



SHARED REVENUES PARTNERSHIP JOINT COMMITTEE

**TUESDAY
11 DECEMBER 2018
GIPPING ROOM, GRAFTON HOUSE
4.00 PM**

COUNCILLORS

MID SUFFOLK D.C

D Haley
J Whitehead

IPSWICH B.C

S Meudec
B Rudkin

BABERGH D.C

J Osborne
P Patrick

SUBSTITUTES:

K Guthrie
D Kearsley

SUBSTITUTES:

M Cook
D Ellesmere

SUBSTITUTES:

M Maybury
S Ayres

A G E N D A

	PART 1
1.	Apologies for Absence
2.	Unconfirmed Minutes of the Meeting held on 7 November 2018 (Pages 1 - 6)
3.	To Confirm or Vary the Order of Business
4.	Declarations of Interest
5.	<p>Dates and Times of Meetings - all to be held at 4pm</p> <ul style="list-style-type: none"> • Wednesday 16 January 2019 • Wednesday 13 March 2019 • Wednesday 19 June 2019 • Wednesday 11 September 2019 • Wednesday 20 November 2019 • Wednesday 29 January 2020 • Wednesday 11 March 2020
6.	SRP/18/10 Shared Revenues Partnership - Budget 2019/20 (Pages 7 - 12)
7.	<p>Exclusion of Public</p> <p>To exclude the public (including the Press) from the meeting during consideration of the following items under Regulation 21 of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulation 2000 as it is likely that if members of the public were present during this item there would be disclosure to them of exempt information falling within paragraphs 1, 4 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).</p>

	NOT FOR PUBLICATION
8.	Unconfirmed Exempt Minutes of the Meeting held on 7 November 2018 (Pages 13 - 14)

S. Jarlett

SHIRLEY JARLETT
MONITORING OFFICER

3 December 2018

Any enquiries about this meeting should be addressed to
Ainsley Gilbert - 01473 432510
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Website: www.ipswich.gov.uk



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SHARED REVENUES PARTNERSHIP JOINT COMMITTEE

MINUTES

WEDNESDAY 7TH NOVEMBER 2018

GIPPING ROOM, GRAFTON HOUSE

4.00 PM

Present: Councillors S Meudec, J Whitehead, P Patrick, D Ellesmere (Substitute) and K Guthrie (Substitute)

23. Apologies for Absence

Apologies for Absence were received from Councillors D Haley, J Osborne and B Rudkin.

24. Minutes of the Meeting held on 5 September 2018

RESOLVED:

that the Minutes of the meeting held on 5 September 2018 be signed as a true record.

25. To Confirm or Vary the Order of Business

RESOLVED:

that the Order of Business be confirmed as printed on the Agenda.

26. Declarations of Interest

There were no declarations of interest.

27. To Confirm an Additional Meeting of the Shared Revenues Partnership Joint Committee on Tuesday 11 December 2018 at 4pm in the Gipping Room

27.1 There was a debate on whether the January meeting of the Committee would be required if the additional meeting in December was held. The need to discuss Quarter 3 figures at the January meeting was noted.

RESOLVED:

- a) **that the additional meeting to be held on Tuesday 11 December 2018 at 4pm be confirmed.**
- b) **that the dates and times of the January and March meetings be noted.**

28. SRP/18/07 Shared Revenues Partnership - Service Report

- 28.1 The Operations Manager – Benefits and Business Support, Amy Mayes, reported that there had been some delays as a result of customers awaiting a Universal Credit decision. The number of pieces of work processed had risen by 6,000 compared to the same point in 2017/18, this increase was mostly as a result of national fraud initiatives.
- 28.2 Ms Mayes explained that the level of Local Authority Error remained significantly below the threshold at which full subsidy may be lost. The live caseload had reduced since the introduction of Universal Credit. Ms Mayes reported that the Government had announced that the roll-out of Universal Credit was to be slowed, with changes of circumstances no longer causing claimants to be moved away from legacy benefits. A managed migration was planned, but the timetable for this suggested that the soonest it would happen would be Autumn 2020.
- 28.3 Ms Mayes reported that the level of spending on Discretionary Housing Payments continued to be on course to exceed the reduced grant allocated by the Government. Ipswich Borough Council had agreed to allocate additional funding to Discretionary Housing Payments for 2018/19. A revised Discretionary Housing Payments Policy had been prepared for the Committee's approval, which sought to reduce reliance on Discretionary Housing Payments.
- 28.4 Councillor Patrick asked whether the uncertainty around the migration to Universal Credit was affecting the Shared Revenues Partnerships ability to plan. Ms Mayes explained that the reduction in the number of triggers to move a claimant to Universal Credit meant that there would continue to be higher numbers of people claiming legacy benefits through the partnership. There had however always been a level of uncertainty about the transfer to Universal Credit and business planning had reflected this.
- 28.5 Councillor Ellesmere asked whether the continuation of legacy benefits would mean that the partnership would have to continue to process high volumes of change of circumstances work. Ms Mayes confirmed that this was the case, although she explained that the biggest challenge was the impact of Universal Credit decisions on Council Tax Reduction claims.
- 28.6 Councillor Whitehead asked for more information regarding the changes to the Verify Earnings and Pensions initiative. Ms Mayes explained that at present

