

BRECKLAND COUNCIL

Report of Adrian Stasiak, Executive Member for Corporate Resources, to the CABINET- 11/01/2011

Proposal to Expand Anglia Revenues Partnership

1. Purpose of Report

- 1.1 To seek formal approval to expand the revenues and benefits partnership, and approve the budget funding required to facilitate the expansion.

2. Recommendations

It is recommended that Cabinet:

- 2.1 recommends to Council the expansion of the Anglia Revenues and Benefits Partnership to include St Edmundsbury Council from 1st April 2011
- 2.2 recommends to Council the supplementary budget for set up costs of £335,780 capital, and £102,800 revenue, with grant funding and contributions from other partners reducing this to £120,480 and £1,000 respectively.
- 2.3 recommends to Council the supplementary budget for telephony costs of £140,640 capital, with contributions from other partners reducing this to £70,340.

Note: In preparing this report, due regard has been had to equality of opportunity, human rights, prevention of crime and disorder, environmental and risk management considerations as appropriate. Relevant officers have been consulted in relation to any legal, financial or human resources implications and comments received are reflected in the report.

3. Information, Issues and Options

3.1 Background

- 3.1.1 Previously Council has supported in principle the expansion of the revenues and benefits partnership to include St Edmundsbury with effect from 1st April 2010, to delivery efficiency savings for all partner authorities. At their Council meeting on 29th September 2010 St Edmundsbury Council approved a request to join the partnership. Therefore each existing member authority is asked to formally accept this request.
- 3.1.2 At its meeting on 16th December 2010 the ARP Joint Committee agreed recommend to their respective Council's St Edmundsbury's request, and to request the funding necessary to implement the expansion. At the same meeting the committee also received a request for funding to replace and develop the partnerships telephony system to provide the infrastructure necessary to develop more efficient working practices.
- 3.1.3 The admission of a new partner offers the opportunity to grow the service and provide greater resilience, as well as delivering significant savings for the new and existing partners. While the new partner enjoys the most significant saving (around £324k p.a.) as they move from being a single provider to working in partnership, the Joint Committee recognised that current partners also see a worthwhile saving of around £189k in the first year of operation, rising to over £300 p.a. thereafter. These savings are apportioned across the existing partners in accordance with the current risk/reward sharing arrangements.

<i>Authority</i>	<i>% Share</i>	<i>£ Year 1</i>	<i>£ Year 2</i>	<i>£ Year 3</i>	<i>£ End of Year 10</i>
Breckland	48	90,874	146,532	146,532	1,409,663
E Cambridgeshire	28	53,010	85,477	85,477	822,303
Forest Heath	24	45,436	73,266	73,266	704,831
Total	100	189,320	305,275	305,275	2,936,797

3.2 Issues

- 3.2.1 To achieve the level of savings set out in the previous section, investment is required to the ICT systems to migrate the new partner onto the same system. Staff will relocate from Bury to Thetford; therefore there will also be one-off costs for furniture. The costs are set out in Appendix A and include both revenue and capital costs. It is expected that Breckland incur the costs and recharge the other partners in accordance with the risk/reward sharing arrangements, therefore a supplementary budget is requested for the gross amount, with contributions offsetting this as set out in the Proforma B. Breckland's contribution would be £120,480 capital and £1,000 revenue. The revenue contribution would be covered by savings elsewhere within the current year's budget and does not require a supplementary budget approval.
- 3.2.2 Breckland as landlord of the partnership already had plans to upgrade the Thetford switch at the same time as similar project was planned at Dereham. However the current telephony infrastructure at Breckland House is old and based upon an analogue system. This has caused issues for the Partnership in terms of Home workers being able to take phone calls, the ability to get quality management information & also being able to divert calls onto receiving agents in an efficient manner these plans were not considered
- 3.2.3 The costs of the additional telephony requirements are set out in Appendix B. This is an abridged version of the report that was considered at Joint Committee, as it only shows the option for which funding is requested. Again the gross expenditure is requested to be approved, with contributions from the other partners offsetting their share of costs.
- 3.2.4 Breckland's contribution has been identified as £24,833 for basic upgrade of the Thetford switch which represents the authority's obligations as landlord, and £45,507 as its share of the partnership costs to provide the enhanced system. This brings the authority's total contribution to £70,340

3.3 Options

- 3.3.1 To recommend the expansion of the partnership and the set up costs and telephony to Council for approval
- 3.3.2 Not to recommend the expansion of the partnership and the set up costs and telephony to Council for approval

3.4 Reasons for Recommendation(s)

- 3.4.1 To provide ongoing revenue savings through further shared working arrangements and economies of scale.

4. Risk and Financial Implications

4.1 Risk

- 4.1.1 The future of benefits administration within local authorities is uncertain following the Government White Paper which proposes the introduction of the Universal Credit to be paid by the DWP. However, the logistics required to transfer the duties is complex and the partner authorities will see immediate revenue savings by investing in this

expansion.

4.2 **Financial**

4.2.1 Financial implications are covered under section three of the report.

5. **Legal Implications**

5.1 The expansion of the partnership will require a new partnership agreement to be agreed between the four authorities.

6. **Other Implications**

a) Equalities: None

b) Section 17, Crime & Disorder Act 1998: None

c) Section 40, Natural Environment & Rural Communities Act 2006: None

d) Human Resources: None

e) Human Rights: None

f) Other: None

7. **Alignment to Council Priorities**

7.1 Delivering the Entrepreneurial Council

8. **Ward/Community Affected**

8.1 n/a

Background Papers

Appendix A – Project set up costs

Appendix B – Telephony costs

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Key Decision Status (Executive Decisions only):

This is a key decision and is included on the Forward Plan