

**Worcestershire Shared Services Joint Committee**  
**20th February 2014**

**WORCESTERSHIRE REGULATORY SERVICES BUDGET 2014/15 – 2016/17**

**Recommendation**

1) Approve the 2014/15 revenue budget of £4.637m to be allocated as follows:

	<b>£'000</b>
Bromsgrove	489
Malvern	413
Redditch	579
Worcester City	574
Wychavon	751
Wyre Forest	547
Worcestershire County	1,284
<b>TOTAL</b>	<b>4,637</b>

2) Note the financial framework for 2015/16 – 2016/17:

- 2015/16 £3.879m
- 2016/17 £3.250m

3) Request officers continue to review the fixed costs and all other charges to ensure the revenue savings currently required can be delivered over the 3 year period.

**Contribution to  
Priorities**

The production of a robust budget position enables partners and the service to manage the financial position of the organisation.

**Introduction/Summary**

This report presents the revenue budget for 2014/15 to 2016/17 in relation to Worcestershire Regulatory Services.

**Background**

Members are aware that the proposed budget for 2014/15 has been discussed at the last meeting of the Joint Committee. This report presents the budget over the subjective areas of expenditure and proposes an approach to consider future savings plans from the County Council.

## Report

### Revenue Budget 2014/15

At November's Joint Committee the following recommendations were made :

Approve the Revenue Budget allocations for 2014/15 for the District Councils of;

Bromsgrove	£492,193
Malvern	£415,639
Redditch	£581,474
Worcester City	£600,755
Wychavon	£754,516
Wyre Forest	£574,347
	<b>£3,418,924</b>

and note that the Worcestershire County Council budget of £1,560,766 is subject to variation following discussions in relation to the proposed reduction for 2014/15.

In addition the minutes stated that:

An officer working group be set up to look (collectively) at the constraints and savings of all partner authorities and include in the three year financial plan.

#### **Hosting Costs**

Due to the proposed reduction in the number of staff as a direct result of the required partner savings, the hosting charge from Bromsgrove District Council is to be reduced by 10% (£25k). This will benefit all partners in 2014/15.

#### **Worcestershire County Council**

The request from the County is for savings of;

2014/15 £500k  
2015/16 £250k  
2016/16 £550k  
TOTAL £1.3m

For 2014/15 a saving of £134k had been realised as a result of the base budget review. The £1.3m as requested by County is in addition to the £134k.

A review of the costs associated with the services delivered to the County has been undertaken with a restructure of staffing to realise the required savings.

As a result of this review £405kpa has been identified in relation to County services for 2014/15, together with £8k from the reduction in hosting costs. In relation to the staff savings, due to the time required for consultation and staff termination periods therefore there is only a part year effect of these changes in 2014/15.

Therefore there is a shortfall of £222k in relation to the part year effect to meet the level of reduction required for 2014/15 for County services. However it has been accepted that due to the timing of potential restructures that there will be this level of shortfall.

### **Wyre Forest District Council**

Savings of £49k have been delivered in 2014/15, as part of the budget review, a further £37k has been requested during this year. The £37k pa has been identified but again only £28k can be realised in 2014/15 due to staff restructures and the reduction in hosting costs. There is a remaining £9k to be delivered in 2014/15 should the partner request be fully met.

### **Worcester City**

Savings of £22k have been delivered with a further £34k requested for 2014/15. The £34k pa has been identified but again only £27k can be realised in 2014/15 due to staff restructures and the reduction in the hosting costs. There is a remaining £7k to be delivered should the partner request be fully met.

The savings requested from Worcester City and Wyre Forest have been realised within 2014/15 by identifying specific areas of work that can be redesigned to deliver savings solely for these Councils. This pilot could be rolled out to other Councils should it be successful in 2014/15.

### **Other Partners**

No further savings have been requested from partner Councils for 2014/15.

The 2014/15 budget as detailed at Appendix 1 is proposed for agreement by this Committee as £4.651m which includes all savings that can be generated in the financial year to meet partner demands. Appendix 2 shows the breakdown for individual partners of the changes to the budget from that approved for 2013/14.

Appendix 1 also details the financial framework for 2015/16 and 2016/17. This includes the total reductions in budget requested by all partners which are required. Officers are currently working through the levels of fixed costs and partner requirements with the aim to reduce costs to the level requested. The future years budgets will continue to be reported to the Joint Committee as more information is available.

## **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