

Appendix A

Mid Kent Improvement Partnership

Joint Scrutiny Task and Finish Group report on governance and communication

Report date:	22 December 2014
Task and Finish Group Chairman:	Councillor Andy Booth (Swale BC)
Task and Finish Group Members:	Councillors Fay Gooch and Paulina Stockell (Maidstone BC) Councillor Mike Henderson (Swale BC) Councillors Bill Hills and Chris Woodward (Tunbridge Wells BC)
O&S support officers:	Poppy Brewer, Democratic Services Officer (Maidstone BC) Bob Pullen, Policy and Performance Officer (Swale BC) Holly Goring, Policy and Performance Manager (Tunbridge Wells BC)
Service liaison officers:	Paul Taylor, Director (Mid Kent Services) Jane Clarke, Programme Manager (Mid Kent Improvement Partnership)

1 Report summary

- 1.1 This report outlines the findings of the Joint Task and Finish Group (JTFG) which was established to review the governance and communication arrangements of the Mid Kent Improvement Partnership.

2 List of recommendations

2.1 The Task and Finish Group recommends:

That the Overview and Scrutiny Committees for Maidstone Borough Council, Swale Borough Council and Tunbridge Wells Borough Council each request that their individual Cabinets should jointly consider and respond to the following recommendations that have arisen from the joint scrutiny of governance and communications:

Governance

- a) that opportunities for pre-scrutiny should be provided within existing governance arrangements at each authority prior to any new shared service proposals being considered at a tri-Cabinet meeting (i.e. after MKIP Board approval, if not before);**
- b) that joint Overview & Scrutiny task and finish groups should be convened by the Overview and Scrutiny Committee(s) of the individual authorities, as necessary, to jointly review any major issues that arise in regard to shared service delivery and also any new options, such as the possibility of contracting to deliver a shared service for an authority outside the partnership;**
- c) that the MKIP Board will notify the Overview and Scrutiny functions of each authority when there are potential items of interest that a joint task and finish group could review on their behalf;**
- d) that the creation of the Mid Kent Services Director post should be favourably considered in light of the value already placed on this role by members of the Shared Services Boards and others, as it provides a single point of contact for the MKIP Board and Mid Kent Service Managers;**
- e) that the role of the MKIP Programme Manager should be re-examined and aligned with the reporting arrangements arising from the appointment of a Mid Kent Services Director (if the post is confirmed);**
- f) that early consideration should be given to transferring the management of the Planning Support and Environmental Health shared services under the Mid Kent Services umbrella as soon as possible;**
- g) that a toolkit is created to assist managers in their role as internal clients of shared services;**
- h) that (where appropriate) shared services create a service catalogue for their service that will help internal clients to better understand the extent of the service they provide;**

Communication

- i) that a joint communications plan is developed to improve staff and member awareness and understanding of MKIP (shared service development) and MKS (shared service delivery);**

- j) that the MKIP Board has responsibility for the effective implementation of an agreed communications plan and ensures its delivery is resourced appropriately;**
- k) that communication should be improved between the newly created Shared Service Boards and the MKIP Board to ensure the latter is fully aware of any major service issues and any suggested options for change;**
- l) that client representatives on the Shared Service Boards should ensure the outcomes of their meetings, including any related direction coming from the MKIP Board, are effectively cascaded to relevant staff within each authority;**
- m) that future MKIP Board meetings should be held and papers published in accordance with the appropriate local authority access to information regulations.**

3 The review

3.1 The Joint Task and Finish Group (JTFG) was established to:

- consider how the Mid Kent Improvement Partnership's (MKIP) governance arrangements should be taken forward and how an MKIP communications plan should be developed.

3.2 The review was instigated by a joint meeting of the Maidstone, Swale and Tunbridge Wells Scrutiny Committees on 7 July 2014.

3.3 One of the JTFG's first tasks was to scope how to conduct the review. The final version of the Scoping Report is at Appendix i.

3.4 The review was conducted principally through a number of question and answer sessions with a range of Cabinet members and senior officers from the three authorities and/or external partners. The JTFG also reviewed a number of reports, agendas and minutes of meetings and other papers. A schedule of who gave evidence to the Group and the literature reviewed is at Appendix ii.

3.5 The planning support review is outside the remit of the JTFG, however a preview summary report was included as part of our evidence base.

