

ANGLIA REVENUES PARTNERSHIP

- Report of** Rachael Mann – Assistant Director (Resources and Performance) West Suffolk Council.
- To:** Anglia Revenues Partnership Joint Committee, 17th December 2019
- Subject:** **Review of the Anglia Revenues Partnership Constitution**
- Purpose:** To consider the outcome of the review of the Constitution of the partnership following the change in ARP membership following the abolishment of four member authorities and the creation of two new member authorities in their place on 1st April 2019, and to address other issues in the partnership agreement

Recommendation(s): The Joint Committee:

- I. Approves the revised Partnership Agreement attached to have effect from the 1st April 2019
- II. Recommends to each partner Authority that they approve the revised agreement
- III. That subject to approval from each partner the revised agreement is signed and sealed by each Council

1.0 Introduction

- 1.0.1 Further to the report that was considered by Joint Committee on 4th December 2018, this report proposes the revision of the Anglia Revenue Partnership (ARP) Agreement (Appendix 1). The revision to the terms of reference have been produced by the Operational Improvement Board as previously discussed by the Joint Committee as a result of the Councils merging in East and West Suffolk.

2. Statutory Arrangements

- 2.0.1 The seven Councils formed a joint committee pursuant to Section 101 (5) and Section 102 of the Local Government Act 1972 and Section 20 of the Local Government Act 2000 for the purpose of jointly managing the administration and performance of their respective statutory functions. These functions are the collection of council tax and non-domestic rates and the payment of housing and other relevant benefits. The joint operational unit known as the Anglia Revenues Partnership (“ARP”) operates under the control and management of the 2015 Joint Committee to provide the Councils with such services. ARP operates as a single officer core providing equal service provision for all partners across these functions.
- 2.0.2 On the 24 May 2018 the Secretary of State, in exercise of the powers conferred by sections 10, 11, 12 and 13 of the Local Government and Public Involvement in Health Act 2007(1) made **The East Suffolk (Local Government Changes) Order 2018** and **The West Suffolk (Local Government Changes) Order 2018**. These orders took effect on 01 April 2019 to create two new non-metropolitan districts and councils for East and West Suffolk respectively and abolished Suffolk Coastal District, Waveney District, Forest Heath District and St Edmundsbury Borough Councils, four Councils who are members of the ARP.
- 2.0.3 In addition to the Orders referred to above, Regulations followed. The Local Government (Boundary Changes) (General) Regulations 2018 sets out the arrangements following the abolishment of the Four Councils and Regulation 7(3) provides that anything done by, or in relation to [any of the Four Councils] in the exercise of, or in connection with, a function that is to be exercised on and after the reorganisation date by the successor council shall have effect as if done by, or in

relation to, that council. Regulation 7(4) confirms that this applies in particular to any agreement or decision. This means that in terms of the ARP Reconstitution Agreement any obligations on or rights held by any one of the Four Councils is automatically held by the relevant successor council (i.e. East or West Suffolk Councils).

- 2.0.4 Whilst these provisions mean that the partnership could continue under the existing agreement, there are other issues that have been discussed during the lifetime of this agreement that mean a review is timely to ensure that the agreement is fit for purpose moving forward.

3. The Current Agreement

- 3.0.1 The 2015 Anglia Revenues Partnership Reconstitution Agreement, as amended by the Joint Committee, sets out the role, membership, meetings and officers of the Joint Committee and provides at clause 3.1 that each of the Seven Councils shall appoint one of its members (and one substitute) for the time being to be members of the Joint Committee.
- 3.0.2 The role of the Joint Committee is set out in clause 3.26 of the Agreement and is mainly to discharge the Seven Council's statutory functions in respect of the JC Services as defined in Schedule 1 to the Agreement. The JC Services relate to the collection of council tax and business rates and administration of relevant benefits e.g. Council Tax (calculation, billing, recovery, enforcement) business rates (billing, recovery, enforcement), Benefits administration (incl. overpayments) and anti-fraud measures.
- 3.0.3 The Joint Committee may also approve the service delivery plan for each year to include staffing requirements, approve the annual budget, approve the annual report, monitor expenditure and income against the agreed budget, set progress and performance targets for the JC Services, recommend any amendment of the terms of reference of the Joint Committee or Reconstitution Agreement, review audits and policies and appoint sub-committees as may be required and to delegate specific functions to those committees.
- 3.0.4 Any decisions which fall outside the remit of the Joint Committee (as set out in clause 3.24 of the Agreement referred to above) would need to be referred back to each of the member Councils.

