



Agenda

East Kent (Joint Arrangements) Committee

**Wednesday
17 April 2013
at 10.00 am**

**The Guildhall
Westgate
Canterbury**

Membership of the East Kent (Joint Arrangements) Committee

Councillors

Leader, Canterbury City Council
Deputy Leader, Canterbury City Council
Leader, Dover District Council
Deputy Leader, Dover District Council
Leader, Kent County Council (Chairman)
Deputy Leader, Kent County Council
Leader, Shepway District Council
Deputy Leader, Shepway District Council
Leader, Thanet District Council (Vice Chairman)
Deputy Leader, Thanet District Council

NOTES

- 1 The East Kent Joint Arrangements Committee has not authorised the recording of their meetings by members of the public or the media by any mechanical or electronic device or similar means. Recordings will not be permitted at any such meetings to which the press and public are admitted unless expressly authorised by the Committee.
- 2 The venue for the meeting is wheelchair accessible and has an induction loop to help people who are hearing impaired.
- 3 The information contained within this agenda is available in other formats, including Braille, large print, audio cassettes and other languages.
- 3 If you have any queries regarding items on this agenda, please contact Matthew Archer on 01227 862 175 or email matthew.archer@canterbury.gov.uk or write to the address below.

Canterbury City Council
Military Road
Canterbury
CT1 1YW

AGENDA

EAST KENT (JOINT ARRANGEMENTS) COMMITTEE

Wednesday, 17th April, 2013, at 10.00 am

The Guildhall, Westgate, Canterbury

Ask for: **Committee Administrator**
Telephone **(01227) 862 006** or e mail
lynda.mcdaid@canterbury.gov.uk

1. APOLOGIES FOR ABSENCE
TO RECEIVE apologies for absence
2. DECLARATIONS OF INTEREST
TO RECEIVE declaration of interests
3. SUBSTITUTE MEMBERS
The Chairman to report any notifications received prior to this meeting regarding the attendance of substitutes for the named Members of this Committee.
4. MINUTES OF THE MEETING HELD ON 20 JUNE 2012 (Pages 1 - 6)
TO CONFIRM as a true record the minutes of the previous meeting.
5. ACTIONS ARISING FROM THE PREVIOUS MEETING
6. PROVISION OF SERVICES BY EAST KENT SERVICES TO EAST KENT HOUSING LIMITED (Pages 7 - 8)
TO CONSIDER the report of the Director of EK Services
7. PROVISION OF SERVICES BY THE EAST KENT HR PARTNERSHIP TO EAST KENT HOUSING LIMITED (Pages 9 - 10)
TO CONSIDER the report of the Head of the East Kent HR Partnership
8. FACILITY FOR THE HEAD OF THE EK HUMAN RESOURCES PARTNERSHIP TO TAKE ON EXTERNAL CONTRACTS WITH THIRD PARTIES

TO CONSIDER the report of the Head of Legal and Democratic Services (Canterbury) and the Solicitor to the Council and Deputy Monitoring Officer (Dover).

REPORT TO FOLLOW

9. TO CONSIDER the report of the Head of Legal and Democratic Services (Canterbury) and the Solicitor to the Council and Deputy Monitoring Officer (Dover).

REPORT TO FOLLOW

10. ANY OTHER BUSINESS WHICH FALLS UNDER THE EXEMPT PROVISIONS OF THE LOCAL GOVERNMENT ACT 1972 OR THE FREEDOM OF INFORMATION ACT 2000 OR BOTH

It will be necessary to exclude the press and public for any business under this item.

TERMS OF REFERENCE of the EAST KENT (JOINT ARRANGEMENTS) COMMITTEE

1. To exercise the executive and non-executive functions of the parties in order to commission, co-ordinate, provide, procure and/or manage any shared services as are agreed from time to time by two or more of the Parties
2. To provide strategic direction to the officers advising the EKJAC
3. To exercise any of the functions or services that are determined to be a shared service in accordance with these arrangements
4. To develop work programmes and projects in relation to the functions which the parties are minded to be delegated to the EKJAC by the Parties
5. To regularly report to each of the Parties on its activities
6. To respond to reports and recommendations made by the East Kent Joint Scrutiny Committee
7. To monitor the operation of the EKJAC and of any shared service
8. To propose a budget for a shared service to the Parties and to monitor and manage any such budget once approved by them
9. To review these arrangements from time to time and make recommendations to the Parties for improvement and change and to propose (as appropriate) the creation of special purpose vehicles for the achievement of the Objectives, including companies, formal partnerships or consortia, the expansion of these arrangements to include other local authorities, the conclusion of contracts with other persons and the provision of services, supplies and works to other persons

