

BRECKLAND DISTRICT COUNCIL

Report of: Mark Finch, Shared Manager Finance

To: Anglia Revenues Partnership (ARP) Joint Committee 11 December 2014

(Author: Mark Finch, Shared Manager Finance)

Subject: Partnership Budget 2015-16

Purpose: The report sets out the annual revenue budgets relevant to the Joint Committee for 15-16 and indicative budgets for 16-17 and 17-18

Recommendations:

- 1) That the partnership budget for 2015-16 be approved

1.0 BACKGROUND

- 1.1 Budget 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 and Non-Domestic Rates collection services for the authorities.
- 1.2 Benefits payments and subsidies, as well as 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. The same is the case for court fee income.
- 1.3 The figures presented in **Appendix A** reflect the growth in the partnership to include the costs for running the revenues and benefits services for the seven partners, and incorporates the saving from the management reorganisation that was completed in 2014-15.
- 1.4 The 2015-16 budget is a reduction of £328k on the revised budget for 2014-15, which includes set up costs and part year savings for moving to a single officer core for the seven authorities. A saving of over £500k has been achieved against the baseline budget for 2015-16 (i.e. before the reorganisation had been factored in). This compares favourably with the £470k target saving. Inflation has also been absorbed in that figure so the saving in real terms against original baseline is much higher at around £552k.
- 1.5 The budget does not at this stage reflect the costs and income for the enforcement agency, which will be integrated into the budget once the business case has been agreed at all partner councils. This is expected to bring in additional net income of around £150k from 2016-17. The agency budget for 2015-16 will be cost neutral after the initial costs of setting up the agency are matched by income in the first year of operation.
- 1.6 Appendix A sets out the proposed budget for 2015-16 compared to the revised budget for 2014-15, 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 gain share percentages are based on housing benefit case loads as well as numbers of business rates and domestic properties. The share of the overall budget will not strictly match these percentages as the recent authorities joining the

arrangement have done so based on an amount agreed in each business case. Any future changes to the budget are shared in accordance with the gain share percentages.

2.0 **OPTIONS**

2.1 To approve the partnership budget for 2015-16 as detailed in **Appendix A**

2.2 To approve the partnership budget for 2015-16 with amendments

3.0 **REASONS FOR RECOMMENDATION(S)**

3.1 These budgets will form the basis for monitoring financial performance by the Joint Committee in the next financial year and the contributions form part of the individual authority's base budgets for the year.

4.0 **EXPECTED BENEFITS**

4.1 By setting these budgets we have a basis for monitoring the financial performance for the next financial year

5.0 **IMPLICATIONS**

5.1 **Carbon Footprint / Environmental Issues**

5.1.1 It is the opinion of the Report Author that there are no implications.

5.2 **Constitution & Legal**

5.2.1 It is the opinion of the Report Author that there are no implications.

5.3 **Contracts**

5.3.1 It is the opinion of the Report Author that there are no 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

5.5 **Crime and Disorder**

5.5.1 It is the opinion of the Report Author that there are no implications.

5.6 **Equality and Diversity / Human Rights**

5.6.1 It is the opinion of the Report Author that there are no implications.

5.7 **Financial**

5.7.1 The financial implications are set out in Appendix A.

5.8 Health & Wellbeing

5.8.1 It is the opinion of the Report Author that there are no implications.

5.9 Risk Management

5.9.1 The economic climate continues to have a major influence on the resources required to operate an effective revenues and benefits service, particularly if the economic declines and causes increases in caseload.

5.9.2 No allowance has been made within the budgets for future changes arising from Universal Credit as these changes are not yet quantified, although the impact is likely to be seen in the next financial year as the scheme begins to roll out across all authorities.

5.9.3 Authorities will see reductions in their direct budgets as Housing Benefit Administration Grant is reduced as a consequence of fraud activity transferring to the Single Fraud Investigation Service. It is likely that the Government's policies to continue to reduce expenditure on public services will have further impact on the Administration Grant in future years.

5.9.4 The Joint Committee will continue to be kept appraised through regular performance reports and any additional grant funding to support new burdens will be brought to the Joint Committee's attention.

5.10 Staffing

5.10.1 It is the opinion of the Report Author that there are no implications.

5.11 Stakeholders / Consultation / Timescales

5.11.1 The budget runs from 1 April 2015 to 31 March 2016, with future years given as indicative figures only.

5.12 Other

5.12.1 None

6.0 **WARDS/COMMUNITIES AFFECTED** None

7.0 **ACRONYMS** None

Background papers:- None

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Director / Officer who will be attending the Meeting

Name and Post: Mark Finch, Shared Manager Finance

Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report:

Appendix A

Budget Report 2015/16