstanding the provisions of 19.6 and 19.7 it shall be the Party receiving the request that is responsible for determining at its absolute discretion how to reply to the request.

20. Press and Public Relations

20.1 Publicity in relation to the work of MKIP will be published jointly and agreed with the Chairman of the MKIP Board following discussions with the Parties. Press and public relations will be considered as part of each management board agenda. Any press enquiries will be circulated initially to the Chief Executives in consultation with Leaders for consideration.

21. Exercise of Statutory Authority

21.1 Without prejudice to these arrangements, nothing in these arrangements shall be construed as a fetter or restriction on the exercise by any of the Parties of their statutory functions. The Parties may continue to provide the whole or any part of a service at their own cost notwithstanding that this service is also a Shared Service or a Joint Service.

22. Conduct and Expenses

22.1 Members of each of the Parties will be required to follow their own Member and Officer Code of Conduct at all times and in particular if any individual is speaking on behalf or representing the views of the MKIP.

22.2 Any expenses in relation to the MKIP Board will be met by the individual Parties.

23. Audit

23.1 Internal audit of MKIP will be carried out by the Mid-Kent Audit Service and MKIP audit reports will be presented to the MKIP Board for consideration. Shared service audit arrangements are set out separately below and in shared service collaboration agreements.

24. Complaints

24.1 The Parties will co-operate in relation to complaints made about the Joint or Shared Services and respond to them expeditiously.

25. Business Continuity

25.1 The Parties will ensure that business continuity arrangements are in place, as part of the service plan for any Joint or Shared Service.

SHARED SERVICE GOVERNANCE ARRANGEMENTS

1. Collaboration Agreements

Each shared service shall have an adopted collaboration agreement between the partners in the shared service which will set out the specifics for that service. In order to provide a statement of MKIP's governance intentions and to provide a framework while collaboration agreements are not in place or where they do not set out an aspect of governance the following arrangements shall apply as set out from clause 2. onwards. Where there is a conflict between these arrangements and those set out in the specific collaboration agreements, the collaboration agreement takes precedence.

2. Shared Service Boards

2.1 For each shared service a board shall be appointed to govern the service. The board will have the terms of reference set out in Annex D and the following membership unless otherwise specified:

- One director from each partner (or approved representatives)
- Assurance provided by a lead accountant for shared service as well as other officers for specific assurance needs (legal, performance, audit etc.)

3. Audit

3.1 Each shared service will form part of the Mid-Kent Audit's 3 year audit plan and will be the subject of audit arrangements in each of its partner authorities. Mid-Kent Audit will carry out 1 audit for a shared service that will cover, and be reported to, all partners and to the Shared Service Board for consideration and action as appropriate. Copies of agreed audit responses to limited audit reports will be circulated to the MKIP Board. If a follow-up audit remains limited then this audit report will be presented to the MKIP Board.

4. Performance monitoring

4.1 MKIP will undertake 2 levels of performance monitoring. Shared service level performance and overall level MKIP Performance including finance performance. Shared service performance reports will produced quarterly to the shared service Board whilst an overall performance report will be presented to the MKIP Board. Should the MKIP Board wish to request further information on the performance of a particular service it can do so. Continuous poor performance (over 3 quarters with majority of performance indicators being missed) will be reported to the MKIP Board by the shared service board as a matter of course.

5. Finances

- 5.1 Finance monitoring will take place in 2 forms. MKIP finance performance will be measured with actual savings delivered versus predicted savings as well as with individual finance performance indicators relating to a shared service as agreed in the service plan. Additionally the MKIP budget will be monitored and reported to the Board on a quarterly basis.
- 5.2 Finances will also be considered in all projects including an investment profile, including an investment score for an investment over 5 years. This will be used for existing services and for potential future services and will produce an overall investment score for MKIP to show the value and return partners receive from the MKIP partnership.

6. Overview and Scrutiny

- 6.1 Each shared service will be subject to the Overview and Scrutiny procedures at its partner authorities and officers will be subject to the Overview and Scrutiny procedure rules of the authorities. Where more than one authority wishes to scrutinise a shared service or aspect of a shared service, every effort will be made to avoid duplication, for example through holding a joint Overview and Scrutiny meeting or sharing Overview and Scrutiny reports.

