

## EAST KENT SERVICES COMMITTEE

16 December 2020

**Subject:** **Provision HR services to the Canterbury Environment Company**

**Director/Head of Service:** Head of Legal Services

**Decision Issues:** These matters are within the authority of the committee

**Classification:** This report includes an annex containing information exempt from publication and may be discussed without the press and public present.

Reason: Local Government Act 1972, schedule 12a, part 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)).

**Summary:** *The report seeks authority from the committee to enter into an agreement with Canterbury Environment Company Limited for the provision of HR services from East Kent Human Resources.*

**To Resolve** **That Canterbury City Council enter into a legally binding side letter in order for Canterbury Environment Company Limited to receive Human Resources, payroll and Occupational Health services to be delivered by East Kent Human Resources**

**Next stage in process:** To enter into the legally binding side letter with Canterbury Environment Company Limited for the delivery of Human Resources, payroll and Occupational Health services.

### SUPPORTING INFORMATION

#### 1. Introduction

In 2019, Canterbury City Council agreed to establish a Council owned Trading Company, Canterbury Environment Company Limited (the 'Company') to manage its waste collection and street cleansing services from 1 February 2021 when the current contract with Serco expires. The Company is wholly owned by Canterbury City Council.

Since the decision, detailed preparations have been undertaken to put in place appropriate governance arrangements to support the transfer.

The purpose of this report is to recommend that the East Kent Human Resources provides services to support Canterbury Environment Company from 1 February 2021 for a period of 14 months to 31 March 2022.

## 2. Detail

### Rationale for Proposed Arrangements

The transfer of the management of waste collection and street cleansing services from Serco to the Canterbury Environment Company Limited will see local managers, crews, supervisors and administrative staff TUPE to the new organisation. However, back office arrangements which would normally be provided centrally by Serco will need separate arrangements to be put in place. In some cases, such as for Finance and Health and Safety, new posts are being created for day one of the operation. For HR services such as advice, administrative support (with recruitment, contracts, changes to employment, maternity, paternity leave, etc) and the Payroll service separate arrangements need to be put in place.

Following discussions with East Kent HR a schedule of support and associate costs to be paid by Canterbury Environment Company Limited has been agreed for a period of 14 months commencing 1 February. This period will minimise any disruption to HR services during the transfer period and allow the Director of Canterbury Environment Company to consider the most appropriate arrangements for HR support longer term.

The schedule of support is appended to the side letter in **Appendix 1**.

### East Kent Service Committee Role

The governance structure provides for the delivery of the East Kent Services arrangements by the East Kent Services Committee (EKSC) with effect from 11 February 2015.

The effect of these changes was to delegate the HR functions to the East Kent Services Committee and for the districts to surrender their sovereignty of those functions.

The report described the nature of the functions to be delivered to the three authorities. Delegation for the management of the function is currently assigned to the Head of Shared Services and Head of Collaborative Services, confirmed in a report to the EKSC on 11 April 2018. The role is currently held by Estelle Culligan, who was appointed to both roles on an interim basis by the EKSC on 26 May 2020 for a period of 12 months.

### Legal

**gateway**

Section 93 of the Local Government Act 2003 provides power for authorities to charge for discretionary services, on a cost recovery basis, which the authority has the power but not a duty to provide. An authority may charge where the person who receives the service has agreed to its provision.

### Decision

**making**

The Side Letter between Canterbury Environment Company Limited and Canterbury City Council for the provision of HR support is described in the letter appended to this

report. It also describes the data protection and information governance arrangements and the responsibilities placed upon both parties. Because of the nature of the shared service relationship and with Dover being the host for the HR services Dover is referred to within the Side Letter, hence the need for committee approval.

On the basis of the Side Letter set out in Appendix 1, approval is sought to permit East Kent HR functions to deliver back office services to Canterbury Environment Company Limited.

**3. Relevant Council Policy/Strategies/Budgetary Documents**

None

**4. Consultation planned or undertaken**

None

**5. Options available with reasons for suitability**

Option 1 - To agree that East Kent HR to support Canterbury Environment Company Limited for a 14 month period. This is recommended for the reasons set out in the report.

Option 2 - To reject the proposal, which would mean that Canterbury Environment Company Limited would have to source HR support from a third party or recruit to a newly created post. This is not recommended.

**6. Reasons for supporting option recommended, with risk assessment**

Option 1 is recommended because it provides a cost effective solution for the district partners and allows Canterbury Environment Company Limited to deliver the services from day one without having to procure a new back office service at the same time.

**7. Implications**

- (a) Financial Implications - none
- (b) Legal Implications - as described
- (c) Equalities - none

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**Annex containing information exempt from publication**

Appendix 1 - Letter and agreement [TO FOLLOW]