3.6 The JTFG would like to thank all those who agreed to meet with us to answer questions and for providing information. The JTFG would also like to thank the O&S support officers and service liaison officers who are listed above as well as Roger Adley (Maidstone BC) and Adam Chalmers (Tunbridge Wells BC) for their advice on communications and Clare Wood (Maidstone BC) for her assistance in designing the survey and for analysing the results. A lot has been achieved in a very short space of time.

4 Background

4.1 The Mid Kent Improvement Partnership was formed in 2008 between Ashford, Maidstone, Swale and Tunbridge Wells Borough Councils. Ashford subsequently withdrew from the partnership (although they are still part of the Audit shared service) and it now comprises Maidstone, Swale and Tunbridge Wells Borough Councils. The first MKIP shared service was Mid Kent Audit which went live as a four-way shared service in 2009. There are now seven shared services within the MKIP family. They are as follows, with the host authorities highlighted in bold:

- Audit (Ashford, **Maidstone**, Swale and Tunbridge Wells);
- Environmental Health (**Maidstone, Swale and Tunbridge Wells – no host**);
- Human Resources (**Maidstone** and Swale);
- ICT (**Maidstone**, Swale and Tunbridge Wells);
- Legal (Maidstone, **Swale** and Tunbridge Wells);
- Planning Support (**Maidstone**, Swale and Tunbridge Wells); and
- Revenue and Benefits (**Maidstone and Tunbridge Wells – no host**).

4.2 The main objectives that MKIP seeks to deliver are:

- to improve the quality of service to customers;
- to improve the resilience of service delivery;
- to deliver efficiency savings in the procurement, management and delivery of services;
- to explore opportunities for trading in the medium to long-term;
- to share best practice; and
- to stabilise or reduce the environmental impact of service provision.

4.3 Nationally, a great many councils are involved in sharing services. In 2012, 219 councils were involved in shared services. By 2013, that number had risen to 337 councils. The Government is strongly encouraging local councils to share services and staff. The MKIP constituent authorities are clearly early adopters of the shared service agenda.

5 Findings

Governance

Key findings

5.1 The MKIP governance arrangements have evolved gradually since the partnership was first established in 2008. The MKIP governance arrangements are at Appendix iii and were last updated in May 2012.

5.2 The JTFG heard that all major decisions regarding MKIP, including the creation of new shared services, or significant changes to existing ones, were taken by each constituent authority according to their respective constitutions. In practice, decisions had been taken at co-located but separate meetings of the three constituent Cabinets, with agendas, reports and minutes of meetings published separately on their own website.

MKIP Board

5.3 The MKIP Board consists of the Leader and Chief Executive of each of the three MKIP councils and meets quarterly. Its role is:

- To approve and own the MKIP Programme and provide direction to the MKIP Programme Manager;
- To initiate shared service projects and appoint project and shared service boards;
- To set MKIP objectives and direction;
- To join together strategic plans and form a MKIP strategic plan;
- To take decisions on specific project/service issues outside of the remit of the project and shared service boards;
- To receive Audit reports with limited assurance on follow-up;
- To monitor MKIP performance and finance and agree actions to resolve performance and finance issues; and
- To review these arrangements from time to time and make recommendations to the Parties for improvement.

5.4 The JTFG was provided with a sample agenda, reports and minutes of a Board meeting and it was clear to see from these that the role of the Board is to maintain a strategic oversight on the constituent elements of the shared service partnership and of MKIP as a whole.

Shared Service Boards

5.5 Below the MKIP Board, seven Shared Service Boards have been established. The Shared Service Boards are comprised of client-side representatives from each of the partnership authorities, generally at Director level, the MKS Director, the MKIP Programme Manager and the Shared Service Manager.

5.6 The Terms of Reference of the Shared Service Boards are:

- Shared Service Boards will provide the following governance actions:
 - agree the Service Plan for each Financial Year;

- 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;
- advise the relevant Head of Paid Service (or nominee) on the appraisals of the Joint Head of Service;
- receive reports on and consider the finance and performance of the shared service;
- provide strategic direction as required;
- 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.

5.7 The JTFG heard that matters such as service planning and performance management were being addressed and the creation of reporting forms enabled key information to be reported to the Shared Service Boards on these matters. Further clarity may need to be added to the terms of reference to strengthen the Shared Service Board's responsibility in reviewing performance and finance, as their role evolves.

