

BRECKLAND DISTRICT COUNCIL

Report of: ARP Treasurer

To: ARP Joint Committee, 21 June 2016

(Author: Julie Kennealy, Executive Director Commercialisation)

Subject: ARP Joint Committee Financial Report 2015-16

Purpose: To update the Joint Committee on the out-turn position for 2015-16 and to request approval to distribute the remaining 2015-16 surplus

Recommendation(s):

- 1) That the report and appendix be noted
- 2) That the remaining surplus of £370,821 be distributed to partners based on the 2015-16 gain share percentages

1.0 BACKGROUND

- 1.1 Full financial statements are no longer required for Joint Committees following a change in the Audit and Accountability Regulations from 1 April 2015. However, to ensure that appropriate financial governance arrangements remain in place, this report brings you the full year financial out-turn for 2015-16.
- 1.2 Joint Committee in January 2016 approved the contribution of the 15-16 surplus to an ARP investment fund. At the end of January the surplus was expected to be in the region of £333k, made up of £178k below budget spend and £155k grants received but not spent.
- 1.3 The enforcement service has exceeded expectations and has delivered a surplus of £277k in its first part year compared to the expected cost neutral position. This puts the partnership in an excellent position moving forward to build on this success and generate surpluses in future years which will go towards meeting the partnership's efficiency target in future years.
- 1.4 In addition to the enforcement surplus, the partnership costs have come in under budget at the end of the year by £272k (£94k more than expected at January). Further details of the out-turn and variances are shown in appendix A.
- 1.5 Following the Joint Committee decision in January we have contributed £178k below budget spend to the ARP investment fund and £323k of unspent grants to the ARP investment fund, giving a balance of £501k available for specific projects to deliver future efficiencies. Part of this balance of unspent grants has previously been allocated to projects (£201k) and therefore the ARP investment fund currently has un-allocated balance of £300k.
- 1.6 After these contributions a surplus of £371k has still been achieved by the partnership. The partner authorities have been fully supportive of ARP and have been prepared to take risks in order to generate returns, therefore it is recommended that this surplus be

distributed back to partners on the agreed gain share percentages. If approved this would give each partner the following share of the surplus:

Partner	Share of Surplus
Breckland Council	£66,530
East Cambridgeshire Council	£33,759
Fenland Council	£51,751
Forest Heath Council	£40,236
St Edmundsbury Council	£52,197
Suffolk Coastal Council	£48,639
Waveney Council	£77,709

2.0 **OPTIONS**

2.1 That the report and appendix be noted and that the remaining surplus of £370,821 be distributed to partners based on the 2015-16 gain share percentages

2.2 That the report and appendix be noted and an alternative use is recommended for the remaining surplus of £370,821

3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 The un-allocated balance of the investment fund and allocated grant funding provides sufficient funding to progress the expected transformation projects required to deliver the target efficiencies.

3.2 The partner authorities have been fully supportive of ARP and have been prepared to take risks in order to generate returns, therefore it is appropriate that they should benefit from the surplus generated.

3.3 Returning the remaining surplus to the partners delivers an additional direct saving to each partner which can be used to benefit the partners individually as they choose

4.0 **EXPECTED BENEFITS**

4.1 To provide funding for future projects to deliver the targeted efficiencies.

4.2 To provide direct savings to partners to benefit them individually as they choose.

5.0 **IMPLICATIONS**

5.1 **Carbon Footprint / Environmental Issues**

5.1.1 N/A

5.2 **Constitution & Legal**

5.2.1 The surplus distribution is based on the agreed principles contained within the ARP Shareholder agreement

5.3 **Contracts**

5.3.1 See 5.2.1

5.4 **Corporate Priorities**

5.4.1 By distributing the surplus to partners they can choose to use the surplus for their own priorities

5.5 **Crime and Disorder**

5.5.1 N/A

5.6 **Equality and Diversity / Human Rights**

5.6.1 N/A

5.7 **Financial**

5.7.1 Financial information is included at appendix A and within the report

5.8 **Health & Wellbeing**

5.8.1 N/A

5.9 **Reputation**

5.9.1 N/A

5.10 **Risk Management**

5.10.1 Risks are held within the ARP risk register

5.11 **Safeguarding**

5.11.1 N/A

5.12 **Staffing**

5.12.1 N/A

5.13 **Stakeholders / Consultation / Timescales**

5.13.1 In preparing the out-turn report and recommendations, the Head of ARP and the S151 Officers have been consulted

5.14 **Transformation Programme**

5.14.1 The ARP investment fund will support the required transformation to provide ongoing efficiencies or financial return

5.14 **Other**

5.15.1 None

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 N/A

7.0 **ACRONYMS**

7.1 N/A

Background papers:- N/A

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Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report:

Appendix A Actual full year financial performance 2015-16