

Joint committee update | 25 June 2018

1. New councils' status

Orders were signed into law in late May to abolish Forest Heath District, St Edmundsbury Borough, Suffolk Coastal District and Waveney District, and replace them with two new non-metropolitan districts, West Suffolk and East Suffolk. The new councils will be created on 1 April 2019 ahead of elections on 2 May 2019.

The existing councils will remain as separate, sovereign bodies until 31 March 2019. Meanwhile the council members have joined under Shadow Authority arrangements for their respective areas.

The two Shadow Authorities for West Suffolk and East Suffolk are responsible for ensuring that all necessary measures are in place to allow for the functions and powers to transfer to the new councils, in particular:

1. adopting policies and strategies;
2. setting budgets and precepts to operate from 1 April 2019;
3. producing constitutions and governance models;
4. appointing statutory officers and making provisions for the transfer of staff, assets and liabilities to the new councils; and
5. commissioning independent remuneration panels to produce schemes of members' allowances.

The two Shadow Authorities have appointed Leaders and Shadow Executives and have each established central teams of officers to oversee the implementation of the new councils.

It should be noted that the parliamentary process to create the new councils continues. For both new councils, 'negative resolution' orders will be laid in parliament during the Summer, to enable:

1. transfer of functions;
2. transfer of properties, rights and liabilities;
3. continuity for references in enactments;
4. continuity in relation to plans, schemes, statements and strategies;
5. accounts of predecessor councils and other financial matters;
6. honorary aldermen and freemen.

For West Suffolk, a further order will provide the regulations for harmonising the council tax difference between Forest Heath and St Edmundsbury, in accordance with the West Suffolk business case.

2. ARP's New Councils project

To effect their respective revenues and benefits workstreams, the two implementation teams are running a joint change project led by the ARP, recruiting a project manager and procuring or assigning resources specific to the project work. These resources have been explicitly identified and ring-fenced, in accordance with previous directives from the ARP operational improvement board to safeguard continuity of service for partners which will not be involved in or benefit from the project.

The first three months of this project have led to a clear understanding of project options, project scope, and the resources (people, services and funding) required to deliver that scope. In summary, we are delivering the following:

1. two sets of Capita databases for council tax, non-domestic rates, housing benefits, income management and overpayments where four sets exist today;
2. reconfiguration of Capita and other systems to reflect the two new councils;
3. management of ARP personnel to test and validate work by third parties and amend in-house systems;
4. data history to April 2013 for council tax and housing benefits, and April 2010 for non-domestic rates;
5. go-live from April 2019.

Overall, the project budget of c£470k represents scope to be delivered over a ten-month period and is to be funded 50:50 by the East Suffolk and West Suffolk implementation teams. The project team is delivering to a set of objectives defined by review and approval of the options process:

1. Insulate customers and mitigate reputational threat
2. Insulate ARP partners and ensure continuous service delivery
3. Match capabilities before and after project
4. Safeguard 2019-20 annual billing
5. Fully reconciled and balanced systems before and after project
6. Manage supply chain of third parties and internal/partner resources
7. Optimise liabilities and safeguard recoveries
8. Support sustainable working
9. Minimise go-live backlog

Key risks and issues are identified as follows:

1. Successful management of incoming payment receipts and benefits payments during a necessary system outage in early April 2019;
2. Business continuity and contingency fall back for partners within and without the project;
3. Based on recent discussion, the ARP resource requirement is expected to grow; possibly beyond current provision;
4. Close management of third party suppliers with particular regard to Capita (revenues and benefits calculation system) and Civica (electronic document management system and workflow management);
5. Optimising and prioritising arrears recoveries to minimise loss;
6. Ensuring equivalent level of service following project.

ARP has established a dedicated project team whose immediate tasks are to bring further clarity to scope and timescales and allocate key pieces of work to different colleagues and team members.

3. ARP governance

Oversight of ARP rests with a joint committee (JC) of seven members, each representing the partner councils and meeting quarterly. Operational scrutiny and sponsorship is provided by an operational improvement board (OIB), constituted of five senior council officers from the partners and the head of ARP. The smaller OIB membership reflects the fact that West Suffolk and East Suffolk have been working under their own partnership arrangements for several years already.

Membership of ARP has grown since the original partnership between Breckland and Forest Heath councils in 2003, most recently adding Fenland in 2014. At each turn, the partnership was dissolved and reconstituted to reflect the new membership, with a new partnership agreement framed and signed accordingly.

The abolition of four partner bodies and the creation of two new ones brings about the need to consider new or amended governance arrangements. Although the current agreement does not provide for transference or assignment (clause 23), it does provide for variation of the agreement if all seven partners agree in writing (clause 20). This would allow the four existing councils to novate the agreement to their two successors from 1 April 2019. Such variation could also include any other matters which may arise from the formation of the two new councils in terms of budgets and so on.

Further proposals for how to reflect the much larger size of West Suffolk and East Suffolk councils, as well as how to reconstitute ARP Trading Ltd, will be presented to the joint committee at a future meeting.