Mid Kent Services (MKS)

5.8 A new directorate called Mid Kent Services (MKS) has been established within the MKIP partnership which is governed slightly differently. Five services fall within the MKS Directorate and two (Environmental Health and Planning Support) fall outside of MKS. The key differences are explained in paras 5.18 to 5.27 below and the diagrams at Appendix iv set out the respective reporting lines, with the main one being that the MKS Director is the 'line manager' for all MKS Services.

Effectiveness

5.9 The JTFG heard from virtually all members of the MKIP Board as well as the Monitoring Officers and Section 151 (i.e. Chief Finance) Officers of the three authorities at various points during the review.

5.10 The evidence the JTFG heard from all quarters was that the governance arrangements were working well.

5.11 The governance arrangements had evolved over the years and were deliberately designed to be flexible, enabling the nature of the partnership and the services within it to expand and develop in an organic way.

5.12 The JTFG were also advised that the collaboration agreements for each of the shared services were currently being reviewed, which would further strengthen the governance under which these services worked. Each collaboration agreement would need to reflect the size of the service and its complexity and cover areas such as financing, staffing, roles and responsibilities and exit arrangements.

Accountability

- 5.13 Two elements of governance which did concern the JTFG were accountability and transparency. The latter is dealt with in the Communications section below at paras 5.45 to 5.49.
- 5.14 As mentioned in para 5.2, major decisions regarding MKIP would be taken by the respective Cabinets of each partner authority. However, it is only when Cabinet papers are published that overview and scrutiny members have any opportunity to scrutinise planned actions, unless Cabinets have proactively sought the views of overview and scrutiny in advance.
- 5.15 This is in stark contrast to some shared service partnerships elsewhere in the country which are governed by, for example joint committees. Proposals for significant change are likely to have been considered in advance and agendas, reports and minutes of these committees published. The MKIP Board, where any proposals for significant change in respect of MKIP will be considered initially, is not a joint committee in the formal sense. Therefore, there does not appear to be any ready mechanism under which overview and scrutiny committees, whether individually from within each authority, or jointly, can be alerted to significant proposals for change and to be able to consider any proposals. The JTFG questions whether this is good governance.
- 5.16 There have been instances where decisions on shared services taken by tri-Cabinet meetings (co-located meetings of the three individual Cabinets) have resulted in formal call-in procedures being instigated on at least three occasions.
- 5.17 The JTFG considers that overview and scrutiny, both individually at a partner authority level and jointly, is an important element of good governance and therefore recommends:

Recommendation:

- a): that opportunities for pre-scrutiny should be provided within existing governance arrangements at each authority prior to any new shared service proposals being considered at a tri-Cabinet meeting (i.e. after MKIP Board approval, if not before);**
- b): that joint Overview & Scrutiny task and finish groups should be convened by the Overview and Scrutiny Committee(s) of the individual authorities, as necessary, to jointly review any major issues that arise in regard to shared services delivery and also any new options, such as the possibility of contracting to deliver a shared service for an authority outside the partnership;**
- c): that the MKIP Board will notify the Overview and Scrutiny functions of each authority when there are potential items of interest that a joint task and finish group could review on their behalf;**

Mid Kent Services

5.18 Mid Kent Services (MKS) is a shared service directorate that brings together the majority of shared services under an organisational structure that includes a Mid Kent Services Director, who was appointed on a one year trial in 2014. The shared services that currently fall under MKS are:

- Audit;
- Human Resources;
- ICT;
- Legal; and
- Revenue and Benefits.

5.19 MKS's current tasks are:

- to lay the ground to make HR/Payroll a three-way partnership rather than the current two-way arrangements between Maidstone and Swale;
- develop an MKIP communications plan;
- ensure services have up to date collaboration agreements, service level agreements and risk registers;
- create a vision and culture for MKS staff; and
- to resolve a long list of 'snagging issues' that are impeding productivity for shared service staff.

5.20 The work of the JTFG reinforced the importance of a cohesive vision for Mid Kent Services and the positive work that the MKS Director was doing to address this.

5.21 The JTFG observed that other shared service partnerships elsewhere in the country of similar size to MKIP had appointed an officer at Director level to oversee their services. An example included the Anglia Revenue Partnership, the Director of which had met with the Group, and comprised of seven local authorities sharing a common Revenue and Benefits service.

