

METROPOLITAN BOROUGH OF WIRRAL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

21 JUNE 2006

CABINET

28 JUNE 2006

REPORT OF THE DIRECTOR OF FINANCE

SERVICE RE-ENGINEERING MONITORING SUMMARY 2006/07

1. EXECUTIVE SUMMARY

- 1.1. This report provides Members with an update on the progress being made in achieving the service re-engineering savings contained within the budget for 2006/07 which was agreed by Council on 1 March 2006.

2. BUDGET 2006/07

- 2.1. The agreed Council budget for 2006/07 identified gross savings of £3.7 million. Of this sum £1.2 million represents a service re-engineering investment budget.
- 2.2. The savings have been apportioned as shown below in line with the agreed basis of apportionment for service re-engineering savings.

Department	£000
Adult Social Care	461
Children and Young People	735
Corporate Services	241
Cultural Services	604
Finance	767
Regeneration	322
Technical Services	570
Total	3,700

- 2.3. Progress on Service Re-engineering savings is to be reported to each cycle of Overview and Scrutiny Committees as part of the financial and performance monitoring reporting process throughout 2006/07. A summary report will then be presented to the Finance Overview and Scrutiny Committee and to the Cabinet.

3. CURRENT POSITION

- 3.1. The position regarding the delivery of the Service Re-engineering savings has been incorporated within the departmental Financial Monitoring reports presented to the current cycle of Overview and Scrutiny Committees.

3.2. Adult Social Care

3.2.1. Details	£000	£000
Rationalisation of admin buildings	105	
1 Business	100	
Procurement efficiencies	75	
Direct payments	50	
IT strategy	25	
Savings to be identified	<u>106</u>	461

3.2.2. Since the new department became operational in April 2006 the Director has identified a number of other measures and continues to develop plans to achieve the balance.

3.3. Children and Young People

3.3.1 Details	£000	£000
Funding of advisory teachers / support for schools	260	
Schools Service Level Agreement income	40	
1 Business	40	
Additional rental income	30	
Savings to be identified	<u>365</u>	735

3.3.2. The integration of Childrens Services from the former Social Services Department and the transfer of Cultural Services to the Regeneration Department took effect from April 2006. Since then the Director has identified further savings in the areas of advisory services and support for schools reducing the balance still to be identified.

3.4. Corporate Services

3.4.1. Details	£000	£000
Vacancy control	221	
1 Business	<u>20</u>	241

3.4.2. It remains the intention that the savings will be found from vacancy control measures.

3.5. Cultural Services

3.5.1. Details	£000	£000
1 Business	40	
Grounds maintenance workshop re-structure	70	
Swim Wirral restructure	40	
Libraries and halls re-structure	30	
Increased fees and charges	29	
Use of football attendants at weekends	20	
Deletion of Travellers budget	15	
Savings to be identified	<u>360</u>	604

3.5.2. The Director of Regeneration has previously presented a report on the financial pressures facing the service. This updated the service re-engineering position and the balance of £360,000 has been raised to £560,000 because of a reallocation of income targets and vacancy control within the division. Discussions are still continuing regarding the Youth and Community Services split between Cultural Services and the Children and Young People Department. It is anticipated that this split may provide £100,000 of vacancy control generated savings that could contribute towards Cultural Services re-engineering targets.

3.5.3. A series of further reports focussing upon areas of the budget are to follow in the coming months and the delivery of the full Service Re-engineering savings target for 2006/07 does at this stage appear optimistic.

3.6. Finance

3.6.1. Details	£000	£000
Benefits	319	
1 Business	100	
IT Contracts	60	
Savings to be identified	<u>288</u>	767

3.6.2. In addition to the service re-engineering savings of £767,000 the Department also has to find an additional £69,000 to fund a restructure and £100,000 from the creation of the Corporate ICT unit. The outstanding savings should substantially be found from re-engineering in Benefits and Revenues, IT and Financial Services which are currently underway. These will be reported to the Cabinet as and when they have been completed.

3.7. Regeneration

3.7.1. Details	£000	£000
General staff savings and increased income	152	
Housing Market Renewal grant maximisation	100	
Revised management arrangements	50	
1 Business	<u>20</u>	322

3.7.2. Cabinet agreed that as the savings were achieved in 2005/06 they could be counted as 'one-off' savings against the Service Re-engineering and other savings targets for 2006/07.

3.8. Technical Services

3.8.1. Details	£000	£000
Planning Development, Building Control and Senior Management re-structure	270	
EVR and vacancy control	260	
1 Business	<u>40</u>	570

3.8.2. The intention remains that a combination of Early Voluntary Retirements and vacancy control measures will be used to deliver the savings.

4. FINANCIAL AND STAFFING IMPLICATIONS

4.1. The 2006/07 budget has been prepared on the basis that gross service re-engineering savings of £3.7 million will be achieved with £1.2 million available for reinvestment in services.

4.2. The achievement of the service re-engineering savings will have implications for staff and these are considered as part of the regular reports to Committees.

5. EQUAL OPPORTUNITY IMPLICATIONS

5.1. There are none arising from this report.

6. COMMUNITY SAFETY IMPLICATIONS

6.1. There are none arising from this report.

7. HUMAN RIGHTS IMPLICATIONS

7.1. There are none arising directly from this report.

8. LOCAL AGENDA 21 IMPLICATIONS

8.1. There are none arising directly from this report.

9. PLANNING IMPLICATIONS

9.1. There are none arising directly from this report.

10. MEMBER SUPPORT IMPLICATIONS

10.1. There are none arising directly from this report.

11. BACKGROUND PAPERS

11.1. Financial monitoring reports presented to the current cycle of Committees.

12. RECOMMENDATION

12.1. That Members note the report.

12.2. That a further report be presented to the next meeting.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/155/06