

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Council: 25 June 2008

Subject: Budget 2008/09 – Additional Departmental Savings

1. Purpose

1.1 This report provides an update on developments to address the budget decision to identify a further 1% efficiency savings by April 2009.

2. Background

2.1 The budget agreed by Council on 14th February 2008 included a requirement to “reduce departmental annual revenue expenditure by 1% by April 2009”, (paragraph 33).

2.2 At its meeting on 26th March 2008, Council considered a report which outlined the current activity on the issue and the further developments required to address the Council budget decision. It was agreed that the Council should develop a strategic approach to identifying efficiencies. It was further agreed that updates on this issue should be submitted to Council on a monthly basis.

2.3 At its meeting on 30th April 2008, Council agreed a strategic approach which will be monitored by the structures which have been established to deliver the Best Value Improvement Plan. The Efficient Government workstream has been given specific responsibility for taking this forward. Three main levels of activity were proposed as part of this approach:-

- The identification of ‘quick wins’ – most likely based on experience and evidence from developments in other local authority areas
- The continued development of current activity, (most particularly the Diagnostics work, which has the scope to identify potential for savings at a number of operational levels). Nevertheless it is recognised that most of this work will not show significant benefits until 2009/10 and beyond
- The development of a more strategic approach to identifying future opportunities

The development of the process will be reviewed by Elected Members both at meetings of the Improvement & Efficiency Executive, and in the monthly update to Council. At a later stage, in the case of the strategic level, developments are also likely to involve exploring options with Community Planning Partners, particularly focussing on the priorities established in the Single Outcome Agreement.

2.4 At its meeting on 28th May 2008, Council noted that the Corporate Management Team (CMT), would be taking part in a facilitated session to consider options in both the 'quick win' category, and for a more strategic approach. This took place on 4th June 2008.

3. Main Issues

3.1 It was recognised at the outset that many of the potential 'transactional' opportunities, (such as efficiencies in procurement, processing payments and customer contact arrangements), are currently being assessed by the Diagnostics team, with a report on options due later this year. The focus of discussion was therefore on wider opportunities.

3.2 The discussion was based on some general principles which provide a clear definition of the aims of the exercise:-

- potential savings must be 'cashable' – i.e. there has to be a corresponding and sustainable reduction in the Council budget
- potential savings must not have a negative impact on service delivery
- potential savings should be realistic and achievable, (as should the assessment of how quickly any real savings would be demonstrated)

3.3 The CMT discussion identified a number of options for further investigation in the short to medium term. These include:-

- the review of 'out of hours' services
- opportunities to make wider use of the contact centre
- opportunities to rationalise software platforms (based on an audit of ICT systems)
- developing the current asset management approach
- opportunities arising from more efficient use of buildings

3.4 Additionally, it is proposed that there is a need for an option appraisal around the issue of centralised or decentralised support services in departments. Linked to this are more general opportunities for 'back office' reconfiguration, but it was recognised that proposals in this area are most likely to be generated via the Diagnostics work.

3.5 Finally, CMT agreed that the opportunities generated by a longer term strategic approach were most likely to result in significant sustained savings. However these are more likely to involve new methods of delivering services. Examples include schools regeneration, care homes and asset disposal. It is suggested that discussion of this type of issue should involve members at an early stage.

4. Personnel Issues

4.1 There are no immediate Personnel issues arising from this report.

5. Financial Implications

5.1 There are no financial implications at this stage.

6. Risk Analysis

6.1 There is a risk that if we do not take a strategic approach to identifying opportunities for efficiencies, we will be unable to demonstrate continuous improvement, and will not meet the aspirations of the people of West Dunbartonshire. This would also impact on the reputation of the Council.

7. Conclusions

7.1 The opportunities to reduce departmental revenue expenditure by 1% have been considered in some detail by the CMT. A number of short and medium term opportunities have been identified and these will be investigated.

7.2 The opportunities presented by a possible centralisation of support services were considered. It is proposed that an option appraisal will be required to assess the impacts of any change in these arrangements.

7.3 The CMT has identified further scope for a longer term, more strategic approaches to savings. It is proposed that discussion of these approaches should involve Elected Members at an early stage.

8. Recommendations

8.1 Council is asked to consider and make comment on the current activity.

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David McMillan
Chief Executive
Date: 17 June 2008

Person to Contact: Liz Cochrane, Principal Policy Officer – Chief Executive’s Department. Garshake HQ, 01389 737271
liz.cochrane@west-dunbarton.gov.uk

Appendices: None

Background Papers: Report to Council 26.3.08
Report to Council 30.4.08
Report to Council 28.5.08

Wards Affected: All