



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

MONDAY 15TH JANUARY 2018, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

SUPPLEMENTARY DOCUMENTATION

The attached papers were specified as "to follow" on the Agenda previously distributed relating to the above mentioned meeting.

5. Finance and Budget Working Group - Report to follow (Pages 1 - 10)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

15th January 2018

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Overview & Scrutiny Board 15 January 2018

Finance & Budget Working Group

Relevant Portfolio Holder	Cllr Brian Cooper - Portfolio Holder for Finance and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering – Executive Director Finance and Resources
Wards Affected	All
Ward Councillor Consulted	No
Non-Key Decision	

1. SUMMARY OF PROPOSALS

1.1 A notice of motion was presented to the Council meeting held on 21st June 2017 by Councillor P. M. McDonald as detailed below:

“In the light of the recent discussions regarding the extending of shared services and the reports made by the Internal Auditor regarding the poor recording of costs allocated between Bromsgrove and Redditch. That this Council calls upon leaders of all parties to come together to immediately carry out a full review of all costs allocated to each Council, to ensure Bromsgrove Council Tax payers are receiving their fair share of services and not subsidising those of Redditch”

1.2 Following debate there was an amendment to the motion and it was referred to the Overview and Scrutiny Board’s Finance and Budget Working Group in order to consider the appropriate format and timetable for this review.

1.3 This work has commenced and following consideration of information in respect of the Heads of Service Time Allocation the Working Group have put forward the following recommendations for consideration by the Board and if in agreement, to be then considered by the Cabinet..

2. RECOMMENDATIONS

2.1 **The Overview & Scrutiny Board is asked to approve the following recommendations, which have been identified by the Working Group and for these to be recommended on to Cabinet for consideration at its meeting on 7th February 2018:**

- a) **that Redditch Borough Council refund Bromsgrove District Council for the additional officer time spent due to the HRA Review currently being undertaken; and**
- b) **that a review of the Management Team re-charge between the 2 Councils to be carried out in light of the information received by the Finance and Budget Working Group.**

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3. KEY ISSUES

- 3.1 The Finance and Budget Working Group is a sub group of the main Overview and Scrutiny Board and was set up in June 2016 following the annual review of the work of the Board. The Working Group is supported by the Executive Director, Finance and Resources and the Senior Democratic Services Officer. The Portfolio Holder for Finance and Enabling is invited and whenever possible attends the meetings of the Working Group.
- 3.2 The Working Group meetings on a regular basis and looks at a number of financial reports as detailed in the attached Terms of Reference, which were agreed at the board meeting held on 19th September 2016 and reviewed annual as part of the Annual Report process.
- 3.3 Following the presentation of the Notice of Motion at full Council, the Working Group was requested to consider the allocation of costs between Redditch Borough and Bromsgrove District Council as part of the shared service agreement.
- 3.4 At the Working Group's meeting held on 3rd 1st July it discussed the principles of cost allocations for the Shared Services and information that they would require in order to achieve the required outcome. A number of actions and requests for data came out of that meeting including a piece of work around the actual split of management time both retrospectively and in real time.
- 3.5 At the meeting held on 4th January 2018 the Working Group were provided with details of the Corporate Management Team time allocation for 6 months prior to the request for information – this had been pulled together by the PA's who had revisited the calendar entries for each member of the Management Team.
- 3.6 The Corporate Management Team had also been asked to provide detailed time recording for 4 weeks going forward from September in order to establish in "real time" a percentage allocation of their working hours.

Financial Implications

- 3.6 The breakdown of time both in the backward looking 6 month review and the 4 week more detailed analysis is attached at Appendix 1. This shows a small variance of recharge between the Councils for the 6 month review reflecting a £23k additional charge to Redditch. The 4 weekly review resulted in a 60% split to Redditch at a cost of £105k (for a full year). It is important to note that this 4 week period was at a time of an ongoing review into the Housing Revenue Account at Redditch and a number of the management team have been undertaking roles to ensure that the service is delivered. The Executive Director of Finance

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advised that this is not a fair reflection of the cost split between the 2 councils due to the additional work being undertaken at this time.

Legal Implications

- 3.7 The Council has a statutory responsibility to set a balanced budget for each financial year and the recommendations will provide additional information for the budget setting process.

Service / Operational Implications

- 3.8 Heads of Service have the responsibility to consider all the budgetary implications across their services and to set robust projections for future years.

Customer / Equalities and Diversity Implications

- 3.9 The budget planning process provides a financial framework to deliver all services to the community.

