

# Briefing Paper

## Emergency Planning Shared Service Joint Committee – Rotherham and Sheffield

2.30pm, 15 July 2015, Rotherham Town Hall

### **Purpose of paper:**

2013/14 Budget Outturn

### **Background information:**

To report the financial outturn of the Emergency Planning Service for 2013/14.

A financial summary is attached at **Appendix A**.

### **Key issues:**

The Shared Service commenced the year with an opening balance of £49,743 (i.e. an under spend brought forward from previous years).

In 2013/14, the service overspent by £11,952. The Appendix shows the variances contributing to this position.

The main items to note were:

- £7,234 saving on training costs
- £3,250 reduced design and printing requirement
- £8,399 lower charges by Rotherham Council's support services for computing
- £3,529 higher than anticipated for Rotherham based staff
- £4,098 less than anticipated for Sheffield based staff
- £1,500 income received from Public Health for one-off work during their transfer from the NHS.
- £32,904 unbudgeted redundancy payment

As a consequence, at the end of 2013/14, the Service has a cumulative balance (underspend) of £37,791.

The service is required to make a saving of 5% in 2014/15 and both authorities have indicated they support the carrying forward of the cumulative balance to assist in reducing the impact of this cut.

The service could not maintain its current capacity and workload without the carry forward of the under spend.

### **Legacy Issue:**

The Shared Service was established in June 2011 and the following is an extract from

pages 15/16 of the *original* Business Case:

“The total cost of the shared service would be £456,642 each year divided between Sheffield City Council and Rotherham Metropolitan District Council. To ensure that the benefits of this arrangement are realised, the arrangement would be underpinned by a five-year contractual agreement between Sheffield and Rotherham.

The contributions of both authorities would be based on the relative populations of both areas (as is the case in Cleveland). This means that Sheffield would pay approximately 68% of the cost of any shared service and therefore would have to contribute approximately £309,583 to this service each year. Accordingly, Rotherham would contribute £147,059 to this service.

Sheffield’s proposed contribution to this shared service arrangement includes £11,000 of business support provided by Sheffield’s centralised business support function. However, if the shared service model was adopted, the shared service would not require this support (although the budget has already been taken from the service). This is an issue that will have to be resolved.”

With the above in mind, RMBC have, therefore, taken the contribution from Sheffield towards the Shared Service as £309,583, this figure has reduced over the years as follows:

2012/2013 agreed 10% reduction = £278,625

2013/2014 agreed 15% reduction = £236,831

However, SCC’s Finance Dept. has now stated that the contributions for 2013/2014 should be £225,000, as it has not included the £11,000 for the Business Support Function. Accordingly, SCC has invoiced RMBC £11,000 to offset the 4th quarter invoice that RMBC has raised.

However, this will impact the 2014/2015 budget and will have an impact on the Service for forthcoming years, as the under spend has been used to fund the shortfalls in the Service’s budget.

**Conclusion:**

The Service continues to manage its budget carefully and effectively. The cumulative underspend achieved by the service at 31 March 2014 is £37,791.

**Recommendations:**

Members are asked to note this report and agree if SCC’s budget contribution for 2013/14 is £225,000 or £236,831, so the issue of the £11,000 can be resolved and the under spend figure for the year to be agreed

Members to agree the proposal to carry forward the cumulative balance, once agreed, to help offset budget reductions taking effect from April 2014.