

CANTERBURY CITY COUNCIL

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

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| 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 **APPENDIX TO REPORT - COMMERCIAL AND CONTRACT TERMS**

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.

There being no other business the meeting closed at 11.02 am.

CANTERBURY CITY COUNCIL

EAST KENT SERVICES COMMITTEE

**Minutes of a meeting held on Wednesday, 16th August, 2017
at 10.30 am in The Guildhall, St Peter's Place, Westgate, Canterbury**

Present: Councillor C Wells (Chairman) (Thanet)
Councillor S Cook (Canterbury)
Councillor K Morris (Dover)
Councillor M Conolly (Dover)

Officers: Dominic Whelan - Director of Shared Services
Tricia Marshall - Director of Resources (Canterbury)
Harvey Rudd - Solicitor to the Council (Dover)
Mike Davis - Director of Finance (Dover)
Madeline Homer - Chief Executive (Thanet)
Nadeem Aziz - Chief Executive (Dover)
Graham Finch - Senior Democratic Services Officer
(Canterbury)

Others Rob Neil Temporary Projects Manager EKS

1 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Todd (Canterbury) and Fairbrass (Thanet).

2 APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN

In accordance with the operating arrangements, it was confirmed that Councillor Wells would be Chairman for the municipal year 2017/18 and Councillor Watkins would be Vice Chairman.

3 DECLARATION OF ANY INTERESTS

There were no declarations for the meeting.

4 SUBSTITUTE MEMBERS

Councillor Morris attended the meeting as a substitute for Councillor Watkins.

5 MINUTES OF THE EAST KENT SERVICES COMMITTEE MEETING HELD ON 30 NOVEMBER 2016

The minutes of the above meeting were agreed as a true record.

6 DELEGATION TO THE EAST KENT SERVICES COMMITTEE FOR THE DEVELOPMENT OF A BUSINESS CASE TO ENABLE CONSIDERATION OF POTENTIAL CHANGES TO EAST KENT SERVICES SERVICE DELIVERY INCLUDING A POTENTIAL OPTION FOR CONTRACTING OUT OF SOME FUNCTIONS

The Director of Shared Services introduced the report which indicated that the three Councils had agreed to ask this Committee to commission work that will assess the options for the future delivery of services provided to the Councils by East Kent Services. The Director of Shared Services explained that the work will include an option to examine the merits of potentially contracting out the Councils' functions in relation to Revenues, Benefits and Customer Services Functions. He indicated that when the individual reports, that went to each Council in July, had been considered through the governance process for the Councils, Canterbury City Council had amended the recommendation to make clear that it related to the consideration of the merits of potentially contracting out the functions. He mentioned that the report to Thanet District Council had included this amendment.

The report requested the onward delegation to the Director of EK Services of the arrangements for the commissioning of such a business case.

The Director took the Councillors through the recommendations in the report and he provided points of clarification about the way forward.

The following options were available:-

- (i) To approve the proposed delegation
- (ii) Not to approve the proposed delegation.

If the Committee supported the delegation, a detailed business case would be prepared with an appraisal of various options which would be brought back to each Council starting in October, prior to further consideration by the East Kent Services Committee.

The report set out the timetable for the decision-making process. The Chairman indicated that the meeting of Thanet District Council's Cabinet on 19 September had been moved to 3 October.

Having considered the report, the Committee -

RESOLVED –

- (1) To note that the report has been considered and approved by each of the Cabinets of Thanet District Council and Dover District Council, and the Policy and Resources Committee of Canterbury City Council.
- (2) To accept the requests of the above Cabinets and Committee that the East Kent Services Committee should discharge the powers and functions of the Council to develop a business case for the potential contracting out of the Council's functions in relation to the following:-
 - Council Tax Administration and Enforcement
 - National Non-Domestic Rates Administration and Enforcement
 - Housing Benefit and associated services
 - Council Tax Reduction Scheme and associated services
 - Debt Recovery
 - Customer Services

(together called 'the Revenues, Benefits, Debt Recovery and Customer Services Functions') and to determine the actions to be taken in connection therewith.

- (3) To delegate to each of the Director of Collaborative Services and the Director of EK Services responsibility for the commissioning and production of a business case examining the merits of the potential contracting out of the Councils' functions in relation to Revenues, Benefits and Customer Services Functions and request that such a business case be presented to each of the three Councils prior to further consideration by the East Kent Services Committee.

Reason for the decision

It allows the East Kent Services Committee to commission a business case considering the merits of potentially contracting out of elements of EK Services' operations for consideration by the three Councils.

7 ANY OTHER URGENT BUSINESS TO BE DEALT WITH IN PUBLIC

None

8 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

There being no other business the meeting closed at 10.40 am