

METROPOLITAN BOROUGH OF WIRRAL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE 6 DECEMBER 2006

EXECUTIVE BOARD
11 JANUARY 2007

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 for 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 and Best Value Overview and Scrutiny Committee and to the Executive Board.

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 remains unchanged since September and the Director is looking at a number of other measures to achieve the shortfall 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. The use of Childrens grant is a short-term measure whilst proposals within the area of Childrens social care are developed.

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	
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>600</u>	604

3.5.2. In a series of reports the Director of Regeneration has reviewed the different areas of the Cultural Services budget. No actions have yet been agreed to alleviate these pressures, part of which is the need to identify Service Re-engineering savings. The achievement of the target for 2006/07 is unlikely.

3.6. Finance

3.6.1. Details	£000	£000
Benefits	319	
Financial services - 1 Business	100	
Printing services	87	
IT contracts	424	
IT services	100	
		1,030

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 against Service Re-engineering for 2006/07.

3.8. Technical Services

3.8.1. Details	£000	£000
Senior Management re-structure	170	
Administrative / 1 Business and vacancy control	200	
Savings to be identified	<u>200</u>	570

3.8.2. It was the intention that a combination of restructuring, administrative efficiencies and vacancy control measures would be used to deliver the savings. This still remains the case although the Director submitted a recent report which highlighted that the savings still to be identified has increased from £100,000 to £200,000.

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 at present is as follows:-

Details	£000	£000
Resources available		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. The amount of savings yet to be identified, £1.0m is shown above, and at this stage four departments have yet to reach the targeted savings. Of these it is unlikely that Cultural Services will be able to meet all of the £600,000 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 £0.5 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 on the individual savings proposals 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/301/06