

COMMITTEE: SRP JOINT

REF NO: SRP/19/07

DATE: 29 JANUARY 2020

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 December 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 December 2018 to 31st December 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 27) 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	Q2 Year To Date Position	Q3 Year To Date Position
Babergh	4.57 days	5.35 days	5.26 days
Ipswich	4.56 days	5.62 days	5.56 days
Mid Suffolk	4.73 days	5.53 days	5.30 days

- 4.4 Average time to process new Housing Benefit claims Appendix A (page 28). Performance is being maintained within target (24 days).

Local Authority	2018/19 Outturn	Q2 Year To Date Position	Q3 Year To Date Position
Babergh	20.28 days	17.06 days	16.68 days
Ipswich	19.31 days	15.84 days	15.69 days
Mid Suffolk	20.03 days	18.08 days	16.66 days

- 4.5 Average time to process Housing Benefit changes of circumstances Appendix A (page 29). Performance is being maintained within target (7 days).

Local Authority	2018/19 Outturn	Q2 Year To Date Position	Q3 Year To Date Position
Babergh	3.91 days	4.82 days	4.68 days
Ipswich	3.83 days	5.05 days	4.97 days
Mid Suffolk	3.91 days	4.98 days	4.71 days

- 4.6 Financial Accuracy

	2016/17 %	2017/18 %	2018/19 Target	2018/19 %	YTD % 2019/20
Babergh	95.00	96.4	>95%	97.64	96.91
Ipswich	94.2	96.5	>95%	98.37	98.31
Mid Suffolk	92.5	95.6	>95%	96.94	96.96

Year to date performance is exceeding target (as at 31st December 2019).

- 4.7 Local Authority Error

The level of Local Authority Error (LAE) as at 31st December 2019 is showing as above the target threshold level of 0.48% for Babergh District Council.

Babergh District Council	0.61%
Ipswich Borough Council	0.19%
Mid Suffolk District Council	0.39%

When thresholds are exceeded, the cost of Local Authority overpayments are borne by the authority unless it can be recovered in full, from the customer. When thresholds are not exceeded, the value of those overpayments is met by the Department for Work and Pensions. This incentivises LA's to minimise errors and

any delay incurred in dealing with those overpayment calculations which also counts towards the LAE total.

For the last two financial years audited, full subsidy for LAE repayment has been approved for Babergh, Ipswich and Mid Suffolk District Council as thresholds were not exceeded. For 2019/20, the level of error is likely to exceed the lower threshold even if no further error is discovered (either as part of our normal checking processes or as part of the annual subsidy audit) which will mean the 'incentive' subsidy may be lost this year. If the level of error falls between 0.48 and 0.54% of total payments at the end of 2019/20, there is a reduced level of incentive available of 40% of total LAE.

4.8 Discretionary Housing Payments

The table below shows the current position as at 31st December 2019.

DHP Finance 2019/20 as at 31st December 2019					
Council	DWP Grant	Paid	Committed	Remaining	% Awarded
BDC	£106,148.00	£44,371.03	£10,713.65	£51,063.32	51.89%
IBC	£283,033.00	£165,672.32	£41,491.32	£75,869.36	73.19%
MSDC	£94,602.00	£57,863.20	£14,828.13	£21,910.67	76.84%

The Benefits Team have engaged with the respective Housing teams in order to establish whether there are LA tenants in arrears who could benefit from making DHP applications. Ipswich BC have provided a list of tenants who they know to be affected by the Social Size Criteria (Bedroom Tax), the Benefit Cap or claiming Universal Credit. Some work has already been undertaken to understand where the DHP fund could support people whose only other assistance is from the Homelessness Prevention Grant.

4.9 Housing Benefit Caseload

We had seen the Housing Benefit caseload decrease as customer's moved onto Universal Credit. The pace of change has been slow during this financial year.

HB Caseload	April 2018	April 2019	September 2019	January 2020
Babergh	5,255	4,973	4,853	4,812
Ipswich	13,039	12,232	12,188	12,106
Mid Suffolk	4,985	4,858	4,733	4,707

We have seen a fall in the number of Council Tax Reduction (CTR) cases 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 considered. We have worked with the DWP and Citizens Advice to raise awareness of this requirement and routinely engage with customers who are struggling to pay. We promote CTR on our websites and throughout our literature. From April 2020, a claim for Universal Credit will be considered a claim for Council Tax Reduction for any customer with a liability to pay Council Tax.

