

NORTHAMPTON BOROUGH COUNCIL



COUNCIL

Monday, 28 September 2020

YOU ARE SUMMONED TO ATTEND AN EXTRAORDINARY MEETING OF NORTHAMPTON BOROUGH COUNCIL, WHICH WILL BE HELD REMOTELY VIA ZOOM ([HTTPS://WWW.YOUTUBE.COM/NORTHAMPTONBCTV](https://www.youtube.com/northamptonbctv)) ON MONDAY, 28 SEPTEMBER 2020 AT 6:30 PM WHEN THE FOLLOWING BUSINESS IS PROPOSED TO BE TRANSACTED

- 1. DECLARATIONS OF INTEREST**
- 2. APOLOGIES.**
- 3. PUBLIC COMMENTS AND PETITIONS**
- 4. REALIGNMENT OF THE REVENUE & BENEFITS SERVICE**

(Copy herewith)

George Candler – Chief Executive
The Guildhall
Northampton

Public Participation

1. Comments and Petitions

1.1 A member of the public (or an accredited representative of a business ratepayer of the Borough) may make a comment or present a petition on any matter in relation to which the Council has powers. A comment or presentation of a petition shall be for no more than three minutes. No notice of the nature of the comment to be made or of the petition is required except for the need to register to speak by 12 noon on the day of the meeting.

(Public comments and petitions will not be taken and the Annual Council Meeting or other civic or ceremonial meetings.)

NOTES

- i. Comments may be on one or more subjects but each person has no longer than three minutes to have their say.*
- ii. The same person may make a comment and present a petition on different subjects. In such instances that person will have three minutes to make their comment and a separate three minutes to present a petition.*

2. General

A member of the public may make a comment, present a petition, ask a question or speak to a motion at the same meeting subject to the restrictions set out above.

3. Contacts

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Appendices: 1



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

28th September 2020

Agenda Status: Public

Directorate: Chief Executive

Report Title	Realignment of the Revenues and Benefits Service
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1. Purpose

- 1.1. Full Council is invited to consider recommendations made by Cabinet at its meeting on 23rd September 2020, in relation to the proposed realignment and delivery of the Revenues and Benefits Service; and to approve the Lead Authority model and the process for the approval of the associated agreements to implement the model.

2. Recommendations

Full Council is recommended to:

- 2.1. Note the recommendations considered and approved by Cabinet on 23rd September 2020 (Appendix 1), reproduced in 3.1.1, 3.1.2 and 3.1.3 below and to agree to the following recommendations.
- 2.1.1 Specifically consider and approve Cabinet's recommendation outlined in 3.1.3 and thereby agree:
to change the service delivery model for the Revenues and Benefits Service to a Lead Authority Model, as outlined in this Full Council report and
- 2.1.2 delegate to the Chief Executive the power to negotiate and finalise the necessary collaboration, governance and legal agreements between the partners, in Consultation with the Leader of the Council and the Cabinet member for Finance.

