

Joint Committee 28th February 2011

WORCESTERSHIRE REGULATORY SERVICES REVISED BUDGET 2011/12 – 2013/14

Recommendation

It is recommended that the Joint Committee:

- approve the revised budget to reflect changes in the base salary and the reduction in accommodation costs
 - 2011/12 £ 6,026,725
 - 2012/13 £ 5,670,980
 - 2013/14 £ 5,670,980
- approve the revised percentage partner share for allocation of the budget to reflect the reduction in the base salary :

	REVISED % ALLOCATION 2011/12
Bromsgrove	11.16%
Malvern Hills	9.67%
Redditch	10.65%
Worcester City	10.99%
Wychavon	16.72%
Wyre Forest	10.93%
Worcester County	29.88%

Contribution to Priorities

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

Introduction/Summary

This report details proposed revisions to the 3 year budget projections, 2011/12 – 2013/14 as a result of post transfer issues that have been addressed by officers.

Background

The approval current approved budget for the service for 2011/12 is £6.315m as included within the Business Case, reducing to £5.869m to reflect savings realised from the efficiencies delivered through transformation of the service.

Report

There are 2 issues that require consideration and result in a proposed revision to the budget approved which will reduce the costs associated with the delivery of the Joint Arrangements for each participating Council.

Post Transfer – changes to staffing establishment

On 1st June 2010 all identified posts were transferred to the Host Authority as detailed in the Business Case that had been approved. A small number of posts (3) were reviewed further and the Head of Service has determined that the functions undertaken by these posts do not form part of the Regulatory Service.. These posts have been transferred back to their original Authorities and this report proposes the transfer of relevant budgets for these posts back to these Councils.

Accommodation Costs

In addition the costs associated with accommodation will significantly reduce as a result of the move to Wyatt Housed. A revision is required to the budget to reflect the saving to be realised from this move.

Post Transfer – changes to staffing establishment

The S151 officers from each participating Council have reviewed the 3 posts and have agreed the proposed revisions to the budget and subsequent change to the partner % share. Due to the reduction in the base the revisions make no material changes to any allocation from each Council.

This variation would be proposed under Part II Clause 9 of the Legal Agreement where a variation to service requirement can be made. The resulting revised partner shares would only be attributable to future revenue shares and not the cost shares of the one off and capital costs which remain on the original basis.

The Worcestershire Regulatory Services Management Board have also considered and approved the revisions for Joint Committee consideration.

The revised % shares are :

COUNCIL	Revised Partner Percentage Cost Share
	£
Bromsgrove	11.16%
Malvern Hills	9.67%
Redditch	10.65%
Worcester City	10.99%
Wychavon	16.72%
Wyre Forest	10.93%
Worcester County	29.88%

The impact on the allocation from each Council is marginal as a result of this revision. Appendix 1 shows the impact that the changes to the establishment have on the original budget agreed.

Accommodation Costs

The move of staff to Wyatt House in Worcester was approved at the last meeting of the Joint Committee. The savings realised from this move require a revision to the budget for the service. As a result of discussions with the S151 officers it was proposed and agreed that the savings related to the move to Wyatt House would be front loaded with an initial free annual rental followed by the standard rental payments to be made over the period of the lease. This ensures that any charges made by the participating Councils to the service previously can be partially offset and gives officers a period of time to consider other opportunities to recover the charge.

The original cost of £321k reduces to £95k in 2011/12 and following the free rental period increases to £182k from 2012/13.

The saving of £225k for 2011/12 will be allocated to each Council based on the revised percentage share. The resulting savings are:

	2011/12 Savings £
Bromsgrove	25,131
Malvern Hills	21,776
Redditch	23,982
Worcester City	24,748
Wychavon	37,651
Wyre Forest	24,613
Worcester County	67,286
TOTAL SAVINGS	225,187

Revised Budget

The proposed adjustments, as detailed above, result in the following changes to the budget approved as part of the Business Case:

	Original £'000	Revised £'000	Variance £'000
2011/12	6,315	6,025	-290
2012/13	5,869	5,670	-199
2013/14	5,869	5,670	-199

As members are aware there is an obligation in the legal agreement to formally agree a revised basis for costs sharing to be effective from 1st April 2013. The revised shares as detailed above are therefore an interim measure prior to the further review.

Financial Implications

None other than those stated in the report

Sustainability

None as a direct result of this report

Contact Points

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Background Papers

Detailed financial business case