CTR Caseload	April 2018	April 2019	September 2019	January 2020
Babergh	4,740	4,525	4,419	4,410
Ipswich	11,637	10,725	10,663	10,594
Mid Suffolk	4,481	4,381	4,326	4,291

4.10 Online Benefit Forms

The year to date performance for the completion of on-line forms (as to any other format) stands at:

93% Babergh District Council
 98% Ipswich Borough Council
 93% Mid Suffolk District Council

This represent 4,354 new claim forms being received online for SRP out of a total of 4528 applications received. In addition to this, 11305 changes of circumstances were notified using an online form.

Of these customers, 6974 also used the online evidence upload facility to provide evidence in support of their claims.

5. SRP Business Support Projects Update

5.1 Replacement Benefits Landlord Portal

The project was successfully completed ahead of schedule. The improvements that the new portal provides for include:

- A reduction in printed and mailed items (702 items for the last week in September now reduced to a maximum of 4 items in any week since).
- The ability to notify Landlords of Discretionary Housing Payments made to them on behalf of their 'safe-guarded' tenants'.
- 68% of all Landlords are signed up and using the new Landlord Portal (previous portal high was 51%).

5.2 GDPR Connect & Data Protection Compliance

Live processing commenced in early August, with low volumes and 100% quality checks prior to removal of data. No adverse outcomes occurred so higher volumes have been processed since then, with random quality checking.

Following the satisfactory findings of the sampling, an automated routine was being introduced to run on a monthly schedule and remove out of date data. However, this final stage of development is currently suspended whilst we await resolution to a nationally recognised flaw in the software routine.

5.3 Benefit E-Forms Integration

The e-form integration work was completed ready for the intended go-live of 11th September 2019. The process has been working without issue and will provide an annual saving of £20,000.

5.4 Council Tax Reduction Scheme

A significant amount of work has been undertaken to better understand the drivers for changes to entitlement within the current CTR scheme in the hope that this may suggest a scheme simplification which could help ease the burden of administration. The findings illustrated that SRP are notified of 'changes' for up to 25% of the CTR caseload every month – with up to 5% of the total caseload seeing a change in their award and requiring a new bill each month but these changes are spread throughout the caseload and not limited to any one specific group.

A straight forward solution for simplifying the scheme (without detriment to customers) has not been identified at this time. Further research and analysis will continue as new schemes are adopted and published to establish possible opportunities.

6. Welfare Reform Update

There are no new developments to report for this quarter.

7. Revenues Update

7.1 Appendix A (page 32) contains the summary of the performance for the period 1st April 2019 to 31st December 2019.

7.2 Council Tax collection is down compared to December 2018 for all 3 authorities. In cash terms it's £185k short for Babergh, £220k short for Ipswich and £280k 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. Compared to April 2019 there is a further £917k for Babergh, £1.2m for Ipswich and £965k for Mid Suffolk due in the final quarter of the year.

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

Authority	Dec'19	Dec'18
Babergh	6,933	3,428
Ipswich	23,512	18,696
Mid Suffolk	7,679	3,851

7.3 The collection for CTR as at the 31st December 2019 is shown below

	31st Dec 2019	31st Dec 2018	Difference
Babergh	66.26%	69.33%	3.07%↓
Ipswich	66.13%	64.78%	1.35%↑
Mid Suffolk	65.65%	71.61%	5.95% ↓

The difference in Babergh and Mid Suffolk is due to the fact the December payments from the Department of Work and Pensions, in respect of Council Tax deduction from benefit, had not been posted as at 31st December 2019.

7.4 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. For December 2018 it was 22%, 33% & 18%.

Stage	Babergh	%	Ipswich	%	Mid Suffolk	%
Bill	£ 4,378,760	80	£7,694,166	67	£6,039,269	83
Recovery	£1,103,749	20	£3,770,742	33	£1,271,159	17
Total	£ 5,482,509	100	£11,464,908	100	£ 7,310,428	100

7.5 The review of accounts in receipt of a single resident discount continues for 2019/20, the outcome is shown below:

	Number Removed	Value Apr – Dec
Babergh	130	£49,309
Ipswich	343	£117,805
Mid Suffolk	156	£53,138
Total	629	£220,252

NNDR

7.6 Appendix A (page 33) contains the summary of the performance for the period 1st April 2019 to 31st December 2019, you can see that for all 3 Council's that it is slightly up compared to the previous year.