3. Issues and Choices

2.2. Report Background

- 3.1.1 Cabinet at its meeting on 23rd September 2020, considered and approved the following recommendations (see appendix 1 of this report):
- 2.2.1.1. Cabinet notes the demise of the Local Government Shared Services Partnership and transition to a Lead Authority Model by Northamptonshire County Council, Cambridgeshire County Council and Milton Keynes Council.
 - 2.2.1.2. Cabinet approves the change from existing arrangements to a Lead Authority Model in respect of the Revenue and Benefits Service, to enable the completion of the wider transition by LGSS partners to a lead authority model.
- 3.1.2 Cabinet makes a recommendation to Full Council to approve the change in service delivery model, and that Full Council delegates to the Chief Executive the power to finalise the necessary collaboration, governance and agreements between the partners, in Consultation with the Leader of the Council and the Cabinet member for Finance.
- 2.3. The background leading up to this council report is covered in the attached Cabinet report (Appendix 1).
- 2.4. The Borough Council has the statutory responsibility to administer and deliver the Revenues and Benefits function which essentially administers the collection of Council Tax, Business rates and the administration of various benefits.
- 2.5. The service was outsourced to the Local Government Shared Services partnership (“LGSS”) in 2013, the details of which are covered in the attached report (appendix 1). It is relevant to note that LGSS has never been a legal entity in its own right, so the legal agreements were between the Borough Council and the constituent Councils which were Northampton County Council (NCC) and Cambridge County Council (CCC). Milton Keynes Council (MKC) joined that partnership later.
- 2.6. The Revenues and Benefits services were provided to the Borough by LGSS through contractual arrangements and the Borough were, in the terminology of the LGSS partnership, “customers” as opposed to the higher level membership, a shareholder.
- 2.7. A further iteration of the shared service was considered in 2018, in the form of a Joint Committee model of which it was proposed that the Borough Council would be a constituent member. This model allows two or more Local Authorities to collaborate, through the mechanism of Joint Committee arrangements, using specific powers under section 101 of the Local

Government Act 1972. The Joint Committee (“JC”) arrangement would have had relevant councillor representation and allowed councillor participation in key decisions for the partnership. The details of the JC are covered in the attached cabinet report (appendix 1). In reality, the Joint Committee agreement was never signed by the Borough Council and the Joint Committee met very infrequently, so did not operate as an effective governance structure.

- 2.8. Following the demise of the LGSS partnership, transitional arrangements have been agreed between the main partner authorities, MKC; NCC and CCC through the development of a Lead Authority Model. In relation to the Revenue and Benefits Service, it is proposed that the Lead Authority for the service will be Milton Keynes Council.
- 2.9. Under this model, the Revenue and Benefits functions will not transfer to MKC, these functions will remain with the Borough Council until 31st March 2021, following which the functions will transfer to the new West Northants unitary authority. Therefore, the Borough Council, until vesting day for West Northants Council, will be legally responsible and accountable for the function and will set the broad strategic direction and approve relevant policies for the service. However, the delivery of the service will be by MKC. It is neither assumed nor expected that under this model staff who deliver the Revenues and Benefits services for the Borough will transfer to MKC. Those Borough staff who transferred to NCC as part of the LGSS changes in 2013 are expected to remain NCC staff and then become West Northants staff. It will then be for West Northants Council to consider the model going forwards (see though comments on TUPE below).
- 2.10. Therefore, there will need to be robust contractual arrangements between NBC, NCC and MKC outlining the roles and responsibilities; liabilities and financial implications of any agreed arrangements. These arrangements will also need to structure, define and implement the governance arrangements enabling the Borough Council to monitor and direct the level and quality of service performance leading up to vesting day of West Northants unitary council.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None specifically.

4.2 Resources and Risk

- 4.2.1 Full Council is referred to the Resources and Risk section in the attached Cabinet report.

4.3 Legal

- 4.3.1 These are mainly outlined in the attachment to this report (appendix 1). The partners constituting LGSS (NCC; CCC and MKC) in their discussions and deliberations do not anticipate the TUPE regulations applying in this new lead authority model. This would mean, if legally true, that the staff

delivering NBC Revenues and Benefits functions and currently employed by NCC would remain with NCC.

4.4 The plan and expectation is that whilst the Revenues and Benefits function will transfer to West Northants Council from 1st April 2021, the contractual arrangements regarding the delivery of the service will transfer sometime in the future, as determined and agreed by West Northants Council. The TUPE implications of such a transfer will need to be considered at that relevant time.

4.5 From a broad governance perspective, as West Northants Council will inherit the final contractual arrangements agreed between the Borough, NCC and MKC, including the financial liabilities and obligations any agreements will be put past the relevant interim/statutory/designate officers of the new authority for their consideration and comment.

4.6 Equality

4.6.1 The delivery of the service through the Lead Authority Model will be delivered in accordance with current standards related to equality so there will be no adverse impacts on protected groups arising from this report.

