

**Mid Kent Improvement Partnership
2008-2009 Annual Report
December 2009**

Introduction

1. This first Annual Report of the Mid Kent Improvement Partnership (MKIP) explains the range of activity undertaken since MKIP was formed in 2008. Under the umbrella of MKIP, Ashford, Maidstone, Swale and Tunbridge Wells Borough Councils and the Kent County Council are pursuing common aims for service improvement, efficiency and value for money as a 'cluster' grouping of local authorities. This type of collaboration is consistent with the aims of the Kent Commitment agreed across the Kent public sector in 2007. Collaboration for the Councils is not wholly exclusive to within the five MKIP councils, as it is accepted that from time to time joint working with others will be appropriate and for some is already a feature.
2. Since the Management Board's inaugural meeting in September 2008, MKIP has worked to progress collaboration amongst the councils across a broad range of service activities. As will be seen from the following schedule, projects covering 12 themes have been covered so far. These themes range from single service reviews for an individual council, the creation of bilateral arrangements, and the development of business cases for three or four-council shared service arrangements.
3. Accordingly, this first year has laid foundations for service improvement and delivery change in the near and longer term, with good prospects for larger-scale financial savings. In the current economic climate and with the future for the public sector uncertain, it is necessary to explore this potential and translate this to real outcomes.
4. It is clear that MKIP's work has remained close to the plans originally set. This first year has seen good progress, even if implementation of change during the year was more limited and our capacity stretched. Working together and building consensus and agreement over the form of change all takes time, but is all necessary if the councils are to achieve MKIP's aims. Trust and confidence has grown and many lessons learned along the way. Particular issues to address include:
 - Building a coherent vision and sense of longer term direction
 - Ensuring a wider population of Members and staff across our councils understand MKIP's role and strategy
 - Making consultation and decision-making arrangements slicker
 - Should 'four-way' for the Borough Councils become more the norm as a starting point for evaluations?

- Being transparent about the need for market testing with the private sector
 - Achieving added-value from the KCC's involvement in the partnership
 - Shortening the time between project conception and delivery and addressing issues of capacity
5. MKIP's second year is expected to see some projects reach full implementation (for example, the three-council legal services partnership, and the four-council audit partnership) and some others move towards implementation (for example, the HR shared service and a Revenues and Benefits shared service). During the next year MKIP will also learn from the experience of bilateral partnerships that currently exist (for example the Swale/Ashford Property Management Partnership, and the recently formed ABC led shared management of Environmental Health).

What we said we would do	What we did	What we achieved	What's next
GOVERNANCE			
1. Establish and implement a governance framework	All approved by the councils in the summer of 2008 and arrangements have operated closely to this framework	A strong method of working has been achieved, though this may not be well understood beyond those closely involved. Consultation and decision-making arrangements outside of the MKIP governance arrangements need to be more aligned and so could be the subject of a further review	A review of the framework, consultation and alignment of decision-making by individual councils to be considered.
2. Kent County Council to become a full MKIP Member	KCC became full Member of the Management and Programme Boards during the first year.	Established a dialogue with KCC and input to discussions on the various shared service projects. However, MKIP as a whole needs to consider how it can achieve greater value from this relationship.	An issue for discussion at the 'awayday'
3. Programme Management – appoint a dedicated resource	Recently achieved following two rounds of recruitment. Tina Edwards from MBC has taken this role	Quickly establishing some important project management and reporting disciplines	Expect to utilise this resource and capacity fully to support MKIP and its various projects

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ENABLERS			
<p>4. Business Transformation Partnership – expand the partnership to include Swale BC and scope a programme of work for 2008-2009</p>	<p>Swale Borough Council joined the business transformation partnership during 2008.</p> <p>BTP undertook some non-shared service related 'efficiency' reviews:</p> <ul style="list-style-type: none"> - financial and accountancy processes (SBC outside this review) - environmental services contract management arrangements 	<p>BTP conclusions have identified:</p> <p>Potential efficiency savings – mainly cashable- of £250k (17%). Informed ABC's recent internal review. Led to the creation of ABC led Insurance Administration Shared Service (3 councils) which lead to further procurement savings.</p> <p>Potential efficiency savings – mixture of cashable and non-cashable – of £217k. Review informed ABC's changes to its contracts management services.</p>	<p>Possibilities for shared processing to be examined where accounting systems are similar. Insurance partnership to be formalised.</p> <p>Individual councils to follow through consideration of all process recommendations</p>

