

ANGLIA REVENUES AND BENEFITS PARTNERSHIP

DRAFT

**Statement of Accounts
For the financial year ended 31 March 2007**



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Foreword by the Treasurer

What we are

The Anglia Revenues Partnership (ARP) is a Joint Committee established in accordance with section 101 Local Government Act 1972. It was formed in accordance with an agreement signed on the 6 August 2003 between Breckland Council and Forest Heath District Council and had effect for the financial year commencing 1 April 2003. A modified agreement was entered into in April 2007 whereby East Cambridgeshire District Council joined the partnership. Breckland Council are the host authority charged with administering the financial arrangements of the joint committee.

What we do

ARP administers the revenue and benefits services of Breckland and Forest Heath District Councils. From 1 April 2007 ARP will also undertake the same service for East Cambridgeshire District Council. The revenue services including council tax collection and council tax benefits and housing benefits remain the responsibility of the principal councils.

ARP is widely accepted as an exemplar of the opportunities and benefits of public sector partnership working. Its achievements have been nationally recognised and have contributed to the award of Beacon status to Breckland Council in respect to partnering. ARP demonstrates the real progress that can be made towards meeting the aspirations of both the local government modernisation agenda, and the customer at a local level, by placing quality and high performance at the centre of the delivery of Council services.

ARP has achieved its original goals of providing high quality Revenues and Benefits services at a reasonable cost to its host authorities and is now seeking to expand the opportunity of sharing its quality culture with other local authorities.

The high quality and performance that the ARP offers has been achieved through truly innovative thinking and innovative service delivery that is built upon a strong quality culture that filters through the management, policies, governance and service delivery of the partnership. The public – public partnership methodology offers real opportunities to drive down prices in service delivery between like minded local authorities with significant commercial advantages that do not exist in the private sector market. ARP remains the first and only service delivery partnership for Revenues services in the

country. With strong commitment on a political level from members and at senior officer and management level the two authorities are well set to further drive up performance and customer standards to be the highest in the country.

What we spent and how that compares with budget and the previous year

The principal activities of ARP are to administer national non-domestic rate collection, council tax collection and benefits systems for the two councils. It has demonstrated its ability to do that at progressively lower costs and at excellent performance levels both in 2005/6 and 2006/7.

The tables below show the spending of ARP in 2006/7 compared to budget and the actual for the previous financial period. The line shown for Level 8 is in respect of the set up costs of a training facility established during the year at ARP's Thetford offices.

Transactions on behalf of Forest Heath

	Actual 2005/2006	Budget 2006/2007	Actual 2006/2007
NNDR	60,326	81,524	69,710
C Tax	219,480	277,736	300,438
Benefits	667,921	734,320	597,860
Level 8 Exceptional items/ Set up Costs	2,791	4,355	1,599
		51,000	35,365
	£950,518	1,148,935	1,004,972

Transactions on behalf of Breckland

	Actual 2005/2006	Budget 2006/2007	Actual 2006/2007
NNDR	112,034	237,790	135,319
C Tax	488,519	823,250	583,204
Benefits	1,089,765	1,720,808	1,160,546
Level 8	2,792	4,355	(233)
Exceptional items/Set up Costs		99,000	68,656
	£1,693,110	2,885,203	1,947,492

The differences between budget and actual represent the greater efficiencies that the joint committee has been able to secure from joint working. The exceptional items represent the partial set up costs that have been incurred as a consequence of the expansion of the joint committee to include East Cambridgeshire from 1 April 2007.

What does the statement of accounts comprise?

The ARP Joint Committee's accounts, which follow, include:

- A Statement of Responsibilities for the accounts outlining the Joint Committee's and the Treasurer's responsibilities
- A Statement on Internal Control
- A Statement of Accounting Policies
- The Revenue Account showing expenditure and income
- The Balance Sheet, setting out the financial position of the Joint Committee at the period end.
- A Cash Flow Statement summarising the inflows and outflows of cash arising from transactions with third parties

Statement of Responsibilities

The Joint Committees Responsibilities

The Joint Committee is required:

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of these affairs. This officer is the Treasurer to the Joint Committee.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Committees statement of accounts which is required to present fairly the financial position of the Joint Committee at the accounting date and its income and expenditure for the period ending 31 March 2007.

