

Meeting with Resources Service Directors – Update

1. The Chairman and Vice Chairman met with the Service Director for Finance and Procurement on 15th June 2010 in order to gain a better understanding of the way in which the services within the department are delivered and funded and the developments and pressures that exist.
2. Discussion was focused around the key priorities for the department in 2010-11 as outlined by the Chief Finance Officer:

Priority: *Financial planning in light of 2010/11 grant reductions and for 2011/12 onwards following the Government Budget (22 June) and Autumn spending review.*

- Over £1bn of savings are expected to be delivered by local government in 2010-2011. Local Authorities are to decide where their priorities and opportunities for efficiencies lie across the totality of their responsibilities.
- Government expects local authorities will be able to make savings from efficiency measures, eliminating waste and, where necessary reducing spending in areas that are lower priority for their communities.
- £2.71m is the total reduction of grant funding in Wiltshire (out of the main revenue grant allocation of £407.15m). In considering grant and funding streams, the Government has:
 - given priority to protecting the funding for schools and Surestart and 16-19 year olds
 - not reduced funding in the specific grants and/or funding streams for adult social care, housing benefit administration, main programme funding for Supporting People and for the fire service
- The Corporate Leadership Team and Cabinet will consider how money can be saved whilst minimising the impact on services both for this year and the decisions that may need to be made for future years.
- The removal of ringfences will give extra flexibility to make decisions about where savings are found.

- The distribution and level of grants from 2011-12 onwards will be considered in the autumn Spending Review. The Council's MTFP currently includes a scenario which assumes an annual reduction of central government grant of 5% making a total reduction of 20% over four years. The MTFP will be revised once details of the next Comprehensive Spending Review are known.

Priority: Procurement Savings and Efficiencies

- The budget for 2010-11 contains procurement savings of £8.3m against an original target of £9m.
- A Procurement Commissioning Board away-day was arranged where each department looking at contracts and categories of spend were given individual targets to meet – to get the maximum from contracts.
- Further procurement efficiency targets will be set throughout the duration of the MTFP.

Priority: Implementation of a new Revenues and Benefits system

- At present three different systems are used across the four hub offices for the delivery of the Revenues and Benefits function. The new system will enable streamlining and standardisation of the processes used across the four hub offices.
- Cabinet approved commencement of the tendering process on 23rd February.
- The Revenues and Benefits service is being inspected by the Audit Commission in November 2010.
- It is estimated that the cost of implementing the new system will be up to £1.5million which will be managed through the Capital Programme. Once implemented annual maintenance costs will be in the region of £200,000 however this will be offset by efficiency savings from the implementation of the new system.
- A project Board has been set up to manage the implementation of the new system and membership will include the Chief Finance Officer and Service Director for Business Transformation and ICT. It was agreed during discussion to seek the Select Committees approval to appoint a scrutiny representative to the project board.

Priority: Developing Finance as an enabling function – review of structure

- A review of the Finance Team structure is taking place with involvement and direction from the Chartered Institute of Public Finance and Accountancy (CIPFA). The re-structure will dovetail with structural developments within the Shared Service Team.

Priority: Finance Governance

- Over 150 staff (excluding revenues and benefits) are located within the Finance and Procurement section.
 - Reporting lines, accountability arrangements and the role of the deputy section 151 officer were discussed and confirmation provided that the relevant Head of Finance attended each Overview and Scrutiny Select Committee.
 - Customer facing teams include Pensions, Revenues and Benefits and elements of Department of Children & Education (DCE) Finance
 - Professional Accountant Meetings enable updates to be provided to staff on national, Corporate Leadership Team (CLT) and Overview & Scrutiny developments.
 - Take up of training and development opportunities is encouraged. Such activities range from accountancy training, distance online learning and CIPFA day release courses.
3. In conclusion the Chairman emphasised that it was important to keep all councillors fully informed of the government's deficit reduction plan, the implications for Wiltshire and the options to meet funding gaps.
 4. The meeting with the Chief Finance Officer concluded the round of meetings that have taken place over the past 9 months with all Service Directors within the Department of Resources, the outcomes of which have been reported to the committee and a number of topics added to the committee work programme.

Recommendation:

5. That the committee appoints a scrutiny representative to sit on the project board overseeing the implementation of the new revenues and benefits system.
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