7.7 The percentage of debt under some form of recovery ranges from 12% to 27%. For December 2018 it was 14%, 24% & 15%.

	Babergh	%	Ipswich	%	Mid Suffolk	%
Bill	£2,520,264	88	£4,758,243	73	£3,129,049	84
Recovery	£343,157	12	£1,763,657	27	£588,154	16
Total	£2,863,421	100	£6,521,900	100	£3,717,203	100

7.8 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 November 2019 are shown below:-

Babergh – 93 (105 Dec'18)

Ipswich – 212 (249 Dec'18)

Mid Suffolk – 46 (102 Dec'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.

7.9 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.

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

7.11 The number of checks and challenges registered between 1st April 2017 and 30th September 2019 are shown below: -

	Check	Challenge	Appeal
Babergh	120	30	0
Ipswich	280	40	0
Mid Suffolk	110	20	0

7.12 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.

7.13 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.

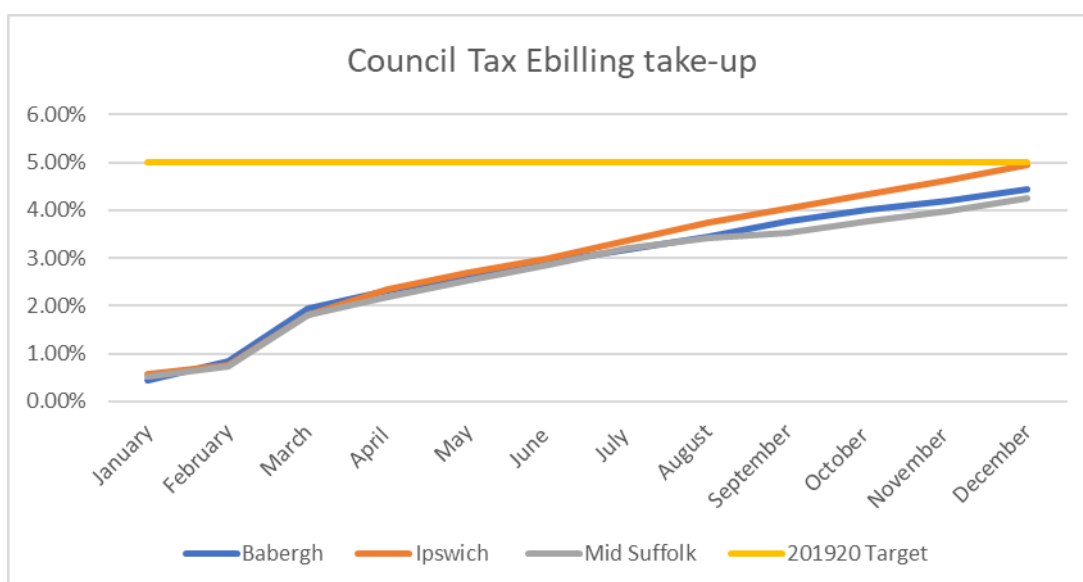
8. Digital Transformation

8.1 Use of the customer portal (CA-R) continues to grow, the table below shows the average percentage of move notifications submitted through the portal since April 2019.

Authority	% of moves through CA-R
Babergh	65%
Ipswich	51%
Mid Suffolk	64%

8.2 Changes submitted via this method automatically update the back office system without the need for officers to re-key information. The increase in use of the portal supports the service in dealing with the increase in caseload. In the last 12 months a further 1,800 properties have been added to the banding list across the 3 authorities. Council Tax has seen a 7% increase in the caseload since SRP was formed, this excludes the work generated by the introduction of the Council Tax Reduction scheme in 2013.

8.3 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.