In preparing this statement of account, the Treasurer has

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent

The Treasurer has also

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Statement on Internal Control for the period ending 31 March 2007

1. Scope of Responsibility

ARP is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Joint Committee relies to substantial part on the control environment in place at Breckland Council.

The Joint Committee manages ARP and is responsible for ensuring there is a sound system of internal control, which facilitates the effective exercise of the Joint Committees functions and which includes arrangements for the management of risk.

The Joint Committee believe in the principles of corporate governance, which are openness and inclusivity, integrity and accountability.

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. A key part of the system of internal control is an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committees policies, aims and objectives. Through this process, the Joint Committee evaluates the likelihood of those risks being realised and the impact should they be realised, and manages them efficiently, effectively and economically.

3. The Internal Control Environment

The Joint Committee approves plans and the officers on the Operational Board ensure that the objectives therein are achieved, with regular reports to Members and more frequent liaison with the Chair.

Internal audit from both Breckland and Forest Heath review ARP's procedures and External Audit is carried out by the District Audit service to assess its use of resources as part of their annual programme of work.

The Chief Financial Officer of Breckland Council is Treasurer to the Joint Committee and as such, Section 151 Officer. The Treasurer is responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper accounting records and accounts and for maintaining an effective system of internal financial control.

At its meeting in 6 August 2003 the Committee formally approved the Anglia Revenue and Benefits Partnership Joint Committee's standing orders, financial regulations and standard financial procedures. We are satisfied that the Joint Committee's governance processes and internal control arrangements have been adequate and that no significant control issues have arisen during this period.

Chair of the Anglia Revenue and Benefits Partnership Joint Committee

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Acting Chief Executive of the Anglia Revenue and Benefits Partnership Joint Committee

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January 2008

Statement of Accounting Policies

1. General

The Chartered Institute of Public Finance and Accountancy (CIPFA) provide legally binding accounting guidance for both the joint committee and local authority (the Code of Practice on Local Authority in the United Kingdom: A Statement of Recommended Practice). The accounts comply with this standard.

2. Accounting for Assets

Assets have been provided to ARP by Breckland and Forest Heath. These assets are owned by the Council that provided them. Assets acquired since the commencement of ARP are jointly owned by Breckland and Forest Heath however they are of relatively low value and are charged directly to revenue. The assets employed in the delivery of ARP's services are set out in note 11 in compliance with section 8 of the partnership agreement.

3. Leasing and accommodation

There are no assets which are currently leased. The office premises used for ARP are owned by Breckland and are made available to ARP subject to an annually agreed charge.

4. Debtors and Creditors

All transactions have been recorded on an income and expenditure basis. ARP does not have a designated bank account and its payments and income are dealt with through Breckland's bank account.

5. Pensions

The Joint Committee does not employ any employees. The costs of ARP include recharges from Breckland Council and Forest Heath District Council in respect of their staff used on the delivery of services provided by ARP on behalf of the two Councils.

6. Support Services

The joint committee is charged support service costs as determined by both Breckland Council and Forest Heath District Council. The amounts of the charges are based on the internal arrangements of each Council and in accord with the partnership agreement.

7. Basis of Preparation

No separate accounting records are kept by ARP. The accounts have been prepared from the records maintained by Breckland Council. Expenditure and income has been extracted from the financial systems operated by Breckland Council. The Cash flow statement has been determined based of the Breckland Council's financial systems.

