

WIRRAL COUNCIL

FINANCE & BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

13 NOVEMBER 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 of the use of the service re-engineering investment budget for 2007/08.

2. BUDGET 2007/08

2.1. On 1 March 2007 the Council agreed a budget for 2007/08 that identified gross service re-engineering 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. Whilst the amount to be identified has remained unchanged since that first reported in June the Director states that this will be achieved from the outcome of the work on the Care Services Efficiency Delivery programme and the bringing forward of 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 funded by grant	200	
Procurement	155	
Advisory teacher reduction	50	
Reduction in BIP programme	50	
To be identified	<u>431</u>	1,386

3.3.2. The re-allocation of spend in order to maximise the opportunities offered by grant has delivered £700,000 of the target. There has been no significant change to the balance to be found. However in seeking to maintain the overall spend within budget the Director has written to all staff restricting spend to only essential items and there have been further opportunities through the use of Standards Fund grant in 2007/08. 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
Increased income and additional grant	140	
Reduction in employee budgets	104	
To be identified	<u>109</u>	353

3.4.2. Through increasing income and making use of available grant funding together with further staffing reductions the outstanding sum has been reduced. As with previous years the balance will be delivered through staffing / vacancy control whilst 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 IT Hardware and the Integrated Revenues and Benefits IT System savings have been realised during the 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
Additional income from fees and charges	140	
Deletion of posts in admin, sports and libraries	115	
Maximisation of grant funding	79	
Rate relief / Benefit savings	66	
Budgets reduced for theatres, toilets, cemeteries	57	
Reduction in the Book Fund	50	
Balance to be identified	<u>546</u>	1,053

3.6.2. Whilst plans were developed to achieve this level of saving the agreed savings have not reached the desired level. The Director is projecting a shortfall of £546,000 although efforts to implement the other options continue but will now only have a part year effect for 2007/08.

3.7. Technical Services

3.7.1. Details	£000	£000
Staff reductions / vacancy control	393	
To be identified	<u>142</u>	535

3.7.2. Since the last report a further £110,000 has been identified from staffing changes and these have been incorporated into the departmental budgets. The Director is to deliver the remaining savings from further administration efficiencies and a review of fee income 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 1	130	
Technical Services – Energy Efficiency Phase 2	80	
Corporate Services – HR Staffing	165	
Finance – Pensions Liaison	28	<u>769</u>
Resources still to be allocated		431

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. The increased staffing in Human Resources and Pensions Liaison was agreed by the Cabinet on 4 October 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 £2.2 million has still to be identified and those for Children & Young People and Regeneration are unlikely to be achieved according to the relevant Directors.

5.2 Of the £1.2 million allocated for service re-engineering reinvestment in the 2007/08 budget £0.8 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 Cabinet and to 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 £2.2 million be identified.

IAN COLEMAN
DIRECTOR OF FINANCE

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