8.4 The focus is now on creating the take-up campaign for 2020/21.

9. SRP Finance Report – Month 9 (December 2019) 2019/20

Current Position

9.1 This report sets out the financial position of the Shared Revenues Partnership for the financial year 2019/20, as at month 9 (end of December 2019)

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

Heading	Original Base Budget	Current Annual Budget	Budget to Date	Actual Expenditure	Variance
Employees	3,600,470	3,694,650	2,623,493	2,535,595	-87,898
Transport	20,310	20,310	13,913	6,968	-6,945
Supplies and Services	591,620	747,940	515,814	455,051	-60,763
Recharges	626,430	637,890	309,180	309,180	0
Capital Charges	0	0	0	0	0
Total Expenditure	4,838,830	5,100,790	3,462,400	3,306,794	-155,606
Govt Grants	-172,200	-238,380	-238,380	-355,893	-117,513
Fees and Charges	0	-43,870	-78,640	-79,404	-764
Partner Contributions	4,666,630	4,666,630	-2,965,952	-2,965,943	9
Contribution from reserve	0	-151,910	0	0	0
Total Income	4,838,830	5,100,790	-3,282,972	-3,401,240	-118,268
TOTAL 19/20	0	0	179,428	-94,446	-273,874

9.3 The current variances are as follows:

Employees – Currently underspent due to the additional 3 posts funded by grants all being vacant, as these are grant funded posts they are shown separately, and the underspend has not been transferred against the transitional vacancy target. It has been proposed to return the unused grant money associated with these posts to the Partnering Authorities (see section 8.8)
All other salary underspends have been transferred against this vacancy target.

The SRP has a vacancy target to achieve in 2019/20, the target and progress is shown below:

Transitional Vacancy target 2019/20	129,060
Savings found to date	314,020
Balance - NOW OVERACHIEVED	-184,960

The target has now been overachieved and will contribute to a forecast underspend.

Supplies and Services - Underspends on Printing, Postage and Legal fees. The postage is forecast to be underspent at yearend due to efficiencies and Legal fees are also forecast to be under due to listed creditor amount being higher than final settlement charge on Business rates case.

Grants – Additional grants received, the DWP grants received have exceeded the annual budget. It has been proposed to return some unused grant money to the Partnering Authorities (see Section 8.8).

9.4 The forecast outturn position of the SRP is currently expected to be underspent.

Heading	Current Annual Budget	Forecast Position	Projected Outturn variance
Employees	3,694,650	3,509,690	-184,960
Transport	20,310	20,310	0
Supplies and Services	747,940	717,940	-30,000
Recharges	637,890	637,890	0
Total Expenditure	5,100,790	4,885,830	-214,960
Govt Grants	-238,380	-60,880	177,500
Fees and Charges	-43,870	-43,870	0
Contributions from Partners	-4,666,630	-4,666,630	0
Contribution from reserve	-151,910	-151,910	0
Total Income	-5,100,790	-4,923,290	177,500
TOTAL	0	-37,460	-37,460

As mentioned above it has been proposed to return some unused grants to the Partnering Authorities, totalling £395.78k.

If these are not returned the forecast underspend will increase to £433.24k

Also, any further transitional vacancies identified during the year or any additional grants received will increase the forecast underspend.

9.5 It was agreed by SRP Joint Committee on 11th December 2018 that the balance of the reserve and underspend was to be carried forward into 2019/20, to fund any potential changes and uncertainties in this field and to fund the SRP running costs during 2019/20.

The reserve / underspend carried forward from 2018/19 of £726,780 formed the 2019/20 SRP reserve.

The breakdown below shows the movements within the Reserve this financial year.

Carried Forward from 2018/19	726,780
Cost of Pay Assimilation	-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
Recharge adjustments - increase in support service recharges	-11,460
Empty homes review for all 3 Authorities	-60,000
Council Tax scheme review	-25,000
Reserve Balance	574,870

The reserve balance is currently £574,870, however £50k of this is earmarked for equipment replacement (scanners / servers etc.)

Any potential forecast underspend will then increase the yearend reserve balance. It is currently predicted that the SRP has a forecast underspend of £37.46k, this will result in the predicted reserve position below:

<u>POTENTIAL RESERVE - YEAREND BALANCE</u>	
Current Balance	574,870
Forecast Underspend	37,460
Commitments	-50,000
TOTAL RESERVE	562,330

9.6 Any grants / additional funding that is received by the SRP during the financial year are accounted for as follows:

Where the grant is specifically for a software update / additional staffing, 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 to date is shown below:

<u>2019/20</u>	IBC	MSDC	BDC	TOTAL
Local authority data sharing	9,575.89	9,575.89	9,575.89	28,727.67
VEPS (previously RBI and FERIS)	47,882.00	17,968.00	21,103.00	86,953.00
Single Fraud service	1,676.00	541.00	598.00	2,815.00
Business Rates new burdens	9,225.00	9,225.00	9,225.00	27,675.00
New Burdens/Welfare Reform/ Universal credit	99,618.00	30,558.00	31,435.00	161,611.00
DWP Legislative / software updates	10,741.94	10,741.94	10,741.94	32,225.82
Mixed Aged Couples, SDP additional funding & Pension credit	6,325.00	4,742.63	4,817.63	15,885.26
TOTAL	167,976.89	67,867.89	71,936.89	355,892.75

9.7 The SRP has no remaining capital budget, this was returned in 2017/18 and all borrowing / depreciation repayments were settled.

