

BRECKLAND DISTRICT COUNCIL

Report of: Alison Chubbock, Assistant Director Finance

To: ARP Joint Committee, 6 December 2022

Author: Alison Chubbock, Assistant Director Finance

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 2022 and all costs are included and shared based on the Partnership agreement.
- 1.2 The forecast at this stage of the year shows an overspend against budget of £761k (7.7%) for the whole of the ARP with £515k of this relating to the proposed national pay award, and this is shown further in Appendix A along with details of the variances. The costs this year to date have been significantly affected by the national pay award, inflationary increases to contracts such as software licences alongside exchange rate pressures from the £/\$ and lower than budgeted enforcement income.

These increased costs will impact on future years costs and these are detailed in the budget setting report to this Joint Committee.

As a result of the cost pressures this year, the ARP are investigating ways to help mitigate these pressures through; Recruiting some staff on fixed term contracts to allow flexibility in future if required, reviewing the IT smoothing reserve to see if it can be used to cover in year costs. Any of these mitigations which deliver savings will be included in future financial forecast reports.

In addition, we have been completing claims for Government *New Burdens* funding to help offset the costs incurred for delivering the reliefs (i.e. discretionary council tax rebate schemes). The potential grant income receivable is not included in this forecast as the values are too unknown, however once quantified we will update the forecasts and this will help to reduce the overspend.

- 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. £47k is earmarked for projects in progress and there is a further £96k 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 The table below shows the share of the forecast outturn for each partner based on the ARP Joint Committee agreement, and this will change for the final values at the end of March 2023.

	Forecast Out-turn
Breckland	£142,102
East Cambs	£68,434
East Suffolk	£272,655
Fenland	£107,039
West Suffolk	£170,933
TOTAL	£761,163

One off Government grant funding provided to individual partners for specific works carried out by ARP are to be retained by the partners directly in 2022-23 and do not therefore form part of this forecast. These grants could help to mitigate the in year above budget spend for individual partners if they choose to use the grant funding for this purpose.

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