Core Accounting Statements

Anglia Revenue and Benefits Partnership Joint Committee

Revenue Account for the Period Ending 31 March 2007

Description	2005/6 £	2006/7 £
Employee related expenditure	1,945,798	2,127,475
Premises related expenditure	125,426	151,566
Transport related expenditure	30,761	79,669
Supplies and services expenditure (note 1)	506,148	543,313
Support services (note 2)	375,242	394,668
Income (note 4)	(339,746)	(449,617)
	2,643,629	2,847,074
Level 8 expenditure (note 4)	0	1365
Exceptional Items (note 5)	0	208,050
Net expenditure for the year	2,643,629	3,056,489
Apportionment of net expenditure (note 6):		
Breckland Council	1,693,111	1,947,492
Forest Heath District Council	950,518	1,004,972
East Cambridgeshire Council	0	104,025
	2,643,629	3,056,489

Anglia Revenue and Benefits Partnership Joint Committee

Balance Sheet as at 31 March 2007

Description	31 March 2006 £	31 March 2007 £
Tangible and Intangible fixed assets (note 10)	0	0
Current Assets		
- Amount due from Breckland Council	0	34,530
- Amount due from Forest Heath District Council	78,521	
Debtors	0	7,026
	78,521	41,556
Current Liabilities		
- Amount due to Forest Heath District Council	0	(12,637)
- Amount due to East Cambridgeshire District Council	0	(20,358)
- Amount due to Breckland Council	(40188)	0
- Creditors	(38333)	(8,560)
	(78521)	(41,555)
Net resources	0	0

Treasurer's Certificate

I certify that the accounts set out above presents fairly the financial position of the Anglia Revenue and Benefits Partnership Joint Committee at 31 March 2007.

Mark Finch Chief Financial Officer, Treasurer to the Joint Committee
January 2008

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Chair's Signature on behalf of the Joint Committee

I confirm that these accounts were approved by the Anglia Revenue and Benefits Partnership Joint Committee at a meeting held on 28th February 2008

Chair of the Anglia Revenue and Benefits Partnership Joint Committee

January 2008

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**Anglia Revenue and Benefits Partnership Joint Committee
Cash Flow Statement for the Period Ending 31 March 2006**

Description	2005/6 £	2006/7 £
Revenue Activities		
- Cash Outflows		
Employee related expenditure	2,115,187	2,128,455
Premises related expenditure	137,032	151,567
Transport related expenditure	33,587	79,669
Supplies and Services related expenditure	513,461	572,105
Support Services related expenditure	422,829	394,669
Level 8	0	1,365
Set-up Costs	0	208,050
- Cash Inflows		
Income (note 4)	(357,630)	(442,592)
Net cash outflow for the year	2,864,466	3,093,288
Contribution from participating Councils		
Forest Heath District Council	950,518	1,004,973
East Cambridgeshire District Council	0	104,025
Breckland Council	1,692,297	1,947,492
	2,642,815	3,056,490
Sundry Creditor	(19,186)	29,772
Sundry Debtor	240,837	7,026
Net cash outflow for the year	2,864,466	3,093,288

Notes to the Core Accounting Statements:

Revenue account notes

1. Supplies and services

These are outgoings in respect of services provided to ARP. Major components of expenditure are attributable to computer support costs, magistrate's court costs, bailiff fees and legal fees.

2. Transactions under the Local Authority (Goods and Services) Act 1970

The joint committee undertakes the revenue and benefits services that have been delegated to it by the member authorities. The authorities provide services to the joint committee under the powers contained in the Local Authority (Goods and Services) Act 1970. The amounts of these services are shown on the face of the revenue account. Income from services provided to other public bodies excluding those under the Joint Committee arrangement were £65,544.41

3. Support services

These are costs in respect of services provided by Breckland Council and Forest Heath District Council to ARP. These charges relate to services such as computer, finance, human resources, printing, legal, central administration.

4. Income

Income largely relates to sums received in respect of summons. However, increasing amounts are received from a variety of sources including services provided to other authorities. Level 8 incomes and expenditure relates to training facilities provided at Thetford.

5. Exceptional item

Expenditure incurred in respect of the expansion of the joint committee to include East Cambridgeshire District Council from 1 April 2007.