4.7 Environmental Implications (including climate change issues)

4.7.1 None specifically

4.8 Other Implications

4.8.1 None specifically

5. Background Papers

5.1 Background reports are those referred to in the attached appendix.

**Report Author: Francis Fernandes
Borough Secretary 01604-837334**

Appendices 0



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Realignment of the Revenue and Benefits Service
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	23rd September 2020
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorates:	Finance
Accountable Cabinet Member:	Councillor Jonathan Nunn Leader and Cllr Brandon Eldred, Portfolio Holder - Finance
Ward(s)	All

1. Purpose

- 1.1 For Cabinet to make recommendations to Full Council to approve a realignment and a change in collaboration arrangements for the Revenue and Benefits Service, from the existing arrangements to a Lead Authority model.

2. Recommendations

It is recommended that:

- 2.1 Cabinet notes the demise of the LGSS Partnership and transition to a Lead Authority Model by Northamptonshire County Council, Cambridgeshire County Council and Milton Keynes Council.
- 2.2 Cabinet approves the change from existing arrangements to a Lead Authority Model in respect of the Revenue and Benefits Service, to enable the completion of the wider transition by LGSS partners to a lead authority model.

- 2.3** Cabinet makes a recommendation to Full Council to approve the change in service delivery model, and that Council delegates to the Chief Executive the power to finalise the necessary collaboration, governance and agreements between the partners, in Consultation with the Leader of the Council and the Cabinet member for Finance.

3. Issues and Choices

3.1 Report Background

- 3.1.1 In 2012 Cabinet considered an option to outsource specific Northampton Borough Council support services to Local Government Shared Services (“LGSS”), this then led to a report to Full Council on 13 May 2013 where Full Council approved the shared service proposals. As LGSS was not a separate legal entity in law, the legal agreements were between NCC/CCC and NBC.
- 3.1.2 In 2016 Cabinet considered options in respect of the Revenue and Benefit Service, from market testing to bringing the service back in house. Cabinet decided to recommend to Full Council the creation of a Joint Committee in conjunction with Milton Keynes Council (MKC) and LGSS. Cabinet received a further update on 13 September 2017.
- 3.1.3 Full Council approved the formation of the Revenue and Benefits Joint Committee on 18 September 2017, with a delegation to the Chief Executive to formally agree and sign the actual agreement.
- 3.1.4 In October 2017 a Delegated Decision Notice was published, signed by the Interim Chief Executive Officer although the Joint Committee agreement was not agreed and signed.
- 3.1.5 Through 2019 and 2020 Northamptonshire CC, Cambridge CC and Milton Keynes Council, have been reviewing the wider LGSS Partnership and service delivery. Northampton Borough Council is a client of this wider partnership which includes various services.
- 3.1.6 The resultant outcome is a mixed economy for those councils of repatriating some services and the continuing of partnership arrangements with others through a Lead Authority Model. The services provided to NBC through the demising LGSS partnership will continue to be delivered either directly as hosted by NCC until migration to West Northamptonshire Council, or via the Lead Authority depending on the service element.
- 3.1.7 However, the demise of the wider LGSS partnership has a direct impact on the LGSS Revenue and Benefits Joint Committee, as it draws its support from central LGSS support services, that will not exist in the future. The LGSS Joint Committee members have therefore proposed that the Joint Committee for Revenue and Benefits ceases and is replaced by a Partnership Board, with MKC acting as Lead Authority and so providing the support services to the Revenue and Benefits Service.

