

## Mid Kent Improvement Partnership

### Background

The Mid Kent Improvement Partnership was formed in 2008 between Ashford, Maidstone, Swale and Tunbridge Wells borough councils. Ashford subsequently withdrew from the partnership and it now comprises just Maidstone, Swale and Tunbridge Wells. The first MKIP partnership was Mid Kent Audit which went live as a four-way shared service in 2009.

Members of the Strategic Leadership and Corporate Services Overview & Scrutiny Committee (MBC) and the Overview & Scrutiny Committee (TWBC) have asked to look at the Partnership with a particular emphasis on three issues: governance, communication and the role of the recently appointed Mid Kent Services Director. Members of Swale Overview & Scrutiny Committee will also be in attendance at this meeting.

This brief report sets out to address each of these three issues in turn in order to provide some background to the evidence session which has been arranged on 7 July 2014.

### Recommendations:

#### Governance

(1) That the Overview & Scrutiny Committees advise how they wish to take forward any outstanding issues in respect of MKIP's governance arrangements.

#### Communication

(2) That the Overview & Scrutiny Committees welcome the development of a communications plan.

(3) That the Overview & Scrutiny Committees agree how they wish to be involved in the development of the communications plan.

(4) That the Overview & Scrutiny Committees agree that a contact list be circulated to staff and elected members on the key contacts for shared service enquiries.

#### Role of Mid Kent Services Director

(5) That the Overview & Scrutiny Committees welcome the MKIP evaluation framework and cross-authority officer group in place to review and assess the Mid Kent Services Director role.

(6) That the Mid Kent Services Director be invited back to a joint meeting of, or individual authority Overview & Scrutiny Committees in six months time to provide an interim update on progress.

### National Context

Nationally, a great many councils are involved in sharing services. In 2012, 219 councils were involved in shared services delivering £156.5m savings. By 2013, that number had risen to 337 councils delivering £278m savings. Government is strongly encouraging local councils to share services and staff and, whilst the primary motivation for most councils is to save money, there are numerous benefits including:

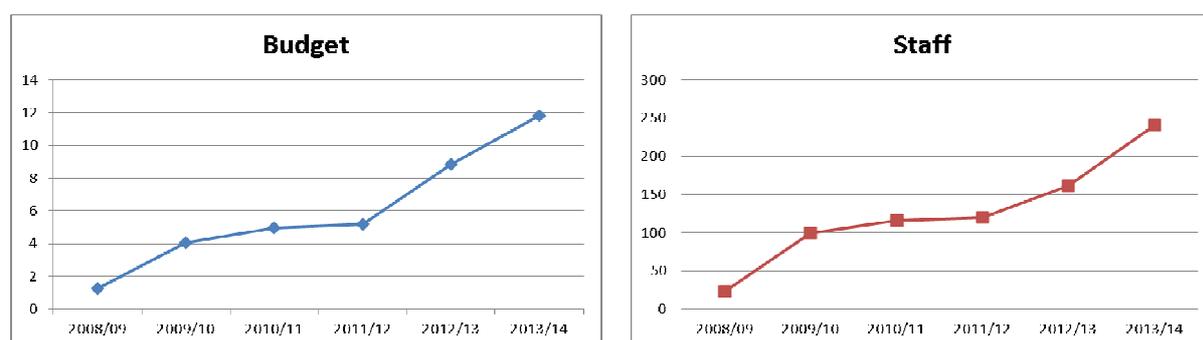
- § Economies of scale, sharing systems and processes and carrying out common work once rather than three times;
- § The ability to improve purchasing power and to deliver procurement savings;
- § The ability to develop specialisms (e.g. in Legal Services and Environmental Health) across the three sites limiting the need to buy in expensive external resources and to reduce the impact of absences;
- § Improving resilience across the partnership to manage spikes in workload and to help mitigate the impact of staff leaving or being absent for some other reason;
- § Providing opportunities for staff to learn and develop;

### Nature and extent of services

There are currently nine shared services within MKIP as follows:

- |                                   |                                          |
|-----------------------------------|------------------------------------------|
| § Audit                           | § Legal                                  |
| § Environmental Health            | § Parking Enforcement (Maidstone/Swale)  |
| § Graphic Design (TWBC/Maidstone) | § Planning Support                       |
| § HR (Maidstone/Swale)            | § Revenues and Benefits (TWBC/Maidstone) |
| § ICT                             |                                          |

MKIP spend and staff numbers are set out below.



### Savings

We are able to demonstrate good value on investment. By the end of 2013/14 MKIP will have delivered £5.5m worth of savings for £1.8m worth of investment. On existing business case projections this is predicted to rise to £13.3m (£2.25m annually) for £2.15m of investment after 10 years of MKIP (2017/18). This represents £6 returned for every £1 invested.

### Governance and decision-making

The partnership began with a relatively 'light touch' approach to governance recognising a desire to get on and deliver shared services and to establish a track record that could subsequently be built upon ('trust' is consistently earmarked as being the most important ingredient of any successful partnership. The original objectives of the Partnership were to:

- § improve the quality of service to communities;
- § improve the resilience of service delivery;
- § deliver efficiency saving in the procurement, management and delivery of services;

- § explore opportunities for trading in the medium to long-term; and
- § share best practice.

The partnership began opportunistically (i.e. capitalising on circumstances where a manager was leaving or where one or more authorities had a need to strengthen their service offer) but has become more structured in its approach over recent years following a recognition that certain support services (such as ICT and HR) are important ‘enablers’ to shared services.