- pieces of work were fed into a portal, where they were ordered by the potential for overpayments. The changes to the system would mean that tasks would be fed directly into processing systems, which might increase the volume of work and would remove officers control over what was processed.
- 28.7 Councillor Guthrie asked whether there were sufficient jobs to allow people to go into work. Ms Mayes explained that the local labour market had quite a large number of seasonal workers but that the level of employment had been reasonably steady over the past few years. There was an issue with people moving to Ipswich to try to find work and failing to secure employment.
- 28.8 Councillor Meudec noted that Zero Hours Contracts would lead to more changes of circumstances than traditional employment.
- 28.9 Councillor Patrick asked whether officers felt the delays to the roll out of Universal Credit were justified. Ms Mayes explained that the Department for Work and Pensions had always said that it would take an approach of testing and learning and that they obviously felt that there was a need to learn. Ms Mayes was yet to hear of anyone who had benefited from moving to Universal Credit.
- 28.10 The Head of Finance and Revenues, Ipswich Borough Council, John Chance explained that the Chancellor had recently announced additional support for those moving to Universal Credit. Councillor Whitehead said that Universal Credit appeared to have got 1 million more people into work. Councillor Ellesmere commented that if Universal Credit was working Members of Parliament would not have persuaded Government to delay the roll out.
- 28.11 The Operations Manager – Revenues, Andrew Wilcock, explained that the proportion of Council Tax collected in September had been slightly down in September against the previous year's figures, however, the gap had narrowed in October. Frequent changes to Council Tax Reduction entitlements were altering the debt profile, moving much of it towards the end of the Financial Year. The volume of paper reminders had been reduced significantly, although the value of the debt those reminders represented was broadly similar to 2017/18.
- 28.12 Mr Wilcock explained that the removal of Single Person Discounts continued at a very similar level to 2017/18, which showed the importance of this exercise.
- 28.13 Mr Wilcock reported that collection of Business Rates was quite volatile, with collection levels in Babergh having been behind the previous year in September, whereas in October they had moved ahead of 2017. Mr Wilcock explained that there were still a high number of rating appeals from the 2010 rating list, meaning that provision continued to have to be made for these in the budget.
- 28.14 Councillor Patrick noted that Babergh District Council had a £4.5m provision in the budget for Business Rate Appeals and asked what would happen to that money if it were not needed to cover the costs of successful appeals. The

Assistant Director – Corporate Resources, Babergh and Mid-Suffolk District Councils, explained that the money formed part of the collection fund, and that any surplus would be returned to Babergh District Council, Suffolk County Council, and Central Government, in the relevant proportions. Mr Wilcock noted that nationally there were 90,000 appeals outstanding.

- 28.15 Councillor Whitehead noted that 34 appeals in Mid-Suffolk had been resolved since the previous report and asked whether an adjustment to the relevant financial provision had been made. Mr Wilcock explained that the list was passed to independent assessors annually, and that they would determine the level of provision needed. Mr Wilcock noted that there were no trends to be learned from previous cases as the Valuation Office Agency's decisions were made on a case-by-case basis.
- 28.16 Councillor Whitehead asked whether Council Tax debts could be paid off as part of Discretionary Housing Payments. Mr Wilcock explained that it was likely that those receiving Discretionary Housing Payments were likely to be eligible for Council Tax Reductions which could not take Discretionary Housing Payments into account.
- 28.17 Mr Chance updated the committee on the Shared Revenues Partnership's financial position, explaining that the transitional vacancy target had been exceeded by c. £25,000 so far. An underspend of c. £71,000 was predicted at year end and this would be added to the partnership's reserve, bringing the level of reserves to c. £583,000. Councillor Guthrie asked whether it was necessary to add this money to the reserves. Mr Chance explained that it was considered prudent to add the money to the reserve, as they were currently only slightly above the minimum acceptable level.