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The decisions set out in these minutes will come into force, and may then be implemented at 12 noon on the fourth working day after the publication of the decision, unless the decision is subject to call-in.

Date of publication: 25 July 2012

CANTERBURY CITY COUNCIL

EAST KENT (JOINT ARRANGEMENTS) COMMITTEE

**Minutes of a meeting held on Wednesday, 20th June, 2012
at 10.00am in The Guildhall, Westgate, Canterbury**

Present: Councillor C Hart (Chairman), Thanet DC

Councillor J Law, Canterbury CC
Councillor P Watkins, Dover DC
Councillor S Chandler, Dover DC
Councillor A King, Kent CC
Councillor R Bliss, Shepway DC
Councillor R Love, Shepway DC
Councillor A Poole, Thanet DC

Officers: Matthew Archer - Assistant Head of Democratic Services, Canterbury CC
Nadeem Aziz - Chief Executive, Dover DC
Colin Carmichael - Chief Executive, Canterbury CC
Mark Ellender - Head of Legal and Democratic Services, Canterbury CC
Juli Oliver-Smith - Head of East Kent Human Resources
Donna Reed - Director, EK Services

1. APOLOGIES FOR ABSENCE

Apologies received from Councillor Paul Carter (Kent) and Councillor John Gilbey (Canterbury).

2. DECLARATIONS OF INTEREST

No declarations of interest were received.

3. SUBSTITUTE MEMBERS

There were no substitute members present at the meeting.

4. MINUTES OF THE MEETING HELD ON 14 MARCH 2012

The minutes of the meeting held on 14 March 2012 were agreed as a correct record.

5. ACTIONS ARISING FROM THE PREVIOUS MEETING

None.

6. EK SERVICES PERFORMANCE REPORT 2011/12

The Director of EK Services summarised the performance report of EK Services for the period February 2011 to March 2012. She said its purpose was to provide an update against identified performance indicators within the Service Level Agreements and progress against budget and savings targets. She noted that the majority of performance had met Service Level Agreement targets. A budgeted savings target of £1.27 million had been set including the containment of redundancy costs and the final outturn had seen these savings realised plus extra savings of £500,000 through a combination of vacancy management and initial efficiencies, which had been returned to the participating councils. A service plan was also included for noting. She said the National Audit Office (NAO) had recently carried out a health check on EK Services and whilst the report had yet to be published the preliminary findings were that EK Services represented a very good example of what could be achieved quickly and with minimal investment.

Members of the committee asked a number of questions as follows:

- (i) How detailed had the NAO audit been and had they identified any areas of improvement? It was confirmed the audit had been undertaken over a two week period by a team of six. It had included meetings with client authority representatives, the Management Team and a detailed scrutiny of the budget. They had highlighted concerns around the future investment plan, particularly for new technology. It was pointed out that an audit of ICT equipment had been undertaken and EK Services would be working closely with clients to support any equipment that was in need of replacement. The NAO had also noted that there was a reliance on trust between the clients and the shared service.
- (ii) A member questioned whether the SLA performance targets had been hard enough given that the majority had been met. In response it was pointed out that the target was to deliver the same level of service with 10% less resource which could be reasonably considered to be a stretching target. The financial saving had been exceeded to the benefit of the participating council's. Furthermore there was a requirement for additional savings in future years so the targets would continue to be stretched.
- (iii) A member congratulated EK Services on what had been achieved and said the additional savings over and above target had been very welcome in the current climate.
- (iv) A member questioned whether a single bailiff contract was necessarily the most appropriate course of action if councils wished to adopt a different approach to debt collection? In response the Director said it was hoped efficiencies would be gained through a single joint arrangement but it was

recognised that all authorities would wish to support local residents where it was appropriate to do so.