Potential Return of Unused grants to Partners

9.8 It has been proposed by the Section 151 Officers of the 3 Authorities to return some of the unutilised grants to the Authorities. The grants in question and the amount to each Authority is shown below:

IBC - Verify Earnings and Pensions (VEP) (May 2018)		-50,639.00
MSDC - Verify Earnings and Pensions (VEP) (May 2018)		-17,627.00
BDC - Verify Earnings and Pensions (VEP) (May 2018)		-18,786.00
IBC - Verify Earnings and Pensions (VEP) (Mar 2019)		-12,667.00
MSDC - Verify Earnings and Pensions (VEP) (Mar 2019)		-4,409.00
BDC - Verify Earnings and Pensions (VEP) (Mar 2019)		-4,699.00
IBC - verify earnings and pensions alerts service (VEP) (May19)		-47,882.00
BDC - verify earnings and pensions alerts service (VEP) (May19)		-21,103.00
MSDC - verify earnings and pensions alerts service (VEP) (May19)		-17,968.00
IBC - Business Rates new Burdens (unused amount)		-7,500.00
MSDC - Business Rates new Burdens (unused amount)		-7,500.00
BDC - Business Rates new Burdens (unused amount)		-7,500.00
IBC - Mixed Aged Couples SDP additional funding & Pension credit (Apr19)		-6,325.00
MSDC - Mixed Aged Couples SDP additional funding & Pension credit (Apr19)		-4,742.63
BDC - Mixed Aged Couples SDP additional funding & Pension credit (Apr19)		-4,817.63
IBC - UC new burdens and welfare reform new burdens (Apr19)		-99,618.00
BDC - UC new burdens and welfare reform new burdens (Apr19)		-31,435.00
MSDC - UC new burdens and welfare reform new burdens (Apr19)		-30,558.00
		-395,776.26
<u>AMOUNT TO BE REPAYED</u>		
Mid Suffolk District Council	MSDC	-82,804.63
Babergh District Council	BDC	-88,340.63
Ipswich Borough Council	IBC	-224,631.00
		-395,776.26

It is recommended that the Joint Committee approve the refund of the amounts above to the 3 partnering Authorities, as the money is not required and keeping within the SRP would increase the underspend / reserve balance further.

It is also recommended that Joint Committee approve the inclusion of 'permission to refund future grants' in the Joint Committee partnership agreement, to allow this process to be simpler in future and compliant with Local Authority rules / Partnership agreement.

2020/21 Budget setting and Partnership Contributions

- 9.9 This report is to outline and set the SRP budgets for 2020/21 and agree the Partnership contributions.
- 9.10 Finance and the SRP have revised and updated the zero-based budgeting exercise, to establish the requirements for 2020/21. Each account heading has been calculated to take into account current levels, spends, contracts etc. Savings have been found from the current 2019/20 budget.
The key savings are identified below:

Key Savings from 2020/21 budget setting	
Description	Saving
Removal of 3 grant funded Benefit Officer Posts (but grant income left in budget)	-110,310
Removal of Benefits Officer post	-36,770
Removal of Part time Appeals Officer post	-19,550
Reduction in Printing budget	-11,850
Reduction in Legal fees budget	-10,430
Reduction in Postage budget	-19,010
Reduction in Recharges	-36,510
Assumed 1% decrease in IBC pension contributions	-27,310
TOTAL	-271,740

The 2020/21 proposed SRP budget has also absorbed the IBC Pay assimilation costs of £87k and the costs of Business rates appeals reports totalling £20k.

- 9.11 The table below shows the proposed SRP budget for 2020/21 and provides a comparison against the current year budget. The inflation will also be absorbed without the need to increase partner contributions.

