
SHARED SERVICE FINANCIAL IMPLICATIONS

Relevant Portfolio Holder	Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 Following a request for further information on the financial implications of the shared services since inception officers have prepared this report to detail the financial effect of the changes.

2. RECOMMENDATIONS

- 2.1 **Members are requested to note the information included in this report.**

3. KEY ISSUES

Financial Implications

- 3.1 As Members are aware the Shared Service Board has been receiving regular updates in relation to the costs and savings relating to the shared services between Bromsgrove and Redditch Councils. This report will include those associated with the sharing of services with other Councils for Regulatory, Internal Audit, Building Control and Economic Development.
- 3.2 Since 2008 Bromsgrove and Redditch Councils have been working towards implementation of a number of shared services. There have been a number of detailed business cases reported to members to detail associated costs and financial benefits. The shared services have delivered savings and ensured that the Council has been able to meet the challenges of the Government funding reductions.
- 3.3 The majority of services are now shared across the 2 Councils with a number under review for the future. There have been a number of redundancies as a result of the changes and the costs associated with these are included in the table below.

BROMSGROVE DISTRICT COUNCIL

OVERVIEW AND SCRUTINY BOARD

20th JANUARY 2014

3.4 FINANCIAL IMPACT OF SHARED SERVICES

	2010/11	2011/12	2012/13	2013/14	TOTAL
	£'000	£'000	£'000	£'000	£'000
SAVINGS REALISED					
SERVICES SHARED	531	531	877	917	2,856
OTHER SERVICES					
REGULATORY SERVICES	127	157	157	126	567
INTERNAL AUDIT	15	15	15	15	60
TOTAL SAVINGS	673	703	1,049	1,058	3,483
ONE OFF COSTS					
REDUNDANCY / PENSION STRAIN	632	6	326		964
TRANSITION SUPPORT	50				50
TOTAL ONE OFF COSTS	682	6	326	0	1,014
CUMULATIVE SAVING	-9	697	723	1,058	2,469

3.5 The cumulative savings since implementation equate to £2.5m with annual savings generated of over £1.1m.

3.6 As members are aware there was a £250k reserve available for funding of one off costs which has been used to fund an element of the one off costs.

Legal Implications

3.7 None arising directly from this report

Service / Operational Implications

3.8 None directly arising from this report.

Customer / Equalities and Diversity Implications

3.9 None directly arising from this report

4. RISK MANAGEMENT

4.1 The management of the shared services is included in the risk register as reported to the Shared Service Board.

AUTHOR OF REPORT

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