

# **A G E N D A**

## **ANGLIA REVENUES & BENEFITS PARTNERSHIP JOINT COMMITTEE**

**DATE & TIME** Tuesday, 10th January, 2017 at 10.00 am

**VENUE:** Level 5 Meeting Room, Breckland House, St Nicholas Street, Thetford IP24 1BT

**For the attention of:**

Mr P. M. M. Dimoglou, Breckland Council  
Mr D Ambrose Smith, East Cambridgeshire District Council  
Mr C Seaton, Fenland District Council (Chairman)  
Mr M Barnard, Waveney District Council (Vice-Chairman)  
Mr S. Edwards, Forest Heath District Council  
Mr I Houlder, St Edmundsbury Borough Council  
Mr R Kerry, Suffolk Coastal District Council

### **PART A** **ITEMS OPEN TO THE PUBLIC**

|   | <u>Page(s)<br/>herewith</u> |
|---|-----------------------------|
| 1. <b><u>MINUTES</u></b><br>To confirm the informal notes of the meeting held on 6 December 2016.   | 1 - 3                       |
| 2. <b><u>APOLOGIES</u></b><br>To receive apologies for absence.   |                             |
| 3. <b><u>URGENT BUSINESS</u></b><br>To note whether the Chairman proposes to accept any items of urgent business pursuant to Section 100(B)(4)(b) of the Local Government Act 1972. |                             |
| 4. <b><u>DECLARATIONS</u></b>   |                             |
| 5. <b><u>ARP JOINT COMMITTEE PARTNERSHIP BUDGET</u></b><br>Report of Executive Director Commercialisation (ARP Treasurer), Suzanne Jones.   | 4 - 8                       |

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Democratic Services  
Elizabeth House, Walpole Loke,  
Dereham Norfolk, NR19 1EE

Date: Tuesday, 20 December 2016

Contact: Teresa Smith, Democratic Services (01362) 656295  
Email: Teresa.smith@breckland.gov.uk

**6. NEXT MEETING**

To note the arrangements for the next meeting to be held on 28 March 2017, at 10:00am, Level 5 Meeting Room, Breckland House, St Nicholas Street, Thetford, IP24 1BT.

**BRECKLAND COUNCIL**  
**FOREST HEATH DISTRICT COUNCIL**  
**EAST CAMBRIDGESHIRE DISTRICT COUNCIL**  
**ST EDMUNDSBURY BOROUGH COUNCIL**  
**FENLAND DISTRICT COUNCIL**  
**WAVENEY DISTRICT COUNCIL**  
**SUFFOLK COASTAL DISTRICT COUNCIL**

**At a Meeting of the**

**ANGLIA REVENUES AND BENEFITS PARTNERSHIP JOINT COMMITTEE**

**Held on Tuesday, 6 December 2016 at 10.00 am in the  
Level 5 Meeting Room, Breckland House, St Nicholas Street, Thetford IP24 1BT**

**PRESENT**

|                              |                                 |
|------------------------------|---------------------------------|
| Mr D Ambrose Smith           | Mr S. Edwards                   |
| Mr M Barnard (Vice-Chairman) | Mr I Houlder                    |
| Mr P. M. M. Dimoglou         | Mr W Sutton (Substitute Member) |

**In Attendance**

|                   |  |
|-------------------|--|
| Jo Andrews        | - Strategic Manager (Revenues)                                     |
| Rob Bridge        | - Corporate Director (Fenland)                                     |
| Arthur Charvonnia | - Strategic Director   |
| Paul Corney       | - Head of ARP  |
| Suzanne Jones     | - Interim Executive Director<br>Commercialisation and s151 Officer |
| Jill Korwin       | - Director (Forest Heath & St Edmundsbury)                         |
| Adrian Mills      | - Strategic Manager (Benefits)                                     |
| Stuart Philpot    | - Strategic Manager (Support Services) ARP                         |
| Andy Radford      | - Corporate Director Resources (East<br>Cams)                      |
| Teresa Smith      | - Democratic Services Team Leader                                  |

**43/16 MINUTES**

The minutes of the meeting held on 20 September 2016 were noted.

**44/16 APOLOGIES**

Apologies were received from Councillors Seaton and Kelly. Councillor Sutton was present as a substitute for Councillor Seaton.

Councillor Mike Barnard stood as Chairman.

Due to the meeting being inquorate, the meeting became informal.

**45/16 URGENT BUSINESS**

None.

**46/16 DECLARATIONS**

None.

