

BRECKLAND DISTRICT COUNCIL

Report of: Christine Marshall, Executive Director Commercialisation (ARP Treasurer)

To: ARP Joint Committee, 17 December 2019

Author: Alison Chubbock, Chief Accountant

Subject: ARP Joint Committee Partnership Budget

Purpose: To set the annual budgets relevant to the Joint Committee for 2020-21 and to provide indicative budget values for future years.

Recommendation(s):

- 1) That the partnership budget at Appendix A for 2020-21 be approved.

1.0 BACKGROUND

1.1 Each year a budget is prepared for the ARP Joint Committee. Working papers are prepared by the service accountants at each authority in conjunction with the ARP Management team and these are reviewed by OIB before being brought to the Joint Committee for formal approval. Approval is sought from the ARP JC in December to allow time for the ARP budgets to be incorporated into the 5 partners' individual budgets for their own budget setting. The budgets cover the costs and income for providing Council Tax, Housing Benefit payments, Non-Domestic Rates collection and the Enforcement service for the five partners.

1.2 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 will be reflected in their direct budgets.

Budget

1.3 Appendix A sets out the proposed budget for 2020-21 compared to the current year, 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 proportionate share of costs has remained fairly constant since last year, the only changes have been in the Enforcement area where Fenland & East Suffolk have seen increases in their liability orders and therefore receive a higher share of the Enforcement income, whilst the other partners have seen a reduction in liability orders.

1.4 The budgets have been set using the same principles as previous years and the current approved establishment staffing levels. It also includes an efficiency target of £120k to be achieved from 2021-22 onwards. This is in relation to the customer experience work which is in progress currently. In setting the budget the following key assumptions have been made:

- A pay award of 2% each year.
- A vacancy factor of 2.5% in all years
- No inflation on general non-contracted supplies and services

Significant work is underway around automation and the *better customer journey*, to drive forward the improvements which will deliver the £120k efficiency in future years. By the end of 20-21 we will have a good idea of any future additional efficiencies we can achieve.

- 1.5 The overall budget shows an increase of £450k when compared to 2019-20. The majority of this increase relates to salary costs (£334k) as a result of the 2% pay increase, salary increments and Living Wage pressures. Alongside these increases are contractual inflationary increases on items such as software maintenance (£65k) and Business Rates (£10k), a small reduction in Government grants (£10k) plus other small value changes. Costs of Enforcement within Supplies and Services have increased due to additional work but these are fully offset by additional income.
- 1.6 There is a risk that the final agreed pay award could be higher than the budgeted 2%, if this risk materialises it will be reported in the quarterly financial update to Joint committee, along with any suggested mitigations required at the time.

2.0 **OPTIONS**

- 2.1 That the partnership budget at Appendix A for 2020-21 be approved.
- 2.2 Make changes to the partnership budget before approving.

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 in next financial year. The contributions form part of the individual partner's base budgets.

4.0 **EXPECTED BENEFITS**

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

5.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 **Constitution & Legal**

- 5.1.1 The ARP Joint Committee is required to approve the budget each year.

5.2 **Financial**

- 5.2.1 Financial information is included within the appendix.

5.3 **Staffing**

- 5.3.1 The budget has been prepared based on the current approved establishment.

5.4 **Stakeholders / Consultation / Timescales**

- 5.4.1 The budget approved at this meeting runs from 1 April 2020 to 31 March 2021, with future years given as indicative values only.
- 5.4.2 Partner authorities accountants have provided the financial information for their own authorities which has been collated to form this budget.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 N/A.

7.0 **ACRONYMS**

7.1 ARP – Anglia Revenues Partnership.

Background papers:-

Lead Contact Officer

Name and Post: Alison Chubbock, Chief Accountant and Paul Corney, Head of ARP
Telephone Number: 01362 656865 / 01842 756437
Email: alison.chubbock@breckland.gov.uk /
paul.corney@angliarevenues.gov.uk

Key Decision: No

Exempt Decision: No

This report refers to Mandatory and Discretionary Services

Appendices attached to this report:

Appendix A ARP Budgets