

# **SUPPORTING FRONTLINE SERVICES WITHIN A DIFFERENT FINANCIAL BASIS**

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# WHAT WE WILL COVER

- What does it take to make shared services work?
- Can we develop more commercial strategies to support our finances?
- What do we expect from our services to achieve our ambitions?

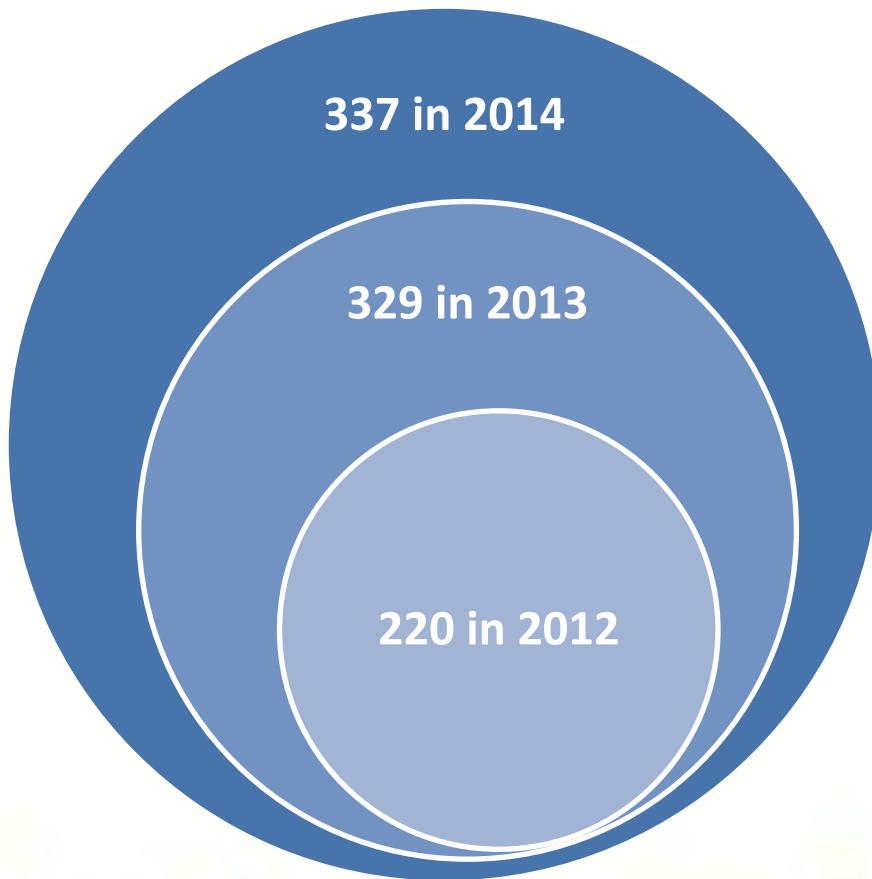


# ABOUT MAIDSTONE....a snapshot

- County Town – 12 districts, 1 unitary and 1 county
- Population – 155,143
- Total Households – 66,982
- 6 of 92 LSOAs in top 20% most deprived areas
- 79% of people in employment
- 33% of people educated to NVQ 4 or higher
- 1.4% of people claiming JSA



# NATIONAL SHARED SERVICE PICTURE



Of the 353 Councils in England, 337 are sharing 383 services.

**£165m 2012**

**£278m 2013**

**£357m 2014**



# LOCAL SHARED SERVICES CONTEXT



- Significant financial pressures on each of the partners
- Shared services deliver savings whilst maintaining or improving service levels
- MKIP is flexible to allow for local choices



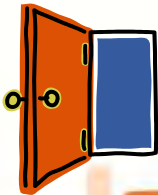
# HISTORY of MKIP



- Formed in 2008 between Ashford, Kent, Maidstone, Swale and Tunbridge Wells
- Now consists of Maidstone, Swale and Tunbridge Wells, with Kent CC as a Strategic Partner



# STATUS of MKIP



- MKIP is not a legal entity
- Built up a portfolio of shared services
- Success built on trust and confidence
- Not exclusive – open to other partners
- 18% of total net expenditure **£9M**
- 13% of total staffing **163 FTE**