RESOLVED:

that the revised Discretionary Housing Payment Policy be approved for use by the Shared Revenues Partnership.

29. SRP/18/08 Forward Plan

RESOLVED:

that the report be noted.

30. Exclusion of Public

RESOLVED:

that the public (including the Press) be excluded from the meeting during consideration of the remaining items of business under Regulation 21 of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulation 2000 as was likely that if members of the public were present during these items there would be disclosure to them of exempt information falling

within paragraphs 1, 4 and 5 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

NOT FOR PUBLICATION

31. **Unconfirmed Exempt Minutes of the Meeting held on 5 September 2018**
32. **SRP/18/09 Revenues Update**

The meeting closed at 5.00 pm

Chair

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COMMITTEE: SRP JOINT

REF NO: SRP/18/10

DATE: 11 DECEMBER 2018

**SUBJECT: SHARED REVENUES PARTNERSHIP –
BUDGET 2019/20**

PORTFOLIO HOLDER: COUNCILLOR SOPHIE MEUDEC

HEAD OF SERVICE: JOHN CHANCE

Short description of report content and the decision requested:

This report of the Shared Revenues Partnership outlines and sets the SRP budgets for 2019/20 and seeks to agree the Partnership contributions.

Ward(s) affected: All

List of Appendices included in this report:

None

*This report has been prepared by Andrew Wilcock Tel: 01473 432694,
Email: andrew.wilcock@ipswich.gov.uk*

This report was prepared after consultation with:

Internal consultees

Head of Finance and Revenues

Amy Mayes SRP Operation Manager

SRP Performance and Relationship Manager

BDC, MSDC, IBC S151 Officers

Anna Walker, Corporate Service Accountant, Financial Services

External consultees

The following policies form a context to this report:

(all relevant policies must also be referred to in the body of the report)

Building a Better Ipswich 2017

LIST OF BACKGROUND PAPERS AS REQUIRED BY LAW

(papers relied on to write the report but which are not published and do not contain exempt information)

1. N/A

OTHER HELPFUL PAPERS

(papers which the report author considers might be helpful – this might include published material)

1. N/A

1. SRP Budget Setting and Partnership Contributions for 2019/20

- 1.1 This report is to outline and set the SRP budgets for 2019/20 and agree the Partnership contributions.
- 1.2 Finance and the SRP have revised and updated the zero based budgeting exercise from last year to establish the requirements for 2019/20. Each account heading has been calculated to take into account current levels, spends, contracts etc. Savings have been found from the current 2018/19 budget.
- 1.3 The table below shows the proposed SRP budget (including inflation) for 2019/20

Heading	Proposed Budget
	£
Employees	3,600,470
Transport	20,310
Supplies and Services	591,620
Recharges	626,430
Total Expenditure	4,838,830
Govt Grants	-172,200
Total Income	-172,200
TOTAL 19/20	4,666,630

- 1.4 The comparison between the proposed 2019/20 budget and the current 2018/19 budget is shown below.

Heading	Proposed Budget 2019/20	Current 2018/19 Budget	Difference
	£	£	£
Employees	3,600,470	3,598,770	1,700
Transport	20,310	19,450	860
Supplies and Services	591,620	661,190	-69,570
Recharges	626,430	815,310	-188,880
Total Expenditure	4,838,830	5,094,720	-255,890
Govt Grants	-172,200	-165,280	-6,920
Total Income	-172,200	-165,280	-6,920
TOTAL	4,666,630	4,929,440	-262,810

The 2018/19 budget was funded as follows:

	£
Current 2018/19 budget	4,929,440
Funded by	
Partner Contributions	-4,752,860
Deficit from Reserve	-176,580

A breakdown of the levels of savings in the 2019/20 draft budget are shown below

	£
SRP ZBB budget (2019/20)	4,573,440
Inflation	93,190
Proposed 2019/20 budget	4,666,630
Saving on 18/19 budget	-262,810
Saving on 18/19 Contributions	-86,230
Saving on 18/19 budget before inflation	-356,000
Saving on 18/19 Contributions before inflation	-179,420

- 1.5 The 2019/20 budgets include inflation, the implications of the staff restructure, a reduction in recharge for office accommodation and reductions to printing and postage budgets (based on current usages). An independent review of the accommodation recharges has recently been undertaken and the results have favoured the service. The accommodation charges have been calculated based on an occupation of 385sqm.

