

**Mark Ellender**

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**Sent:** 23 December 2009 16:24  
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**Subject:** East Kent Joint Services Strategic Case  
**Importance:** High  
**Attachments:** Areas of concern - SDC.doc

Hi.

I have been asked to provide a view on the concerns being expressed by Shepway DC on the above project. Attached is a document that reiterates the points previously, and repeatedly, raised by Shepway representatives in various debates and email exchanges, alongside some detailed issues/comments specific to the report submitted to EKJAC on 18 December 2009.

I have only circulated the attachment to Chief Executives, Leaders, Lead Members & the Project Team. I have been asked to circulate to all Cabinet Members across the partnership, but feel that we should debate the attached document on 6 January 2010 before I circulate further.

I must stress that failure to reach formal agreement that addresses the points raised will see SDC withdraw from further debate on this project, at this time.

Regards

Alistair Stewart  
Chief Executive

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12/01/2010

## Areas of concern for Shepway District Council (SDC) in relation to the strategic case for joint services.

Following the East Kent Joint Arrangements Committee (EKJAC) on 18 December 2009 I was asked to document fully the areas of concern for SDC about the East Kent Joint Services Strategic Case (EKJSSC).

It must be noted that SDC is supportive of the concept of sharing services to reduce our costs and/or improve our services to our community. Unfortunately, unlike the waste or the HR and Payroll projects, this report provides little or no evidence that it can deliver on our base criteria. **Without formal agreement to address the points raised below SDC will not be able to stay within the project.**

I provide an outline of our concerns then make observations about the report itself.

- The set up costs are unquantified.
- The time scales seem unrealistic.
- The financial model disadvantages authorities that have already started making significant efficiencies and transforming services.
- There is a lack of clarity over how staff would be selected to run projects.
- The report suggests more of the same rather than a fundamental rethink of service delivery.
- There is to be limited member input into setting service levels and costs.

### EKJAC report EKJSSC recommendations – 18/12/09

- a) Refers to an agreed format without specifying the format. Appendix 2 to the strategic case makes suggestions for format and I will refer to this later.
- b) Elected members want to be involved in setting service levels and costs, which is taken away by this recommendation. 10% off the combined budgets provides an incentive to be expensive which penalises more efficient partners.
- e) There needs to be greater clarity about the power of the host (e.g. why is the host looking at terms and conditions as a prime task, or rationalisation of property assets?) and the power of EKJAC to move to alternative models (once delegation takes place EKJAC has some power to act without reference back to each council).
- f) Any vacancy management arrangements that are agreed need to have some clear basis for the rights of the individual partners to reject any particular employee.
- g) We have always wanted to explore alternative options (and intend to do so) for the purpose of robust comparison and feel blocked by this recommendation.
- h) The power vested here is too far reaching for SDC members, as it is suggested that this will be used to second staff to key posts. The costs and implications need to be shown up front.
- i) The costs relating to this post are as yet unquantified.



## **EKJAC report EKJSSC supporting information**

The timelines are unrealistic and allow for very limited member input. Partners are discouraged from having input to the recommendations as written. Good to see the acknowledgement that 2 or 3 councils could progress the project even if 1 or 2 pull out.

### **EKJSSC – the main report**

- 1.3 Without undertaking the detailed analysis of services it is a sweeping statement to talk about 'common service specification and baseline minimum level of service' being 'agreed beforehand'. There is no evidence that paying more for a service will increase the service level. It should be possible to transform what we do; in fact to make savings we will need to.
- 1.6 Once services are delegated it is EKJAC that makes the decision on the models to be used; such decisions would be by majority vote. Also if partners have no intention of subjecting services to the market (as stated by two), then why is this paragraph in at all?
- 1.8 The combination of the budgets disadvantages those of us who have sought to make efficiencies over time. When you add in sharing of redundancy costs and the unquantified set up costs you have a cocktail for increasing the operating costs of SDC.

2.8 / 2.9 / 2.10 / 2.11 are slightly misleading. There still seems to be a suggestion that we would move everything to a whole owned council company at some time in the future. The decision would seem to belong to EKJAC (unless we prevent such an action in the delegation).

### **Appendix 2**

The pooling of redundancy costs and the sharing of the actuarial strain arising from early retirements disadvantages authorities who have already made efficiencies (they will not be laying off any surplus staff, as they are unlikely to have any).

The treatment of pension backfunding requires a more detailed analysis, with a clearer understanding of the impact of each of the councils.

### **Summary comment**

**The project proposal has an imbalance in the treatment of liabilities and benefits, which would, if carried through, significantly disadvantage SDC.**

**Without formal agreement to address the points raised above SDC will not be able to stay within the project.**