

BRECKLAND DISTRICT COUNCIL

Report of: Maxine O'Mahony, Executive Director Strategy & Governance

To: ARP Joint committee, 15 September 2020

Author: Alison Chubbock, Chief Accountant

Subject: ARP Forecast Financial Performance

Purpose: To provide information on the forecast full year financial position against budget for the ARP

Recommendation(s):

- 1) That the report and appendix be noted

1.0 BACKGROUND

1.1 Each of the partner Councils provides forecast full year financial information against budget for the ARP. The information is collated to provide an overall financial performance report, to provide information to Joint Committee on the progress against budget. This report is based on information as at 31 July 2020 and all costs are included and shared based on the Partnership agreement.

1.2 The Covid-19 pandemic has had a significant effect on the ability for ARP to generate income from the enforcement service. The forecast presented in this report assumes that the level of enforcement work remains minimal until the end of August, rising slightly in September and October and back to budgeted expectations for November onwards and this is dependent on the courts reopening..

The forecast at this stage of the year shows an over spend against budget of £690k for the whole of the ARP and this is detailed further in Appendix A along with details of the variances.

1.3 Appendix A also provides details on the remaining transformation funding which was set aside in previous years from below budget spend and grant funding. £66k is earmarked for projects in progress this year and there is a further £93k available for future transformation projects.

The appendix also provides detail on the values held and earmarked in the ICT reserve, which was introduced to smooth the financial effects of major ICT spend.

1.4 Based on the current forecast variance the cost share at the end of the year for each partner would be:

Breckland	£111k
East Cambs	£52k
East Suffolk	£275k
Fenland	£110k
West Suffolk	£142k
TOTAL	£690k

The variation in cost share reflects that the main overspend is from lost enforcement income and the percentage shares for this area are based on the enforcement case loads as per the ARP agreement.

- 1.5 All authorities have directly received new burdens funding from Government to cover the additional costs of administering the Covid-19 grant scheme for small businesses and retail hospitality & leisure. Due to vacancy levels within ARP there is no forecast requirement to use any of these grants to offset additional staff costs within the partnership. These grants are retained directly by each authority and will help to offset the overspend within ARP.

In addition, Government are providing grants to individual local authorities to offset the losses from sales fees and charges income. Early indications show that authorities are expected to absorb the initial 5% of lost income against budget and after that the grant will provide 75p in every £ of lost income. We are awaiting the final guidance to be released to see whether the ARP Enforcement income can be included in the grant claim and will update Joint Committee in the next financial report.

2.0 **OPTIONS**

- 2.1 That the report and appendices are noted.

3.0 **REASONS FOR RECOMMENDATION(S)**

- 3.1 To provide Members information on the financial position against budget for the whole of the ARP.

4.0 **EXPECTED BENEFITS**

- 4.1 To provide Members information on the financial position against budget for the whole of the ARP.

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; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.2 **Financial**

- 5.2.1 This report is financial in nature and financial information is included within the report and appendices.

5.2 **Stakeholders / Consultation / Timescales**

- 5.12.1 Accountants at the partner Councils have been consulted on their financial forecasts.

6.0 **WARDS/COMMUNITIES AFFECTED**

- 6.1 N/A

7.0 **ACRONYMS**

- 7.1 ARP – Anglia Revenues Partnership
- 7.2 JC – Joint Committee

Background papers:- [See The Committee Report Guide for guidance on how to complete this section](#)

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Key Decision: No

Exempt Decision: No

This report refers to a Mandatory & Discretionary Services

Appendices attached to this report:

Appendix A Financial performance report