Lead Authority Model

- 3.1.8 A lead authority model is the continuation of a shared service relationship with one partner council 'leading' the management of the service on behalf of the other two partners and customers, where appropriate, documented in a service level agreement with agreed performance levels, governance arrangements and financial charging and recovery models. As a result, the Authority led Shared Service model should have design principles based on five main categories:
- Processes – services are designed with the customer in mind with a focus on self-help. Common policies and processes will be adopted to provide the customer with value for money
 - Organisation – customer focussed organisation and culture driven by effective shared service partnership working across the three partners for the benefit of all, including the financial and the people decisions
 - Information – performance driven, enabling continuous service improvement, with a quality assured data management policy and process
 - Technology and Infrastructure – progressive multi-site infrastructure to support the partners and its customers.
 - Location – a mixture of services located on partner and customer sites and where appropriate, peripatetically to optimise the level of service delivered
 - Financial Model – clear and consistent approach to the cost modelling, charges and apportionment of income
- 3.1.9 The proposed delivery model structure is outlined in the legal comments section to this report.

TUPE Staff Implications

- 3.1.10 Under the proposed model, there will be no direct staffing or TUPE implications for the Revenue and Benefits staff supporting the Borough Council. The Staff currently employed by NCC will remain with them and in due course will, subject to due process, TUPE to West Northants Council or other organisation depending on whatever delivery model is chosen as part of the wider LGR Programme.
- 3.1.11 The current Head of the Revs and Bens Service will under the proposed model report to the Section 151 Officer at MKC, instead of reporting to the Managing Director at LGSS when it demises.
- 3.1.12 Posts that become vacant that directly support Northampton Borough Council and are currently hosted by NCC until formation of WNC, will be recruited to under NCC Terms & Conditions and, where appropriate, TUPE to WNC in due course.

3.2 Issues

- 3.2.1 There is a need to ensure the continuity of service for the Council's Revenue and Benefits Service, now and in the formative first years of the new unitary council.

This not only provides certainty for the council and its successor but will also provide immediate certainty for those staff directly employed by NCC to deliver the Council's Revenue and Benefit Service during the Local Government Reorganisation and the demise of the wider LGSS Partnership.

- 3.2.2 The new council will take time to consider and agree the harmonisation of Council Tax and Council Tax Reductions Schemes, along with NNDR (Business Rates) reliefs. Maintaining separate legacy services and systems, whilst not efficient, offers security of data, accurate billing and enables a structured approach to blend the services in due course. Few newly launched unitaries seek to merge and blend legacy Revenue and Benefits Services in the launch year due to the legalities of notices, billing lead times and the need to ensure during harmonisation transition that the right level of charges are applied to the right legacy area residents.
- 3.2.3 There is risk that by continuing this agreement there may be exit costs if a decision is made in the future to move to a different service delivery model for the whole of the West Northants Council, however it is probable that exit costs and service risk would be incurred if the partnership was dissolved now. In any event, the relevant Interim/Designate Statutory officers of West Northants Unitary Council will be consulted, and their approval sought on the proposed arrangements.

3.3 Choices (Options)

- 3.3.1 Cabinet can choose not to agree to the recommendations of this report and not recommend to Full Council the realignment to the Revenue and Benefits Service delivery model outlined in this report. Given the level of change arising from unitarization, this would increase complexity, risk and a potential deterioration of the Revs and Bens service.
- 3.3.2 Cabinet can choose to accept the recommendations as presented. This option is recommended in order to ensure the service is not disrupted and enable the West Northants Unitary Council the opportunity to review the delivery of this service in a structured transformation/options review during 2021-22, encompassing the three legacy District & Borough Service delivery models.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The recommendations of this report are within policy and have no policy implications.
- 4.1.2 It is a statutory responsibility of NBC to deliver the collection of Council Tax and Business Rates as a billing Authority. In addition, NBC has a statutory responsibility for the administration of Housing Benefit.
- 4.1.3 The delegation of these responsibilities had previously been made to the LGSS Revenue and Benefits Joint Committee. However, this report seeks to realign and clarify the governance and delivery arrangements for this crucial function. A proposal for all of this issue to be presented to Full Council in September 2020.

