

COMMITTEE: SRP JOINT

REF NO: SRP/19/01

DATE: 10 JULY 2019

**SUBJECT: SHARED REVENUES PARTNERSHIP –
SERVICE REPORT**

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 covers performance, finance, budget and progress against business plan.

Ward(s) affected: All

List of Appendices included in this report:

Appendix A – Details of performance

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This report was prepared after consultation with:

Internal consultees

John Chance, Head of Finance and Revenues

Amy Mayes / Andrew Wilcock, SRP Operation Managers

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. Shared Revenues Partnership – Budget 2019/20 (SRP/18/10)

1. Introduction

- 1.1 A shared revenues and benefits service between Ipswich, Babergh and Mid Suffolk, known as the SRP (Shared Revenues Partnership) was formed on 1 April 2011.
- 1.2 The SRP is currently responsible for all back office functions relating to revenues and benefits activity for the three partner authorities, namely Council Tax and Business Rate billing and collection and the administration of Housing Benefit and Council Tax Reduction.

2. Background

- 2.1 This report contains a review of the performance, financial aspects and key achievements of the Shared Revenues Partnership for the period 1st April 2019 to 31st May 2019.

3. Relevant Policies

- 3.1 Building a Better Ipswich 2017 underlying principles: Quality homes for all, a strong Ipswich economy and an efficient and effective Council.
- 3.2 Babergh and Mid Suffolk joint strategic plan, underlying principles: Economy and Environment, Housing and changing how we work; Smaller, Smarter, Swifter.

4. Benefits Update

- 4.1 Appendix A contains the summary of the performance for the period 1st May 2018 to 31st May 2019.
- 4.2 The Benefits Team performance is reviewed within this report. Please see commentary in sections 4.3 – 4.5 in support of Appendix A.
- 4.3 Appendix A (page 29) provides details of the average time taken to process new claims and changes to claims – National Indicator NI181. Performance is being maintained within target (10 days).

Local Authority	2018/19 Outturn	April 2019	May 2019
Babergh	4.57 days	4.02 days	4.60 days
Ipswich	4.56 days	3.79 days	4.81 days
Mid Suffolk	4.73 days	4.46 days	5.60 days

- 4.4 Average time to process new claims Appendix A (page 30). Performance is being maintained within target (24 days).

Local Authority	2018/19 Outturn	April 2019	May 2019
Babergh	20.28 days	15.92 days	21.08 days
Ipswich	19.31 days	13.24 days	13.64 days
Mid Suffolk	20.03 days	16.97 days	18.35 days

- 4.5 Average time to process all changes of circumstances Appendix A (page 31). Performance is being maintained within target (7 days).

Local Authority	2018/19 Outturn	April 2019	May 2019
Babergh	3.91 days	3.63 days	3.84 days
Ipswich	3.83 days	3.38 days	4.49 days
Mid Suffolk	3.91 days	3.93 days	5.24 days

- 4.6 The year outturn figures reported an increase in the quantity of changes of circumstances requiring processing in the last financial year. This additional work arose from Government initiatives to reduce Fraud and Error and the increase in this area has outweighed the reduction in new claims.

As at 31st March 2019, the Benefits Team had processed over 4,400 additional pieces of work when compared to the same time the previous year despite a significant decrease in the number of New Claims due to Universal Credit implementation.

The table below shows how this work is distributed between the partners and is indicative of both caseload and demographics.

	Year	Outturn	Year	Outturn	Overall Effect
IBC Changes processed	2017/18	94361	IBC New Claims processed	10237	
	2018/19	100637		6112	
Cumulative effect +/-		+6276		-4125	+2151
BDC Changes processed	2017/18	33540	BDC New Claims processed	3057	
	2018/19	34919		1870	
Cumulative effect +/-		+1379		-1187	+192
MSDC Changes processed	2017/18	27732	MSDC New Claims processed	3206	
	2018/19	31030		1985	
Cumulative effect +/-		+3298		-1221	+2077

4.7 Financial Accuracy Appendix A (page 32).

	2016/17 %	2017/18 %	2018/19 Target	2018/19 %	YTD % 2019/20
Babergh	95.00	96.4	>95%	97.64	96.00
Ipswich	94.2	96.5	>95%	98.37	98.40
Mid Suffolk	92.5	95.6	>95%	96.94	97.75

Performance for 2018/19 exceeded target and previous year outturns.

