

WIRRAL COUNCIL

CABINET - 25 SEPTEMBER 2008

REPORT OF THE DIRECTOR OF FINANCE

DEPARTMENT OF LAW, HR AND ASSET MANAGEMENT - BUDGET

1. EXECUTIVE SUMMARY

1.1. This report deals with the budgetary issues involved in the creation of the new Department of Law, Human Resources and Asset Management. It seeks agreement to the transfer of budgets between Corporate Services, Adult Social Services and Technical Services which will then form the revised base for future financial monitoring.

2. CORPORATE SERVICES REVENUE BUDGET

2.1. Cabinet on 12 December 2007 agreed to the creation of the Department of Law, HR and Asset Management and also to the transfer of the Change Team from the Corporate Services Department to the Finance Department.

2.2. The necessary virements in respect of the Change Team are within the agreed budget for 2008/09. The budget for the remainder of Corporate Services comprises:-

| Corporate Services Budget 2008/09 | Expenditure £ | Income £ | Net £ |
|--|--------------------------|---------------------|------------------|
| Legal and Member Services | 5,575,300 | (4,249,700) | 1,325,600 |
| HR and Payroll | 3,542,500 | (3,542,500) | - |
| Asset Management | 1,257,000 | (1,799,000) | (542,000) |
| Administration | 2,571,600 | (2,480,800) | 90,800 |
| Corporate Policy | 1,953,300 | (8,200) | 1,945,100 |
| Strategic Development | 3,164,300 | (1,270,900) | 1,893,400 |
| Tourism and Marketing | 1,377,200 | (127,000) | 1,250,200 |
| Departmental Procurement Savings | (48,000) | - | (48,000) |
| Total Budget | 19,393,200 | (13,478,100) | 5,915,100 |

2.3. It was also stated that further work would need to be undertaken to identify those people currently working across the Authority whose work will be best delivered within the new Department. The following details the immediate and more straightforward virements and outlines an ongoing review on the management of complexes which may result in further adjustments.

3. TECHNICAL SERVICES ASSET MANAGEMENT BUDGET

3.1. As part of the further work it was identified that the Technical Services Department has 28 staff directly involved in Asset Management who will transfer to the new department.

3.2. The staff transferring comprise:-

- 9 Planned Property Maintenance Surveyors,
- 5 Day to Day maintenance/repairs surveyors,
- 2 Lift Engineers,
- 7 Energy Conservation Engineers,
- 5 Support staff.

3.3. These 28 staff recover their costs by recharging capital schemes, property maintenance and departmental maintenance budgets. The recharges also recover an element for support services, accommodation and administrative costs. The budget for these elements will be reviewed and adjusted as part of the normal budget setting process as the transfer of staff takes effect.

3.4. The related Technical Services budget being transferred is:-

| 2008-09 Budget being vired from Design and Consultancy in Technical Services to Asset Management | |
|---|-----------------------------|
| Budget item | Budget to be vired £ |
| Salaries | 650,100 |
| NI | 59,200 |
| Pensions | 109,900 |
| Employee totals | 819,200 |
| Car Allowances | 28,100 |
| Consultants Fees | 195,000 |
| Technical Services Recharges | 52,500 |
| Support Services Recharges | 456,500 |
| Total Expenditure | 1,551,300 |
| Fees | (1,527,100) |
| Recharge to Revenue | (24,200) |
| Total Income | (1,551,300) |
| Net Expenditure | - |

4. ADULT SOCIAL SERVICES (DASS)

4.1. The staff involved with property management of DASS buildings will transfer to the new department. The DASS Health and Safety Officer is a member of the current HR Unit and will join the Health and Safety Team in Technical Services. The budgets concerned with these staff are shown in the following table:-

| DASS Budget 2008-09 | Vired to the new department £ | Vired to Technical Services £ |
|--------------------------------|--|--|
| Salaries | 138,600 | 26,600 |
| NI | 12,600 | 2,400 |
| Pensions | 23,400 | 4,500 |
| Overtime | 11,200 | |

| | | |
|-----------------------|----------------|---------------|
| Car Allowances | 2,200 | 1,000 |
| Total Virement | 188,000 | 34,500 |

5. REVENUE BUDGET RE-ALIGNMENT

5.1. The budget re-allocation between departments is detailed in the following tables. Corporate Services departmental procurement savings will be allocated against particular services as procurement activities give rise to such savings.

