

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.

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