

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

17 JANUARY 2008

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.

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	
Increased income from charges	265	
To be identified	<u>693</u>	1,295

3.2.2. Following the decision of Cabinet on 4 October 2007 to increase charges the amount still to be identified reduced to £693,000. The Director continues to consider options essentially from the Care Services Efficiency Delivery programme and the bringing forward of future savings proposals.

3.3. Children and Young People

3.3.1. Details	£000	£000
Additional Children's grant and ex-funding for Nurture Groups	525	
Early Years and Surestart costs funded by grant	200	
Procurement	155	
Advisory teacher reduction	50	
Reduction in BIP programme	50	
LEA initiatives and traded services	45	
IT leasing	30	
To be identified	<u>331</u>	1,386

3.3.2. The re-allocation of spend in order to maximise the opportunities offered by grant has delivered £725,000 of the target. Since the last report £100,000 has been reduced from the balance to be found and the Director is taking measures, particularly around Standards Fund, to generate savings in the current year that will enable the final spend to remain within the budget allocated.

3.4. Corporate Services

3.4.1. Details	£000	£000
Increased income and additional grant	140	
Reduction in various support budgets	109	
Reduction in employee budgets	<u>104</u>	353

3.4.2. Through increasing income and making use of available grant funding together with further reductions in support budgets the outstanding sum has now been identified from staffing / vacancy control.

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	135	
Deletion of posts in admin, sports and libraries	134	
Procurement	108	
Maximisation of grant funding	79	
Budgets reduced for theatres, toilets, cemeteries	79	
Rate relief / Benefit savings	66	
Reduction in the Book Fund	50	
Adjustment for 2006/07	-192	
Balance to be identified	<u>594</u>	1,053

3.6.2. The target in 2007/08 also includes £192,000 of savings that were not achieved in 2006/07. Whilst plans were developed to achieve this level of saving the savings agreed have not reached the desired level. The Director is projecting a shortfall of £594,000. Efforts to implement other options continue although these are unlikely to make a significant impact on the requirements for the current financial year.

3.7. Technical Services

3.7.1. Details	£000	£000
Staff reductions / vacancy control and review of fee income		535

3.7.2. Since the last report the Director has identified the outstanding sum from further review of administration efficiencies and fee income.

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	
Finance - Land & Property IT System	48	
Finance – Software management	86	
Corporate Services – Management Restructure	<u>207</u>	<u>1,110</u>
Resources still to be allocated		90

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 were agreed by Cabinet on 4 October 2007 and the Land & Property IT System on 18 October 2007. The software management invest to save scheme and the Corporate Services senior management restructure were agreed by Cabinet on 12 December 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 £1.6 million has still to be identified. Whilst those for Children & Young People are likely to be met from 'one-off' measures those for Adult Social Services 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 £1.1 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 Members note that the recommendation presented to the Cabinet on 10 January was that the outstanding savings target of £1.6 million be identified.

IAN COLEMAN
DIRECTOR OF FINANCE

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