4.2 Resources and Risk

- 4.2.1 There are no additional cost implications to Northampton Borough Council during 2020-21 resulting from this service delivery realignment. There is risk, to NBC that should the Council not agree to the realigned model that there will be exit costs and service delivery risks associated with this crucial function. There will also be a risk to West Northants Unitary Council should it seek to move away to alternative arrangements from the outset.
- 4.2.2 However, it should be noted that the West Northants Unitary Council may have costs and challenges should it seek to rationalise and realign the Revs and Bens services going forwards, which will include arrangements across the West, which currently would include the LGSS realigned services (if approved); the arrangements in South Northants and Cherwell and arrangements in Daventry DC.

4.3 Legal

- 4.3.1 The current legal arrangements for the Revenue and Benefits service are complex. Whilst the Joint Committee was agreed by NBC's Full Council, outlined earlier in this report, the Joint Committee agreement between the parties was not signed by NBC. The new proposed arrangements gives all parties an opportunity to clarify the roles and responsibilities, establish clearly the governance of the partnership and to rationalise the arrangements going forwards.
- 4.3.2 There are various collaboration/shared services models that councils have powers to implement and various enabling legislation.
- 4.3.3 It is not proposed under the realigned arrangements in this report that the formal Revs and Bens functions will be delegated to MKC under section 101 of the Local Government Act 1972. The functions and accountabilities will remain with NBC until Unitary vesting day, when the functions will then transfer to the new Authority.
- 4.3.4 NBC has various powers under Section 1 of the Localism Act 2011 (General Power of Competence); section 111 of the Local Government Act 1972 (incidental powers) to enter into the collaboration arrangements outlined in the report. However, shared arrangements do not automatically exclude the procurement regime and obligations, say under the Public Contracts Regulations 2015 or other rules and regulations. However, the lead authority model is not meant to be a commercial arrangement and any agreements required to manage and regulate the collaboration between the partners will be structured in a way that reduces and mitigates the risk of triggering procurement rules and obligations. Any agreements approved and finalised in accordance with delegations will also seek to clarify and establish clear governance arrangements enabling NBC to monitor and effectively discharge its legal and service obligations and manage specific obligations such as those under data protection legislation.
- 4.3.5 NBC does not directly employ any of the staff who will be part of the realigned arrangements. So, there is no need for NBC to consider whether staff should be made available to the partner authorities under section 113 of the Local Government Act 1972, this being a matter for the partners to the main LGSS Joint Committee. Likewise, although whether the TUPE regulations apply is a matter of

law, NBC's current understanding is that there will be no TUPE transfers of staff following a move to the Lead authority model outlined in this report.

4.4 Equality and Health

4.4.1 Services to the public will not be directly impacted as a result of the recommendation of this report. There are therefore no direct equality or health implications.

4.5 Consultees (Internal and External)

4.5.1 Consultation has taken place with Corporate Management Board, Portfolio Holder Finance, Cabinet members, Northamptonshire County Council and Milton Keynes Council and Interim/Designate Section 151 Officer West Northants Council.

4.5.2 Staff affected by changes to LGSS have been consulted by LGSS as part of the changes to the delivery model.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 There is a need to ensure continuity of service to ensure the Council and its successor can raise and collect taxation on behalf of itself, other precepting authorities and HM Government.

4.7 Environmental Implications

4.7.1 There are no direct environmental implications arising from this report.

4.8 Other Implications

4.8.1 There are no other implications arising from this report

4. Background Papers

5.1 The following Reports represent the background papers to this report:

2012 11 14 Cabinet <http://www.northamptonboroughcouncil.com/Cabinet Report LGSS>

2013 05 13 Council <http://www.northamptonboroughcouncil.com/Council Report LGSS>

2016 12 07 Cabinet <http://www.northamptonboroughcouncil.com/Cabinet Report LGSS JC>

2017 09 13 Cabinet <http://www.northamptonboroughcouncil.com/Cabinet Report LGSS JC>

2017 09 18 Council <http://www.northamptonboroughcouncil.com/Council Report LGSS R&B JC>

2017 10 02 DDN CEO <https://www.northampton.gov.uk/DDN R&B JC>

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