The Chairman thanked the Director for her report.

7. EAST KENT HUMAN RESOURCES' PARTNERSHIP PERFORMANCE 2011/12

The Head of the East Kent HR Partnership summarised the performance report of EK Human Resources during the year 2011/12. The report included the end of year service plan report, operational highlights, progress against budget and savings targets and reporting of partner agreed service performance indicators.

She said it had been a challenging year with a number of major restructures including staff from four authorities transferring into a new company to form East Kent Housing.

A single intranet had been created for all clients which meant that all the key information was now available in one place and managed under one system. The team had also supported Thanet District Council in looking at a new pay and reward system which also included EK Services staff. The first stage had been completed with the removal of incremental payments and the next phase was now underway. She concluded by summarising some of the operational activity and performance outturns.

A member asked whether East Kent Housing had retained the services of the HR Partnership. It was confirmed that they would continue to support the new company until April 2013, at which point there would be a discussion about future provision.

8. STATEMENT TO SUPPORT THE ANNUAL GOVERNANCE ASSURANCE REPORT 2011/12

The Head of Legal and Democratic Services (Canterbury) explained that the supporting statement had been submitted by Kent County Council in relation to the payroll service. It had been submitted as a requirement of KCC's Annual Governance Report and under the collaboration agreement it had been produced for the EKJAC for information. He drew attention to the last section of the statement headed 'Suggested planned improvements for the next 12 months' and the note from the Heads of Paid Service which had requested that the section be removed pending further discussion about its content. KCC had indicated that they would wish to retain the section and would include it should a request be made for the statement in the future.

A Member asked if EKJAC ceased to exist what would be the future governance arrangements for Payroll? - The Head of Legal and Democratic Services explained that this was addressed in recommendation (e) of the next report on the agenda headed 'A review of the East Kent arrangements', where it stated that any agreements or arrangements which may need to remain in effect would be reviewed by relevant the Heads of Legal. He said it was envisaged that in the future the statement would be sent directly to the Heads of Paid Service and it would be a matter for each authority as to how it was considered. It was suggested that this could be dealt with as part of the Annual Performance Report and then signed off individually by each council as part of its own Annual Governance Statement.

9. REVIEW OF THE EAST KENT ARRANGEMENTS

The Head of Legal and Democratic Services (Canterbury) introduced the report which examined options for the East Kent committee arrangements in the future and suggested a way in which they might be adjusted to align with the services being delivered. He noted that when the arrangements were first formed back in 2008, there was an active programme of shared services envisaged and in the subsequent period the committee had overseen a significant number of projects including Housing and Waste Management, both of which had since adopted different management and monitoring arrangements. Housing now had its own parent company and waste was the subject of a separate arrangement between the participating authorities. He said what remained was overseeing the activity of EK Services and HR for the three participating authorities: Canterbury City Council, Dover District Council and Thanet District Councils, referred to as the 'continuing councils'.

It was recommended that the East Kent (Joint Arrangements) Committee be dissolved with effect from 1 October 2012, to allow a lead in time for future arrangements to be put in place. The committee could decide to have one more meeting to resolve any residual matters if required and in the meantime the operating arrangements would carry on. He recommended a minor amendment to recommendation (d) such that the word 'by' be removed and replaced with 'through EKJAC for the benefit of' as the intention was clear that the arrangement regarding Payroll was to continue. He said any outstanding matters would be delegated to the Heads of Legal to address any legacy issues in subsidiary documents.

Members of the committee considered the report and made a number of points including the following -

- (i) A member felt the committee had served its time based on the original aspirations and the proposed changes reflected the changing nature of shared services. He noted that a number of functions were now proposed to be dealt with via Locality Boards, which was not relevant to the current East Kent arrangements and consequently it was appropriate to remove one or two groupings whilst continuing to work together using alternative governance arrangements. Scrutiny could be dealt with by the individual authorities under their existing client arrangements.
- (ii) A member requested that a message be sent to the Thanet County Councillors that there was a need for a Locality Board to be set up in the area. The Deputy Leader of KCC said he had noted the request.
- (iii) A member pointed out that Canterbury published its Locality Board minutes on the next available Scrutiny Committee for consideration.
- (iv) It was logical for those involved in EK Services to have their own monitoring arrangements but alternative arrangements had been equally effective elsewhere. He cited the waste collection contract as a good example of joint working and close co-operation between three councils and in terms of the waste management across the five councils.