5.22 The Heads of MKS Shared Services told the Group how much they valued the role of the MKS Director since it had been established. For example, it provided shared service managers with a conduit to convey information between themselves and the MKIP Board and to gain, in return a more complete perspective of the views of the MKIP Board via the MKS Director; helping to overcome some long-standing snagging issues that had served to frustrate the objectives of establishing the partnership in the first place.

5.23 The JTFG is therefore recommending that the creation of the MKS Director post is looked upon favourably and, whilst this is being considered, that the MKIP Programme Manager post, which was established in advance of the Director post, is reviewed, even more importantly in the event that the MKS Director role is confirmed.

5.24 The JTFG recommends:

Recommendation:

d): that the creation of the Mid Kent Services Director post should be favourably considered in light of the value already placed on this role by members of the Shared Services Boards and others, as it provides a single point of contact for the MKIP Board and Mid Kent Service Managers;

e): that the role of the MKIP Programme Manager should be re-examined and aligned with the reporting arrangements arising from the appointment of a Mid Kent Services Director (if the post is confirmed);

5.25 The MKS was formed largely around the needs of the five 'back office' or 'transactional' shared services – i.e. Audit, HR, ICT, Legal, Revenues and Benefits. At the time of the establishment of MKS, the Environmental Health and Planning Support shared services had only just been created and a decision was taken not to include them in MKS at that stage.

5.26 From the evidence the JTFG had seen, it would be advantageous from a consistency and good governance perspective to bring the Environmental Health and Planning Support shared services under the MKS umbrella as soon as possible. It would also assist with communication when explaining the organisational structure of the Mid Kent Improvement Partnership.

5.27 The JTFG recommends:

Recommendation:

f): that early consideration should be given to transferring the management of the Planning Support and Environmental Health shared services under the Mid Kent Services umbrella as soon as possible;

Facilitating access to shared services

5.28 The JTFG heard on two separate occasions from Heads of Service who were clients of MKIP services during the review.

5.29 On both occasions, the client Heads of Service were complimentary about the improvements they had witnessed as a result of the creation of shared services including the ability to provide a broader range of specialisms and greater expertise, increased capacity and better resilience of services.

5.30 However, client Heads of Service also referred to their need to gain a greater understanding of their role as shared service clients, such as what it is they need to know and what to ask for from service providers in order to deliver their own services effectively. Some spoke of a lack of clear signposting and the fact that some shared services had the appearance of delivering a 'one size fits all' approach. It was felt that this could affect the prioritisation of projects that were important corporate objectives to each of the individual authorities.

5.31 The JTFG considered and discussed this feedback and thought that some sort of toolkit or catalogue could be produced for each of the shared services (especially so for the back-office ones) which could address this.

5.32 The JTFG recommends:

Recommendation:

g): that a toolkit is created to assist managers in their role as internal clients of shared services;

h): that (where appropriate) shared services create a service catalogue for their service that will help internal clients to better understand the extent of the service they provide;

Communication

Key findings

5.33 It was evident that the MKIP Board was already aware that more needs to be done to improve knowledge and awareness of MKIP/MKS issues amongst councillors, staff and residents. The development of a Communications Plan was a key objective for the Mid Kent Services Director. In addition, the survey [summary provided at Appendix v] the JTFG commissioned of councillors confirmed that awareness of the MKIP/MKS arrangements was low.

5.34 It was noted that the key stakeholders regarding communications were staff and councillors. The general public were not thought to be particularly interested in how shared services were delivered – particularly ‘back office’ services – only whether they received a good service which was delivered cost effectively.

5.35 With three separate councils involved in MKIP, with their different cultures and ways of doing things, it was important for both staff and members that messages about MKIP were consistent, recognising that each council had its own systems for communicating corporate messages to staff and councillors. It was noted that MKIP/MKS did not have a specific presence on each council’s website or intranet.

Communications plan

5.37 One of the JTFG’s terms of reference was to review how a MKIP communications plan should be developed.

5.38 The JTFG heard from communications experts at the councils, that the essence of a good plan was to decide: who the message was intended for and how the message would be conveyed; what the overall aim and objectives were; and how the effectiveness of the plan could be reviewed and evaluated, with the overarching aim of keeping things simple.

