

**WIRRAL COUNCIL****CABINET - 20 JUNE 2007****REPORT OF THE DIRECTOR OF FINANCE****EFFICIENCY INVESTMENT BUDGET**

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**1. EXECUTIVE SUMMARY**

- 1.1. Cabinet is requested to consider the creation of an efficiency investment budget to aid delivery of the efficiency plan.

**2. SERVICE RE-ENGINEERING INVESTMENT BUDGET**

- 2.1. For the past four years, during the period of operation of the service re-engineering strategy, there has been a service re-engineering investment budget of £1.2m to assist with the delivery of the service re-engineering savings. Over the four years this budget has been used to fund a wide variety of initiatives, all aimed at delivering greater efficiencies in future years.

**3. EFFICIENCY PLAN**

- 3.1. With the development of the efficiency plan for 2008-2011 which has even higher targets than the service re-engineering strategy, then I would recommend that the investment budget be continued.
- 3.2. A number of Chief Officers have indicated that they will need to be able to finance redundancy payments in order to deliver the efficiency plan. The existing service re-engineering investment budget has not been used for this purpose. I would recommend that this should be permitted in future.
- 3.3. As is the current practice, I recommend that the use of any money from the efficiency investment budget should be subject to the prior agreement of the Cabinet.
- 3.4. On the basis that the investment budget will be used to finance redundancy payments in addition to invest to save schemes and other efficiency investments I recommend that the budget be increased to £2m.
- 3.5. The Department for Communities and Local Government (DCLG) has the power to permit the capitalisation of redundancy payments in exceptional circumstances. I have written to the DCLG to request permission to capitalise such expenditure.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1. The creation of an efficiency investment budget of £2m will increase the efficiency plan target by a similar amount.

#### **5. STAFFING IMPLICATIONS**

- 5.1. There are none arising directly from this report.

#### **6. EQUAL OPPORTUNITY IMPLICATIONS**

- 6.1. There are none arising directly from this report.

#### **7. COMMUNITY SAFETY IMPLICATIONS**

- 7.1. There are none arising directly from this report.

#### **8. LOCAL MEMBER SUPPORT IMPLICATIONS**

- 8.1. There are none arising directly from this report.

#### **9. LOCAL AGENDA 21 IMPLICATIONS**

- 9.1. There are none arising directly from this report.

#### **10. PLANNING IMPLICATIONS**

- 10.1. There are none arising directly from this report.

#### **11. BACKGROUND PAPERS**

- 11.1. None were used in the preparation of this report.

#### **12. RECOMMENDATION**

- 12.1. That an efficiency investment budget of £2m be created.

IAN COLEMAN  
DIRECTOR OF FINANCE