

Overview & Scrutiny Board **15 January 2018**

Finance & Budget Working Group

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|----------------------------|---------------------------------------------------------------|
| Relevant Portfolio Holder | Cllr Brian Cooper - Portfolio Holder for Finance and Enabling |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Jayne Pickering – Executive Director Finance and Resources |
| Wards Affected | All |
| Ward Councillor Consulted | No |
| Non-Key Decision | |

1. SUMMARY OF PROPOSALS

- 1.1 A notice of motion was presented to the Council meeting held on 21st June 2017 by Councillor P. M. McDonald as detailed below:

“In the light of the recent discussions regarding the extending of shared services and the reports made by the Internal Auditor regarding the poor recording of costs allocated between Bromsgrove and Redditch. That this Council calls upon leaders of all parties to come together to immediately carry out a full review of all costs allocated to each Council, to ensure Bromsgrove Council Tax payers are receiving their fair share of services and not subsidising those of Redditch”

- 1.2 Following debate there was an amendment to the motion and it was referred to the Overview and Scrutiny Board’s Finance and Budget Working Group in order to consider the appropriate format and timetable for this review.
- 1.3 This work has commenced and following consideration of information in respect of the Heads of Service Time Allocation the Working Group have put forward the following recommendations for consideration by the Board and if in agreement, to be then considered by the Cabinet..

2. RECOMMENDATIONS

- 2.1 **The Overview & Scrutiny Board is asked to approve the following recommendations, which have been identified by the Working Group and for these to be recommended on to Cabinet for consideration at its meeting on 7th February 2018:**
- a) **that Redditch Borough Council refund Bromsgrove District Council for the additional officer time spent due to the HRA Review currently being undertaken; and**
 - b) **that a review of the Management Team re-charge between the 2 Councils to be carried out in light of the information received by the Finance and Budget Working Group.**

Overview & Scrutiny Board **15 January 2018**

3. KEY ISSUES

- 3.1 The Finance and Budget Working Group is a sub group of the main Overview and Scrutiny Board and was set up in June 2016 following the annual review of the work of the Board. The Working Group is supported by the Executive Director, Finance and Resources and the Senior Democratic Services Officer. The Portfolio Holder for Finance and Enabling is invited and whenever possible attends the meetings of the Working Group.
- 3.2 The Working Group meetings on a regular basis and looks at a number of financial reports as detailed in the attached Terms of Reference, which were agreed at the board meeting held on 19th September 2016 and reviewed annual as part of the Annual Report process.
- 3.3 Following the presentation of the Notice of Motion at full Council, the Working Group was requested to consider the allocation of costs between Redditch Borough and Bromsgrove District Council as part of the shared service agreement.
- 3.4 At the Working Group's meeting held on 3rd 1st July it discussed the principles of cost allocations for the Shared Services and information that they would require in order to achieve the required outcome. A number of actions and requests for data came out of that meeting including a piece of work around the actual split of management time both retrospectively and in real time.
- 3.5 At the meeting held on 4th January 2018 the Working Group were provided with details of the Corporate Management Team time allocation for 6 months prior to the request for information – this had been pulled together by the PA's who had revisited the calendar entries for each member of the Management Team.
- 3.6 The Corporate Management Team had also been asked to provide detailed time recording for 4 weeks going forward from September in order to establish in "real time" a percentage allocation of their working hours.

Financial Implications

- 3.6 The breakdown of time both in the backward looking 6 month review and the 4 week more detailed analysis is attached at Appendix 1. This shows a small variance of recharge between the Councils for the 6 month review reflecting a £23k additional charge to Redditch. The 4 weekly review resulted in a 60% split to Redditch at a cost of £105k (for a full year). It is important to note that this 4 week period was at a time of an ongoing review into the Housing Revenue Account at Redditch and a number of the management team have been undertaking roles to ensure that the service is delivered. The Executive Director of Finance

Overview & Scrutiny Board **15 January 2018**

advised that this is not a fair reflection of the cost split between the 2 councils due to the additional work being undertaken at this time.

Legal Implications

- 3.7 The Council has a statutory responsibility to set a balanced budget for each financial year and the recommendations will provide additional information for the budget setting process.

Service / Operational Implications

- 3.8 Heads of Service have the responsibility to consider all the budgetary implications across their services and to set robust projections for future years.

Customer / Equalities and Diversity Implications

- 3.9 The budget planning process provides a financial framework to deliver all services to the community.

4. RISK MANAGEMENT

- 4.1 The medium term financial plan and accuracy of budget projections is included in the Councils Corporate Risk Register.

5. APPENDICES

Appendix 1 – Terms of Reference for the Finance and Budget Working Group

Appendix 2 – Heads of Service Data 6 months retrospectively

Appendix 3 – Heads of Service Data 4 weeks “real time”

6. BACKGROUND PAPERS

N/A

7. KEY

None

AUTHOR OF REPORT

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