

## **BRECKLAND DISTRICT COUNCIL**

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

**To:** ARP Joint Committee, 8 December 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 of 31 October 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 is back to budgeted expectations for November onwards, but this is dependent on the courts reopening in December and a risk therefore remains that the income forecast may change.

The forecast at this stage of the year shows an overspend against budget of £522k for the whole of the ARP and this is shown 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 each authority will be invoiced for their respective amounts at year end taking into account directly incurred costs and income compared to the share of the out-turn.

All authorities have directly received new burdens funding from Government to cover the costs of administering the Covid-19 grant schemes. It has been agreed that these grants are retained directly by each authority and will help to offset the overspend within ARP. These grants may have been used by each authority to cover additional resource costs for administering the schemes internally.

In addition, Government are providing grants to individual local authorities to offset the losses from sales fees and charges income. 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. The lost Enforcement income will be claimed under this scheme for each partner.

The table below shows the share of the ARP overspend alongside the Covid-19 administration grants and income compensation expected to be retained by each authority.

	<b>ARP Over spend</b>	<b>Enforcement Income claim</b>
Breckland	£81k	(£73k)
East Cambs	£36k	(£34k)
East Suffolk	£214k	(£177k)
Fenland	£86k	(£71k)
West Suffolk	£105k	(£94k)
<b>TOTAL</b>	<b>£522k</b>	<b>(£449k)</b>

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 caseloads as per the ARP agreement.

## 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

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

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### **Lead Contact Officer**

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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