

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

17 NOVEMBER 2011

SUBJECT	BACK OFFICE EFFICIENCIES AND IMPROVEMENTS
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL GILCHRIST
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report is in response to Committee's request of 12 July 2011 and details the savings from back office services which have been agreed over the last three financial years and the benefits realised from the Insurance Fund and Treasury Management activities.

2.0 RECOMMENATION

2.1 That the report be noted.

3.0 REASON FOR RECOMMENDATION

3.1 The report was requested by Committee to provide information on back office efficiencies that have been included within the agreed Budgets.

4.0 BACKGROUND AND KEY ISSUES

4.1 With all local authorities experiencing reductions in Central Government funding the aim is do more for less whilst maintaining or improving current standards in front line services. Therefore savings have had to be delivered in back office activities. Although there is no specific definition of what constitutes "back office" services they can be seen as money spent on managing the Council itself, its administrative and support functions, money which could otherwise be spent on direct provision of services to the public and meeting residents' priorities.

4.2 Over the 2009/10, 2010/11 and 2011/12 financial years savings have been achieved through:-

- the Early Voluntary Retirement / Voluntary Severance Scheme.
- reductions and restructurings in management and administration staff.
- better use of technology and rationalisation of IT services.
- enhanced procurement arrangements.
- office rationalisation and reduced running costs.

4.3 The table shows the savings by department and service area. It should be noted that these figures may differ from the savings included within the Budget Books as those related to back office areas have been extracted.

DEPARTMENT	2009/10	2010/11	2011/12	TOTAL
SERVICE AREA	£000	£000	£000	£000
ADULT SOCIAL SERVICES				
Administration Support Services	100	240	1,111	1,451
CHILDREN & YOUNG PEOPLE				
Administration Support Services	25	-	1,275	1,300
FINANCE				
IT Services	150	170	505	
Revenues Services	210	-	-	
Financial Services/Audit	-	-	280	
Support Services	-	-	518	1,833
LAW,HR,ASSET MGT				
Human Resources	125	-	39	
Legal Services	40	-	165	
Administration Services	-	-	101	470
REGENERATION/CORPORATE				
Administration Support Services	173	-	69	242
TECHNICAL SERVICES				
Administration Services	-	-	296	296
INSURANCE	400	430	588	1,418
TREASURY MANAGEMENT	500	-	370	870
TOTALS	1,723	840	5,317	7,880

4.4 Comparisons of the level of back office savings to overall Council savings are complicated because of changes to departmental structures over the years, for example libraries are within the Finance Department from 2011/12, and the absence of a clear definition of back office services. As a broad indication Council departmental expenditure has decreased from £289 million in 2009/10 to £266 million for 2011/12 which represents a £23 million reduction. Back office efficiencies have contributed almost £8 million towards this total.

- 4.5 For a number of years there have been improvements in insurance and risk management through a more pro-active approach to the procurement of insurance services, to the management of claims and to actions to mitigate both the number and cost of claims. Whilst reducing the cost of the annual insurance premiums this work has reduced the potential liability for claims enabling over £6 million to be transferred from the Insurance Fund to Council balances since March 2009. The Insurance Fund Budget and Annual Report are both presented to Cabinet and to Audit & Risk Management Committee.
- 4.6 Treasury management activities include the management of the cash flow of the authority. Managed on a day-to-day basis the close and active management of the daily cash position, the use of the cash flow to minimise borrowing as well as the investment of any cash holdings has realised financial benefits which over the last two financial years has seen over £4 million added to Council balances. The Treasury Management Strategy and Annual Report are presented to Cabinet.
- 4.7 The Corporate Procurement Unit support departments in the delivery of efficiencies through better procurement with the benefits then achieved by the relevant service department. An annual update on the work of the Unit is presented to Cabinet.

5.0 RELEVANT RISKS

- 5.1 As back office services support the delivery of front-line services savings could impact upon the ability to deliver front line services. This is mitigated by the existence of department planning and scrutiny processes.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 None as this report was specifically requested by this Committee.

7.0 CONSULTATION

- 7.1 No specific consultation was undertaken over this report.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 There are no implications arising from this report for voluntary, community and faith groups.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 At the time of implementing any changes the resource implications will have been considered and there are no further implications arising from this report.

10.0 LEGAL IMPLICATIONS

- 10.1 There are none arising directly from this report.

11.0 EQUALITIES IMPLICATIONS

11.1 There are none arising directly from this report..

12.0 CARBON REDUCTION IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are none arising directly from this report.

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SUBJECT HISTORY (last 3 years)

Council Meeting	Date
The savings have been extracted from the Council Estimates for 2009/10, 2010/11 and 2011/12.	