In 2012, each authority agreed a set of formal governance arrangements (attached at Appendix A) that cover issues such as the objectives of the partnership, membership and meeting procedures and decision-making arrangements. The report explicitly sets out arrangements for involving overview and scrutiny as follows:

*“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”.*

Since the document was agreed, Tunbridge Wells has changed its decision-making procedures so as to establish a form of pre-decision scrutiny in the form of ‘Cabinet Advisory Boards’ and all Cabinet decisions on MKIP partnerships are first taken through these Board (which are largely made up of ‘back-bench’ councillors).

Whilst key decisions remain with the individual cabinets of each of the three authorities, MKIP is overseen by an MKIP Board on a day-to-day basis which is made of up Leaders and Chief Executives. MKIP also jointly employs a project manager (on a temporary basis) to support the Board.

Following concerns about the length of time taken to deliver shared services, MKIP has now adopted a ‘Gateway’ model as set out below. Whilst the initial stage of projects are overseen by the MKIP Board, decisions to proceed to implement a shared service are reserved to individual Cabinets.



- § Defining: MKIP Board agrees to the inclusion of a service in the programme;
- § Gateway 1 (Initiating the programme): the MKIP Programme Manager produces a report for approval by the Board which included details of the scope of the partnership, red lines, governance arrangements, communications strategy, collaboration agreement templates and consideration of resourcing;
- § Gateway 2 (Viability study/business case): sets out details of likely savings and whether or not a shared service is viable. Any decision will be taken by each individual authority’s cabinet (usually at a simultaneous meeting);
- § Gateway 3 (Implementation): sets out a broad implementation timetable with precise details delegated to the shared service manager;

- § Benefits Realisation: the shared service comes under MKIP governance with regular reporting of benefits delivered and monitoring of continuous improvement.

## **Communication**

It is probably true to say that there is always more that can be done to communicate key developments with MKIP but a number of devices have been used including:

### For Members:

- § Presentations to cabinet advisory boards and overview and scrutiny committees
- § Presentations to parish councils and (in Tunbridge Wells) the Town Forum
- § Discussions at Full Council as part of the development of key policy framework documents
- § Committee/Cabinet reports and presentations at Cabinet
- § Councillors' newsletters
- § Member briefings and seminars
- § Portfolio holder meetings
- § Meetings with group leaders
- § Discussions at group meetings
- § Circulation of the annual report and performance data

### For Staff:

- § Articles in staff newsletters
- § Briefing sessions to staff
- § Information being cascaded down through senior, middle manager and team meetings
- § Information on the intranet and discussion forums
- § Consultation exercises
- § CEx Blogs

As well as communicating, sessions have been held with each council (and one joint session held between all three councils) to discuss potential 'red lines' within each authority.

We would welcome views from the scrutiny committees as to how communication can be improved and what information they would like to receive and how they would like to be involved in decision-making processes.

As a minimum, MKIP needs to ensure that Members:

- § Are comfortable with the level and pace of delivery for shared services and collaborative working.
- § Have a good understanding of how the governance arrangements work, and where their opportunities are to influence and alter decisions around shared services and collaborative working projects.
- § Are able to explain to their communities how shared services and collaborative working works, and how it helps to meet the political aims and vision for each council.

Work is currently under way to put together a unified Communications Plan and we would welcome the views of the committees as to whether and how they might want to be involved in this process.

## **Mid Kent Services Director**

As more services have entered the Mid Kent Improvement Partnership it makes sense for them to be led in a coordinated manner and overseen so as to ensure that they are delivered effectively and coherently. It is also important for staff to have a sense of direction and of how they relate to other MKS services and services outside of MKS within the MKIP authorities.

Leaders and Chief Executives have therefore agreed to trial an arrangement for a shared Mid Kent Services Director using external government funding. The trial will enable the MKIP authorities to assess whether further efficiencies can be extracted (for example by combining disparate support functions or widening managerial spans of control) and to consider whether further senior management savings can be extracted from the three organisations. We also hope the arrangement will help address a number of the 'snagging issues' that have been identified by existing shared service managers and allow new services entering MKIP to be managed and integrated in a sensible way that both takes account of past lessons learned and allows the support services within MKIP (such as HR, ICT and Legal) to be more effectively used in support of the project team.

Paul Taylor was appointed as Mid Kent Services Director (MKSD) in May 2014 to act as a single point of contact for:

- § Mid Kent Audit (four-way with ABC);
- § Mid Kent HR and Payroll (two-way MBC and SBC);
- § Mid Kent ICT (inc. GIS) (three-way);
- § Mid Kent Legal (three-way); and
- § Mid Kent Revenues and Benefits (inc. Fraud) (two-way MBC and TWBC).

A project team was set up in April 2014 to provide an independent assessment of the MKSD post, and has been asked to report back to the MKIP Board in a year's time with their findings and a recommendation regarding the continuation of the post. The project team members are: Zena Cooke, Director of Regeneration and Communities, MBC (Chair); Jonathan MacDonald, Deputy Chief Executive, TWBC; and Phil Wilson, Chief Accountant, SBC; Val Green, Head of Organisational Development, TWBC; Holly Goring, Policy and Performance Manager, TWBC; and Jane Clarke, MKIP Programme Manager. The assessment criteria that will be used to define the trial period are appended at Appendix C of this report.

In essence, they relate to establishing a vision and identity for shared services, accepting new and consolidating existing partnerships, improving and streamlining performance and governance arrangements and plotting a course for the future.

## **RECOMMENDATIONS:**

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## **APPENDICES TO THE REPORT**

APPENDIX A: Mid Kent Improvement Partnership chart

APPENDIX B: Mid Kent Improvement Partnership Governance arrangements

APPENDIX C: Project team assessment criteria for Mid Kent Services Director