

REPORT TO EXECUTIVE SCRUTINY

19TH OCTOBER 2010

REPORT OF HEAD OF DEMOCRATIC SERVICES

Enhancing Stockton's Value for Money Programme

Summary

This report proposes steps to enhance the current programme of EIT reviews in light of the current financial circumstances, the comprehensive spending review and the provisional Local Government finance settlement.

Recommendations

That the task and finish reviews are approved and allocated to those select committees as detailed in appendix 1 to this report.

That the Xentrall report is noted and the recommendations set out in paragraph 2 are recommended to Cabinet for approval

Background

1. Following on from the success in year 1 where select committees identified in excess of £2million savings through the EIT approach Executive Scrutiny committee at its meeting of 2nd March 2010 agreed a programme of year two EIT reviews. Progress in year 2 has been in line with proposed project plans, and there are a number of reviews to be considered in year three.

The comprehensive spending review due in October and the provisional settlement is expected to confirm and reinforce the need for delivery against the Value for Money Programme in Stockton.

Detail

Given the success of the programme, the increased ability to undertake EIT reviews and in light of the financial environment it is proposed that officer led task and finish groups are formed to expedite the delivery of some of the year 3 EIT reviews identified as potentially resulting in the realisation of substantial efficiencies for Stockton. It can be noted that the reviews are concentrated around back office / service reconfiguration issues.

With this in mind the EIT framework has been tested by the Xentrall who have undertaken a pilot review which has proven the adaptability of the framework to an expedited approach. Details of this review are given later in this report.

It is proposed that a secondary reporting in approach is adopted for task and finish reviews which will require the lead officer to consult with the agreed select committee at the commencement of the review detailing the area/s to be reviewed and the issues and opportunities that exist. Members will be asked at this stage using their local knowledge to inform the evidence gathering and evaluation stage which will form the options and recommendations that are presented back to committee at the next meeting. Executive Scrutiny will be involved through Chairs updates and final reports as is the case with all current reviews.

The timescale for undertaking these reviews is driven by a need to take final reports in most cases to Cabinet in December, some may take slightly longer reporting to Cabinet in March. This work will support the next round of financial planning and the delivery of a positive communications strategy following the comprehensive spending review announcement and provisional settlement details. With this in mind it is proposed that some existing year two reviews are expedited to report in December and project plans have been amended to accommodate. Chairs and Lead officers have been consulted on the revised approach and are willing to undertake a shortened period of intense activity to meet the December deadline. Appendix 1 details the revised timetable of reviews

Details of the task and finish reviews and proposed select committee involvement for your consideration and agreement are at appendix 2 together with the remaining reviews to be considered in year two / three at Appendix 3.

2. Xentrall – Task and Finish Review

A review of Xentrall Shared Services has been brought forward from the Year 3 EIT programme and undertaken using a new Task and Finish approach. The main elements of the approach are to undertake a baseline review of the service then to review the service to identify savings and options for future service delivery.

The full report is set out in Appendix 4. Xentrall Shared Services has delivered its savings targets and delivered continuous performance improvements over the last two years. Benchmarking of the services shows that it is performing better than average on cost against those Councils taking part in the benchmarking exercise. The service now needs to focus on its ability to retain existing external income and develop additional sources of income where appropriate. The review also identified additional savings of approximately £400k per year for both Councils, which will be delivered from a restructure of the ICT service.

It is recommended that the partnership continues in its current form and continues to deliver the savings set out in the original business case, that it implements the additional savings identified from a restructure of the ICT service, and that additional opportunities to grow Xentrall are considered over the next two years.

3. Financial and Legal Implications

This enhanced approach will allow us to strengthen our medium term financial position and be better placed to address the implications of the comprehensive spending review.

Low risk existing management systems are sufficient to control and reduce risk.

4. **Sustainable Community Strategy**

This report supports the Sustainable Community Strategy

5. **Equality Impact Assessment**

The report was not subject to an Equality Impact Assessment

6. **Consultation**

Executive Scrutiny and Cabinet will be consulted on the enhanced approach.

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