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Date of publication: 26 May 2010

CANTERBURY CITY COUNCIL

EAST KENT (JOINT ARRANGEMENTS) COMMITTEE

**Minutes of a meeting held on Wednesday, 19th May, 2010
at 10.00 am in The Guildhall, Westgate, Canterbury**

Present: Councillor R Bayford, Thanet District Council (Chairman)

Councillor R Bliss, Shepway District Council
Councillor R Doyle, Canterbury City Council
Councillor J Gilbey, Canterbury City Council
Councillor A King, Kent County Council
Councillor R Love, Shepway District Council
Councillor F Scales, Dover District Council
Councillor I Ward, Dover District Council

Officers:

Nadeem Aziz	Chief Executive, Dover District Council
Colin Carmichael	Chief Executive, Canterbury City Council
Richard Samuel	Chief Executive, Thanet District Council
Alistair Stewart	Chief Executive, Shepway District Council
Mark Ellender	Head of Legal and Democratic Services, Canterbury City Council
Roger Walton	Head of Property, Leisure and Waste Management, Dover District Council
Linda Davies	Director, Environment and Waste, Kent County Council
Matthew Archer	Assistant Head of Democratic Services, Canterbury City Council
David Godfrey	Public Policy, Kent County Council

34 **APOLOGIES FOR ABSENCE**

Apologies received from Councillors Carter (Kent), Watkins (Dover), Wise (Thanet) and Law (Canterbury).

35 **DECLARATIONS OF INTEREST**

No declarations of interests were received.

36 **SUBSTITUTE MEMBERS**

Councillor Rosemary Doyle substituted for Councillor Law (Canterbury) and Councillor Ian Ward substituted for Councillor Watkins (Dover).

37 **MINUTES**

The minutes of the meeting held on 20 January 2010 were agreed as a correct record.

38 **APPOINTMENT OF HOST AUTHORITY, DELEGATION OF POWERS FOR THE PROPOSED THANET, DOVER AND CANTERBURY SHARED SERVICES AND LOCATION OF STAFF**

The committee was informed that following acceptance by three of the five participant authorities of the strategic business case for a range of shared services earlier in the year, a Director of Shared Services had now been appointed. Delegated powers needed to be agreed by the committee for the new post to undertake her duties. These delegated powers would also be exercisable should Kent County Council and Shepway District Council delegate functions to the Committee in future. Attention was drawn to analysis, as set out in schedule 1, of which authority should act as host. It identified Thanet District Council as the preferred employer for the new Director. Canterbury was identified as the most suitable location for the shared services management team. He noted that it was not for the Joint Arrangements Committee to appoint the host but it did have authority to delegate powers to the Director. He recommended two minor amendments to the report:

- (i) That recommendation 1 be amended to Director of Shared Services *and her staff*.
- (ii) That within the scheme of delegation set out in Schedule 2 that "The Parties" means any two or more of Canterbury City Council, Dover District Council, Kent County Council, the District Council of Shepway and Thanet District Council.

RESOLVED –

1. That Thanet District Council as the host employer of the Director of Shared Services and her staff be approved.
2. That the Director of Shared Services when employed by Thanet District Council be delegated the powers of the Committee as set out in schedule 2 attached to this report.
3. That the Director of Shared Services and associated staff be located at Canterbury City Council offices.

4. That the definition of “the parties” be amended to include Kent County Council.

A copy of the scheme of delegation as amended is appended to the minutes.

39 **REVIEW OF ADMINISTRATIVE ARRANGEMENTS FOR THE EAST KENT (JOINT ARRANGEMENTS) COMMITTEE AND THE EAST KENT (JOINT SCRUTINY) COMMITTEE**

The Committee was informed that a review of the arrangements had been undertaken by Mr Doug Bradbury, SOLACE consultant and former Chief Executive of Shrewsbury and Atcham Borough Council, who was well versed in constitutional matters. The review had concluded that the current arrangements were robust. A number of recommendations had been made in the report to further enhance the arrangements and these were included in the report for consideration by the committee. Particular attention was drawn to the difficulties inherent in EKJAC’s decision-making processes, which had contributed to the delay of projects. These had been taken on board in preparing the methodology for the strategic business case earlier in the year.