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<p>Business Transformation Partnership (continued)</p>	<p>BTP has also provided shared service feasibility studies:</p> <ul style="list-style-type: none"> - legal services (for MBC/SBC/TWBC) - internal audit shared service - revenues and benefits services (4 council review) 	<p>Identified the basis for a shared legal service, with potential savings of £269k. BTP completed the initial business case for the 4 council partnership</p> <p>Prepared the initial business case</p> <p>Review is currently ongoing, emerging findings suggest a number of options for a shared service, all with significant savings potential.</p>	<p>BTP work complete, legal shared service now being implemented (see below) Partnership proposal now close to implementation (see ... below)</p> <p>No further role for BTP in this project</p> <p>Major study currently ongoing. Work expected to be completed by Dec 09. This will lead to a full business case for a shared service that will be considered by the Management Board in the new year.</p>

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Business Transformation Partnership (continued)	<ul style="list-style-type: none"> - printing services (4 council review) - supporting the HR shared service business case 	<p>Identified basis for single source supplier for external printing, shared graphics, design teams and potential for reductions in volumes of printed material produced with potential savings of £230k across 4 councils.</p> <p>This is at preliminary stage, but has avoided larger scale external cost.</p>	<p>External print arrangements being implemented and should be completed early 2010 (SBC no longer participating, ABC no longer participating in shared graphics design). Internal Printing review to be completed.</p> <p>BTP input is dependent on a final decision to proceed with this project; expected early 2010</p>
	<p>Promote and disseminate findings</p> <p>Trained other staff elsewhere. 'Preached the gospel' to other authorities</p>	<p>Obtained external funding of £125k. Trained staff in 9 authorities. Presented sessions to the regional practitioners groups. Supported directors and reviews in 6 other authorities. Presented case study material to IESE.</p>	
	<p>Train and develop capacity Second staff to the BTP team and train them in the skills needed.</p>	<p>3 MBC staff and 2 ABC staff have been involved in the core team. 4 further staff involved in other reviews.</p>	<p>New resourcing approach to be considered.</p>

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5. Procurement – implement a four-council procurement partnership	Liaised with the Kent Buying Consortium to agree that its future method of working should be cluster based. MKIP Programme Board has since agreed the scope for a procurement partnership.	County-wide consensus that cluster based procurement approach is preferable. Initial steps to setting up a MKIP procurement partnership now completed.	MKIP Programme Board to oversee the completion of the first phase of work, which will concentrate on developing a MKIP Contracts Register and forward programme of potential joint procurements.
6. ICT - Undertake mapping of systems and approaches and assess scope for collaboration	Set up a MKIP ICT Managers' Group. Managers' Group concluded an approach to support MKIP shared service activity.	A focus that initially supports other shared service projects, with lead ICT Managers attached to each.	Role of ICT as a driver for change and the potential for collaboration across the ICT teams to be considered in the next phase of MKIP's work.
SERVICE PROJECTS			
7. Internal audit - Implement a four-council partnership	BTP review completed initial business case. Proposal agreed by the Councils. Head of Partnership appointed and final structural proposal prepared	Although decision making took longer than anticipated a final proposal for a 4 council partnership is now in place. Has confirmed potential for service improvement, resilience and cost savings of £107k per annum.	Final proposal to be approved by Audit Committees/Cabinets and then move to appoint to the new structure. Should be operative by early 2010.