4. Review of Partnership

- 4.0.1 Clause 11 of the Reconstitution Agreement provides that at any time any one or more of the Seven Councils may seek a review of the Agreement and the operation of the ARP and its performance of the JC Services by giving notice to that effect ("Review Notice") to the other or others of the Seven Councils.
- 4.0.2 In accordance with this process, Ian Gallin, Chief Executive of Forest Heath District Council and St Edmundsbury Borough Council, served a review notice to the other partner authorities on 18 October, 2018. All Chief Executives agreed to the review, tasking their members of the Operational Improvement Board to make recommendations as to the terms of reference.
- 4.0.3 On 4th December the Joint Committee agreed to the following scope for the review of the agreement:

Key issues

- **Membership and representation:** ensure the agreement reflects the membership from 1 April 2019, with each authority having one member and one vote. Review notice required for withdrawal. Update quoracy and proxy

arrangements as agreed at Joint Committee in September 2017, reflecting too fact that there will now be 5 partners. (also see point 4.0.4 below)

- **Powers of JC and delegations to OIB** : ensure that the agreement reflects the delegations that have been agreed by Joint Committee
- **Decision making** – no change to be made to the decision making provisions that are by majority vote with Chair holding casting vote

Administrative issues

- **Review process:** update the review process to remove need for all Chief Executives to agree to review;
- **Financial provisions and budget shares:** ensure that the agreement reflects current accounting practice and new partnership arrangements.
- **Audit:** be clear on provisions for audit and role of Joint Committee and OIB in the audit process
- **ARPT** –review all references and ensure up to date
- **Data Sharing** – update to incorporate any changes in line with recent legislation (GDPR)
- **Variation** – how the partnership approaches variation on minor changes and what constitutes a minor change
- **List of legislation forming JC services** – ensure up to date
- **ARP Enforcement Agency** – ensure agreement reflects provision of this service

RESPONSIBILITY

The review will be overseen by the Operational Improvement Board and will be undertaken by West Suffolk Councils Legal Services team. The final agreement will be drafted by solicitors and will be agreed by all partner Councils

- 4.04 A further update to the agreement was requested at the 17 September 2019 Joint Committee meeting in relation to the quoracy of the Joint Committee to four members unless the Chair in consultation with the committee felt it would be appropriate for all five Joint Committee Members (or their substitute) to be present and in that case the item shall be deferred until the next meeting – 3.10 of the agreement attached refers.
- 4.05 The revised agreement has been considered by each partner's legal, financial and Audit teams in the light of the scope agreed above and all partners have confirmed that they are happy for the agreement to be recommended to you.

5.0 Recommendations

- 5.0.1 It is recommended that Joint Committee review and approve the revised agreement (Appendix 1) should take effect from the 1st April 2019.
- 5.0.2 Further it is proposed that the Joint Committee recommend to the partner councils that each council approve the revised agreement and that, subject to approval, the agreement should be sealed and signed

6.0 Reasons for recommendations

- 6.1 The review will meet the requirements of all partner Councils creating a new equitable partnership and ensuring that the partnership agreement is up to date.

6.2 Risk

If there is not agreement between all partners as to the proposed course of action, this could undermine the wider performance and decision making of the partnership. Ultimately, any partner could terminate its membership of the partnership

6.3 Financial

The new agreement ensures that the share of cost remains equitable after the merger of the new Councils.

6.4 Legal

A revised Partnership agreement clarifies the continuation of arrangements now that the new Councils mergers are complete.

6.5 Equality and Diversity

Not applicable.

Background papers: - 4th December 2018 – Review of the Anglia Revenues Partnership Constitution

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