6. Apportionment of net expenditure

The agreement between foundation members of the joint committee determines the apportionment of expenditure between them. However, the joint committee has determined specific arrangements in respect of Level 8 income and expenditure and the apportionment of the exceptional expenditure incurred relating to the expansion of the joint committee.

7. Value Added Tax (VAT)

Income and expenditure is shown in the accounts net of VAT.

8. Transactions with Related Parties

The majority of the financial transactions are incurred for the benefit of Breckland Council and Forest Heath District Council who are the principal related parties of ARP. No material transactions took place with Members and Chief Officers. Exceptional items in the form of setup costs were incurred in preparation for East Cambridgeshire District Council joining the partnership on 1st April 2007 with East Cambridgeshire's share totalling £104,025. (East Cambridgeshire paid £124,383 into the partnership leaving a creditor of £20,358.)

9. Members' allowances

No members' allowances are charged to the ARP accounts.

10. Officers remuneration

The number of employees with total remuneration greater than £50,000 is shown in the table below. All earnings and expenses chargeable to UK Income Tax are included in the remuneration band. Pension contributions are excluded.

Band	2006-07	2005-06
	Number of Employees	Number of Employees
£50,000 to £59,000	0	1
£60,000 to £69,000	1	0
£70,000 to £79,000	0	0
£80,000 to £89,000	0	0
£90,000 to £99,999	0	0
£100,000 and above	1	0

11. Audit Costs

The Joint Committee incurred £nil for external audit fees in 2006/07.

12. Pensions

The Joint Committee has no employees and the workforces used to fulfil the responsibilities of ARP are employees of Breckland Council and Forest Heath District Council. The employees undertaking the East Cambridgeshire District Council work were transferred under TUPE regulations with effect from 1 April 2007. the financial impact of the transfer will be dealt with in the 2007/8 accounts.

Balance sheet notes

13. Tangible and Intangible fixed assets

The tangible and intangible fixed assets are largely owned by Breckland Council and Forest Heath District Council. All assets acquired since the commencement of ARP have been charged to revenue as incurred. The net book values of assets at 31 March 2007 employed by ARP as recorded in books of the Breckland Council were £195,212 (2006 £161,634.)

Cash Flow Statement notes

14. Notes to the Cash Flow Statement

ARP does not have its own bank account and all its income and expenditure is dealt with through the host authority's accounts. The principal reasons for the cash flow differing from the Revenue Account are timing differences in respect of payments on behalf of Forest Heath District Council and their recovery and delays between the incidence of expenditure and the payment of creditors.

**Auditors' Report to Anglia Revenue and Benefits Partnership
To follow on completion of the audit**

Glossary

Accruals

Provision made at the year-end to bring into account outstanding debtors, creditors, etc, in order to show income and expenditure as it is earned or incurred.

Budget

An expression mainly in financial terms of the Joint Committee's policy for a specified period. It includes physical, staff and statistical data.

Capital Expenditure

Expenditure on the acquisition of assets, or which adds to rather than maintains the value of existing assets such as land, buildings, vehicles and equipment.

Creditors

Amounts owed by the Joint Committee but not paid at the date of the balance sheet.

Debtors

Amounts owed to the Joint Committee but unpaid at the balance sheet date.

Financial Reporting Standards (FRS's)

Accounting standards approved by the Accounting Standards Board: these are superseding the Statements of Standard Accounting Practice.

Leasing

A method of acquiring capital assets by which a rental charge is paid for a specified period.

Outturn

The actual level of income and expenditure in a financial year.

Post Balance Sheet Events

A statement of the financial implications of an event taking place after the Balance Sheet date, which has a material effect on the Joint Committee's financial position.

Revenue Expenditure

Recurring expenditure, principally on pay, running costs of buildings and equipment.

TUPE Regulations

Statutory regulations relating to the 'Transfer of Undertakings Protection of Employment'. These regulations set out the principles when transferring staff between different entities.