Heading	Zero Based Budget 2020/21	Inflation 2020/21	Total Proposed Budget 2020/21	Current 2019/20 Budget
	£			£
Employees	3,472,730	86,430	3,559,160	3,600,470
Transport	12,610	0	12,610	20,310
Supplies and Services	564,130	9,850	573,980	591,620
Recharges	589,920	14,750	604,670	626,430
Total Expenditure	4,639,390	111,030	4,750,420	4,838,830
Govt Grants	-172,950	0	-172,950	-172,200
Total Income	-172,950	0	-172,950	-172,200
TOTAL	4,466,440	111,030	4,577,470	4,666,630

A breakdown of the levels of savings in the 2020/21 draft budget are shown below

2020/21

	£
SRP ZBB budget (2020/21)	4,466,440
Inflation	111,030
Proposed 2020/21 budget	4,577,470
Saving on 19/20 budget (absorbing inflation)	-89,160
Saving on 19/20 budget before inflation	-200,190

9.12 In line with the current year contributions the 2020/21 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 2020/21 contributions have been rebased on current work volumes, details of the volumes used are shown in the table below:

2020/21	<i>Babergh</i>	<i>Ipswich</i>	<i>Mid Suffolk</i>
No billing items 18/19	17,924	37,477	19,602
%	23.90%	49.97%	26.13%
No businesses 18/19	4,740	9,564	3,284
%	26.95%	54.38%	18.67%
No HB docs 18/19	34,919	100,637	31,030
%	20.96%	60.41%	18.63%
New Claims 18/19	1,870	6,112	1,985
%	18.76%	61.32%	19.92%

Using the percentages above, the 2020/21 proposed contributions have been calculated and shown in the table below.

<u>SRP Business Case / Proposed contributions 20/21</u>	Original Budget	Inflation	20/21 Contribution
	£	£	£
<u>Total Revenue Budget</u>	4,466,440	111,030	4,577,470
Funded by...			
<u>Total Contributions from Partners</u>			
Babergh D C	1,001,227	24,889	1,026,116
Ipswich B C	2,469,980	61,401	2,531,381
Mid Suffolk D C	995,233	24,740	1,019,973
			4,577,470

The table below shows the comparison with this year's contribution.

<u>SRP Business Case / Proposed contributions 20/21 compared to 19/20</u>	2019/20	2020/21	Difference
	£	£	£
<u>Total Revenue Budget</u>	4,666,630	4,577,470	-89,160
Funded by...			
<u>Total Contributions from Partners</u>			
Babergh D C	1,075,410	1,026,116	-49,294
Ipswich B C	2,530,511	2,531,381	870
Mid Suffolk D C	1,060,709	1,019,973	-40,736
	4,666,630	4,577,470	-89,160

9.13 It is proposed to carry forward the balance of the SRP reserve into 2020/21 to fund any uncertainties, future pressures and possible invest to save schemes. £50k of the reserve is earmarked for equipment replacement.

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

	Babergh DC	Ipswich BC	Mid Suffolk DC	TOTAL
2011/12	1,509,980	3,392,860	834,160	5,737,000
2012/13	1,436,020	3,226,680	793,300	5,456,000
2013/14	1,359,430	3,054,580	750,990	5,165,000
2014/15	1,359,160	3,053,990	750,850	5,164,000
2015/16	1,357,580	3,050,440	749,970	5,157,990
2016/17	1,189,160	2,502,620	1,112,200	4,803,980
2017/18	1,116,094	2,508,332	1,050,564	4,674,990
2018/19	1,135,667	2,526,329	1,090,864	4,752,860
2019/20	1,075,410	2,530,511	1,060,709	4,666,630
2020/21	1,026,116	2,531,381	1,019,973	4,577,470

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

10. Recommendations

10.1 The SRP Joint Committee approves the 2020/21 budget and partners contribution as documented in section 9.12.

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

10.2 The SRP Joint Committee approve the carry forward of the SRP reserve / underspend from 2019/20 into the financial year 2020/21.

Reason: To fund unexpected costs, uncertainties and invest to save schemes. £50k of reserve is earmarked for equipment replacement.

10.3 The SRP Joint Committee approves the return of £395.78k of grants to partnering authorities.

Reason: The grants have not been utilised, the return of the money would assist the partnering authorities and reduce the potential SRP underspend / reserve balance.

10.4 The SRP Joint Committee approves the inclusion in the SRP Partnership agreement an amendment which allows for the repayment of unutilised grants back to the Partnering Authorities.

Reason: To establish a compliant and simpler process for any future refunds / repayments that may occur.