

Minutes of the meeting of the **EAST KENT (JOINT SCRUTINY) COMMITTEE** held at the Sandwich Town Council Offices, Sandwich on Wednesday 4 November 2009 at 9.30am.

Present:

Chairman: Councillor G Cowan (Dover District Council)

Councillors: A Clifton-Holt (Shepway District Council)
M D Conolly (Dover District Council)
C Goddard (Shepway District Council)
M Harrison (Thanet District Council)
D R Lloyd-Jones (Dover District Council)
R F Packham (Ashford Borough Council)
T Prater (Shepway District Council)
J Roberts (Thanet District Council)
M J Roberts (Thanet District Council)
J Samper (Canterbury City Council)
I Thomas (Canterbury City Council)

Also Present: Mr C Dallison (HQN Associate Member)

Officers: Director of Community Services (Canterbury City Council)
Solicitor to the Council (Dover District Council)
Democratic Support Officer (Dover District Council)

Apologies for absence were received from Councillors M J C Burgess (Ashford Borough Council), B Rogers (Thanet District Council), R T Taylor (Ashford Borough Council) and M Vye (Kent County Council).

7 APPOINTMENT OF SUBSTITUTE MEMBERS

It was noted that in accordance with the Operating Arrangements, Councillor M J Roberts had been appointed as substitute for Councillor B Rogers.

8 MINUTES

The Minutes of the meeting of the Committee held on 19 October 2009 were approved as a correct record and signed by the Chairman.

9 ISSUES REFERRED TO THE COMMITTEE BY THE EAST KENT (JOINT ARRANGEMENTS) COMMITTEE

There were no items for consideration.

10 ITEMS PLACED ON THE AGENDA BY A MEMBER OF THE COMMITTEE

There were no items for consideration.

11 MEMBERSHIP OF THE COMMITTEE

The Committee was advised that three representatives from Ashford Borough Council had been co-opted as non-voting members in respect of items relating to the Shared Housing Service during the previous municipal year. The reason for this co-option was the participation by Ashford Borough Council in the shared housing service project.

RESOLVED: That Councillors M J Burgess, R F Packham and R T Taylor of Ashford Borough Council be co-opted for the municipal year 2009/10 as non-voting members of the committee in respect of the Housing Shared Services Project only.

12 HOUSING SHARED SERVICE UPDATE

The Director of Community Services (Canterbury City Council) and Mr C Dallison (HQN Associate Member) of the Housing Shared Service Project Team were present at the meeting to update the Committee on the progress made since the last report to the committee in December 2008.

The partner members for the Housing Shared Service were Ashford Borough Council, Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council. Kent County Council was not a partner as it had no responsibility for housing services.

(a) Purpose

The intention in developing a Housing Shared Service was to improve the level of service while achieving greater efficiencies and savings through replacing five services with a single service.

(b) Options Review

The project team had previously identified four options for the Housing Shared Service. These were:

- To host the service by one authority;
- To develop a joint procurement approach;
- To develop a shared services vehicle; and
- To develop a shared services vehicle with some or all services.

The East Kent (Joint Arrangements) Committee in December 2008 had agreed that further work on the principle of a housing shared service vehicle would be undertaken.

(c) Work to Date

An officer project team was established to consider the implications of developing a Housing Shared Service. As part of this work was undertaken to identify which activities should form part of the shared service and develop financial modelling for the impact of the a shared service on each authority's HRA and General Fund. In addition, consideration was given to what the

impact of a shared housing service would be on those services that remained within the control of each authority.

(d) Challenges

The existing five housing services employed 300 members of staff in five locations and each used a different housing IT system. In order to identify areas of potential economy and diseconomy of scale, it was necessary for the project team to benchmark services across each authority to enable the identification of the same activities even if undertaken in a different way.

In developing a shared service it was critical to give consideration to the timing, cost and technical aspects of the service.

Mr C Dallison informed the Committee that savings of 10% or greater on the HRA direct costs were realistically achievable although it was acknowledged that the support service savings would be more difficult to identify as activities were structured in different ways in each authority. There would also be savings achieved for the Housing Shared Service as a consequence of the establishment of the East Kent Human Resources Partnership.

(e) Legal and Governance

It was proposed that a Shared Service Vehicle (SSV) would be developed to manage the Housing Shared Service. The SSV would be a non-profit company limited by guarantee that would be controlled by the Councils through a management agreement that would set the parameters within which the Board of Directors would operate.

The Board of Directors would consist of 15 members, composed of five Councillors, five tenant representatives and five independent members. Each authority would have a single councillor and tenant representative. There were no proposals to remunerate the Board of Directors.

As part of the governance arrangements there would be provision for an exit strategy should one or more parties wish to leave the Housing Shared Service in the future. However, this would not be developed prior to the application to the Secretary of State.

The staff of the SSV would either be TUPE'd across from their existing authority or fulfilled through ring-fenced advertisements. It was anticipated that up to 40 posts would be redundant due to the SSV (ie if five teams were merged then only one manager would not be needed) although as each authority had approximately a 5% vacancy rate this would not necessarily equate to 40 redundancies. The Board of Directors would make the decision on appointments.

There was concern expressed by some Members that the management arrangements needed to be agreed prior to any application to the Secretary of State, as they could not make an informed decision otherwise.

(f) Consultation

A joint tenant liaison group had been established with tenant representatives from each of the five authority areas appointed to it. This was supported by the Tenant Participation Advisory Service (TPAS), which provided the tenant representatives with the advice it needed in respect of consultation.

The Councils were required by Section 105 of the Housing Act 1985 to undertake consultation on the proposals for a Housing Shared Service. However, as the proposals did not take the form of stock transfer, there was no requirement that the consultation take the form of a vote from the tenants.

The consultation approach being undertaken was one of a 'cocktail' of methods such as road shows, questionnaires and one-to-one meetings in an attempt to engage with the widest number of tenants. In addition, as part of any application to the Secretary of State for delegations under Section 27 of the Housing Act 1985, each Council would be required to demonstrate that it had undertaken proper consultation with tenants as each authority was required to submit an individual application.

It was the view of Members that the Housing Shared Service needed to proactively promote the benefits of the project to tenants in order to balance any lobbying against the proposals to ensure that tenants had as much information available to them as possible.

There was concern expressed by some Members that by not undertaking a ballot of all tenants, irrespective of whether such a move was required by statute, it would deprive tenants of the opportunity to definitively state their view on the proposals and make it harder to demonstrate to the Secretary of State that there was sufficient support for the proposals to justify the application.

(g) Next Steps

The East Kent (Joint Arrangements) Committee and the East Kent (Joint Scrutiny) Committee would receive reports on the proposals during December 2009 and each District Council would consider the proposals from January to March 2010. In the event that sufficient authorities approved participation in the scheme to make it a viable shared service an application would be made under Section 27 of the Housing Act 1985 to the Secretary of State in May or June 2010.

The final management and collaborative agreements would be approved by December 2010 by each authority and the Housing Shared Service would be launched in January 2011.

RESOLVED: (a) That the update be noted.

(b) That it be recommended to the East Kent (Joint Arrangements) Committee:

(i) That a ballot of all tenants in all five authorities be held on the same day following

the completion of the tenant consultation period but prior to any application to the Secretary of State under Section 27 of the Housing Act 1985.

- (ii) That the full Council of each participating authority be asked to agree in principal participation in the Housing Shared Service prior to any application to the Secretary of State under Section 27 of the Housing Act 1985.

The meeting ended at 11.30 am.