4.8 Local Authority Error

The level of Local Authority Error (LAE) as at 31st May 2019 is showing as close to or above the target threshold level of below 0.48%.

Babergh District Council	0.74%
Ipswich Borough Council	0.46%
Mid Suffolk District Council	0.73%

This high level of LAE arose as a consequence of errors that were identified on individual cases which, upon investigation, were found to affect other cases. The first related to an error in the Atlas Automation process which uploaded Carers Allowance as an 'info only' income. This resulted in income being understated within the claim calculation. Another error identified a case where a non-dependants hours of work had not been inserted along with their earnings which resulted in an inappropriately low non-dependant deduction being applied to the claim. These types of error are classed Local Authority Error.

Good Practice determines that when errors are identified, measures are taken to help prevent them from being repeated and other cases (where the same error may have occurred) are reviewed.

As a consequence of the errors found, a 9-point action plan was drawn up to target potential for Local Authority Error. This plan includes such activities as staff refresher training, updating and reissuing process guides, scheduling interventions for high risk areas and targeting work to minimise delay.

Low levels of LAE allow Local Authorities to gain full subsidy against that value of Overpayment. If the thresholds are exceeded, the cost of the overpayment is borne by the authority unless it can be recovered in full from the customer.

For the last two financial years audited, full subsidy for LAE has been approved for Babergh, Ipswich and Mid Suffolk District Council as thresholds were not exceeded. As LAE is calculated against a percentage of gross payments, I anticipate that as payments continue throughout the year that LAE will reduce proportionately and LAE will return to within threshold tolerances.

4.9 Discretionary Housing Payments

The table below shows the current position as at the 24th June 2019.

DHP Finance 2019/20 as at 24th June 2019					
Council	DWP Grant	Paid	Committed	Remaining	% Awarded
BDC	£106,148.00	£12,978.68	£9,824.25	£83,345.07	21.48%
IBC	£283,033.00	£44,005.58	£31,823.94	£207,203.48	26.79%
MSDC	£94,602.00	£15,749.35	£11,869.39	£66,983.26	29.20%

Both Babergh District Council and Ipswich Borough Council exceeded the Government funding for the year 2018/19. Unspent funds are returned to the Department for Works and Pensions.

DHP spending for Financial Year 2018/19					
Council	DWP Grant	Paid	Claims Received	Claims Awarded	% Awarded
BDC	£106,396	£116,551	318	196	109.54%
IBC	£326,116	£328,312	973	616	100.67%
MSDC	£98,406	£89,601	234	152	91.05%

Babergh District Council had applied to the Secretary of State early in the year for permission to undertake an 'Item 9 Credit and Item 10 Debit Direction' for that financial year in order to allow funds to be drawn from the Housing Revenue Account to support additional payments of DHP (this is capped equal to the level of DHP paid to HRA tenants).

Ipswich Borough Council made provision from the General Fund to meet any shortfall in funding.

The funding has been cut further for 2019/20 but the revised DHP scheme (approved by Joint Committee and implemented from 1st April 2019) brings about a new expectation for customers to reduce non-essential spending and directs customers to the Housing Options/Homelessness Teams for help with moving costs.

4.10 Housing Benefit Caseload

We had seen the Housing Benefit caseload decrease as customers moved onto Universal Credit. The pace of change had been slowing but, exceptionally, there was an increase in caseload for IBC during May 2019.

This arose due to an increase in the number of working age applications received.

HB Caseload	April 2018	April 2019	May 2019
Babergh	5,255	4,973	4,972
Ipswich	13,039	12,232	12,390
Mid Suffolk	4,985	4,858	4,831

We are starting to see growth in the number of Council Tax Reduction (CTR) cases again. The number of CTR cases had fallen following the implementation of Universal Credit. Previously a claim made for Housing Benefit was a dual claim for CTR and entitlement was calculated automatically. However, customers claiming Universal Credit are required to submit a claim to their Council separately for entitlement to Council Tax Reduction to be calculated. We have worked with the DWP to raise awareness of this issue and routinely engage with customers who are struggling to pay.

