

Subject:	Provision of Services by East Kent Services to East Kent Housing Limited
Director/Head of Service:	Head of Legal & Democratic Services (Canterbury)
Decision Issues:	These matters are within the authority of the Committee
Decision type:	Non-key
Classification:	This report is open to the public.
Summary:	<i>The shared arrangements for Housing Landlord Services, which this Committee recommended to the four district councils, contemplate that services will be supplied to East Kent Housing (the Shared Landlord Services Vehicle) by the individual councils or by East Kent Services. This report asks this Committee as the body responsible for East Kent Services, for its approval to East Kent Services (acting by Thanet District Council) entering into a contract with East Kent Housing to perform those functions which previously it performed for the in-house Housing Landlord Service.</i>
To Recommend:	<ol style="list-style-type: none"> 1. To receive and note this report 2. 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 1st April 2011 subject to the completion of any necessary agreement to the satisfaction of the principal Legal Officers in the four East Kent District Councils. 3. To authorise the Director of Shared Services to perform such of her delegated functions in relation to East Kent Housing Limited as may be necessary from time to time.
Next stage in process	Completion of the documentation.

SUPPORTING INFORMATION

1. Introduction

This Committee received reports on the proposal to create a Joint Housing Landlord service for originally five, and then four, East Kent District Councils. Amongst its recommendations were that this service be delivered by means of an arms length management organisation or ALMO. As the Committee knows, its recommendations were adopted and by a series of decisions and actions including the creation of the ALMO, East Kent Housing Limited (EKH), the Shared Landlord Service, is intended to become operational on 1st April 2011. EKH is a newly formed company owned entirely by the four districts. EKH is a body corporate with its own legal identity.

Although EKH has its own identity, by virtue of the Local Authorities (Goods and 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 the 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.

It is intended that ICT and face to face and contact centre customer services be delivered to EKH in the same way as they are delivered now to the in-house staff. The staff of EKH will largely remain as they are on the premises of the four councils.

EK Services has no legal identity and is just a style or brand used to describe the three East Kent districts collaborating in the provision of a joint service. Thanet District Council is the host of East Kent Services and will enter into any agreement on behalf of East Kent Services.

2. The Proposed Arrangements

Amongst the approvals given by the four councils to the creation of the Shared Landlord Service are those to the principles of a management agreement and an owner’s agreement. These documents regulate not only the services which EKH will provide but also the obligations of the parties and the need to exercise control over EKH to achieve what is called the Teckal exemption from the public procurement regime. This means that control must be exercised over EKH as if it were a council department. Further, to ensure an orderly transition from an in-house service to a position where it is able to make informed proposals about how it should obtain support services, EKH will continue to receive those services to the same standard as they have been provided in-house and the Housing revenue account will make the same

contribution to the general revenue fund on the same basis as previously for a period of two years.

Therefore, in line with other support service provision to EKH, an initial duration of two years is proposed for these arrangements with East Kent Services.

These proposed interlocking arrangements arising from decisions and recommendations from this Committee are consistent with the Teckal exemption.

Consequently, there is little or no new risk to the Committee or to the partner councils compared to that which currently exists. Indeed, if East Kent Services were not enabled to provide this service to EKH, the risk to the councils is potentially greater as this might affect the current operating model and costs.

3. The need for consent

Although by the management and owners agreements the four districts are indicating that they require EKH to take services both from themselves and from East Kent Services, the relevant functions delivered by EK Services have been delegated by the three district councils participating in East Kent Services to this Committee. This Committee has in turn delegated the relevant functions to the Director of Shared Services. Accordingly, it is for this Committee to consent to such agreements being entered into in relation to services it is responsible for and to authorise the Director of Shared Services to perform those functions for EKH instead of performing them for the councils.

4. Conclusions

Given the logic of the provisions in the management and owners agreements and the arrangements generally surrounding EKH is unlikely this Committee will have an objection in principle to what is proposed. It should be aware that as East Kent Services has no legal identity, an agreement will need to be entered into between Thanet District Council on behalf of East Kent Services and EKH to secure the provision of the services required.

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