7. MKIP Work Programme

- 7.1 Once operational each shared service shall remain part of the MKIP Work Programme which will be updated with ongoing shared service improvements and projects.

8. Other

- 8.1 Unless otherwise specified here or in its collaboration agreement a shared service will remain subject to the governance arrangements of any employing authorities in the partnership. This includes external audit or other inspections. The collaboration agreements for each shared service set out the agreements on access to information between partners for a given service, but in the absence of specific terms, a Head of a Shared Service shall make information relating to the running of a shared service available to partners in that shared service on request as though the service were part of the requesting partner's organisation, whether or not this remains the case (for example where the service is wholly being provided by one authority to another) subject to clause 19 in the Mid Kent Improvement Partnership section of the governance arrangements.

TERMS OF REFERENCE OF THE MID KENT IMPROVEMENT PARTNERSHIP
BOARD

1. To approve and own the MKIP Programme and provide direction to the MKIP Programme Manager
2. To initiates Shared Service projects and appoint project and shared service boards
3. To sets MKIP objectives and direction
4. To join together strategic plans and form an MKIP strategic plan
5. To take decisions on overarching MKIP issues and policies
6. To take decisions on specific project/service issues outside of the remit of the project and shared service boards
7. To receive Audit reports with limited assurance on follow-up
8. To monitors MKIP Performance and Finance and agree actions to resolve performance and finance issues
9. To review these arrangements from time to time and make recommendations to the Parties for improvement.

TERMS OF REFERENCE OF THE MID KENT IMPROVEMENT
PARTNERSHIP PROJECT BOARDS

To be responsible for the delivery of a shared service project as set out by the MKIP Board and in accordance with any project framework adopted by the MKIP Board, including:

1. To identify and appoint appropriate project team members, ensuring that all parties' interests and areas of expertise are adequately covered;
2. To be responsible for any budget provided to the project by the MKIP Board and to report any variance from the budget to the MKIP Board;
3. To report any variations from the tolerances set by the MKIP Board, specifically those that relate to quality, cost and timescales;
4. To provide updates to the MKIP Board at quarterly MKIP Board meetings as a minimum;
5. To ensure that all projects have appropriate levels of project assurance at all times;
6. To raise any project issues with the MKIP Programme Manager in good time
7. To ensure a robust communications plan is in place and to ensure regular liaison with partners and that partners and all stakeholders are informed on project progress at all times; and
8. To ensure the project follows and meets all legal and statutory requirements for example relating to Human Resources processes or changes

TERMS OF REFERENCE OF THE MID KENT IMPROVEMENT
PARTNERSHIP SHARED SERVICE BOARDS

Shared Service Boards will provide the following governance actions:

- a Agree the Service Plan for each Financial Year
- b Advise on the management of and agree variations to the budgets for the shared service including approving items of savings and growth to go forward to each partner authority to form part of their annual budgeting process and consideration in setting their budgets for the service
- c Advise the relevant Head of Paid Service (or nominee) on the appraisals of the Joint Head of Service
- d Receive reports on and consider the finance and performance of the shared service
- e Provide strategic direction as required
- f Provide reports to the MKIP Board when requested, when the Shared Service Board wish to raise a general MKIP issue or when the service underperforms (i.e. fails to meet the majority of targets over 3 quarters) or the Shared Service Board wish to make significant changes to the agreed service plan

Role of the MKIP Programme Manager

1. To create and hold the MKIP programme on behalf of the MKIP Board and as directed by them
2. To manage and deliver the MKIP Programme
3. To liaise with senior officers (including s151 officers, monitoring officers, and Directors) to provide assurance for the MKIP programme
4. To commission internal and external teams to deliver the MKIP work programme
5. To be responsible for MKIP Communications and deliver the MKIP Communications Strategy
6. To manage any MKIP budgets and the receipt of partner contributions
7. To advise and raise any issues with the MKIP Chief Executives and MKIP Board as required
8. To liaise with Shared Service Boards and managers to identify issues and problems impacting on shared services
9. To follow any MKIP Project Management framework adopted by the MKIP Board and to ensure that all MKIP Projects are delivered in accordance with that framework
10. To provide project management assurance as required by MKIP Project Boards
11. To represent the interests of all MKIP Partners equally and to ensure that partnership working is considered in decision making at all three authorities
12. To promote MKIP and increase awareness of the objectives and activities of MKIP at all times