# MKIP GROWTH PROFILE

Service	Base year	MKIP Budget*	MKIP staff*
Legal	2008/09	£1.25m	23
Audit	2009/10	£1.75m	35
Revenues and Benefits	2009/10	£4.04m	99
HR	2010/11	£4.94m	116
Parking	2011/12	£5.35m	120
ICT	2012/13	£9.01m	161

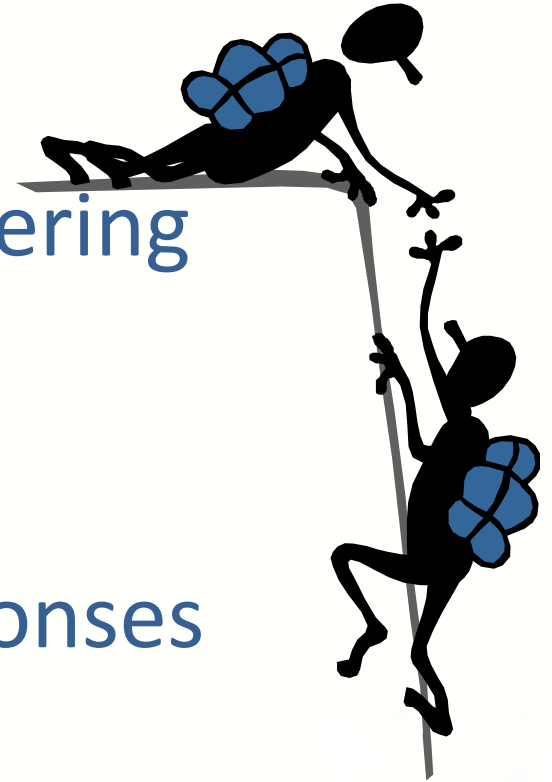


\*Current (2012/13) budget and staff figures used for each service for ease of data production – the figures are cumulative



# OTHER BENEFITS

- Sharing Heads of Service
- Sharing of expertise and covering vacancies
- Joint procurement
- Liaison on consultation responses
- Joint printing arrangements



# CHALLENGES

- Accounting arrangements
- Governance and decision making
- Identity and branding
- Capacity





# WHAT NEXT?



- Continue to share services and work together on new opportunities
- Structure and format of MKIP
- Shared Service Boards
- Continuous improvement
- Further savings and efficiencies



# COMMERCIALISATION

## Our Challenge:

- Bridging the funding gap
- Maintaining service levels and standards
- Increasing financial resilience
- Changing the culture and appetite



# COMMERCIALISATION

Our Solutions so far:

- A commercialisation strategy
- A new JV model for events
- A commercial waste collection service
- Investment to address emergency housing overspend



# COMMERCIALISATION STRATEGY

- A formal method statement of what we are trying to achieve
- Defined processes and actions we will take to achieve our defined outcomes
- Defined investment and risk appetite



# JV MODEL FOR EVENTS

- Successfully trialled as an open air cinema event
- Shared Risk and Reward agreement
- The organiser brought technical know how
- 749 tickets sold giving gross revenue in excess £10,000 – straight rental £90
- Valuable learning for future events and festivals



# COMMERCIAL WASTE SERVICE

- Started in April 2013
- Currently 200 customers across the Borough
- On track to rise to 350 within the next year
- Current turnover is £110,000
- Originally expected customers to be urban
- Responding to market realities has been key





# EMERGENCY HOUSING PROVISION

- £400,000 annual spend providing emergency housing
- Purchase and conversion of a local bed and breakfast property
- Net revenue budget improvement and asset base
- Positive impact on housing policy and service



# LESSONS LEARNED.....SO FAR

- Timely decision making is key
- Responsive legal team essential
- Risk appetite needs to be established
- Accounting practice needs to reflect commercial model
- Culture change is on-going



# WHAT NEXT?

- Project team approach established
- Develop our property portfolio
- Start a debt recovery business
- Aggregate our catering opportunities and operate them as a business
- Invest in leisure offering (aerial ropeways; crazy golf; etc.) in our main park

