

## 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 Joint Committee Partnership Budget

**Purpose:** To set the annual budgets relevant to the Joint Committee for 2021-22 and to provide indicative budget values for future years.

### **Recommendation(s):**

- 1) That the partnership budget at Appendix A for 2021-22 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 2021-22 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 main change has been in the Enforcement area where East Suffolk has seen a decrease in their liability orders (last year was an increase) and therefore receive a lower share of the Enforcement income, whilst the other partners have seen an increase in liability orders.

1.4 The budgets have been set using the same principles as previous years and the current approved establishment staffing levels.

When the budget was set last year an efficiency target of £120k was included to be achieved from 2021-22 and this has been achieved through the customer experience work. This year a further target of £220k has been included to be achieved from 2022-23 onwards through completion of succession planning work. In addition, increased income (and associated costs) has been included in this budget for the new parking enforcement work which will commence in 2020-21. The net benefit of this is budgeted at £249k per year.

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

At the time of submitting this report the budget had been based on the 2% pay award, however the Spending Review on 25 November announced a public sector pay freeze for all apart from those earning £24,000 or less. The partner authorities are undertaking work on the impact of this and an update will be provided at the Joint Committee meeting.

1.5 The overall budget shows a decrease of £151k when compared to 2020-21. Behind this value are:

- Increased salary costs because of annual pay increases, salary increments and Living Wage pressures.
- Reduced travel costs and allowances through increased home working.
- Un-avoidable inflationary increases on contracts (i.e. software and licences).
- Additional income from expansion of the enforcement service to include parking enforcement.
- A reduction in the 3 partners costs share of £57k as a result of HR services being moved back in house (with the associated costs being moved to individual authority budgets).

1.6 Budget setting is extremely difficult in the current circumstances and this budget has been set on the assumption that services will continue 'as normal' in the future. It does not make any allowance for additional resource or resource re-allocation which could be needed at short notice (for example Covid-19 business grants, Self-isolation grants, etc).

The enforcement income totalling £1.9m continues to be an area of risk, this budget assumes that income is able to be collected as it has been historically and also assumes a likelihood of increase in cases from external partners as previously planned.

## 2.0 **OPTIONS**

2.1 That the partnership budget at Appendix A for 2021-22 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.

## 5.2 Constitution & Legal

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

## 5.5 Financial

5.5.1 Financial information is included within the appendix.

## 5.6 Staffing

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

## 5.7 Stakeholders / Consultation / Timescales

5.7.1 The budget approved at this meeting runs from 1 April 2021 to 31 March 2022, with future years given as indicative values only.

5.7.2 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.

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Background papers:-

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**Key Decision:** No

**Exempt Decision:** No

**This report refers to Mandatory and Discretionary Services**

### Appendices attached to this report:

Appendix A ARP Budgets