Attention was drawn to a number of the more detailed recommendations as follows:

- (i) administration and chairmanship – it was recommended that Canterbury retained the ‘administering authority’ arrangements for a further year, making a total of 3 years, whilst the chairmanship rotated. A further review would take place in a year’s time;
- (ii) that the chairman of both EKJAC and EKJSC be given a second or casting vote unless his or her council was not participating in the shared service concerned;
- (iii) agreement to a fund to meet the costs of researching and creating shared services projects; and
- (iv) creation of an SLA for the functions of the administrative host.

He also said the following matters should be kept under review:

- (v) relationship between EKJSC and individual scrutiny committees, which may be the subject of a future protocol;
- (vi) the need for specialist officer advice to support the work of the Joint Scrutiny Committee; and
- (vii) funding the work of officers supporting the Joint Arrangements Committee.

RECOMMEND -

That the following recommendations be made to each council –

1. That the East Kent (Joint Arrangements) Committee operating arrangements be amended as follows:

- (a) Paragraph 11.1 – In the table delete “and Host Authority”.
- (b) Paragraph 12.1 – To add “in the event of an equality of votes the Chairman may have a second or casting vote unless his council is not participating in the shared service concerned”.

Paragraph 12.2 – To add “Any such recommendation shall be considered by each of the parties and a response made to it within three months of the date such recommendation is made”.

- (c) Paragraph 14.1 – To delete “the Parties will appoint a Host Authority which is for the time being the Authority shown as the Chairman and Host Authority in the table at clause 11.1” and substitute “which until May 2012 shall be Canterbury City Council and thereafter such Administering Authority as EKJAC may from time to time appoint”.

Paragraph 14.4 – Delete “will be paid for by the host authority” and substitute “will be paid for by the parties in equal shares”.

- (d) To add the following paragraphs and re-number the succeeding paragraphs:

“Paragraph 15. – Finance

Paragraph 15.1 – “To agree that the councils allocate sums from time to time to funds for meeting the costs of researching and creating Shared Services projects and that the Chief Executive of the Host Authority be given delegated power in consultation with the Chief Executives of the parties participating in those projects to authorise any expenditure within the allocated budget”.

- (e) Where the context so admits change “Host Authority” to “Administering Authority” throughout.

2. That the East Kent (Joint Scrutiny) Committee operating arrangements be amended as follows:

To add at the end of 11.1 “In the event of an equality of votes the chairman may have a second or casting vote unless his council is not participating in the shared service concerned”.

To add "11.3 Where two or more parties have resolved to delegate the relevant functions to the EKJAC then:

- (a) The service will thereafter be a shared service only in relation to those parties and
 - (b) Those parties alone will have voting rights at the EKJSC in relation to further decisions as to how that shared service is jointly managed provided or procured.
 - (c) The parties that did not delegate that shared service will not have voting rights in relation to that shared service until or unless they do delegate such service at some future date.
3. That the Head of Legal and Democratic Services at Canterbury prepare a Service Level Agreement to describe the role of the administrative host authority for the EKJAC to be approved by the Monitoring Officers of all the parties.
4. That the following matters be kept under review in relation to the operating arrangements of both Committees:

A protocol regulating the relationship between EKJSC and the individual council Overview and Scrutiny Committees.

Recruitment of a specialist officer to support the work of EKJSC.

The principle that any work carried out by staff of the councils towards achieving a shared service be reimbursed from EKJAC funds and that such funds are made available to EKJAC.

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

RESOLVED – That, under Section 100(A) 4 of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following item on the grounds that there would be disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act or the Freedom of Information Act or both.

