

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: 24 December 2009

CANTERBURY CITY COUNCIL

EAST KENT (JOINT ARRANGEMENTS) COMMITTEE

**Minutes of a meeting held on Friday, 18th December, 2009
at 11.00 am in The Guildhall, Westgate, Canterbury**

Present: Councillor S Ezekiel (Chairman), Thanet District Council

Councillor T Austin, Canterbury City Council
Councillor R Bliss, Shepway District Council
Councillor J Gilbey, Canterbury City Council
Councillor D Monk, Shepway District Council
Councillor F Scales, Dover District Council
Councillor P Watkins, Dover District Council

Officers:

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| Matthew Archer | - | Canterbury City Council (Administrator) |
| Nadeem Aziz | - | Dover District Council |
| Keith Cane | - | Shepway District Council |
| Colin Carmichael | - | Canterbury City Council |
| Sophie Chadwick | - | Thanet District Council |
| Mike Davis | - | Dover District Council |
| Mark Ellender | - | Canterbury City Council |
| Jim McDonald | - | Canterbury City Council |
| Donna Reed | - | Thanet District Council |
| Richard Samuel | - | Thanet District Council |
| Christine Waterman | - | Dover District Council |

22 APOLOGIES FOR ABSENCE

Apologies received from Councillors Law (Canterbury), Latchford (Thanet), Carter (Kent) and King (Kent).

23 DECLARATIONS OF INTEREST

No declarations were received.

24 SUBSTITUTE MEMBERS

It was confirmed that Councillor Austin was substituting for Councillor Law.

25 MINUTES

The minutes of the meeting held on 25 November 2009, were agreed as a correct record.

26 EAST KENT SHARED HOUSING LANDLORD SERVICES PROJECT

The report was introduced by Richard Samuel, Chief Executive of Thanet District Council. He drew attention to paragraph 1.2, which set out what the four councils were aiming to achieve and how the proposal would lead to improvements in customer service whilst delivering savings to reinvest into the new organisation. He drew attention to financial data that set out what each council expected to achieve in the way of savings. He said based on a minimum target of 10%, the outcome was approximately £1 million of cashable savings from the joint housing arrangement, with more to follow in due course from efficiencies in the use of accommodation and ICT.

He said since the last report, Ashford BC had withdrawn from the project because the savings were not as significant for them. He said a lot of work had been undertaken to compare the proposed arrangement with other arms length management organisations (ALMOs) across the country, which was referred to in the report. The report also contained details of consultation with tenants and leaseholders; this area of work was ongoing and not finalised. He said the tenant's representatives had recently written to the project team and a response back would follow in due course.

Attention was drawn to the draft resolution from the Joint Scrutiny Committee. The following response was recommended to the committee –

- (i) A further amendment was made to recommendation one, which was accepted by the Members. This is set out in full in the recommendation (1) below;
- (ii) To accept the amendment to recommendation five – that four *elected* members be nominated by the local authority on the board of the company;
- (iii) To accept the amendment to recommendation seven – that provisions be added for internal audit to the draft memorandum of articles was accepted.
- (iv) A further amendment was made to recommendation eight, that authority be made by the Chief Executives *in consultation with the Leaders*. This was accepted.

Amendments to the proposed recommendations were discussed. The committee said they were happy with the recommendations as proposed to be amended. In respect of consultation with tenants, attention was drawn to paragraphs 6.2 and 6.3 of the report, which were felt to adequately deal with the matters raised by the Joint Scrutiny Committee.

Members of the committee acknowledged receipt of the letter from Unison dated 17 December 2009. They welcomed Unison's participation in the process and in noting the comments, stated that there was nothing in the letter that persuaded them to change to recommendations set out in the report, as amended.

The committee thanked Members of the East Kent Joint Scrutiny Committee for their contribution in progressing the project to this point.

It was RECOMMENDED -

[For ease of reference the amendments are shown in italics below]

That the East Kent District Councils of Canterbury City Council, Dover District Council, the District Council of Shepway and Thanet District Council ("the East Kent Authorities") are recommended to merge the delivery of housing management landlord service between two or more of them through agreement of the following:

1. that the arms length housing shared service option be confirmed as the preferred method for sharing landlord services in East Kent *subject to final agreement by each individual council following the undertaking of appropriate consultation with tenants to satisfy the requirements of S27 of the Housing Act 1985*
2. that any vacancies related to the housing management activities to be undertaken by the Housing Shared Service Vehicle be managed to minimise potential severance costs
3. that the housing management functions set out in Appendix A, Annex 2 are approved activities to be undertaken by the Housing Shared service Vehicle
4. that the housing shared service vehicle is set up as a company limited by guarantee.
5. that the board of the company will comprise twelve people – four *elected* members nominated by the local authority, four independents and four tenant/leaseholder representatives
6. that Area Boards be set up in each participating council area.
7. that the draft Memorandum and Articles for the SSV company reflect the governance and legal issues set out in Appendix A, Annex 3, *subject to the addition of provisions for internal audit.*
8. that each council's Chief Executive be authorised, to make any changes necessary to these proposals, *in consultation with the Leader*, and to pursue the project up to final council approval to join the Housing Shared Service Vehicle.

27 EAST KENT JOINT SERVICES - STRATEGIC CASE

Members had before them the report setting out the strategic case and the draft minutes of the East Kent Joint Scrutiny Committee which met on 14 December 2009. The Chairman invited comments from the committee on the East Kent Joint Services strategic case.

