

**Joint Committee  
28th February 2011**

**WORCESTERSHIRE REGULATORY SERVICES FINANCIAL MONITORING JUNE -  
DECEMBER 2010/11**

**Recommendation**

It is recommended that the Committee

- approve the repayment of funds as a result of post transfer scope and staffing changes;
  - Redditch Borough Council £35,098
  - Worcester City Council £12,906
- Note the financial position of the service for June – December 2010.

**Contribution to  
Priorities**

The development of a robust budget and financial management framework will ensure the priorities of the service are delivered within the agreed budget.

**Introduction/Summary**

The Worcestershire Shared Service Partnership commenced on the 1st June 2010, with the budget for this shared service approved by the Joint Committee on the 9<sup>th</sup> September 2010.

This report provides members with details of the financial position from June 2010 to December 2010.

**Background**

As part of the financial managements arrangements relating to the service a regular monitoring statement is produced for Members to ensure that costs are managed within the budget approved by participating Councils.

The Head of Service has regular discussions with finance colleagues to review costings and to address any issues that may arise.

The Worcestershire Regulatory Services Management and Project Board also consider monitoring reports on a monthly basis.

**Report**

A review of the financial position for the period June – December has been undertaken for both revenue and capital expenditure and the Head of Service has considered any variations that he may need to address over the period.

## Revenue Monitoring

Appendix 1 details the revenue financial position for Worcestershire Regulatory Services for the period from 1<sup>st</sup> June to 31<sup>st</sup> December 2010, with a projected outturn to the end of the financial year.

Reasons for variations in the expected level of expenditure are included on the Appendix. These have been agreed with the Head of Service and actions are being developed to mitigate any current overspends to budget.

## Employee Costs – underspend

Within the statement attached at Appendix 1 there is a significant underspend projected for employee related costs of £200k. This is due to the number of vacant posts within the service pending the restructure.

Members will be aware that this projected underspend is less than previously estimated of £339k. This is due to a number of reasons:

- additional costs incurred to ensure that appropriate support is available from senior staff who will not be part of the service moving forward
- partial repayment of budget contributions in respect of 3 posts that have transferred back to their originating authorities. As reported separately to this meeting there is an issue with 3 posts that formed part of the original business case but following an assessment of roles and responsibilities they no longer form part of the service. It is proposed that the partner shares are amended from 2011/12 (included in separate report) and that a repayment is made in 2010/11 to partially refund the costs to the participating Councils. This repayment does not impact materially on other Councils and has been agreed by S151 officers and the Worcestershire Regulatory Services Management Board. The repayments are:
  - Redditch Borough Council £35,098
  - Worcester City Council £12,906

## One-Off Set up Costs

Set up costs remain as reported previously and there is an available budget remaining of £204k to support further transition and severance costs.

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## Capital Projected Outturn

Appendix 2 reflects the expenditure within the service relating to Capital items. This funds the transformation and ICT requirements of the service. The spend is still lower than anticipated although expenditure levels are now increasing with the purchase of software licenses to allow remote working by staff within this service area. The delay on the IT expenditure is due to the decision to undergo transformation of the Service prior to establishing its ICT needs.

### **Financial Implications**

None other than those stated in the Appendices

### **Sustainability**

None as a direct result of this report

### **Contact Points**

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### **Background Papers**

Detailed financial business case

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