CTR Caseload	April 2018	April 2019	May 2019
Babergh	4,740	4,525	4,541
Ipswich	11,637	10,725	10,777
Mid Suffolk	4,481	4,381	4,379

4.11 Online Benefit Forms

For the months of April and May 2019, an average of 96% of Ipswich Borough Councils Housing Benefit claims were made online; Babergh received 91% and Mid Suffolk, 84% new claims online.

This represented 977 new claim forms being received online for SRP out of a total of 1050 applications received. In addition to this, 2689 changes of circumstances were notified using an online form.

Of these, 1,535 benefit customers used the online evidence upload facility to provide evidence in support of their claims.

5. Business Support Projects Update

5.1 Replacement Benefits Landlord Portal

The current locally maintained Landlord Portal ceased to be supported by Northgate from April 2019; the alternative was to migrate to a hosted service with enhanced self-serve options for the landlords.

Whilst the existing portal didn't need to be decommissioned, there was a compelling business case to move to the hosted service - the enhanced self-service offer would reduce customer contact and allow for e-notifications to be created reducing paper and postage costs in the region of £12k p.a.

Phase I work has commenced – this will allow landlords a similar level of access as is available on the existing portal. The new style portal should go 'live' over the summer.

Phase II will focus on landlords being able to access their Benefit notification letters (in addition to their payment schedules) on-line.

5.2 GDPR Connect & Data Protection Compliance

Following the changes to the Data Protection Act in 2018, it was necessary for Local Authorities to ensure that they could anonymise records and delete all associated documents in line with agreed retention protocols. An enhancement to the existing system has been developed and testing is nearing completion. This will allow for a batch update process to be undertaken to offer efficiencies in officer time and certainty of legislative compliance.

5.3 Benefit E-Forms Integration

Work to integrate our electronic forms with our back office processing system has commenced. This integration will save time from not re-keying data supplied and minimise the opportunity for error at the point of input.

6. Welfare Reform Update

6.1 Universal Credit

Universal Support funding arrangements changed from 1st April 2019. Rather than Local Authorities receiving funding to provide/procure services, the Citizens Advice Service is now funded to support Personal Budgeting (PBS) and assist with the digital requirements for claiming UC (ADS). This contract was awarded for an initial 12 month period and is subject to review.

The DWP launched a campaign in mid-May entitled 'Universal Credit Uncovered'. This campaign was intended to myth bust some of the main

criticisms about Universal Credit (UC) and offer reassurance to customers and charities prior to commencing a planned pilot in which up to 10,000 customers would be migrated to UC. Planned to run for nine weeks these advertorials were planned to 'set the record straight'.

However, the Works and Pensions Select Committee (WPSC) appointed by the House of Commons to examine expenditure, administration and policy of the Department for Work and Pensions and its associated public bodies published a report on 1st May 2019, which found that Single parents, care leavers and people with disabilities and health conditions were 'disproportionately vulnerable'.

The WPSC report concluded that the DWP must prove 'it is up to the job' before a single claimant is transferred onto Universal Credit through a managed migration – setting tests of operational readiness based on those recommended by its own expert advisory council, the Social Security Advisory Committee and the National Audit Offices recommendations, and suggests that it should ensure it is meeting those tests before it begins even the pilot phase of managed migration.

The full report can be found here:

<https://publications.parliament.uk/pa/cm201719/cmselect/cmworpen/2091/209102.htm>

The Pilot scheme for a Managed Migration for up to 10,000 customers to UC is due to commence in Harrogate on 17th July 2019 (unconfirmed date at time of writing). The pilot, which is due to run until December 2019, is understood to offer customers a voluntary transfer on to the pilot programme rather than require their migration compulsorily. As such, the expectation is that the number of customers taking part within this trial will fall short of the 10,000 ceiling.

7. Revenues Update

- 7.1 Appendix A (page 34) contains the summary of the performance for the period 1st April 2019 to 31st May 2019.
- 7.2 Council Tax collection is down compared to May 2018 for Babergh and Mid Suffolk. In cash terms it's around £108k short for Babergh and £75k for Mid Suffolk. This is due to a number of factors: -
- The impact of Universal Credit/VEPS/Changes of circumstances on CTR accounts
 - The frequency of changes in circumstances creating new bills and revised instalments
 - An increase in the number of customers paying over 12 months

The impact of frequent changes is that it creates new bills, which create future instalments.

