

## Joint Committee 25<sup>th</sup> June 2015

### WORCESTERSHIRE REGULATORY SERVICES REVENUE MONITORING APRIL – MARCH 2015 & ANNUAL RETURN

#### Recommendation

It is recommended that the Joint Committee:

- 1.1 Note the final financial position for the period April – March 2015
- 1.2 Approve the ICT funding required from partner councils for 2015-16 as detailed in Appendix 2
- 1.3 Approve the refund of the 2014/15 underspend of £227k to the participating Councils.

<b>Council</b>	<b>Refund of Savings £'000</b>
Bromsgrove	25
Malvern Hills	22
Redditch	23
City of Worcester	31
Wychavon	31
Wyre Forest	17
Worcestershire County Council	78
	227

- 1.4 Approve the Annual Return to include the Accounting Statements for the Joint Committee for the period 1<sup>st</sup> April 2014 – 31<sup>st</sup> March 2015.

#### Contribution to Priorities

The robust financial management arrangements ensure the priorities of the service can be delivered effectively.

#### Introduction/Summary

This report presents the final financial position for Worcestershire Regulatory Services for the period April – March 2015, together with the information required to enable members to agree the formal annual return to be submitted to the External Auditors. The Annual Return is in a prescribed format as required by the accounting regulations for small bodies.

The financial statements included in the appendices include:-

- Annual Revenue 2014/15 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 has to be completed in compliance with small bodies accounting regulations and approved by the Joint committee.

## Report

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

- Revenue Monitoring April – March 15 – Appendix 1
- ICT System projected financial position 2014/15 – 2015/16 - Appendix 2
- WRS Annual Return 2014-15 + Analysis – Appendix 3
- Redundancy / Pension Strain – Appendix 4
- Internal Audit Manager's Opinion – Appendix 5  
Please note this has not yet been approved by Bromsgrove Audit which is scheduled for 16<sup>th</sup> July 2015.

The detailed revenue report is attached at Appendix 1. This shows a final outturn underspend of £227k This is more than expected at qtr 3 mainly due to:-

- Further vacant posts within the service together with savings resulting from maternity leave, long term sick etc. Part of 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, also included in agency staff costs is £54k worth of Data Migration costs which was originally agreed to be funded by the partners.
- Recharge for services / repairs and maintenance at Wyatt House was lower than anticipated.
- There is a significant underspend on IT, due to freeze on IT spend during Strategic Partnering and lower than expected expenditure on certain projects.
- Contracts on Nuisance Work, Contaminated Land and Stray Dogs were extended until the end of March generating additional income of £39k. Feed Grant received from CEnTSA included the cost of the feed samples generating another £11k worth of income. Income received from partners for overspend on Pest Control £26k

- Any grant funded expenditure is shown separate to the core service costs as this is not funded by the participating Councils.

The 2014/15 underspend of £227k, is proposed to be refunded back to partners as below:-

Bromsgrove	£24,642
Malvern Hills	£21,678
Redditch	£23,362
Worcs City	£30,828
Wychavon	£31,290
Wyre Forest	£17,164
Worcs County	£78,327

This takes into account the adjustment for the overspend on Pest Control.

These figures have been agreed by S151 Officers at partner councils.

#### Pension Fund

The Redundancy / Pension Strain funding required from partners for 2014/15 is as follows:-

Bromsgrove	£13,342
Malvern Hills	£11,369
Redditch	£15,675
Worcs City	£26,163
Wychavon	£20,167
Wyre Forest	£25,483
Worcs County	£49,750

Specific Redundancy costs have been attributed to Partners where relevant and the remainder distributed on percentage share.

Appendix 4 details the remaining balance as agreed in the original business for future redundancies / pension strain.

#### ICT System Projected Costs

Appendix 2 details the expenditure for the one off costs associated with the implementation of the project for 2014/15.

The capital funding required from partners for 2014/15 is £17k allocated as:-

Bromsgrove	£1,727
Malvern Hills	£1,471
Redditch	£2,028
Worcs City	£2,092
Wychavon	£2,610
Wyre Forest	£2,004
Worcs County	£5,316

	<p>Revised savings from original business case is £1.5m is now £726k with minimal amount of funds to be spent on mobile working.</p> <p>Revenue transformation costs for 2014/15 totalled £2k, therefore transferred into the revenue spend.</p>
<b>Financial Implications</b>	None other than those stated in the report
<b>Sustainability</b>	None as a direct result of this report
<b>Contact Points</b>	Jayne Pickering – 01527-881400
<b>Background Papers</b>	Detailed financial business case

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