**Action By**

**Action By**

**47/16 PERFORMANCE REPORT (STANDING ITEM)**

(a) Operational Performance

The Strategic Manager (Support) presented the report.

(b) Balanced Scorecard

An updated copy of the Balanced Scorecard was presented to Members by the Strategic Manager (Support).

Councillor Edwards asked when the October figures would be ready. The Head of ARP said the figures would be circulated to Members by Christmas.

The Corporate Director (Fenland) said that any Authorities that receive letters in relation to the NHS Trust appeals should be passed through the DCLG and LGA as they are co-ordinating the approach.

(c) Financial Performance

The Executive Director Commercialisation (BDC) presented the report outlining that there was an underspend.

**48/16 ARP JOINT COMMITTEE PARTNERSHIP BUDGET**

Members agreed to hold a special meeting in January 2017 to discuss this item.

**49/16 ARP RISK REGISTER**

The Head of ARP outlined the report and said the housing benefit subsidy was a risk, but was being managed well and congratulated the team for this. There would be a revaluation of the business rates and the impact on appeals being unknown however would look ahead and build provision for this.

Councillor Ambrose-Smith highlighted that the 'Fraud and Error' risk should be amber and not green.

**50/16 WELFARE REFORM UPDATE (STANDING ITEM)**

The Strategic Manager (Benefits) updated Members on the welfare reform. He said full service at Waveney is causing delays, especially with the Council Tax Support claims, which is affecting performance against target. Controls are being put in place to mitigate the risk.

**51/16 FORTHCOMING ISSUES (STANDING ITEM)**

None.

**52/16 NEXT MEETING**

The arrangements for the next meeting on Tuesday 28 March 2017 at 10:00am at Breckland House were noted.

A Special meeting of the Anglia Revenues Partnership Joint Committee would be held on Tuesday 10 January at 10:00am at Breckland House.

**53/16 EXCLUSION OF PRESS AND PUBLIC**

Not required as the meeting held was inquorate.

**54/16 PARTNERSHIP WORKING THROUGH SECTION 113 AGREEMENT**

Members informally agreed to Recommendation 2.

Members would then take the item to each of the seven local Authority Council meetings to obtain agreement in order to meet the timeline.

**Action By**

The meeting closed at 11.10 am

CHAIRMAN

**BRECKLAND DISTRICT COUNCIL**

**Report of:** Suzanne Jones, Executive Director Commercialisation (ARP Treasurer)

**To:** ARP Joint Committee, 10 January 2017

**(Author:** Suzanne Jones, Executive Director Commercialisation)

**Subject:** ARP Joint Committee Partnership Budget

**Purpose:** To set the annual revenue budgets relevant to the Joint Committee for 17-18 and indicative budgets for 18-19 and 19-20

**Recommendation(s):**

- 1) That the partnership budget at Appendix A for 2017-18 be approved
- 2) That the full 2016-17 under spend is allocated as follows:
  - i) £10k is contributed to the ARP investment fund to be spent on production of a compendium of company documents for ARP Trading
  - ii) Up to a maximum of £171k be held in reserve to cover any timing shortfall in achievement of efficiencies in 2017-18
  - iii) The remaining balance be distributed back to partners

**1.0 BACKGROUND**

1.1 In December 2015 the Joint Committee approved a strategic budget for ARP which kept the base budget (in order to retain capacity to enable redirection of resources) whilst creating an investment fund used to invest in trading, growth and efficiencies, which in turn delivers savings in future years. This proposed budget continues this approach and includes the same levels of efficiency targets as set last year.

**1.2 Transformation**

The transformation programme has made good progress to date, delivering some efficiencies in 2016-17, earlier than forecast. The new Enforcement service has exceeded expectations and provides a well respected service whilst delivering additional income to the partners. The table below details the target savings and the savings achieved to date. Further work is required and is in progress to generate the remaining efficiency targets.

|  | 2017-18          | 2018-19          | 2019-20          |
|--|------------------|------------------|------------------|
|  | £                | £                | £                |
| <b>ARP Efficiency Targets</b>          | <b>531,824</b>   | <b>1,017,397</b> | <b>1,017,397</b> |
| <b>Efficiencies made to date:</b>      |                  |                  |                  |
| Postage contract                       | (20,960)         | (19,250)         | (15,670)         |
| County Council Fraud funding (Income)  | (105,000)        | (105,000)        | (105,000)        |
| Enforcement Service                    | (234,736)        | (215,693)        | (202,642)        |
| <b>Total Efficiencies Made to Date</b> | <b>(360,696)</b> | <b>(339,943)</b> | <b>(323,312)</b> |
| <b>Remaining Efficiency Target</b>     | <b>171,128</b>   | <b>677,454</b>   | <b>694,085</b>   |

### 1.3 **Budget**

A base budget is still required to run the core services and also retain capacity to enable the achievement of income generation through ARP Trading in the future. This budget has been set in line with the current year and working papers have been prepared by service management in conjunction with service accountants and reviewed by the S151 Officer for each partner authority. The budgets cover the costs and revenues for providing Council Tax, Housing Benefit payments, Non-Domestic Rates collection services and the enforcement service for the seven authorities.

