

EAST KENT SERVICES COMMITTEE

**Minutes of a meeting held on Wednesday, 24th January, 2018
at 10.00 am in The Guildhall, St Peter's Place, Westgate, Canterbury**

Present: Councillor C Wells (Chairman)
Councillor S Cook
Councillor P Todd
Councillor M Conolly
Councillor L Fairbrass

Officers:	Nadeem Aziz	Chief Executive (DDC)
	Steven Boyle	Head of Legal (CCC)
	Colin Carmichael	Chief Executive (CCC)
	Mike Davis	Director of Finance (DDC)
	Madeline Homer	Chief Executive (TDC)
	Tim Howes	Director of Corporate Governance and Monitoring Officer (TDC)
	Michaela Hupe	Principal Solicitor (Contracts and Procurement) (CCC)
	Tricia Marshall	Director of Resources
	Harvey Rudd	Solicitor to the Council (DDC)
	Dominic Whelan	Director of Shared Services (EK Services)
	Tim Willis	Director of Corporate Resources (TDC)
	Rob Davies	Media Manager (CCC)
	Ed Baird	Trainee Strategy and Democracy Officer (CCC)
	Rob Neil	Project Manager/Consultant

1 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Morris.

2 SUBSTITUTE MEMBERS

There were no substitutes for the meeting.

3 DECLARATION OF ANY INTERESTS

No declarations of interests were received from councillors or officers.

4 MINUTES

The minutes were confirmed as a true record.

5 EAST KENT SERVICES STRATEGIC SERVICE DELIVERY OPTIONS AND POTENTIAL FOR CONTRACTING OUT OF CERTAIN FUNCTIONS

The Director of Shared Services introduced the report and summarised the work that had been undertaken to reach an agreement with Civica UK Ltd. He confirmed that a final offer for the provision of services had been received.

The Terms met the expectations of the business case presented to the Committee in November 2017 specifically related to the expected savings, the safeguarding of existing jobs, the profit share arrangements of the hub, the intention to establish a new trading operation, the protection of the current levels of performance and the intention to improve performance and deliver new opportunities and additional income for the councils.

The Director of Shared Services gave a summary of the key issues:

Staffing - a comprehensive TUPE consultation had been completed between Thanet District Council, EK Services staff, Unison and Civica. Reassurance was given that East Kent Services were fully prepared to transfer the staff in good order if the decision were to take place. It was confirmed that key terms and conditions would be protected, and for current staff only, membership of the Local Government Pension Scheme would be protected.

Property - the staff would continue to work from existing locations in East Kent using existing technical equipment and systems that would remain under asset ownership of the Councils. Plans for Civica to establish a trading operation (the East Kent Hub) had been confirmed and the anticipation of jobs growth and new income for councils via profit sharing arrangements was also confirmed.

Governance - a contract management board would be in place to operate between Civica and East Kent Services in addition to a strategic board comprised of key officers from the three councils and a senior representative from Civica. No changes were proposed to the current monitoring and reporting arrangements.

Auditing - The East Kent Audit Partnership would continue their current auditing with additional scrutiny on the performance reporting regime. Three members of staff would remain at East Kent Services to carry out a checking regime on the benefits process, as required by legislation. External audits would continue as normal.

Performance and penalties - Civica had agreed to maintain performance to at least current levels with a commitment to seek performance improvement and increase income into Councils. The Key Performance Indicators were linked to a level of charge deductions that can be applied for failure to meet targets.

In response to a question, the Director of Shared Services and Principal Solicitor (Contracts and Procurement) clarified that the contract made provisions for the monitoring and contract management structures to change should there be a future change in EK Services governance arrangements.

There was further discussion on this item after the exclusion of the press and public and the decision for this item is detailed under minute 7.

6 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration

of the following items of business on the grounds that there would be disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act or the Freedom of Information Act or both.

7 EXEMPT ANNEX: EAST KENT SERVICES STRATEGIC SERVICE DELIVERY OPTIONS AND POTENTIAL FOR CONTRACTING OUT OF CERTAIN FUNCTIONS

The Director of Shared Services introduced the commercial terms that had been developed following a period of negotiation. The Principal Solicitor (Contracts and Procurement) provided points of clarification where necessary and councillors had a number of questions relating to the terms.

Solicitor to the Council (Dover District Council) advised that all the key Terms had been agreed and briefed to the Committee but as there were still a small number of minor contract details to be agreed after the meeting, it was proposed that Resolution 3 should be amended. This was agreed by general consent following a further amendment from a councillor.

The report set out the following options:

- i. To accept the commercial offer from Civica UK Ltd and authorise the entry into contract for the future delivery of the Revenues, Benefits and Customer Services, delegation from Councils and approve the proposed delegation to the Director of Shared Services and Director of Collaborative Services.
- ii. Not to accept the commercial offer.

RESOLVED

- (1) To consider the results of the contract negotiations undertaken between EK Services and Civica UK Ltd.
- (2) To note the offer received from Civica UK Ltd and the reduction in operating costs that will accrue should those terms be accepted.
- (3) To note the offer of services from Civica UK Ltd, and to agree that each of Canterbury City Council, Dover District Council and Thanet District Council enter into such contract for a period of 7 years with the option to extend by up to a further 3 years (together with all associated contracts) on final terms to be approved by the Director of Shared Services in consultation with the Chief Executives and Leaders of each of the three Councils.
- (4) To request that each of Canterbury City Council, Dover District Council and Thanet District Council enter into contract with Civica UK Ltd for the delivery of the Revenues, Benefits and Customer Services functions.
- (5) That in the view of this Committee these decisions are urgent and should not be subject to call-in. The Committee therefore requests that the Chairmen of both Dover District Council and

Thanet District Councils agree to suspend call-in of this decision in order to enable the provision of services under the contract to proceed from the proposed Transfer Date.

(6) To note that, in addition to the operational savings within EKS from the contract price, there will be additional savings from a future restructure within the remaining elements of EK Services as the residual element of EKS will be able to achieve some efficiencies due to the reduction in scale of the overall organisation.

(7) That, subject to the terms of the contract, Civica UK Limited and the employees of Civica UK Limited be authorised to exercise the powers and functions of each of Canterbury City Council, Dover District Council and Thanet District Council in relation to services to be provided by Civica UK Limited to the councils under the contract to the full extent permitted by law, in particular by The Deregulation and Contracting Out Act 1994 and the orders made thereunder (including but not limited to):-

The Local Authorities (Contracting Out of Tax Billing, Collection and Enforcement Functions) Order 1996

The Contracting Out (Functions relating to Social Security) Order 2000

The Contracting Out (Functions of Local Authorities: Income-Related Benefits) Order 2002

The Local Authorities (Contracting Out of BID Levy Billing, Collection and Enforcement Functions) Order 2005

And any reference to any act or order shall be taken as including a reference to that act or order as re-enacted replaced or modified from time to time whether before or after the date of this decision.

Reason for the decisions: it provided for the future sustainability of the services as well as delivering annual savings to each of the three councils.

8 ANY OTHER URGENT BUSINESS TO BE DEALT WITH IN PUBLIC

None.

9 ANY OTHER BUSINESS WHICH FALLS UNDER THE EXEMPT PROVISIONS OF THE LOCAL GOVERNMENT ACT 1972 OR THE FREEDOM OF INFORMATION ACT 2000 OR BOTH

None.

The meeting ended at 11.02 am.