

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Council : 26 November 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 Work has been progressing in 3 main areas:

- The development of short to medium term activity
- The continued development of the nationally co-ordinated ‘Diagnostics’ work, which has the scope to identify potential for savings at a number of operational levels
- The development of a more strategic approach to identifying future opportunities

3. Main Issues

Short to Medium Term Activity

- 3.1 The specific areas highlighted in the report to August Council include:

- Opportunities to make wider use of the contact centre
- Opportunities to rationalise software platforms
- Developing the current asset management approach
- Opportunities arising from more efficient use of buildings
- Other Measures (e.g. savings targets & recruitment freeze)

Work is continuing to develop these areas. Fuller reports will be provided to Council when outcomes are achieved.

Diagnostics Activity

- 3.2** This work is aimed at maximising efficiencies by identifying opportunities for more efficient use of resources within current service structures and, at a later stage, the possibility of shared service arrangements, both within the Council and with other partners. Business cases are currently being finalised for the opportunities which would appear to offer the greatest potential. A programme and change management process will be developed to oversee the implementation of the opportunity areas, including determining the order in which they should be progressed.

It had been hoped to submit detail on these opportunities to the November meeting of Council, however the Corporate Management Team, (CMT), requires to have further discussions prior to reporting. It is now planned to submit initial proposals to Council in December.

With regard to the wider approach to Shared Services, members are reminded that the Council's Shared Service Strategy was approved by the Corporate & Efficient Governance Committee on 29th October.

Strategic Issues

- 3.3** The reports to June and August Councils noted a number of areas where a longer term, strategic approach is needed. Current examples include:
- Schools regeneration
 - Care homes strategy
 - Standard Delivery Plan for the Council's housing
 - Economic regeneration activity
 - Single Status

It was agreed that Members should be involved in discussions on issues such as these at an early stage. The CMT recommended that the mechanism for such discussions should form part of the wider approach to developing the involvement of elected members in the strategic decision making processes. This is a key element of the Best Value Improvement Plan, (BVIP). An action plan has been prepared, and this is the subject of the report on Strategic Leadership and Organisational Culture which is also on the agenda of this meeting. The action plan includes a number of initiatives which will support early, and ongoing, involvement of Members in strategic decision making. This in turn will allow a clear focus on the opportunities for efficiency savings.

- 3.4** It is noted that a member / officer Budget working group has recently been established. It is suggested that the updates on Efficiency Savings may receive more detailed discussion at these meetings. It is suggested that Council may wish to consider remitting future reports on progress with Efficiency Savings to this group, with reports to Council when there are significant issues to record.

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 A number of opportunities to reduce departmental revenue in the short and medium term have been identified and these are being developed.

7.2 The gap analysis phase of the Diagnostics work is now complete. Key cross-cutting opportunity areas have been identified and business cases have been prepared. These are being considered by the CMT. Further information will be provided in the December update to Council.

7.3 With regard to longer term strategic developments, it is suggested that Members should be involved in these discussions at an early stage using the mechanisms which are highlighted in the action plan which forms part of the report on Strategic Leadership and Organisational Culture which is also on this agenda.

7.4 With regard to future reporting on Efficiency Savings, it is suggested that members may wish to consider remitting this to the Budget working group.

8. Recommendations

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

8.2 Council is asked to consider remitting future reports to the Budget working group, with reports to Council where there are significant issues to record.

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Chief Executive
Date: 20 November 2008

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Appendices: None

Background Papers: Report to Council 26.3.08
Report to Council 30.4.08
Report to Council 28.5.08
Report to Council 25.6.08
Report to Council 27.8.08
Report to Council 29.10.08

Wards Affected: All