

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE 4 APRIL 2007

EXECUTIVE BOARD 12 APRIL 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 of 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
Finance	767
Regeneration	
- Cultural Services	604
- 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 was contained within the Estimates 2007/08 reported to Cabinet on 19 February 2007 and Council on 1 March 2007. More recent information was 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	
Temporary one-off savings	<u>106</u>	461

3.2.2. The Director reported that it is becoming increasingly difficult to identify short-term measures. The work being carried out by the Care Services Efficiency Delivery programme and the changes to the Support Services Division from the charging policy and SWIFT finance module will ensure that savings are delivered in 2007/08.

3.3. Children and Young People

3.3.1. Details	£000	£000
Funding of advisory teachers / support for schools	260	
Unallocated Children's 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	
Will not be achieved	<u>65</u>	735

3.3.2. The Director highlighted to the Children's Services and Lifelong Learning Scrutiny Committee that the target will not be achieved in 2006/07. It formed part of the departmental overspend which was the subject of a report to Cabinet on 24 January 2007 since which time the overall projection has reduced from £650,000 to £450,000.

3.4. Corporate Services

3.4.1. Details	£000	£000
Vacancy control		241

3.4.2. The Department has achieved the target through the imposition of vacancy control measures.

3.5. Finance

3.5.1. Details	£000	£000
Benefits	319	
Council Tax & Benefits	101	
Corporate IT	100	
Financial Services 1 Business	100	
Printing services	87	
IT contracts	<u>60</u>	767

3.5.2. The Department has achieved the target for 2006/07.

3.6. Regeneration

3.6.1. Cultural Services - 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	
Will not be achieved	<u>600</u>	604

3.6.2. The Education and Culture Select Committee on 23 November 2005 agreed a number of re-engineering savings for 2006/07 all of which have been successfully implemented. Cabinet on 14 December 2006 agreed to fund the outstanding sum from balances as part of the package of measures to address the reported financial pressures.

3.6.3 Regeneration Services - 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

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

3.7. Technical Services

3.7.1. Details	£000	£000
Vacancy Control	445	
Planning Development-Review of Income	50	
Administrative Buildings Review	<u>75</u>	570

3.7.2. The Department has achieved the target for 2006/07 with this being largely comprised of vacancy control measures.

4. 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. A summary of the position is:-

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)	350	
To meet procurement savings	<u>540</u>	
		<u>1,200</u>
Resources still to be allocated		NIL

- 4.2 The agreed budget for 2006/07 included projected savings from procurement. As reported previously these savings are achieved by departments with support from the Procurement Unit and then form part of the various departmental savings. To give greater clarity to the process the Service Re-engineering targets from 2007/08 now include the procurement target. To resolve the position for 2006/07 the procurement target is being supported through the use of the reinvestment budget.

5. FINANCIAL AND STAFFING IMPLICATIONS

- 5.1. The 2006/07 budget was prepared on the basis that gross service re-engineering savings of £3.7 million would be achieved. Section 3 of this report shows that the Regeneration – Cultural Services target was effectively met from Council balances. Adult Social Services and Children & Young People have both reported difficulties in achieving the savings required for 2006/07.
- 5.2 Of the £1.2 million allocated for service re-engineering reinvestment in the 2006/07 budget this has been now been used to support services and offset double counting of the procurement savings target.
- 5.3. The achievement of service re-engineering savings has implications for staff and these are considered as part of reports on the individual savings proposals to the Cabinet and to the 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. The Financial Monitoring reports presented to the current cycle of Overview and Scrutiny Committee meetings.

13. RECOMMENDATION

13.1. That Members note the report.

IAN COLEMAN
DIRECTOR OF FINANCE