

Worcestershire Regulatory Services

Supporting and protecting you

Joint Committee 26th June 2014

WORCESTERSHIRE REGULATORY SERVICES REVENUE MONITORING APRIL – MARCH 2014

Recommendation

It is recommended that the Joint Committee:

- 1.1 Note the financial position for the period April – March 2014
- 1.2 Approve the ICT funding required from partner Councils for 2013/14 as detailed at Appendix 2
- 1.3 Approve the refund of the 2013/14 underspend of £147k to the participating Councils.

Council	Refund of Savings £'000
Bromsgrove	16
Malvern Hills	14
Redditch	16
City of Worcester	20
Wychavon	24
Wyre Forest	15
Worcestershire County Council	42
TOTAL	147

- 1.4 Approve the Annual Return at Appendix 3 to include the Accounting Statements for the Joint Committee for the period 1st April 2013 – 31st March 2014. This includes noting the report from the Internal Audit Manager at Appendix 5.

Contribution to

The robust financial management arrangements ensure the



Priorities

priorities of the service can be delivered effectively.

Introduction/Summary

This report presents the financial position for Worcestershire Regulatory Services for the period April – March 2014, together with the information required to enable members to agree the formal annual return to be submitted to the External Auditors. The financial statements included in the appendices include:-

- Annual Revenue 2013/14 final position
- Annual Return
- Annual and Projected Financial position of the ICT Information Management System

Background

During the financial year quarterly financial reports are presented for consideration by the Management Board. At the end of each financial year the accounts are closed and the Annual Return is prepared to enable the accounts to be audited. This document is a prescribed form which has to be completed and approved by the Joint committee.

Report

The following reports are included for Joint Committee's Attention:

- Revenue Monitoring April – March 14 – Appendix 1
- ICT System projected financial position 2013/14 – 2015/16 - Appendix 2
- WRS Annual Statement 2013-14 + Analysis – Appendix 3
- Redundancy / Pension Strain – Appendix 4

The detailed revenue report is attached at Appendix 1. This shows a final outturn underspend of £147k This underspend is mainly due to :

- A number of vacant posts within the service together with savings resulting from maternity leave, long term sick etc. The underspend is offset by the costs associated with additional agency staff being used to cover the vacancies and to backfill for those staff that have been seconded to support the service transformation project.
- Costs associated with additional work for partners, e.g. bereavement charges and works in default is offset by additional income received.
- Any grant funded expenditure is shown separate to the core service costs as this is not funded by the participating Councils.

The 2013/14 underspend of £147k, it is proposed that this be

refunded back to partners as below:-

Bromsgrove	£15,814
Malvern Hills	£13,710
Redditch	£16,186
Worcs City	£19,636
Wychavon	£23,685
Wyre Forest	£15,485
Worcs County	£42,333

Pension Fund

The Redundancy / Pension Strain funding required from partners for 2013/14 is as follows:-

Bromsgrove	£21,034	11.05%
Malvern Hills	£18,236	9.58%
Redditch	£21,529	11.31%
Worcs City	£21,148	11.11%
Wychavon	£31,503	16.55%
Wyre Forest	£20,596	10.82%
Worcs County	£56,307	29.58%

This has been charged to the partner Councils during 2013/14 in agreement with the S151 Officers.

Appendix 4 details the remaining balance as agreed in the original business for future redundancies / pension strain. There is an expectation that this will be drawn down from partner Councils in the future.

ICT System Projected Costs

Appendix 2 details the expenditure for the one off costs associated with the implementation of the project for 2013/14.

The capital funding required from partners for 2013/14 is £60k allocated as:-

Bromsgrove	£6,625	11.05%
Malvern Hills	£5,744	9.58%
Redditch	£6,781	11.31%
Worcs City	£6,661	11.11%
Wychavon	£9,923	16.55%
Wyre Forest	£6,487	10.82%
Worcs County	£17,735	29.58%

Revenue transformation costs for 2013/14 totalled £67k; £22k has been funded via the RIEP grant received from Improvements and Efficiency West Midlands. The remaining £45k funding required from partners for

2013/14 is as follows:-

Bromsgrove	£4,908	11.05%
Malvern Hills	£4,255	9.58%
Redditch	£5,023	11.31%
Worcs City	£4,934	11.11%
Wychavon	£7,350	16.55%
Wyre Forest	£4,806	10.82%
Worcs County	£13,137	29.58%

As previously reported there is a saving of £282k from the costs originally included in the business case, another £250k has been released during 2013/14 making a total saving of £533k from the original business case.

Annual Return

As members are aware the accounting arrangements for Regulatory Services are different from those in place for the Council accounts. This is due to WRS being classified as a small body with annual turnover of under £6.5m.

The Annual Return is attached at Appendix 3 to include a detailed financial analysis of the return to enable members to reconcile the return with the budget monitoring report.

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
