

EAST KENT SERVICES COMMITTEE

27 January 2021

Subject: **Provision Back Office 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 Back Office Services from East Kent Services (ICT)*

To Resolve **That Canterbury City Council enter into a legally binding side letter in order for Canterbury Environment Company Limited to receive Back Office Services to be delivered by East Kent Services (ICT)**

Next stage in process: To enter into the legally binding side letter with Canterbury Environment Company Limited for the delivery of Back Office Services.

SUPPORTING INFORMATION

1. Introduction

In 2019, Canterbury City Council agreed to establish a Council owned Trading Company. It has since created the 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 Services (ICT) provides services to support Canterbury Environment Company from 1 February 2021. This

arrangement will be in place for a period of 8-years, the same term as Canterbury City Council's contract with Canterbury Environment Company.

2. **Detail**

Rationale for Proposed Arrangements

It is proposed that East Kent Services (ICT) will transmit payment files to the bank for payments to CEC staff and suppliers, using existing systems. They currently provide the same service for CCC payments to suppliers, so this arrangement would allow us to use an efficient established process, without incurring extra costs in purchasing a similar system specifically for the CEC. This proposal therefore achieves the most efficient process, at the least cost.

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 ICT 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 Back Office 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 Thanet being the host for the East Kent Services (ICT) services Thanet 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 Services (ICT) 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 Services (ICT) to support Canterbury Environment Company Limited. 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 this support from a third party. For the sake of expediency and convenience 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]