41 **EAST KENT JOINT WASTE PROJECT**

The report was introduced by Roger Walton, Head of Property, Leisure and Waste Management (Dover). The Committee was informed that the report before them built on the previous agreement made in November 2009 to adopt the Notional Optimum Model (NOM) for waste disposal and collection. In the interim period, a competitive dialogue procurement process had been continuing on the joint tender between Shepway, Dover and Kent to allow prospective tenders the opportunity to inform the client authorities on the most

effective waste collection methodology. This had led to a recommendation that an Alternative NOM be adopted, which included separate weekly collection of food and separate containerised collection of dry recyclables. He said the new model allowed those who presently charge for green waste on a subscription basis to continue to do so.

The impact of the changes to the cost model were described. It was explained that the savings accrued by Kent County Council from disposal would be retained by them and used, in part, to provide enabling payments to the districts to support them with the waste collection service. He explained that there were two components to the payment to districts; one part offset the loss of recycling income presently enjoyed by districts and a second compensatory payment was included to ensure that overall the new collection service would, based on estimated costs, be cost neutral to the districts whilst delivering improved recycling rates.

He said for various procurement reasons it had not been possible to prepare a single contract for East Kent at this stage but the opportunity to do so in 2020 had been retained. The possibility of co-located depots had been rejected by prospective tenderers, due to the lack of cost benefit. It was explained that the business case had moved away from a desegregation of shared benefits so that the disposal authority now retained the income from recycle disposal, which carried the risk of fluctuation according to market conditions. This had led to a proposal from the County council that the enabling payments to districts should be capped at the rates set out in section 2.7 of the report. Anticipated gross disposal savings arising from the alternate NOM were estimated to be £2.96 million and the adjusted total net savings, taking into account all enabling payments and containerisation costs were estimated to be £1.008 million.

The funding arrangement for the sharing of consultancy costs for technical and legal advice was explained. The timetable set out in Appendix 3 of the report for the Shepway, Dover, Kent element of the contract was amended to reflect the most recent advice. The award of contract would take place in September 2010 and contract commencement was expected in November 2010.

A Member asked if all of the recommendations needed to be referred to the constituent authorities Executive/Cabinet. In response the Head of Legal and Democratic Services (Canterbury) explained that recommendations one to five were for EKJAC to determine and that recommendations six and seven would be a matter for each partner and may differ slightly in each authority according to individual circumstances.

RESOLVED –

1. That EKJAC agrees the proposal to use the Alternate NOM as the base model to be priced by tenderers in the procurement for the waste collection, disposal and cleansing services for Dover, Shepway and KCC.

2. That the Alternate NOM is used in the future for the development of services in Canterbury and Thanet.
3. That the required additional future funding to complete the current procurement process is met initially by KCC, with the part contributions to these costs by the districts being deducted from their Enabling Payments once these commence
4. That delegated authority is given to the Chief Executive of Dover District Council in consultation with the Chief Executives of Kent, Shepway, Canterbury and Thanet councils to determine the formula to share the outstanding and future project development costs of completing the first phase of procurement in the East Kent Joint Waste project, but if he considers there is difficulty in reaching a consensus he may refer it to this Committee for decision.
5. That KCC will provide capital funding for additional containerisation up to the figures set out in the table under paragraph 2.6 for each district. KCC will deal with any revenue fluctuations that arise from the borrowing of these funds.

To recommend to the partner authorities that they seek authority to agree:

6. That net disposal savings generated by the new service arrangements set out in Appendix 1 are retained by KCC, and that they limit the sums payable to the districts to the enabling payments for each authority set out in the table under paragraph 2.7 plus the alternate view payments to Canterbury and Thanet set out in paragraph 2.10.
7. That provided the overall waste diversion increases in East Kent then KCC will share 50% of the savings with the East Kent districts. The allocation between the districts will be based on a simple formula pro-rata to their populations.
8. That the amendments set out in the supplementary agenda relating to paragraphs 2.8, 2.11 and 6.3 of the report be confirmed.

There being no other business the meeting closed at 11.00 am