

KENT COUNTY COUNCIL

EAST KENT (JOINT SCRUTINY) COMMITTEE

MINUTES of a meeting of the East Kent (Joint Scrutiny) Committee held in the Council Chamber, Dover District Council on Wednesday, 13 October 2010.

PRESENT: Mr M J Vye (Chairman), Councillor H Cragg, Councillor A Perkins, Councillor J Samper, Cllr D Lloyd-Jones, Cllr M Conolly, Cllr K Mills, Mr T Prater, Councillor C Goddard, Councillor J Holben, Cllr M Harrison, Councillor B Rogers and Councillor J Roberts

IN ATTENDANCE: Ms D Fitch (Assistant Democratic Services Manager (Policy Overview)), Mr A Webb (Research Officer to the Cabinet Scrutiny Committee), Mr D Reed (Director of Environment), Ms D Reed (Director of Shared Services), Mr B Ryan (Interim Managing Director) and Mr D Willis (Director of Business and Community Transformation)

UNRESTRICTED ITEMS

35. APOLOGIES

(Item 1)

Apologies were received from Mr D Brazier and Mr R Manning.

36. APPOINTMENT OF SUBSTITUTE MEMBERS

(Item 2)

There were no substitute members

37. DECLARATIONS OF INTEREST

(Item 3)

Councillors Samper and Conolly declared interests in the item 'East Kent Shared Landlord Services' as representatives on the shadow board of the Arms Length Management Organisation (ALMO) for Canterbury City Council and Dover District Council respectively. They remained in the meeting and were invited to take part in the discussion on this item.

38. MINUTES

(Item 4)

RESOLVED: that the minutes of the meeting held on 30 June 2010 are correctly recorded and that they be signed by the Chairman.

Matters arising from the minutes:

At the previous meeting, it was agreed that the Chairman contact the chairs of other Scrutiny Committees across Kent to discuss the role of the East Kent Joint Scrutiny Committee (EKJSC) in calling-in decisions and its relationship with other Scrutiny Committees. The Chairman confirmed that since then he had attended Dover District

Council Scrutiny Committee and Canterbury City Council Shared Services Committee.

39. OPERATING ARRANGEMENTS

(Item 5)

The Committee noted the Operating Arrangements of the East Kent Joint Scrutiny Committee.

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

(Item 6)

The Chairman confirmed that the previous meeting of the East Kent Joint Arrangements Committee (EKJAC) had been cancelled. The next meeting of EKJAC was scheduled for 15 December 2010, and any items from that meeting of EKJAC could be considered at the next meeting of EKJSC on 5 January 2011.

41. ITEMS PLACED ON THE AGENDA BY A MEMBER OF THE COMMITTEE

(Item 7)

There were no items for consideration

42. EAST KENT SHARED LANDLORD SERVICES

(Item 8)

(1) Brendan Ryan, Acting Managing Director of the East Kent ALMO, gave a presentation which included:

- Background to the ALMO;
- Details of the consultation with tenants;
- Which functions would be delegated;
- Recruitment of board members; and
- Next steps

(2) The ALMO was being set up to manage the housing of the four East Kent councils and would provide a mechanism for increasing tenant involvement and would increase capacity to provide services with a single focus - housing. The ambition of the ALMO was to improve services to tenants through cooperation between councils, and this was the first time one had been set up by more than one council. It had resulted in the first bid for new homes in 30 years, and it was hoped that pooled resources would facilitate such activities in the future. The other 69 ALMOs in the country had performed well, with 23 of the 26 providing housing achieving an excellent performance rating.

(3) The tenant consultation, carried out in accordance with sections 27 and 105 of the Housing Act 1985, was critical to assess the level of support for the project. There were two key aims of the consultation process: to raise awareness, and explain the advantage of an ALMO; and to get views and test opinion. The process included contacting all the tenants by letter, holding a series of roadshows and conducting surveys by telephone, by post and face to face. The consultation was developed in

conjunction with the leaseholders and tenants group, and independent advice was sought from the Tenant Participation Advisory Service (TPAS).

(4) A brief overview of consultation responses was given in the presentation. Over 50% of tenants had been engaged in the process, and in the survey over 40% expressed a view, with 69% in favour overall. Responding to a question about the possibility of duplication, it was explained that all data was recorded in a central system and where there were multiple responses the final response was recorded. In response to question about the possible bias in contacting consultees by landline telephone, it was explained that mobile telephone numbers were also included in the sample. There were ongoing discussions about issues such as terms and conditions and pensions and there would be a formal consultation taking place in November 2010.