The current number of 12-monthly payers is shown below.

	31 st May 2019	31 st Dec 2018
Babergh	6,240	3,428
Ipswich	22,917	18,696
Mid Suffolk	6,964	3,851

7.3 The 2018/19 outturn for collection in Suffolk is shown below including a comparison to 2017/18.

Authority	Ctax 2018/19	Ctax 2017/18	Direction of travel	NNDR 2018/19	NNDR 2017/18	Direction of travel
Babergh	98.41%	98.50%	↓	98.49%	98.47%	↑
Forest Heath	96.57%	96.82%	↓	98.39%	98.22%	↑
Ipswich	96.19%	96.18%	↑	97.76%	97.67%	↑
Mid Suffolk	98.57%	98.65%	↓	97.83%	98.97%	↓
St Edmundsbury	97.98%	98.14%	↓	98.74%	98.32%	↑
Suffolk Coastal	98.42%	98.40%	↑	98.16%	99.37%	↓
Waveney	96.54%	96.45%	↑	98.18%	98.37%	↓

The national average for a shire district in 2018/19 for Council Tax was 97.9% down 0.01% on 2017/18. For NNDR it was 98.4% down 0.01% on 2017/18.

7.4 The collection for CTR as at the 31st May 2019 is shown below

	31 st May 2019	31 st May 2018	Difference
Babergh	20.67%	21.33%	0.66%↓
Ipswich	21.31%	20.16%	1.15%↑
Mid Suffolk	20.32%	20.64%	0.32%↓

7.5 Recovery activity continues to take place. Referring cases to our enforcement agents is very much the last resort. Payment arrangements are made where possible when customers make contact. Where the circumstances of the customer are known, (i.e. they are on benefit or are working) attachments to benefits or earnings are requested. The table below shows how much debt is currently under recovery.

Stage	Babergh	%	Ipswich	%	Mid Suffolk	%
Bill	£41,599,437	96	£50,214,235	91	£46,858,200	96
Recovery	£1,712,014	4	£5,144,193	9	£2,139,270	4
Total	£43,311,451	100	£55,358,428	100	£48,997,470	100

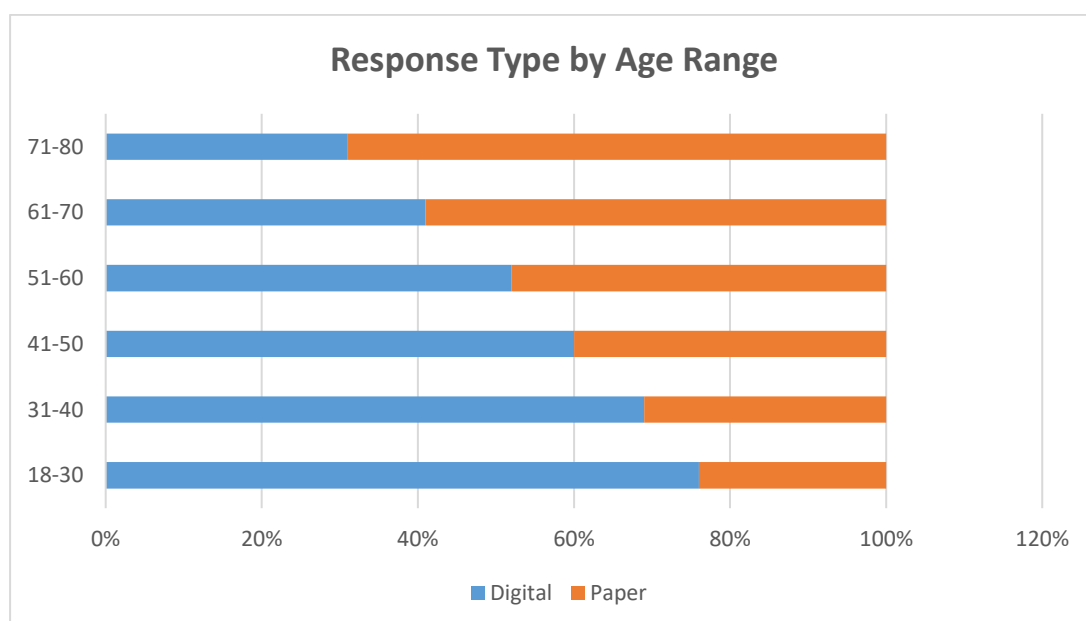
7.6 The review of accounts in receipt of a single resident discount has been completed for 2018/19, the outcome is shown below:

