

Policy and Resources Committee

4 July 2016 Co-located
meeting with SBC Cabinet and
TWBC Cabinet

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Mid Kent Services Revised Governance Arrangements

Final Decision-Maker	Policy and Resources Committee
Lead Head of Service	Chief Executive
Lead Officer and Report Author	Estelle Culligan, Deputy Head of the Legal Partnership
Classification	Public
Wards affected	All

This report makes the following recommendations to this Committee:

1. To agree the revised Mid Kent Services (MKS) objectives and strategic priorities set out in paragraph 2.5 below.
2. To agree the revised MKS Governance Arrangements and to give delegated authority to the Chief Executive to sign the document.
3. To agree the model MKS Shared Service Collaboration Agreement template.
4. To agree to authorise the Head of Legal Partnership, in consultation with the Leader and Chief Executive, to make any further minor amendments as necessary to the documents described in 2 and 3 above.

This report relates to the following corporate priorities:

- Keeping Maidstone Borough an attractive place for all -
 - Securing a successful economy for Maidstone Borough -
- The revised governance arrangements for Mid Kent Services support the ongoing priority of the council to continue to work in partnership in order to provide services in as effective and cost efficient way as possible and therefore supports both corporate priorities.

Timetable

Meeting	Date
Policy and Resources Committee	4 July 2016

Mid Kent Services Revised Governance Arrangements

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report presents the amendments to the Governance Arrangements for Mid Kent Services and the model Shared Services Collaboration Agreement for use with future shared services.
 - 1.2 These amendments have been discussed and agreed by the MKS Chief Executives and the MKS Board, with input and advice from the Director of Shared Services, s151 Officers, and Monitoring Officers.
 - 1.3 Formal approval of the documents is now required from Swale, Maidstone and Tunbridge Wells BCs' appropriate decision making bodies.
 - 1.4 Policy and Resources Committee has authority to make the decisions on behalf of Maidstone BC.
 - 1.5 In order to ensure consideration of the issues by the three councils simultaneously, a co-located meeting is proposed, comprising Maidstone BC Policy & Resources Committee, Swale Cabinet and Tunbridge Wells BC Cabinet.
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2. INTRODUCTION AND BACKGROUND

Governance Arrangements

- 2.1 The Agreement covering the Governance Arrangements of the Mid Kent Improvement Partnership (MKIP), now called Mid Kent Services (MKS), was originally prepared in 2008. It was updated in May 2012, and stated to be for a period of another four years. That period expired 30 April this year.
- 2.2 With the passage of time, the experience of managing shared services and the increased number of shared services, it has become apparent that the document needed to be revised. The main changes which members are requested to note are set out below:
- 2.3 The arrangements are now permanent, where previously they were for a fixed period of four years.
- 2.4 With the move to permanent arrangements, the arrangements are now subject to termination provisions, which are linked to the termination provisions in the model Shared Service Collaboration Agreement.
- 2.5 The MKS Objectives and Strategic Priorities have been updated to more accurately reflect the current intentions of the Councils in operating shared services.

The revised Objectives are to:

- (A) improve the quality of service to communities;
- (B) improve the resilience of service delivery; and
- (C) deliver efficiency savings in the procurement, management and delivery of services.

The revised Strategic Priorities are to:

- (A) explore opportunities for income generation;
- (B) promote cross-organisation working; and
- (C) promote digital transformation of services.

- 2.6 The procedure rules of the MKS Board have been revised to accurately reflect how it now operates; for example, decisions must now be taken by consensus, not majority vote as previously.

Model Collaboration Agreement

- 2.7 Each shared service is also covered by an individually written collaboration agreement.

- 2.8 A precedent agreement for this has never previously been prepared. This led to differences in the approach to each collaboration agreement.

- 2.9 External legal advice has been obtained to inform the content of the collaboration agreements. The model agreement incorporates this advice.

- 2.10 The two documents – the Governance Arrangements and the model Collaboration Agreement – now tie into each other, and more accurately reflect the current governance structure of MKS.

- 2.11 Both documents will be kept under regular review.

- 2.12 The MKS Board does not have decision making powers on behalf of each Council.

- 2.13 It is therefore necessary for members to approve the amended documents, and give authority to the Chief Executive to sign the Agreement for the Governance Arrangements on behalf of Maidstone BC.

3. AVAILABLE OPTIONS

- 3.1 An alternative option of not agreeing the amended documents is not really possible. Without a governance document in some form, MKS can continue to function and be managed through the Shared Service Boards, the Chief Executives, and the MKS Board. However, as time goes on, there is a noticeable difference between the contents of the current documents (which are out of date) and how the management of MKS operates in practice. In addition, MKS and the shared services need clear and up-to-date governance documents, so all parties understand clearly their role within MKS and how decisions are made.
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- 3.2 Members could decide that they do not wish to approve the documents in their proposed form and wish to revise/amend them. There has been a lot of consideration and input into the revised documents, and they now better reflect current operating practice. In addition, any changes proposed would need to be agreed by all three Councils.
- 3.3 However, in order to accommodate any minor changes considered necessary, it is proposed that delegated authority be given to the Head of Legal Partnership, in consultation with the Leader and Chief Executive, to make those amendments.
- 3.4 In the event that any major changes are proposed, officers would carry out further work on the documents and bring back a second report to all three Councils in the future.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The preferred option is to approve the amended documents for the reasons set out in 3.1 – 3.4 above.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The revised documents have been considered and discussed by relevant members and officers, including: the MKS Board, Leaders of each Council, relevant Portfolio Holders, the three Chief Executives, the Director of Shared Services, the Monitoring Officers, and the s151 Officers.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Once approved, signed and dated, the documents will be provided to the MKS Board, the three Councils and all relevant Heads of Shared Services.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The revised governance arrangements for Mid Kent Services supports the ongoing priority of the Council to continue to work in partnership in order to provide services in as effective and cost efficient way as possible and therefore supports both corporate priorities.	Deputy Head of Legal Partnership

Risk Management	The Head of the Audit Partnership's comments are incorporated into the report. He has commented on and approved the draft documents.	Head of the Audit Partnership
Financial	The s151 Officers have been consulted throughout the process of revising the documents	Section 151 Officer & Finance Team
Legal	The Monitoring Officers have been consulted throughout the process of revising the documents.	Deputy Head of Legal Partnership

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix I: Agreement for the Governance Arrangements of Mid Kent Services
- Appendix II: Mid Kent Services Model Collaboration Agreement