RESOLVED –

To recommend to the Executives and Councils of Canterbury City Council, Dover District Council, Kent County Council, Shepway District Council and Thanet District Council ('the Participating Councils') that the amendments to the East Kent Arrangements set out in this report be adopted and therefore:

- (a) The East Kent Joint Arrangements Committee and the East Kent Joint Scrutiny Committee be dissolved with effect from 1 October 2012.
- (b) That operating arrangements for a Committee relating to functions shared by Canterbury City Council, Dover District Council and Thanet District Council ('the Continuing Councils') be drafted by the respective heads of legal and be submitted to the Continuing Councils for approval with scrutiny being undertaken by the scrutiny committees of the Continuing Councils.
- (c) That any existing delegations to the Director of Shared Services, the Head of the East Kent Human Resources Partnership and the Payroll Officer for Kent County Council relating to the functions of the Continuing Councils continue.
- (d) That the delegation to the Payroll Officer for Kent County Council through EKJAC for the benefit of Shepway District Council continue.
- (e) All agreements or arrangements which may need to remain in effect after 1 October 2012 be reviewed by the Heads of Legal of all the Participating councils and they be delegated the power by their respective councils that if relevant to them they agree the continuation of those matters in such form as they think appropriate.
- (f) That a further meeting of EKJAC be convened if necessary to deal with any residual issues.

There being no other business the meeting closed at 10.45pm

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Subject **Provision of Services by East Kent Services to East Kent Housing Limited**

Director/Head of Service Director of EK Services

Decision Issues: These are matters within the authority of the Committee

Decision Type: Non Key

Classification: This report is open to the public

Summary: Since the formation of East Kent Housing Limited, Canterbury City Council, Dover District Council and Thanet District Council acting as East Kent Services, have provided certain services to East Kent Housing Limited. The contractual relationship will terminate automatically on 31 March 2013. This report seeks authority to renew these arrangements for a further period of two years.

- To Recommend:**
- 1. To authorise East Kent Services acting by Thanet District Council to provide ICT and Customer Contact Services to East Kent Housing Limited with effect from 1 April 2013 subject to the completion of any necessary agreement to the satisfaction of the three principal legal officers of the three East Kent Councils.**
 - 2. To authorise the Director of EK Services to perform such of her delegated functions in relation to East Kent Housing Limited as may be necessary from time to time.**
 - 3. To delegate to the Director of EK Services authority to negotiate what she considers to be an appropriate contract price for each of the two years of the contract term.**

Next Stage in the Process: Completion of the Contracts.

SUPPORTING INFORMATION

1. Introduction

By virtue of the Local Authorities (Goods and Public Services) (Public Bodies) (England) Order 2002/522 a body set up by a local authority in exercise of the powers under section 2 Local Government Act 2000 to exercise management functions as an agent of a local authority under an arrangement approved by the Secretary of State under section 27 Housing Act 1985 is designated as a "Public Body". This means that by virtue of the Local Government (Goods and Services) Act 1970 a local authority within the meaning of that act is allowed to provide certain goods and services to the designated public body, which in this case is a housing management organisation.

From its inception East Kent Housing Limited ('EKH') has received ICT and face to face contact centre customer services in the same way as they were delivered by in house staff prior to the creation of EKH. This was authorised for a period of two years commencing on 1 April 2011 under a decision of this committee on 16 March 2011.

2. The Proposed Arrangement

It is proposed that this arrangement continues for a further period of two years. The officers of EKH believe that for suggested period of this proposed further contract the optimum arrangement for EKH is to continue this arrangement with EKS. EKH needs time to prepare for competition and at the same time can have realistic discussions with EKS on costs whilst EKS will need to take stock of its future by 2015 with the advent of Universal Credit.