5.2. The following table details the revised Corporate Services Budget:-

| Budget 2008/09 Revised Corporate Services | Expenditure £ | Income £ | Net £ |
|--|--------------------------|---------------------|------------------|
| Administration (part) | 668,500 | (621,500) | 47,000 |
| Corporate Policy | 1,953,300 | (8,200) | 1,945,100 |
| Strategic Development | 3,164,300 | (1,270,900) | 1,893,400 |
| Tourism and Marketing | 1,377,200 | (127,000) | 1,250,200 |
| Departmental Procurement Savings | (24,000) | - | (24,000) |
| Total Budget | 7,139,300 | (2,027,600) | 5,111,700 |

5.3. The following table details the Law, HR and Asset Management Budget:-

| Budget 2008/09 Law, HR and Asset Management | Expenditure £ | Income £ | Net £ |
|--|--------------------------|---------------------|------------------|
| Legal and Member Services | 5,575,300 | (4,249,700) | 1,325,600 |
| HR and Payroll | 3,542,500 | (3,542,500) | - |
| Asset Management | 1,257,000 | (1,799,000) | (542,000) |
| Administration (Part) | 1,903,100 | (1,859,300) | 43,800 |
| Departmental Procurement Savings | (24,000) | - | (24,000) |
| Ex Technical Services Asset Mgt staff | 1,551,300 | (1,551,300) | - |
| Ex DASS Asset Mgt Staff | 188,000 | | 188,000 |
| Total Budget | 13,993,200 | (13,001,800) | 991,400 |

- 5.4. In addition to considering the budgetary provision for these services, the allocation of Corporate Services Efficiency Targets also requires addressing. Cabinet 13 March 2008 set an Efficiency Savings target of £1.68 million for the Corporate Services Department to achieve over the years 2008/11. The department found and built £0.39 million savings into the 2008/09 budgets as reflected in the tables above. The remaining £1.29 million of the saving target therefore is apportioned pro rata between the two departments as follows:-

| Efficiency Savings re-allocated to each department | 2009/10 £ | 2010/11 £ | Totals £ |
|---|----------------------|----------------------|---------------------|
| Corporate Services | 203,000 | 165,000 | 368,000 |
| Law, HR and Asset Management | 507,000 | 415,000 | 922,000 |
| Total Efficiency Savings | 710,000 | 580,000 | 1,290,000 |

- 5.5. There is no virement of procurement or efficiency savings involved in the transfer of Asset Management Staff from Technical Services or Adult Social Services.
- 5.6. When Cabinet considered the Strategic Asset Management Review on 9 July 2008, it directed that a report be presented on creating a Sustainability Unit as part of the new department. This report is presented elsewhere on this agenda.

6. CAPITAL PROGRAMME RE-ALIGNMENT

- 6.1. The Corporate Services Capital Programme includes five projects concerned with Asset Management that will transfer to the new Department:-

| Capital Scheme | Forecast 2008/09 £000 | Approved 2009/10 £000 | Approved 2010/11 £000 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Property Maintenance | 1,510 | 1,510 | 1,510 |
| Disabled Access | 100 | 100 | 100 |
| Building Modernisation | 250 | 1,000 | 2,000 |
| One Stop Shops | 242 | - | - |
| Cheshire Lines/Archive. | 9 | - | - |
| Total Spend | 2,111 | 2,610 | 3,610 |
| Funded by General Capital Resources | 2,111 | 2,610 | 3,610 |

7. COMPLEX MANAGEMENT REVIEW

- 7.1. The results of an ongoing review of complex management have yet to be received and they may result in additional budgets being transferred.

8. FINANCIAL AND STAFFING IMPLICATIONS

- 8.1. As this report only involves a virement of existing budgets there are no additional financial implications or staffing issues arising from this report.
- 8.2. The revised revenue budgets for the departments concerned as a result of this report are detailed in the following table:-

| Department | Council Agreed Budget 2008-09 £ | Revised Budget as a result of this report £ | Change £ |
|-----------------------|--|--|-----------------|
| Corporate Services | 5,915,100 | 5,111,700 | (803,400) |
| Law, HR and Asset Mgt | 0 | 991,400 | 991,400 |
| Adult Social Services | 86,656,000 | 86,433,500 | (222,500) |
| Technical Services | 35,608,900 | 35,643,400 | 34,500 |

9. EQUAL OPPORTUNITIES IMPLICATIONS

- 9.1. There are none arising directly from this report.

10. COMMUNITY SAFETY IMPLICATIONS

- 10.1. There are none arising directly from this report.

11. LOCAL AGENDA 21 IMPLICATIONS

- 11.1. There are none arising directly from this report.

12. PLANNING IMPLICATIONS

- 12.1. There are none arising directly from this report.

13. ANTI-POVERTY IMPLICATIONS

- 13.1. There are none arising directly from this report.

14. HUMAN RIGHTS IMPLICATIONS

- 14.1. There are none arising directly from this report.

15. SOCIAL INCLUSION IMPLICATIONS

- 15.1. There are none arising directly from this report.

16. LOCAL MEMBER SUPPORT IMPLICATIONS

- 16.1. This report affects the entire Borough.

17. BACKGROUND PAPERS

17.1. No background papers were used in the preparation of this report.

18. RECOMMENDATION

That the virement of revenue budget, efficiency targets and capital programme detailed in the report between the Departments of Law, Human Resources and Asset Management, Corporate Services, Technical Services and Adult Social Services, be agreed.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/204/08