

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Executive

Council: 29 October 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. A team of five seconded Council officers from all Council departments has been in place since February 2008 to develop this. The gap analysis phase, consisting of feedback sessions with all departmental management teams and a series of eight cross-cutting themed workshop events has now been completed. The Project Team, with the assistance of PricewaterhouseCoopers (consultants for the project), are now in the process of identifying key cross-cutting opportunity areas for which two page business cases will be prepared. The business cases will include at a high level the anticipated costs and benefits associated with each opportunity. 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.

In addition to these key cross-cutting areas, it is anticipated that service specific opportunities will be identified that can be progressed by individual departments.

It should be noted that the national seminar, originally scheduled to take place in mid August to share knowledge from this process has been postponed until late October to allow Councils sufficient time to carry out further work on the preparation of business cases for opportunity areas.

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, and that the Corporate Management Team, (CMT) should consider the best mechanisms and report to September Council. The CMT has now discussed this issue and would recommend that it 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 will be the subject of a report to November Council. 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.

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 opportunities have been identified and these are being developed, (see paragraph 3.1).

7.2 The gap analysis phase of the Diagnostics work is now complete. Key cross-cutting opportunity areas are being identified for which two page business cases will be prepared. Further information will be provided in the November 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 will be highlighted in the action plan which will form part of the report on Strategic Leadership and Organisational Culture. This will be submitted to Council in November.

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: 13 October 2008

Person to Contact: Liz Cochrane, Principal Policy Officer – Chief Executive’s Department. Garshake HQ
Tel. No: 01389 737271
Email: 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
Report to Council 25.6.08
Report to Council 27.8.08

Wards Affected: All