An equipment budget (£5k) has also been removed, that was allocated to contribute towards replacement of Servers and Scanners – It is proposed to remove the annual budget and earmark £50k of the SRP reserve for equipment replacement.

- 1.6 In line with the current year contributions the 2019/20 budgets and Partner splits have again been reviewed by finance officers, as it is felt that this is a more appropriate and fair way of determining the split. The 2019/20 contributions have been rebased on current work volumes, details of the volumes used are shown in the table below:

2019/20	<i>Babergh</i>	<i>Ipswich</i>	<i>Mid Suffolk</i>
No. billing items 17/18	17,464	38,108	19,537
%	23.25%	50.74%	26.01%
No. businesses 1.4.18	3,483	4,682	3,394
%	30.13%	40.51%	29.36%
No. HB docs 17/18	36,597	104,590	30,936
%	21.26%	60.76%	17.97%

Using the percentages above, the 2019/20 proposed contributions have been calculated and shown in the table below.

<u>SRP Business Case / Proposed contributions 19/20</u>	Original Budget	Inflation	19/20 Contribution
	£	£	£
<u>Total Revenue Budget</u>	4,573,440	93,190	4,666,630
Funded by..			
<u>Total Contributions from Partners</u>			
Babergh D C	1,053,935	21,475	1,075,410
Ipswich B C	2,479,978	50,533	2,530,511
Mid Suffolk D C	1,039,527	21,182	1,060,709
			4,666,630

<u>SRP Proposed contributions 19/20 compared to 18/19</u>	2018/19	2019/20	Difference	Difference
	£	£	£	%
<u>Total Revenue Budget</u>	4,752,860	4,666,630	-86,230	
Funded by..				
<u>Total Contributions from Partners</u>				
Babergh D C	1,135,667	1,075,410	-60,257	-5.31%
Ipswich B C	2,526,329	2,530,511	4,182	0.17%
Mid Suffolk D C	1,090,864	1,060,709	-30,155	-2.76%
	4,752,860	4,666,630	-86,230	

- 1.7 Ipswich Borough Council is currently in the process of a Pay assimilation review (using National salary scales). If implemented this has a potential cost of approximately £82k to the SRP. This cost has currently been excluded from the 2019/20 estimates.

It was agreed by the Section 151's of the Authorities that this cost will be funded from the SRP reserve for 2019/20 and built into the budgets from 2020/21 once the exact impact is determined. It is proposed to carry forward the balance of the SRP reserve into 2019/20 to fund such uncertainties.

- 1.8 The table below summarises the level of contributions made by the three Authorities, since 2011/12 when the SRP was formed.

	Contribution 2011/12	Contribution 2012/13	Contribution 2013/14	Contribution 2014/15	Contribution 2015/16	Contribution 2016/17	Contribution 2017/18	Contribution 2018/19	Contribution 2019/20
	£	£	£	£	£	£	£	£	£
Babergh D C	1,509,980	1,436,020	1,359,430	1,359,160	1,357,580	1,189,160	1,116,094	1,135,667	1,075,410
Ipswich B C	3,392,860	3,226,680	3,054,580	3,053,990	3,050,440	2,502,620	2,508,332	2,526,329	2,530,511
Mid Suffolk D C	834,160	793,300	750,990	750,850	749,970	1,112,200	1,050,564	1,090,864	1,060,709
Total	5,737,000	5,456,000	5,165,000	5,164,000	5,157,990	4,803,980	4,674,990	4,752,860	4,666,630

- 1.9 The SRP will continue to monitor budgets and forecasts in order to set future year contributions.

2. Recommendations

- 2.1 That the SRP Joint Committee approves the 2019/20 budget and partner contributions as documented in section 1.6.**

Reason: The SRP Partnership Agreement states that the Section 151 Officers of the Partner Councils will consider budget requirement for the following year taking into account changes in caseload, work demand and performance projections.

- 2.2 That the SRP Joint Committee approves carrying forward the SRP reserve from 2018/19 into the financial year 2019/20.**

Reason: To fund unexpected costs and uncertainties, such as the pay assimilation review, and £50k of reserve is now to be earmarked for equipment replacement.

Agenda Item 8

By virtue of paragraph(s) 1, 4, 5 of Part 1 of Schedule 12A of the Local Government Act 1972.

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