	Number Removed	Value
Babergh	228	£69,099
Ipswich	515	£147,644
Mid Suffolk	259	£81,270
Total	1,002	£298,013

During 2017/18 we removed 1,001, so you can see the value of undertaking this exercise on an annual basis.

A total of 33,972 accounts were screened, resulting in a removal rate of 2.9%.

48% of the customers contacted responded online, this compares to a national average of 45%. The graph below shows the response type by age range.



The 2019/20 exercise has commenced. An update on progress will be reported at the next meeting.

- 7.7 Similar to the single resident review, a review has now commenced looking at properties that have been empty for over 6 months. The target is to have this review completed before the completion of the CTB1 Government return in October with the intention of trying to maximise new homes bonus funding. Depending on the response from the customer, the process will include a mailshot, call, email and inspection, in order to establish the current situation.

Enforcement

- 7.8 On the 10th April 2019 the Government issued a press release pledging to improve the way Council Tax debt is recovered. This included:

- Making the Council Tax collection systems fairer and more efficient

- Issuing new guidance to improve how Councils recover unpaid Council Tax and end aggressive enforcement tactics
- Working with charities, debt advice organisations and Councils on new guidance

It stated reforms could include

- Ensuring affordability assessments are central to Council Tax collection processes individual circumstances are taken into account and people are given appropriate time to pay off arrears
- Improving the links between Councils and the debt advice sector
- Developing and supporting fairer debt intervention methods

7.9 SRP are already in discussion with the Citizen Advice from the 3 areas to benchmark against their Council Tax protocol and identify any areas for improvement. Alongside this a tender is about to commence for the provision of enforcement services to commence in October 2019. This will be let taking into account any potential changes from the Government.

NNDR

7.10 Appendix A (page 35) contains the summary of the performance for the period 1st April 2019 to 31st May 2019

7.11 Collection is down compared to the same period last year for Ipswich and Mid Suffolk. In cash terms it's around £35k short for Ipswich and £59k for Mid Suffolk. This is due movement in the rating list re-profiling instalments into the future.

7.12 The percentage of debt under some form of recovery ranges from 7% to 14%

	Babergh	%	Ipswich	%	Mid Suffolk	%
Bill	£15,372,173	86	£38,061,763	90	£16,572,670	93
Recovery	£2,438,879	14	£4,220,287	10	£1,311,480	7
Total	£17,811,052	100	£42,282,050	100	£17,884,150	100

7.13 Although the new 2017 rating list came into force on the 1st April 2017, the Valuation Office Agency (VOA) are still dealing with outstanding appeals from the 2010 rating list. The outstanding number of 2010 appeals as at the end of May 2019 are shown below:-

Babergh 96 (157 June'18)

Ipswich 345* (307 June'18)

Mid Suffolk 56 (137 June'18)

This means that the authorities still need to make a provision for potential losses from the outcome of these 2010 appeals. If the provision is inadequate, it could lead to a Collection Fund deficit.

* A number of new appeals were submitted in January 2019.

7.14 There has been a new Business Rates appeal process in England since the 1st April 2017, known as check, challenge, appeal. The Valuation Office Agency (VOA) deals with check and challenges, while the independent Valuation Tribunal handles the appeals.

7.15 The purpose of the check is to agree on the correct property information, while challenge is where the ratepayer can discuss the valuation.

7.16 The number of checks and challenges registered between 1st April 2017 and 31st March 2019 are shown below: -

	Check	Challenge	Appeal
Babergh	80	20	0
Ipswich	180	20	0
Mid Suffolk	80	10	0

7.17 The low number of checks and challenges to date could result in more appeals coming through late in the life of the list. Any successful settlements could result in large refunds going back to 2017.

