

METROPOLITAN BOROUGH OF WIRRAL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE 26 SEPTEMBER 2006

EXECUTIVE BOARD 4 OCTOBER 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. Also included are details on the use of the service re-engineering reinvestment budget 2006/07.

2. BUDGET 2006/07

2.1. On 1 March 2006 the Council agreed a budget for 2006/07 that 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 Services	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 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 is presented to the Finance Overview and Scrutiny Committee and to the Cabinet.

3. CURRENT POSITION – SERVICE RE-ENGINEERING SAVINGS

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 Services

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. The position is essentially as in June. Whilst the savings are progressing the Director is looking at a number of other measures to achieve the balance although the details have still to be confirmed.

3.3. Children and Young People

3.3.1. Details	£000	£000
Funding of advisory teachers / support for schools	260	
Unallocated Childrens grant	130	
Early Years support / grant funding	80	
School meals	60	
Schools Service Level Agreement income	40	
1 Business	40	
Additional rental income	30	
Reduction in available LEA initiatives	30	
Savings to be identified	<u>65</u>	735

3.3.2. Since the previous report the Director has implemented further savings in the areas of Early Years, school meals and LEA initiatives. The use of Childrens grant is a short-term measure whilst proposals within Children's social care are developed. These reduce the balance remaining 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 the imposition of vacancy control measures.

3.5. Cultural Services

3.5.1. Details	£000	£000
Grounds maintenance workshop re-structure	70	
1 Business	40	
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	
Adjustment because of income / vacancy control	+200	
Savings to be identified	<u>560</u>	
		604

3.5.2. The Director of Regeneration reported on the financial pressures facing the service which were increased as the service re-engineering balance of £360,000 was raised to £560,000 because of a reallocation of income and vacancy control targets.

3.5.3. A series of reports focussing upon the service areas have since been presented to Committee although no actions have been agreed. The delivery of the full Service Re-engineering savings target for 2006/07 therefore appears optimistic.

3.6. Finance

3.6.1. Details	£000	£000
Benefits	319	
Financial services - 1 Business	100	
Printing services	87	
IT contracts	60	
IT services	100	
Savings to be identified	<u>101</u>	767

3.6.2. The outstanding savings should substantially be found from further re-engineering in Benefits and Revenues and IT. These are currently underway and 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
Senior Management re-structure	270	
Administrative / 1 Business and vacancy control	200	
Savings to be identified	<u>100</u>	570

3.8.2. The intention remains that a combination of restructuring, administrative efficiencies and vacancy control measures will be used to deliver the savings.

4. CURRENT POSITION - SERVICE RE-ENGINEERING REINVESTMENT

4.1 As referred to in section 2.1 of this report the budget includes an allocation of £1.2 million for reinvestment into services. To date £0.6 million has been agreed by Cabinet / Executive Board and a summary of the position on the budget at present is as follows:-

Details	£000	£000
Resources available		
Budget allocated 2006/07		1,200
Less : Agreed expenditure		
1 Business		
- Integrated Financial Management	130	
- Website and Document Management	100	
- Transformational Change	80	
Energy Efficiency (2006/07 start)	<u>350</u>	
		<u>660</u>
Resources still to be allocated		540

5. FINANCIAL AND STAFFING IMPLICATIONS

5.1. 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. At this stage five departments have to reach the targeted savings. Of this it appears unlikely that Cultural Services will be able to meet all of the £560,000 still to be identified.

5.2 Of the £1.2 million allocated for service re-engineering reinvestment in the 2006/07 budget a total of £0.6 million is presently unallocated.

5.3. The achievement of the service re-engineering savings will have implications for staff and these are considered as part of the reports to the Cabinet and Employment and Appointments Committee.

6. EQUAL OPPORTUNITY IMPLICATIONS

6.1. There are none arising from this report.

7. COMMUNITY SAFETY IMPLICATIONS

7.1. There are none arising from this report.

8. HUMAN RIGHTS 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. MEMBER SUPPORT IMPLICATIONS

11.1. There are none arising directly from this report.

12. BACKGROUND PAPERS

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

13. RECOMMENDATION

13.1. That Members note the report.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/238/06