

IMPLEMENTATION EXECUTIVE

13 February 2008

ONE COUNCIL FOR WILTSHIRE – COSTS AND SAVINGS UPDATE

Purpose of the Report

1. The report sets out a summary of the Costs and Savings included in the submission and sets out the proposed arrangements for managing the budget and costs for the One Council for Wiltshire project. The paper also considers how progress on the delivery of planned savings will be monitored and approved.

Background

2. The initial estimates of costs and savings included in the DCLG submission were developed in the Autumn of 2006 by service managers working with consultants and used a range of assumptions including: -
 - a) staff numbers and policies on redundancy and early retirement
 - b) timing of events and changes
 - c) management and executive arrangements for transition
 - d) support costs relating to transfer of functions and duties
 - e) changes that might give rise to savings
3. Tables of the costs and savings included in the proposal to DCLG are shown in the attached Appendix. At the time the estimates were made, the data available was not always extensive or complete. As further information becomes available work is being done to refine the figures. Any adjustments which result from better information will be reported to this Executive.

Main Considerations for the Implementation Executive

4. The Cabinet of the County Council has approved budgets and provisions to fund the estimated £17.370 million transition costs. The County Council at its meeting on 12 February 2008 will be considering a £10.75 million transition costs budget for 2008-09.
5. The DCLG proposal identified the potential to achieve savings rising to at least £18 million a year. The proposal also identified some areas for reinvestment into services.
6. The Implementation Executive as the responsible body for managing the transition, will need to consider monitoring costs and plans for savings. In addition the Executive will be overseeing the preparation of budgets and plans for the first year of the new Council, 2009-10.

7. It is proposed that the Executive will receive regular updates on the costs of transition and the achievement of savings as service reviews are completed.

Savings

8. The programme work streams will be preparing business cases for service delivery options. This work will be integrated into the development of budget plans and scenarios and the Medium Term Financial Strategy. This will then contribute to the development of the 2009-10 budget for the new Council .

Costs

9. Over the next year, the work streams will be reviewing services and will be identifying any transition issues, from this work a clearer picture of the costs and potential savings will be developed.
10. There may be certain services and functions where early joint planning and budgets may be beneficial, particularly in areas that are more project based. The capital programme and asset management may be another area where early joint working and management may create synergies and efficiencies moving forward.

Delegation

11. The County Council's existing financial regulations and procedure rules provide for the delegation of budgets and service delivery to Chief Officers, working within a framework established by the Chief Financial Officer and reporting to portfolio holders and Cabinet on the achievement of plans and budgets.
12. For the management of the transition budget it is proposed that day to day management of the programme is delegated to the Director of the One Council Programme. He will then be responsible for ensuring appropriate budget monitoring and service delivery information is provided to the Executive and to ensure that items requiring key decisions are put to the Implementation Executive and to the Cabinet of the County Council as appropriate.
13. Key decisions, for example future policies and the agreement for staff severance arrangements, will require the specific agreement of the Implementation Executive.
14. The service delivery options and associated savings may require key decisions, for example changes to and applications of policies, these will also be brought to the Implementation Executive for a decision.
15. Using the County Council's budget setting process, budget plans and a medium term financial strategy will be developed over the summer and the early autumn to allow the Implementation Executive time to consider priorities for resource allocation. The structure of the new organisation will be critical in ensuring the development of budget proposals to meet this timescale.
16. Work has already started on developing a budget setting timetable for 2009-10 and will have to reflect the impact of the major programmes and projects which are running in the 5 Councils.

Risk Assessment

17. There are significant risks in the delivery of the One Council programme which are being actively managed within the risk register of the programme. The financial risks and uncertainties have been acknowledged and a contingency was established as part of the resources to fund the programme. Risks will be kept under review and as work progresses risks will be reassessed.

Conclusion

18. The total planned transition costs for the One Council programme was £17.37 million. The 2008-09 budget provision being considered by the County Council on the 11 February 2008 is £10.75 million. The management and monitoring of these budgets will be via this Implementation Executive

Reasons for Proposals

19. To establish a proper mechanism to ensure the proper management and reporting arrangements for the costs and savings arising out of the programme.

Proposals

20. The Implementation Executive is asked to: -
 - a) Delegate to the Director of the One Council Programme management of the budget for transition costs.
 - b) Note the estimated costs and savings of transition, as detailed in the appendix to this report.
 - c) Note that reports on future resources, options for service developments, the delivery of planned savings and areas where joint planning and budgeting in 2008-09 will be brought to future meetings of this Executive.
 - d) Note that work on the 2009-10 budget setting process is being developed and budget proposals for the new Council will be developed by Autumn 2009.

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Unpublished documents relied upon in the preparation of this report: NONE

APPENDIX

One Council For Wiltshire

Full year savings	Savings £'s	Transition Costs	Costs £'s
Economic Development	500,000	Staff	
Communications and Marketing	120,000	- Severance	7,000,000
Contact Centre	860,000	- training	240,000
Corporate	550,000	- recruitment	150,000
Democratic Governance - administration	390,000	- relocation	390,000
Democratic Governance - Allowances	225,000		
Finance and External Audit	800,000	Project	
Housing Strategy and Management	620,000	- management	1,600,000
Adult care and related housing	1,600,000	- staff redeployment	720,000
Human Resources	180,000		
ICT	1,270,000	ICT	
Legal	540,000	- integration	2,500,000
Leisure	270,000	- Business Management Programme	1,500,000
Parking	500,000		
Procurement	675,000	Other	
Property & accommodation	1,150,000	- contingency	2,000,000
Revenues and Benefits	1,400,000	- transition	500,000
Strategic and other planning functions	1,850,000	- contact centres	470,000
Trading Standards and Environmental Health	660,000	- signs & logos	300,000
Waste	2,950,000		
Street Scene	835,000		
Community Planning	200,000		
Total	18,145,000	Total	17,370,000
Reinvested into			
Area Boards	- 1,200,000		
Improved re-cycling	- 2,950,000		
Street Scene	- 835,000		
	- 4,985,000		
Net	13,160,000		
<u>Initial Phasing</u>			
2009-10	6,630,000		
2010-11	14,125,000		
2011-12	17,760,000		
2012-13	18,145,000		