7.18 The appeal provision is reviewed annually currently Babergh has a provision of £3,346,495, Ipswich £2,294,374 and Mid Suffolk £2,055,631.

8. SRP Finance Report - Outturn 2018/19

8.1 This report sets out the final outturn position of the Shared Revenues Partnership for the financial year 2018/19.

8.2 The table below shows the final position of the SRP Operational (Revenue) Account for the financial year 2018/19.

Heading	Original Base Budget	Current Annual Budget	Actual Expenditure	Variance
Employees	3,554,960	3,598,770	3,519,380	-79,390
Transport	19,450	19,450	18,334	-1,116
Supplies and Services	672,480	710,460	666,959	-43,501
Recharges	807,330	815,310	815,310	0
Capital Charges	0	0	0	0
Total Expenditure	5,054,220	5,143,990	5,019,983	-124,007
Govt Grants	-165,280	-206,550	-292,189	-85,639
Fees and Charges	0	-8,000	-12,208	-4,208
Partner Contributions	-4,752,860	-4,752,860	-4,752,860	0
Contribution from reserve	-136,080	-176,580	-176,580	0
Total Income	-5,054,220	-5,143,990	-5,233,837	-89,847
TOTAL 18/19	0	0	-213,854	-213,854

The table shows the original base budget, agreed by Joint Committee in November 2017, this was set with a budgeted deficit of £136,080 (to be funded from the 2017/18 depreciation saving, via the reserve)

The overall final financial position of the SRP for 2018/19 was a £213,854 underspend. This underspend is to be transferred to the SRP reserve and carried forward into 2019/20 (as agreed by Joint Committee in December 2018).

Via budget monitoring processes, the SRP was forecast to be £183,020 underspent at yearend, the additional underspend was due to extra grants received in March 2019.

8.3 The explanations for the main variances that contributed to the underspend are as follows:

- Employees – The underspend on salaries was due to a large number of transitional vacancies within both Benefits and Revenues. A vacant operational manager post was disestablished in the restructure and other vacancies were held during the restructure process. The SRP had a transitional vacancy target to achieve in 2018/19, this was overachieved and contributed to the underspend – the progress against the transitional vacancy target is shown below. This variance was previously forecast.

Transitional Vacancy target 2018/19	125,920
Savings found to date	214,780
Balance (Overachieved)	-88,860

- Supplies and Services – This variance was due to underspends on Printing and postage costs, the majority of the underspend on these headings was previously forecast.
- Government Grants – Favourable variance due to additional DWP grants received, these grants required no additional spend so contributed to the underspend. These were forecast during the year, with the exception of approximately £20k in grants received in March 2019.

8.4 The underspend / reserve balance which was carried forward from 2017/18 of £689,510 formed the 2018/19 SRP reserve. The breakdown below shows the movements within the Reserve during 2018/19.

Carried Forward from 2017/18	689,510
Depreciation saving to reduce 18/19 contributions	-136,080
Salary Increase (assumed 1% but agreed 2% rise)	-40,500
Reserve Balance	512,930

A total of £136,080 was taken from the reserve to reduce the 18/19 partner contributions and balance the budget. It was agreed by Joint Committee in November 2017 to use a one off depreciation saving from 2017/18, this was to be carried forward (via reserve) and fund the 2018/19 budget. £40,500 was taken from the reserve to fund the pay increase of 2% in 2018/19 the budgets agreed by Joint Committee allowed 1% increase, with any higher agreed percentage to be funded from reserve.

The underspend of £213,850 from the 2018/19 financial year is to also be added to the reserve balance, as agreed by Joint Committee when setting the 2019/20 budget.

This leaves the final reserve balance at £726,780, it was agreed by Joint Committee in December 2018 that the balance of the reserve is carried

forward into 2019/20, along with any budget underspend from this financial year, as pressures have already been identified.

<u>FINAL YEAREND BALANCE</u>	
2018/19 Reserve Balance	512,930
2018/19 Underspend added to reserve	213,850
TOTAL RESERVE C/F INTO 2019/20	726,780

The table below shows the reserve pressures that have already been identified for 2019/20.

