

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 Joint Committee Partnership Budget

Purpose: To set the annual budgets relevant to the Joint Committee for 2023-24 and to provide indicative budget values for future years

Recommendation(s):

- 1) That the partnership budget at Appendix A for 2023-24 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 2023-24 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.

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

In setting the budget the following key assumptions have been made:

- A pay award of 3% in 2023-24, followed by 2% in future years
- A vacancy factor of 2.5% in all years
- No inflation on general non-contracted supplies and services
- RPI on contracts

The budget will be reviewed after the Provisional local government finance settlement to ensure assumptions remain valid. For example if the pay award was 1% different in 2023-24 the budget change would be circa £100k annually.

1.5 ARP, like the rest of the UK and much of the world, continues to see pressures on services and residents due to the current cost of living challenges. This budget protects

the service levels we currently provide, with the expectation that demand on our services could rise in the near future and includes the ambition to make future savings or additional income where possible. The overall budget shows an increase of £674k (6.8%) when compared to 2022-23. When compared to the indicative budget set last year for 2023-24 the budget has increased by £331k (3.2%). This is a higher increase than usual due to the national economic inflationary pressures the country is currently facing.

The main drivers behind this increase in value compared to the indicative budget set last year are:

- Salary costs £451k – increased due to the national pay award levels in 2022-23 and an increased assumption for 2023-24
- Savings (£100k) – a savings target of £100k has been included for 2023-24.
- Supplies and services £60k – Unavoidable inflationary pressures for areas such as IT licences, additional postage costs (offset within support services) and increased cyber security costs.
- Support Services (£12k) – Reduced postage costs for franked mail, offsets the increase shown above.
- Income (£55k) – Additional rechargeable works such as consultancy.

1.6 The budgets include a savings target of £100k in 2023-24 rising to £200k cumulatively in future years. These targets reflect the expected savings which can be made through continued automation/process improvements alongside any opportunities for additional income. We will continue the principle that savings will only be made where it does not detrimentally affect the performance of existing services to partner authorities.

2.0 **OPTIONS**

2.1 That the partnership budget at Appendix A for 2023-24 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 2023 to 31 March 2024, 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.

7.2 OIB – Operational Improvement Board

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