Councillor Gilbey said that he recognised the financial position facing local government and the need to accelerate the process so that all councils were in a position to make the savings at the earliest opportunity. He wished to see the five councils remain in control of their services and all work together for the benefit of residents and service users.

Councillor Bliss said that Shepway had always been at the forefront of the shared service agenda. This was demonstrated by their commitment to housing landlord services and joint waste project among others. He said Shepway's position on this paper was that it did not address issues previously raised. They would require a commitment to take on board these issues before accepting the proposals.

Councillor Watkins said that there may be matters of clarification required but he saw no reason why the committee should not move the process forward and then clarify matters during the next stage of the project. He would prefer that today the four authorities unify behind the proposals and that clarification be sought by the time each Executive and Council was required to make their recommendations. He said all four authorities knew what they wanted to achieve and that they also wanted a quick timetable that put in place the economies of scale necessary to achieve the savings required. His view was that matters could be resolved without changing the fundamentals of the process.

Councillor Gilbey said that he wished to see Shepway stay in and was prepared to be flexible but it needed to be acknowledged that the process required less bureaucracy in order for the timetable to be met. He supported Councillor Watkins in acknowledging Shepway's comments and felt all were prepared to address any concerns and move forward with the recommendations.

Mr Samuel suggested that an additional recommendation be added to the report, which stated that prior to consideration by each participating council further examination of any matters raised by Shepway District Council is undertaken within the timescales set out in the report.

Councillor Watkins said he was happy with the additional recommendation but felt that the timetable should not be affected. He said the report provided opportunities for each council to withdraw if it was not satisfied with the proposals. It was stated that the report should be seen as a work in progress and that information sought at the joint cabinet meeting held the previous week was information that all the Members had needed to know before deciding whether to proceed.

It was RECOMMENDED -

The East Kent District Councils of Canterbury City Council, Dover District Council, The District Council of Shepway and Thanet District Council ("the East Kent Authorities") are minded to merge the delivery of each of the services generally described as ICT, face to face and contact centre customer services, revenues and benefits, residual housing services and building control ("the services") between two or more of them subject to the following process: -

- (a) A business case or business cases shall be prepared in respect of each of the services which shall amongst other things describe the proposed merged service, the arrangements between the parties, the savings to be achieved both generally and for each Council and the level of service it is proposed to provide, such business cases to be presented in an agreed format to each of the East Kent Authorities.
- (b) Each of the East Kent Authorities shall delegate to its Chief Executive in consultation with the Leader the power to approve a business case on its behalf mindful that the business case shows to his satisfaction that savings of 10% against the existing combined budgets must be achieved in the first two years and that an acceptable level of service to his council can be delivered.

- (c) If the Chief Executive is not so satisfied for those or any other reasons he shall expeditiously refer the business case for consideration to the Council's executive if it concerns an executive function or to the appropriate committee if it is a council function
- (d) If The Chief Executive or the executive or the committee as the case may be is so satisfied then a delegation to the East Kent Joint Arrangements Committee shall thereupon occur of the powers and duties of the Council as defined in the business case such delegation to take effect on 1st April 2011 or such other date or dates as the Chief Executives of the East Kent Authorities who have made similar delegations shall mutually agree in respect of that service.
- (e) The East Kent Joint Arrangements Committee will delegate such powers to officers as it thinks fit in relation to the services and is requested to appoint one of the East Kent Authorities as the host authority by whom all such officers will be employed.
- (f) Vacancy management arrangements shall be developed by the Chief Executives of the East Kent Authorities in relation to each of the services proposed to be merged pending such merger.
- (g) Any decision regarding the delivery of the services by other methods by each of the East Kent Authorities be deferred and be reconsidered no earlier than May 2011.
- (h) To authorise the Chief Executives of each of the East Kent Authorities to take any steps necessary on behalf of their authorities to explore or facilitate the joint delivery of the services.
- (i) To appoint the Director of Shared Services with the intent he or she will take up their post as quickly as possible after the East Kent Authorities have adopted these proposals.
- (j) That prior to consideration by each participating council further examination of any matters raised by Shepway District Council is undertaken within the timescales set out in the report.

The committee considered a response to the comments raised by the East Kent Joint Scrutiny Committee. Members made the following comments:

On the matter of the tight timetable, it was acknowledged that the timetable was tight but recognising the need to accelerate the process to achieve the savings, it was now suggested that a tranche of services be identified in advance and then brought forward to the Chief Executives in consultation with their Leaders on a case by case basis. It was stated that the Members of each council would have an opportunity to interact in the process during the preparation of the business case. The committee supported the concerns that the timescale was short and said it would work to ensure adequate officer capacity was provided to ensure the project could be delivered.

The selection of the hosting delivery model did not preclude alternative delivery models being considered in the future.

It was felt that the report should be referred back to the East Kent Joint Scrutiny Committee and that a revised presentation be prepared that addressed some of the committees concerns. The committee would also have an opportunity to take into account of the comments from EKJAC and the additional recommendation inserted into the report

It was stated that if the matter was referred back it was important to stick to the original timetable, therefore any comments from the Joint Scrutiny committee should be received in time for the next scheduled East Kent (Joint Arrangements) Committee meeting on 20 January.

It was suggested that there may have been some confusion on the proposed recommendation at the Joint Scrutiny Committee, which could be clarified at their next meeting.

It was AGREED to refer the report back to the East Kent Joint Scrutiny Committee and ask that they reconsider their recommendations in light of the information, comments and recommendations added by the East Kent Joint Arrangements Committee on 18 December.

There being no other business the meeting closed at 11.40am