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<p>8. Property management – assess potential for expanding SBC/ABC partnership</p>	<p>ABC and SBC property management partnership (shared management – ABC led) established and working well for both councils. This partnership now undertaking further development to assess the scope for feasibility to convert to a full shared service.</p>	<p>ABC and SBC have achieved some modest efficiencies and service improvements, with transfer of expertise across both councils.</p>	<p>Scope to convert to a full shared service to be considered over the next six months.</p>
<p>9. Revenues and Benefits services – complete business case for a four-council shared service</p>	<p>Established a four-council project group to build a business case for a shared service. Initial business case considered summer 2009. BTP team tasked to review processes in place across the councils. Project team has also reviewed technology options, including an initial proposal from one supplier to host systems for the four councils. Undertaken preliminary soft market testing</p>	<p>All four of the councils' revenues and benefits teams are now fully engaged with the project, as are customer services and IT managers.</p> <p>Detailed analysis of current operations is ongoing; this will lead to conclusions as to future methods of working for a shared service.</p> <p>Procurement documents for IT systems are nearing</p>	<p>Process review and evaluation is expected to be completed by Dec 2009. Outsourcing option to be further evaluated through soft market testing. Invitation to Tender for IT systems to be completed. Final business case to MKIP Management Board expected....</p>

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Revenues and Benefits(cont'd)	with one outsourcing company to assess potential benefits of an outsourced approach.	completion.	
10. Legal Services – complete business case for a 3 or 4 council shared service	BTP led process and organisation review early 2009. Business case for a 3 council shared service (ABC decided not to participate) presented in March 2009. SBC undertook to lead implementation.	Shared service agreed and adopted. Recruitment commenced and Practice Manager appointed. Other appointments have been more difficult, further round of recruitment now proceeding.	Move to full implementation once recruitment to all posts is complete. Ongoing recruitment difficulties are currently requiring alternative structures to be explored. Expect this to be early 2010.
11. Human Resources (Personnel) Services – complete business case for a 4 council shared service	Appointed consultants to lead preparation of options appraisal and business case. First business case presented in June 2009. Various subsequent iterations, including assessment of proposals from KCC. Outsourcing options evaluated based on soft market approaches. Final options assessment considered by the four councils in September, Agreement in principle	Developed the initial business case in 4 months. Proposal for co-location of the bulk of the service (the first co-located shared service proposal so far). Subsequently considered proposals from KCC for its involvement in service delivery. Developed understanding of HR service models including the potential implications of an outsourced approach. Decision on final service model delayed to allow further	Further reassessment of the business case to be completed by January for next round of staff and Member consultation.

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Human Resources (Personnel) Services(cont'd)	received from 3 councils; TWBC decided not to continue its participation. Currently consulting over the service delivery option.	consultation and consideration of the business case. Cost savings of £397k pa.	
12. Printing Services – complete assessment of scope for a 4 council shared service	Established four-council project team which along with the BTP team considered options for external printing, graphics design and internal printing. Undertaken market testing to determine a single supplier of external printing services.	External printing review and single supplier sourcing should achieve savings as above. Internal graphics design resources to be bolstered to achieve savings for 2 councils (MBC and TWBC). Internal print review delayed.	New external printing arrangements to be completed. Internal print review to be completed in the first quarter 2010, subject to capacity in the BTP team.
13. Environmental Health – shared management	Established bilateral shared management of EH services between ABC and MBC (ABC led)	This is a recent initiative, but will aim to learn more about the scope for 'deeper' collaboration between the two councils in this service area and the potential therefore for a full shared service	Review of progress and emerging findings in the New Year

Other work

14. The above schedule captures most of the work undertaken during the first year. Outside of this officers have routinely discussed potential areas of collaboration with some initial work completed. For example, Planning Officers have discussed areas where greater collaboration could assist the four councils; this includes the scope for achieving greater levels of standardisation of approaches to Section 106 Agreements. Our parking officers are also considering the scope for a shared approach to parking administration given the commonality of enforcement and technology that exists across the four councils.
15. The work of MKIP has not been entirely focused on efficiency and shared service potential. One important government consultation which MKIP partners considered related to the future of the Local Authority Business Growth Incentive Scheme and the question of whether allocations of rewards should be calculated at sub-regional (i.e. county council level) or at some other level. MKIP partners discussed this issue and responses from the Boroughs indicated support for lower than sub-regional groupings. CLG decided to support this principle and for Kent (for LABGI purposes) there are now three groupings (Inland Kent – which includes ABC, MBC and TWBC, along with T and M and Sevenoaks – East Kent, the EK four – and Coastal North Kent, the balance including Swale). KCC rewards are therefore split across the three groupings.