

Budget Development Process 2012/13 -2014/15 Savings/Income Generation Options

Savings Option	Management/Staffing Reductions (and associated savings) through Review of Service Activities
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Directorate	Chief Executive Service
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Service Area & ABB Link	Across All Areas Chief Executive Service
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Narrative Description of Savings Option
<p>The refocusing of the Chief Executive Service is designed to ensure that CES can demonstrate value for money in the professional and support services we provide and secure continuous improvement. By doing this we will build capacity and capability across the service to better support Members and Other Departments in the delivery of the Council's priorities.</p> <p>The review is challenging existing spending levels focusing on the identification of achievable and sustainable financial savings through a range of approaches including new ways of working, joint working, service re-configuration, structural change and opportunities for improved business processes and efficiencies, through better use of IT.</p> <p>This programme is well under way with the first phase of the programme moving to the implementation stage with the changes and improvements for savings being realised for the start of 2012/13.</p> <p>These reviews have currently identified savings of £500,000 and can be categorised in three key ways:</p> <ol style="list-style-type: none"> 1. New ways of working – leading to efficiencies 2. Organisational/structural change – changing the shape of the Chief Executive Service and embracing the span of control principles 3. Business process efficiencies and introduction of new technology and systems <p>Further savings will be identified to ensure the 2012/13 target level is attained before the start of the financial year. We are managing this applying the principles of the workforce strategy utilising the VERS scheme, vacancy management and redeployment.</p> <p>Further savings are being identified through phase 2 of the programme which be realised during 2012/13 to maintain the momentum of the refocusing work and deliver further efficiencies. In addition, the Resources Committee, at its meeting of 29 March 2011, approved a proposal to examine the feasibility of forming a Joint Valuation Board with Scottish Borders Council. Work is currently ongoing to develop this proposed shared service which ultimately would require legislation to support savings options beyond 2012/13.</p>

Savings/Income Generation Option Amounts	
2012/13	£ 625,000
2013/14	£ 1,175,000
2014/15	£ 1,525,000

Details on the Calculation of Savings Option Amounts

The net controllable budget of the CES for 2011/12 is £18.1 million. The savings target in 2012/13 represents 3.5% (8% by 2014/15) of the overall budget. As a significant part of the savings will be realised from efficiencies, business process improvements and automation of transactions, savings are most likely to be realised from staffing reductions. The staff costs in the service budget for 2011/12 are £13 million, with savings representing a reduction in staff costs of 4.8%, and cumulatively 11.7%, based on current budgets, by 2014/15.

Details on Staffing Implications and how this will be managed

Within the principles of the workforce strategy we are supporting job enrichment and opportunities for career development through improved use of technology and business processes as part of the refocusing. The staffing reductions associated with the savings will be driven through the implementation stages of the refocusing. There is regular discussion with joint trades unions on CES refocusing and ongoing staff engagement through meetings and dissemination of information and briefings.

Issues/Concerns Regarding Deliverability of Indicated Savings

The CES has demonstrated in the last year that this approach delivers the required savings and has a positive impact on working arrangements, with no impact on frontline service delivery.

Risk Effect Assessment

	Potential Effect
Effect on Service User	1
The Refocusing Reviews are designed to ensure that CES is able to better support the delivery of the Council's priorities.	
Effect on Staff	2
Staff are directly involved in the development of savings as part of the programme and alongside this there are two communication arrangements with staff. These ensure any potential issues that may arise are considered with appropriate solutions put in place. Staff roles will be subject to change but this will be progressed positively with staff engagement in the change being a key part of the process.	
Effect on Other Council Services	2
While a reduction in resources could have an initial impact on support to Services, the Refocusing Reviews are designed to ensure that CES is able to better support Members and Other Services.	
Effect on Council's Agreed Priorities	1
A refocused CES will be developed in a manner that enhances capacity and capability across the service to better support Members and Other Services in the delivery of the Council's priorities	
Effect on ability to attract External Funding	1
None Anticipated	
Total Potential Effect	7
Impact Assessment complete – no negative or positive impacts identified.	
Measures to Reduce/Address Risks and Minimise Any Negative Impacts	
The Refocusing Review process is designed to, amongst other things, improve corporate resilience and addressing risks and/or negative impacts will form part of that process.	