

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 delivery 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