5.39 Communications officers at Maidstone and Tunbridge Wells Borough Councils, in consultation with officers at Swale BC, have produced a draft outline communications plan at [Appendix vi] which the JTFG commends to the MKIP Board to develop further and implement.

5.40 The JTFG recommends:

Recommendation

i): that a joint communications plan is developed to improve staff and member awareness and understanding of MKIP (shared service development) and MKS (shared service delivery);

j): that the MKIP Board has responsibility for the effective implementation of an agreed communications plan and ensures its delivery is resourced appropriately ;

Disseminating information

5.41 The JTFG heard that the implementation of the new Shared Service Boards had gone smoothly and that the respective roles of the new Boards and the MKIP Board were clearly defined. The Shared Service Boards had assisted in reviewing the detail of shared services (in terms of performance, finance or operation) and enabled matters of concern to be referred up to the MKIP Board for further discussion. A reporting form had been created since the establishment of the Shared Service Boards which had enabled each Shared Service Manager to advise the Mid Kent Services Director and client representatives of the above. These reporting forms had been found to be particularly useful and provided a detailed audit trail of the development and operation of their shared service. This feedback was welcomed by the JTFG and it was considered useful to continue this work to further strengthen the role of the Shared Service Board.

5.42 The JTFG looked at the role of the client representatives on the Shared Service Boards. This role has to fully understand the balance of business in terms of the authority requirements of individual services where issues were arising and be able to report back on operational matters affecting the shared services. At present the 'client representative' tended to be a Director from each of the individual authorities. Despite these individuals having great oversight of matters affecting their individual authorities both operationally and financially, the JTFG felt it would be more beneficial to have officer(s) attend the Shared Service Board meetings who had specific expertise and knowledge of each of the MKS Services. For example if an issue were to occur in respect of ICT, would the client representatives be best placed to communicate these issues, a specialist from the individual authority or a direct user of the service?

5.43 The JTFG recognised that to invite further 'client representatives' to the Shared Service Board meetings could place added pressure on limited staff resources so were prepared to accept that the current 'client representatives' were best placed to sit on the Shared Service Boards provided that communication with specialists or internal clients of those services was strengthened, and to ensure the requirements of each authority were adequately reflected in the Shared Service Board meetings.

5.44 The JTFG recommends:

Recommendation

k): that communication should be improved between the newly created Shared Service Boards and the MKIP Board to ensure the latter is fully aware of any major service issues and any suggested options for change;

l): that client representatives on the Shared Service Boards should ensure the outcomes of their meetings, including any related direction coming from the MKIP Board, are effectively cascaded to relevant staff within each authority;

Transparency

5.45 One of the JTFG's key findings was that members and staff felt they were kept in the dark about the operation of the MKIP Board. Whilst the JTFG recognised that the MKIP Board had not been deliberately clandestine in its work, and it was recognised that services operating and undertaking normal business within the individual authorities were not always subject to this level of attention, the fact that MKIP Board agendas, reports and minutes of meetings were not published is in sharp contrast to some other shared services partnerships, including the Anglia Revenue Partnership and the South Thames Gateway Building Control Partnership.

5.46 Both of these partnerships have governance arrangements which are overseen by Joint Committees comprised of the constituent authorities. As Joint Committees established under the Local Government Act 1972, these Committees are required to abide by the normal Access to Information rules which apply to all local authority committees with requirements to publish agendas, reports and minutes of meetings unless these contain confidential or exempt information.

5.47 It should be noted that paragraph 8.2 of the MKIP governance arrangements (see Appendix iii) states that:

“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.”

But it is not clear why papers are not published.

5.48 The JTFG is not advocating that the MKIP Board is necessarily reconstituted as a Joint Committee, but steps should be taken to increase the transparency of its operations.

5.49 The JTFG recommends:

Recommendation

m) that future MKIP Board meetings should be held and papers published in accordance with the appropriate local authority access to information regulations.

Appendices

- Appendix i Scoping report
- Appendix ii Witness sessions and papers reviewed
- Appendix iii MKIP governance arrangements
- Appendix iv Diagram of governance arrangements for MKIP and MKS
- Appendix v Councillors knowledge of MKIP – summary of survey results
- Appendix vi Draft communications plan
- Appendix vii Glossary