

WIRRAL COUNCIL

FINANCE & BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

17 SEPTEMBER 2007

REPORT OF THE DIRECTOR OF FINANCE

SERVICE RE-ENGINEERING SUMMARY

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 2007/08. Also included are details on the use of the service re-engineering reinvestment budget for 2007/08. It was presented to the Cabinet on 6 September 2007.

2. BUDGET 2007/08

2.1. On 1 March 2007 the Council agreed a budget for 2007/08 that identified gross savings of £5.35 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	1,295
Children and Young People	1,386
Corporate Services	353
Finance	728
Regeneration	1,053
Technical Services	535
Total	5,350

2.3. A summary report on the progress made in delivering the savings is presented to the Finance & Best Value Overview & Scrutiny Committee and to the Cabinet.

3. CURRENT POSITION – SERVICE RE-ENGINEERING SAVINGS

3.1. The current position, by department, regarding the delivery of the Service Re-engineering savings is contained in the following sections.

3.2. Adult Social Services

3.2.1. Details	£000	£000
Finance and support services	337	
To be identified	<u>958</u>	1,295

3.2.2. The review of the Finance and Support Services Division has been concluded and the strategy for the remaining savings continues to be developed. The Director states that this will include the outcome of the work on the Care Services Efficiency Delivery programme and bringing forward items within the Adult Social Services element of the Efficiency Plan 2008-2011 once this has been agreed.

3.3. Children and Young People

3.3.1. Details	£000	£000
Additional Children's grant and ex-funding		
For Nurture Groups	500	
Early Years and Surestart costs against grant	200	
Procurement	155	
Advisory teacher reduction	50	
To be identified	<u>481</u>	1,386

3.3.2. Areas where savings can be achieved through the re-allocation of spend in order to maximise the opportunities offered by grant have assisted in delivering £700,000 of the target. There has been no significant progress in delivering the procurement savings and the Director has written to all staff restricting spend to only essential items. Actions are being considered to address the balance although the Director is reporting a potential overspend through non-achievement of these and vacancy control targets.

3.4. Corporate Services

3.4.1. Details	£000	£000
To be identified		353

3.4.2. In previous years the savings have been delivered through staffing / vacancy control and the Department is identifying more specific savings.

3.5. Finance

3.5.1. Details	£000	£000
Benefits and Council Tax	300	
IT Hardware Contracts	200	
Integrated Benefits and Council Tax System	100	
Treasury Management	73	
Review of Procurement and Creditors	<u>55</u>	728

3.5.2. The Executive Board on 12 April 2007 agreed a revision to the Procurement and Creditors Services. The savings from IT Hardware and the Integrated Revenues and Benefits IT System are being realised during the financial year. The savings arising from Benefits and Council Tax reflect the continuing improvements in service delivery, including customer access primarily through the One Stop Shops, which should be reflected in increased Benefits Subsidy receivable.

3.6. Regeneration

3.6.1. Details	£000	£000
Housing Division	133	
Regulation Division	224	
Cultural Services	740	
Procurement	108	
Less : To replace one-offs 2006-07	<u>-152</u>	1,053

3.6.2. In 2006/07 the Department achieved £152,000 of one-off savings and so for 2007/08 the requirement is to find a total of £1,205,000. This has been allocated across service areas and to date £366,000 of this total has been achieved mainly through the maximisation of grant funding (£106,000), additional revenue / rate relief (£80,000) and deletion of staffing (£130,000).

3.7. Technical Services

3.7.1. Details	£000	£000
Staff reductions / vacancy control	283	
To be identified	<u>252</u>	535

3.7.2. The staffing reductions have increased by £80,000 since the last report, and have been incorporated in to the departmental budgets. The Director is to deliver the remaining savings from administration efficiencies, a review of fee income and a review of the waste and recycling contract and has confirmed this will be achieved by the year-end.

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		
Technical Services -- contract inflation	266	
Cultural Services – development plan	100	
Technical Services – Energy Efficiency Phase I	130	
Technical Services – Energy Efficiency Phase II	80	<u>576</u>
Resources still to be allocated		624

4.2 As part of the Council agreed budget on 1 March 2007 provision was made for the waste collection and recycling contract inflation, and the Cultural Services consultancy, to be met from the reinvestment allocation. Phase 2 of the Energy Efficiency Programme was agreed by Cabinet on 24 January 2007.

5. FINANCIAL AND STAFFING IMPLICATIONS

5.1. The 2007/08 budget was prepared on the basis that gross service re-engineering savings of £5.35 million would be achieved. Of this total £2,883,000 has still to be identified.

5.2 Of the £1.2 million allocated for service re-engineering reinvestment in the 2007/08 budget £0.6 million has been committed to supporting expenditure.

5.3. The achievement of service re-engineering savings has implications for staff and these are considered as part of the 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 & Scrutiny Committee meetings.

13. **RECOMMENDATION**

13.1. That the outstanding savings target of £2,883,000 be identified.

IAN COLEMAN
DIRECTOR OF FINANCE

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