Broadly, on matters other than the contract price, the arrangements will continue as now. In relation to the contract price, a price has been agreed for the 2013/14 financial year but there are to be further negotiations for the year 2014/15 with the expectation if there is otherwise no change in the service required financial savings will be sought by EKH.. Such savings must be reasonable and within that context it is recommended that authority be delegated to the Director of EK Services to negotiate and agree an appropriate sum.

The rationale for provision of these services by EKS was set out in the report of the Head of Legal and Democratic Services (Canterbury which was considered by this Committee on 16 March 2011. That rational has not changed. The report is available at

<http://www2.canterbury.gov.uk/committee/ieListDocuments.aspx?CId=303&MId=7167&Ver=4>

3. Conclusion

It is for this committee to consent to the arrangements identified in this report being entered into.

Contact Officer: Donna Reed

Telephone: 01227 862073

Subject **Provision of Services by The East Kent HR Partnership to East Kent Housing Limited**

Director/Head of Service Head of The East Kent HR Partnership

Decision Issues: These are matters within the authority of the Committee

Decision Type: Non Key

Classification: This report is open to the public

Summary: Since the formation of East Kent Housing Limited, what is now Canterbury City Council, Dover District Council and Thanet District Council acting as East Kent Services, have provided human resource services to East Kent Housing Limited. The contractual relationship will terminate automatically on 31 March 2013. This report seeks authority to renew these arrangements for a further period of two years.

- To Recommend:**
- 1. To authorise The East Kent HR Partnership acting by Dover District Council to provide Human Resource Services to East Kent Housing Limited with effect from 1 April 2013 subject to the completion of any necessary agreement to the satisfaction of the three principal legal officers of the three East Kent Councils.**
 - 2. To authorise the Head of The East Kent HR Partnership to perform such of her delegated functions in relation to East Kent Housing Limited as may be necessary from time to time.**
 - 3. To delegate to the Head of The East Kent HR Partnership in consultation with the Director of EK Services authority to negotiate what she considers to be an appropriate contract price for each of the two years of the contract term.**

Next Stage in the Process: Completion of the Contracts.

SUPPORTING INFORMATION

1. Introduction

By virtue of the Local Authorities (Goods and Public Services) (Public Bodies) (England) Order 2002/522 a body set up by a local authority in exercise of the powers under section 2 Local Government Act 2000 to exercise management functions as an agent of a local authority under an arrangement approved by the Secretary of State under section 27 Housing Act 1985 is designated as a "Public Body". This means that by virtue of the Local Government (Goods and Services) Act 1970 a local authority within the meaning of that act is allowed to provide certain goods and services to the designated public body, which in this case is a housing management organisation.

From its inception East Kent Housing Limited ('EKH') has received human resource services in the same way as they were delivered by in house staff prior to the creation of EKH. This was authorised for a period of two years commencing on 1 April 2011 under a decision of this committee on 16 March 2011.

2. The Proposed Arrangement

It is proposed that this arrangement continues for a further period of two years. The officers of EKH believe that for suggested period of this proposed further contract the optimum arrangement for EKH is to continue this arrangement with The East Kent HR Partnership ('EKHR'). EKH needs time to prepare for competition and at the same time can have realistic discussions with EKHR on costs. EKHR is now being drawn more closely into the operation of other East Kent shared services so any discussion needs to involve the Director of EK Services. East Kent Services ('EKS') will need to take stock of its future by 2015 with the advent of Universal Credit and with the contract term for the other services being fixed at 2 years, it makes sense for this contract to be the same term..

Broadly, on matters other than the contract price, the arrangements will continue as now. In relation to the contract price, a price has been agreed for the 2013/14 financial year but there are to be further negotiations for the year 2014/15 with the expectation if there is otherwise no change in the service required financial savings will be sought by EKH.. Such savings must be reasonable and within that context it is recommended that authority be delegated to the Head of EKHR in consultation with the Director of EK Services to negotiate and agree an appropriate sum.

The rationale for provision of these services by EKHR was set out in the report of the Head of Corporate Services (Shepway) which was considered by this Committee on 16 March 2011. That rationale has not changed. The report is available at

3. Conclusion

It is for this committee to consent to the arrangements identified in this report being entered into.

Contact Officer: Donna Reed

Telephone: 01227 862073