Benefits payments and subsidies, court fee income and other grants specific to the individual authorities are not included within the partnership budgets, as these are the direct responsibility of the individual authority and have been reflected in their direct budgets.

1.4 Appendix A sets out the proposed budget for 2017-18 compared to the budget for 2016-17, with indicative budgets for the following two years. Further tables show the share of costs for each authority, and the proportion that any additional costs or savings against the budget will be shared. The share of the overall budget is split between the different percentages as per the updated Joint Committee 7 partner agreement. In setting this budget various key assumptions have been made:

- A pay award of 1% in all years in line with central government
- A vacancy factor of 2.5% in all years
- No inflation on supplies & services as the assumption is that inflation can be contained through future procurement savings
- Savings targets starting in 2017-18 at the same levels as set last year less efficiencies already achieved

It should be noted that the indicative budget for 2019-20 of £9,079k is some 3% lower than the 2015-16 budget (subject to the efficiencies being delivered).

### 1.5 **2016-17 Financial Performance**

The forecast out-turn for 2016-17 shows a below budget spend of £455k, mainly as a result of efficiencies achieved earlier than planned (including the Enforcement service) and reduced salary costs. This report recommends that this saving is allocated in three ways:

- £10k is contributed to the ARP investment fund to be spent on production of a compendium of company documents for ARP Trading
- Up to a maximum of £171k be held in reserve to cover any timing shortfall in achievement of efficiencies in 2017-18
- The remaining balance be distributed back to the partners

This provides a return on investment to the partners in advance of the expected return whilst also providing a contingency to allow for potential timing delays in the achievement of efficiencies for 2017-18. If approved the estimated balance distributed back to partners would be:

| <b>Partner Authority</b> | <b>£'000</b> |
|--------------------------|--------------|
| Breckland                | £48k         |
| East Cambridgeshire      | £26k         |
| Fenland                  | £39k         |
| Forest Heath             | £26k         |
| St Edmundsbury           | £38k         |
| Suffolk Coastal          | £43k         |
| Waveney                  | £54k         |
| <b>TOTAL</b>             | <b>£274k</b> |

## 2.0 **OPTIONS**

- 2.1 That the partnership budget at Appendix A for 2017-18 be approved and that the full 2016-17 under spend is allocated as follows: £10k is contributed to the ARP investment fund to be spent on production of a compendium of company documents for ARP Trading, Up to a maximum of £171k be held in reserve to cover any timing shortfall in achievement of efficiencies in 2017-18 and the remaining balance be distributed back to the partners.
- 2.2 That amendments are made to the partnership budget and then approved and that the full 2016-17 under spend is allocated for a different purpose

## 3.0 **REASONS FOR RECOMMENDATION(S)**

- 3.1 These budgets will enable ARP to continue its strategic focus moving forwards and will form the basis for monitoring financial performance by the Joint Committee in the next financial year. The contributions form part of the individual authority's base budgets for the year.

## 4.0 **EXPECTED BENEFITS**

- 4.1 By setting these budgets the partner authorities are able to use the information to set their own budgets and we have a basis for monitoring the financial performance for the next financial year.

## 5.0 **IMPLICATIONS**

### 5.4 **Corporate Priorities**

- 5.4.1 The budgets have been set with regard to corporate priorities and the need to provide value for money services

### 5.7 **Financial**

- 5.7.1 The financial information is set out in the appendix

### 5.10 **Risk Management**

- 5.10.1 The DWP has announced the Universal Credit (UC) full service roll out schedule for new claims, which for ARP ranges from October 2017 through to September 2018. This change will affect all working age customers who would otherwise make a claim for Housing Benefit, but it does not affect pensioners and largely does not affect our existing customers.
- 5.10.2 It is anticipated there will be reductions in the Housing Benefit Administration grant in the future as a result of the move to UC and the efficiency targets within the budget reflect the estimated reductions. What funding councils may receive via new burdens funding and council tax support grant is not yet known.
- 5.10.3 The budgets assume that the full efficiency targets are achieved and this will be monitored through the quarterly financial reports.