(5) The functions to be delegated to the ALMO were set out in the presentation and in Annex 1 of the accompanying report. A report that contained the broad scope went to the four East Kent councils in January 2010, and when the detail had been worked up this would go back for consideration at the four councils during 2011. Support services such as Human Resources would need to be set up before the ALMO began operating, and there was the possibility that it could buy back services from the councils themselves. Staff already doing tasks undertaken by the ALMO would be transferred over to it under Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

(6) The board would comprise 12 members: four tenants, four Councillors and four independent members and would be a managing agent on behalf of councils, but the most critical decisions, such as the conditions of services, would still be made by councils. Board members would have shared and equal responsibility and would act in the interests of the board, in accordance with the Companies Act, and there were insurances and indemnities to protect them in this capacity. There would be an annual cycle of nominations for Councillors, the tenant positions would be advertised to all tenants and applicants would be selected by a panel of other tenants, and independent members would be recruited by advertisement and then appointed by the shadow board. Tenant board members could not be councillors, independent members could not be councillors or tenants and board members were not remunerated.

(7) The independent members could provide any additional skills required to administer the ALMO, which would have more than 230 staff and a repairs budget of approximately £30 million. For the first three years the Chair would be an independent member specifically recruited to have these skills and experience, but there might be the possibility of a tenant becoming Chair in future and this would be covered by the consultation. Other ALMOs had managed to get capable Chairs despite their being no remuneration for the role.

(8) It had been agreed during September and October 2010 that an application would be submitted under section 27 of the Housing Act to the Tenant Services Authority. The next stage of the decision-making process would take place during the December 2010 and January 2011 cycle of meetings, when councils would have sight of a management agreement (which would set out what the ALMO would do) and owners' agreement (which would specify how the four councils would operate

together to manage the service). Mr Ryan anticipated that the ALMO would be in operation before April 2011.

(9) There had been a number of briefings to affected staff, and there would be new opportunities in the ALMO, particularly since individual councils could not afford to employ specialists but the combined councils in the ALMO could do so. Responding to a question about whether staff transferred to the ALMO might then be transferred to East Kent Shared Services, Mr Ryan explained he did not envisage this happening because they would be providing a very restricted set of services and would expect that the transfer was more likely from East Kent Shared Services to the ALMO.

(10) Regarding the management of maintenance and repairs, it was explained that existing contractual arrangements would be transferred across to the ALMO, and savings could be made in this area. Another area to make savings would be specialist services such as fire safety and asbestos management. Since individual councils were frequently procuring smaller contracts, doing so jointly should secure significant savings. In the past councils had tried shared contracts, but with difficulty, but there was hope that the ALMO would be able to do this more effectively. Any existing contracts with time still to run would also be transferred to the ALMO, and a register of contracts from the four councils had been assembled.

(11) In response to a question about capacity required to operate the client side of the relationship, it was stated that it would be important to ensure that this was done efficiently, and ALMOs tended to have a small client side, with one client officer managing the relationship. The Chairman asked if the owners' agreement would cover this relationship, it was stated that this sat between the owners' agreement and the management agreement.

(12) Regarding how Councillors could take up individual cases within their ward, it was stated that they would be able to do so with the ALMO. There were also area boards which councillors would sit on and the meetings would be open to all councillors and tenants.

(13) It was questioned whether services other than landlord services would sit within the ALMO or East Kent Shared Services. It was explained that issues such as homelessness made this too complex, and also Shepway was not part of East Kent Shared Services. Residual housing services such as homelessness and private housing lists would remain separate and in three of the councils there was an appetite to combine strategic housing with strategic planning.

RESOLVED that the East Kent (Joint Scrutiny) Committee note the presentation and reports on East Kent Shared Landlord Services.

43. EXEMPT ITEM

RESOLVED that under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part1 of Schedule 12A of the Act.

44. EAST KENT SHARED SERVICES

(Item 9)

(1) Donna Reed gave a presentation on East Kent Shared Services.

(2) David Willis and David Reed explained their roles representing Dover and Thanet District Councils, and Canterbury City Council respectively.

(3) The officers then responded to a number of questions from Members of the Committee.

RESOLVED that the East Kent (Joint Scrutiny) Committee note the presentation and reports on East Kent Shared Services

45. COMMITTEE IN OPEN SESSION

46. ITEMS FOR FUTURE SCRUTINY

(Item 10)

(1) A number of possible items for consideration at the next meeting were discussed:

ALMO

(2) The management agreement and owners agreement would soon be coming up for decision and the meeting of EKJSC in January would be an opportunity to scrutinise these agreements.

East Kent Shared Services

(3) Referring to the project plan, Members discussed activities which they might want to receive updates on. On staffing issues, it was explained that the transfer would not happen until February 2011, but an update could be given at the next meeting of EKJSC if required. Similarly, the consultation on East Kent Shared Services would also not happen until February 2011.

(4) RESOLVED: that the East Kent (Joint Scrutiny Committee):

(a) Ask that the management agreement and owners agreement for the ALMO be brought to the next meeting in January 2011.

(b) Ask that an update on the elements of the East Kent Shared Services project plan which had been completed or progressed be given at the next meeting of EKJSC.

The meeting ended at 11.35am