4. RISK MANAGEMENT

- 4.1 The medium term financial plan and accuracy of budget projections is included in the Councils Corporate Risk Register.

5. APPENDICES

Appendix 1 – Terms of Reference for the Finance and Budget Working Group

Appendix 2 – Heads of Service Data 6 months retrospectively

Appendix 3 – Heads of Service Data 4 weeks “real time”

6. BACKGROUND PAPERS

N/A

7. KEY

None

AUTHOR OF REPORT

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OVERVIEW & SCRUTINY BOARD – Finance & Budget Scrutiny Working Group

Terms of Reference as at August 2016

The Finance & Budget Scrutiny Working Group has been set up by the Overview & Scrutiny Board to carry out detailed scrutiny/pre-scrutiny of a number of Financial Reports (listed below) and the setting of the Council's budget.

1. The Working Group be made up of 5 Members with a quorum of 3. The Working Group will meet throughout the year at intervals dependent upon the reports to be considered. It is anticipated that this will be most frequent during the budget setting period.
2. The Working Group will be a standing item on the agenda of the Overview & Scrutiny Board and either a verbal or written report will be provided at each of the Board's meetings.
3. The Working Group is able to make recommendations in one of two ways (dependent on the timescales of its meetings and the reports it considers); by reporting back to the Overview & Scrutiny Board who will then put forward its recommendations for consideration by Cabinet or directly to Cabinet/Council.
4. The work of the Working Group will be reviewed as part of the Overview & Scrutiny Board's annual report process.

The Working Group will scrutinise the following reports, which had previously been part of the Overview & Scrutiny Board's Work Programme:

- Finance Monitoring Report (on a quarterly basis)
- Write Off of Debts Report (received annually)

Budget Scrutiny

Scrutiny of the budget will cover the following areas, although this list is not exclusive.

- Full review of the cost centres for actual spend, involving comparable figures for consecutive years.
- Assessing income levels.
- Considering the quarterly budget monitoring report.
- Reviewing the capital programme and borrowing costs.
- Commenting on the report format for budget reports to Committee.
- Considering links to the strategic purposes.
- Addressing the S11 recommendations.
- Investigating new pressures on savings.
- Reviewing reserves and balances.
- Assessing any sources of external funding that has been received.

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Agenda Item 5

**CORPORATE MANAGEMENT TEAM
TIME ALLOCATION
6 MONTHS BACKWARDS LOOKING - MEETINGS ONLY**

	RBC Hours	BDC Hours	Total Hours	RBC %	BDC %
Kevin Dicks	369	347	716	51.492	48.508
Guy Revans	302	271	572	52.71	47.29
Claire Felton	155	207	362	42.739	57.261
Sue Hanley	282	228	509	55.325	44.675
John Godwin	342	339	681	50.165	49.835
Jayne Pickering	212	222	434	48.876	51.124
Judith Willis	241	181	421	57.119	42.881
Amanda Singleton	220	158	377	58.181	41.819
Ruth Bamford	259	209	468	55.294	44.706
Deb Poole	247	256	503	49.081	50.919
TOTAL	2625	2417	5042		

Total % split	52.07%	47.93%
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Management Team Cost	£'000	
2017/18	1,133	
	RBC	BDC
	£	£
2017/18 cost share	567	567
Based on share as detailed above	52.07%	47.93%
Revised Charge	590	543
Adjustment required	23	-23

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**CORPORATE MANAGEMENT TEAM
TIME ALLOCATION
4 WEEKS DETAILED TIME RECORDING**

	BDC Hours	RBC Hours	Total Hours
Kevin Dicks	66	81	146
Sue Hanley	51	87	138
Jayne Pickering	46	88	134
Guy Revans	45	92	136
John Godwin	58	88	146
Amanda Singleton	65	79	144
Deb Poole	56	79	135
Claire Felton	50	91	141
Judith Willis	58	92	150
Ruth Bamford	89	75	164
TOTAL	584	849	1434

	BDC %	RBC%
Kevin Dicks	45.01	54.99
Sue Hanley	37.17	62.83
Jayne Pickering	34.26	65.74
Guy Revans	32.66	67.34
John Godwin	40.02	59.98
Amanda Singleton	45.39	54.61
Deb Poole	41.75	58.25
Claire Felton	35.38	64.62
Judith Willis	38.60	61.40
Ruth Bamford	54.32	45.68

Total % split 40.75% 59.25%

Management Team Cost £'000
2017/18 1,133

	BDC £	RBC £
2017/18 cost share	567	567

Based on share as detailed above **40.75% 59.25%**

Revised Charge 462 671

Adjustment required	-105	105
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