Carried Forward from 2018/19	726,780
Cost of Pay Assimilation - agreed by Joint committee during 2019/20 budget setting to fund from reserve once full impact known	-87,750
Returned Salary budgets to reserve - in 19/20 estimates restructure costs used, these were based on all full time staff, however number of part time arrangements in place reducing the National Insurance costs	32,300
Earmarked Reserve for Equipment (servers, scanners etc.) - EARMARKED	-50,000
Empty homes review for all 3 Authorities - POTENTIAL COST	-60,000
Council Tax scheme review - POTENTIAL COST	-24,999
POTENTIAL Reserve Balance after proposed schemes	536,331

- 8.5 Any grants / additional funding received by the SRP during the financial year are accounted for as follows:

Where the grant is specifically for a software update, the grant is shown as income to the SRP and given a matching expenditure budget. This ensures that all costs and income are accounted for correctly.

A breakdown of the grants received in 2018/19 is shown below:

<u>2018/19</u>	IBC	MSDC	BDC	TOTAL
Welfare reform	27,135.00	8,134.00	9,328.00	44,597.00
Migrants access to Benefits	1,352.00	349.00	349.00	2,050.00
Assessed income	1,285.00	733.00	723.00	2,741.00
Local authority data sharing	13,754.57	13,754.57	13,754.57	41,263.71
VEPS (previously RBI and FERIS)	63,306.00	22,036.00	23,485.00	108,827.00
Reduced Temp Absence	1,170.00	393.00	372.00	1,935.00
Real time information	3,831.18			3,831.18
Limit support 2 children	1,819.00	419.00	499.00	2,737.00
Business Rates relief				0.00
Single Fraud service	2,152.00	695.00	768.00	3,615.00
ESA				0.00
Benefit Cap	19,160.00	4,038.00	4,371.00	27,569.00
Universal Credit Transition payment	21,746.00	6,692.00	7,915.00	36,353.00
Self-Employed earnings review	7,509.56	3,521.08	5,639.96	16,670.60
TOTAL	156,710.75	57,243.57	61,564.57	292,189.49

8.6 The table below summarises the total savings made by the shared revenues partnership since 2011/12.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Budgets - Pre SRP	5,608,000	5,608,000	5,608,000	5,608,000	5,317,590	5,313,000	5,313,000	5,341,500
SRP Costs / contribution	5,737,000	5,456,000	5,165,000	5,164,000	4,822,580	4,803,980	4,674,990	4,752,860
Costs / Savings (-)	129,000	-152,000	-443,000	-444,000	-495,010	-509,020	-638,010	-588,640
Inflation absorbed	0	-12,520	-102,330	-101,400	-77,440	-63,060	-44,770	0
Pension changes 12/13	0	-90,000	-90,000	-90,000	-90,000	-90,000	-90,000	-90,000
National Insurance changes	0	0	0	0	0	-65,000	-65,000	-65,000
Pension changes 17/18	0	0	0	0	0	0	-133,800	-133,800
Pay Increase	0	0	0	0	0	0	0	-40,500
Total Savings (-)	129,000	-254,520	-635,330	-635,400	-662,450	-727,080	-971,580	-917,940
Cumulative Saving (-)	129,000	-125,520	-760,850	-1,396,250	-2,058,700	-2,785,780	-3,757,360	-4,675,300

2019/20 Position

8.7 This sets out the financial position of the Shared Revenues Partnership for the financial year 2019/20, as at month 2 (end of May 2019).

8.8 The table below shows the current budgetary position of the SRP Operational (Revenue).

Heading	Original Base Budget	Current Annual Budget	Budget to Date	Actual Expenditure	Variance
Employees	3,600,470	3,655,920	629,347	533,258	-96,089
Transport	20,310	20,310	1,820	692	-1,128
Supplies and Services	591,620	620,390	47,439	1,080	-46,359
Recharges	626,430	626,430	0	0	0
Capital Charges	0	0	0	0	0
Total Expenditure	4,838,830	4,923,050	678,606	535,030	-143,576
Govt Grants	-172,200	-200,970	-200,970	-295,992	-95,022
Fees and Charges	0	0	0	-55,000	-55,000
Partner Contributions	-4,666,630	-4,666,630	-1,166,658	-1,166,658	0
Contribution from reserve		-55,450	0	0	0
Total Income	-4,838,830	-4,923,050	-1,367,628	-1,517,650	-150,022
TOTAL 19/20	0	0	-689,022	-982,620	-293,598