### 5.11 **Staffing**

- 5.11.1 The budget has been prepared based on the approved establishment of ARP.



5.12 **Stakeholders / Consultation / Timescales**

5.12.1 This budget runs from 1 April 2017 to 31 March 2018, with future years given as indicative figures only

5.12.2 Partner authorities accountants and S151 Officers have been consulted with in preparing this budget

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 N/A

7.0 **ACRONYMS**

7.1 DWP – Department for work & Pensions

7.2 UC – Universal Credit

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Background papers:- None

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**Lead Contact Officer**

Name and Post: Alison Chubbock, Chief Accountant  
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**Key Decision:** No

**Exempt Decision:** No

**This report refers to Mandatory & Discretionary Services**

**Appendices attached to this report:**

Appendix A ARP Joint Committee budget

**Anglia Revenues Partnership Joint Committee  
2017-18 Budget Setting Summary**

| <i>Description</i>             | <i>2016-17 Budget</i><br>£ | <i>2017-18 Budget</i><br>£ | <i>2018-19</i><br><i>Indicative</i><br><i>Budget</i><br>£ | <i>2019-20</i><br><i>Indicative</i><br><i>Budget</i><br>£ |
|--------------------------------|----------------------------|----------------------------|---|---|
| Employee Costs                 | 7,833,072                  | 7,825,208                  | 7,646,158   | 7,840,546   |
| Premises Costs                 | 268,860                    | 268,645                    | 270,309   | 272,068   |
| Transport Costs                | 115,522                    | 129,513                    | 130,258   | 131,036   |
| Supplies & Services            | 1,387,800                  | 1,414,998                  | 1,417,312   | 1,419,696   |
| Support Services               | 559,053                    | 620,675                    | 626,308   | 632,158   |
| Income                         | <i>(695,043)</i>           | <i>(1,047,575)</i>         | <i>(1,202,848)</i>  | <i>(1,216,759)</i>  |
| <b>TOTAL PARTNERSHIP COSTS</b> | <b>9,469,264</b>           | <b>9,211,464</b>           | <b>8,887,497</b>  | <b>9,078,745</b>  |

**Analysis of Total Partner Contributions**

|                             | <i>2016-17</i><br>£ | <i>2017-18</i><br>£ | <i>2018-19</i><br><i>Indicative</i><br>£ | <i>2019-20</i><br><i>Indicative</i><br>£ |
|-----------------------------|---------------------|---------------------|--|--|
| Breckland Council           | 1,912,171           | 1,864,164           | 1,806,480                                | 1,841,466                                |
| East Cambridgeshire Council | 1,118,341           | 1,062,739           | 1,029,504                                | 1,049,879                                |
| Fenland Council             | 1,189,187           | 1,172,096           | 1,128,240                                | 1,153,355                                |
| Forest Heath Council        | 937,330             | 922,425             | 894,816                                  | 911,627                                  |
| St Edmundsbury Council      | 1,378,439           | 1,360,456           | 1,315,791                                | 1,343,204                                |
| Suffolk Coastal             | 1,266,260           | 1,220,449           | 1,163,598                                | 1,196,275                                |
| Waveney Council             | 1,667,536           | 1,609,135           | 1,549,068                                | 1,582,939                                |
|                             | <b>9,469,264</b>    | <b>9,211,464</b>    | <b>8,887,497</b>                         | <b>9,078,745</b>                         |

**Analysis of Partner Gain Share Percentages**

|                             | <i>7 partners</i><br><i>2017-18</i><br>% | <i>4 partners</i><br><i>2017-18</i><br>% | <i>Enforcement</i><br><i>2017-18</i><br>% |
|-----------------------------|--|--|---|
| Breckland Council           | 17.76%                                   | 34.70%                                   | 20.39%                                    |
| East Cambridgeshire Council | 10.57%                                   | 20.65%                                   | 8.56%                                     |
| Fenland Council             | 13.52%                                   | 0.00%                                    | 11.97%                                    |
| Forest Heath Council        | 8.60%                                    | 16.81%                                   | 8.80%                                     |
| St Edmundsbury Council      | 14.25%                                   | 27.84%                                   | 11.06%                                    |
| Suffolk Coastal             | 17.75%                                   | 0.00%                                    | 13.32%                                    |
| Waveney Council             | 17.54%                                   | 0.00%                                    | 25.90%                                    |
|                             | <b>100.00%</b>                           | <b>100.00%</b>                           | <b>100.00%</b>                            |