The main variances here are as follows:

- Employees – Salary underspends as currently vacancies in all operational areas. The SRP has a transitional vacancy savings target to achieve in 2019/20

Transitional Vacancy target 2019/20	129,060
Savings found to date	0
Balance	129,060

Underspends in the first instance will be used to offset this target; this will be actioned during the first 2019/20 IBC budget monitoring exercise. Also £30k of the variance is due to an outstanding listed creditor to SCC for early pension costs relating to the restructure.

- Supplies and Services – This is currently underspent due to a number of listed creditors outstanding.

- Grants – The SRP has already received grants over and above the annual budget, the SRP officer board are to decide if these additional grants are to be utilised, if not they will be forecast as a yearend underspend.
- Fees and Charges – This is income received for additional debt recovery and will be used to fund additional staff in Revenues.

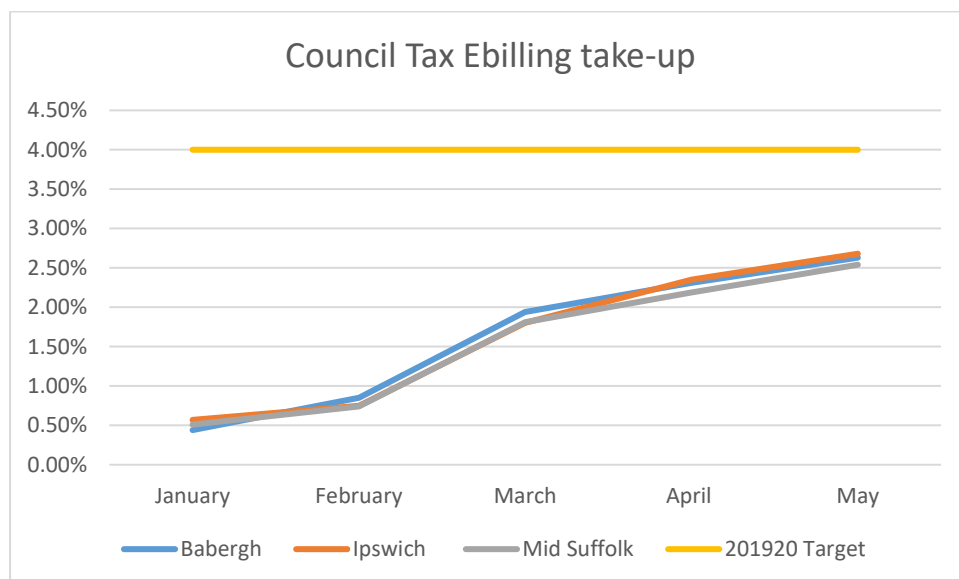
9. Digital Transformation

9.1 The new customer portal (CA-R) has now been live for 8 months, during this time the volume of move notifications completed via this facility continues to grow. The position as at the end of May is shown below: -

Authority	% of moves through CA-R
Babergh	58%
Ipswich	49%
Mid Suffolk	61%

9.2 Changes submitted via this method automatically update the back office system without the need for officers to re-key information.

9.3 The facility to sign-up to ebilling has now been live for 6 months. The current position showing the percentage who have opted in for ebilling is shown below. The sharpest increase in take-up was when the new 2019/20 Council Tax bills were issued. The move away from the traditional method of issuing a paper bill reduces the number of bills issued not only at annual billing but also for the in-year daily output.



- 9.4 The take-up campaign will continue to run during 2019/20 utilising social media initially, leading into a larger campaign during the run up to the 2020/21 annual billing.

10. Recommendations

That the Joint Committee:

- 10.1 Notes the SRP financial outturn for 2018/19 and the financial treatment of the favourable variance, as this allows the SRP to continue to have a reserve to fund the future changes expected, future developments in the service and running costs to maintain the current level of service;**
- 10.2 Reviews the financial position of the SRP further in 2019/20 in relation to partner contributions.**