

To: City Executive Board

Date: 8th December 2010

Item No: 19

Report of: Strategic Director of Finance and Efficiency

Title of Report: Transformation budget and savings

Summary and Recommendations

Purpose of report: This report sets out the proposed new arrangements for managing and allocating the transformation budget for the current and future years and advises the Board of the plans in place to achieve the savings target associated with the transformation budget as detailed in the Medium Term Financial Strategy.

Key decision? Yes

Executive lead member: Cllr Ed Turner

Policy Framework: Transform Oxford City Council by improving value for money and service performance

Recommendation(s): City Executive Board is requested to:

1. Delegate project approval for all new project funded from the transformation budget from 2010/11 onwards (including projects over £100,000) to the Director of Finance and Efficiency;
2. Approve the top slice of £50,000 from the 2011/12 transformation budget to pump prime efficiency proposals agreed by the Council's new Efficiency Partnership Board and that the authorised officer for approving spend is the Director of Finance and Efficiency.
3. Note the governance arrangements for managing the transformation funding and savings described in Appendix one;
4. Note the plan for achieving the transformation savings target for 2010/11 and beyond.

Appendices

Appendix one: Process for governance and funding approvals

Appendix two: Process for allocating funding via the Efficiency Partnership

1. Summary

- 1.1 This report proposes that the Council 2012 Board is the new governance board for monitoring the transformation budget in programmes and projects and that the Director of Finance and Efficiency be the authorised Officer for allocating and approving spend within this budget.
- 1.2 The report also explains how the transformation savings target will be allocated to the programme boards which report into the Council 2012 Board and have responsibility for delivering the savings targets.

2. Background

- 2.1 The Transformation Board was closed down in early 2010 as many of the projects moved into a “business as usual” phase and the Council developed five new overarching programme themes sitting under the Council 2012 Board. This change was agreed as the skills and capacity of the wider organisation are now developed and able to take more ownership of the Council’s improvement road map. It was also agreed that this would further embed ownership of transformation within all Service Areas, strengthen senior management accountability for programme and project management and streamline and speed up the Council’s decision-making processes.
- 2.2 The Transformation Programme also has large annual savings targets to be achieved from the programme improvements and these targets need to be allocated to the programmes receiving the Transformation funding.

3. Transformation Budget 2010/11

- 3.1 Since 2008/9, the Council has provided a dedicated transformation budget to fund the Council’s Transformation Programme. In 2008/9, £1m was allocated to transformation and £750,000 in 2009/10. Under the Transformation Programme, the Chief Executive had delegated authority to allocate this funding. Requests for transformation funding came to the Transformation Board (of which the Chief Executive was a board member) where they were discussed and approved.
- 3.2 As part of the budget setting process for 2010/11, £500,000 has been allocated to fund further projects which drive out savings and improvements in services. In the absence of the Transformation Board, it is proposed that the Council 2012 Board oversees the allocation of this funding to ensure it is allocated strategically and supports the Council’s improvement objectives. The proposed new process is set out in Appendix one.
- 3.3 From 2011/12, £50,000 of the allocated transformation budget will be top sliced for priming staff suggestions that come forward as part of the Council’s new Efficiency Partnership. The allocation of this funding will be agreed by the Efficiency Partnership Board, as described in Appendix two.

- 3.4 It is proposed that project approval (including projects over £100,00 which would otherwise require CEB approval) is delegated to the Director for Finance and Efficiency and that requests for transformation funding will be considered by the Council 2012 Board from 2010/11 onwards.

4. Transformation savings 2010/11 and beyond

- 4.1 For the period 2009/10 – 2014/15, the following savings targets have been allocated to the transformation budget and to the Council 2012 Board as detailed below:

Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Target (non-cumulative)	£100,000	£100,000 + £32,000 (bf)	£293,000	£678,000	£227,000	£0
Allocated to:						
Business Process Improvements	£68,000 ¹	£15,000 ² £47,649 ³				
Council 2012: Offices for the Future			£143,000	£28,000	£227,000	
Council 2012: Corporate Services Modernisation			£150,000	£150,000		
Council 2012: Restructures				£500,000		
¹ Achieved from reduced advertising costs across all service areas. ² Achieved from reducing printing costs in Planning. ³ To be achieved from a combination of staff and other costs in Customer Services. Final savings figure to be confirmed.						

- 4.2 These are working targets and are subject to validation by Finance and the relevant Programme Boards. It is anticipated that further savings will be identified as programmes mature and new projects are approved.

5. Equalities Impact

- 5.1 Any funding allocation will be based on a sound business case which includes a statement on how the project will contribute to the achievement of our corporate equalities objectives.

6. Climate change/ environmental impact

- 6.1 An assessment of the climate change and environmental impact of any project or programme will be assessed as part of the business case before a project is approved.

7. Risk

- 7.1 The risk register is a key document for all projects and programmes. An initial assessment is required as part of the business case before a project or programme is approved and the completed risk register is managed throughout the life of the project/programme.

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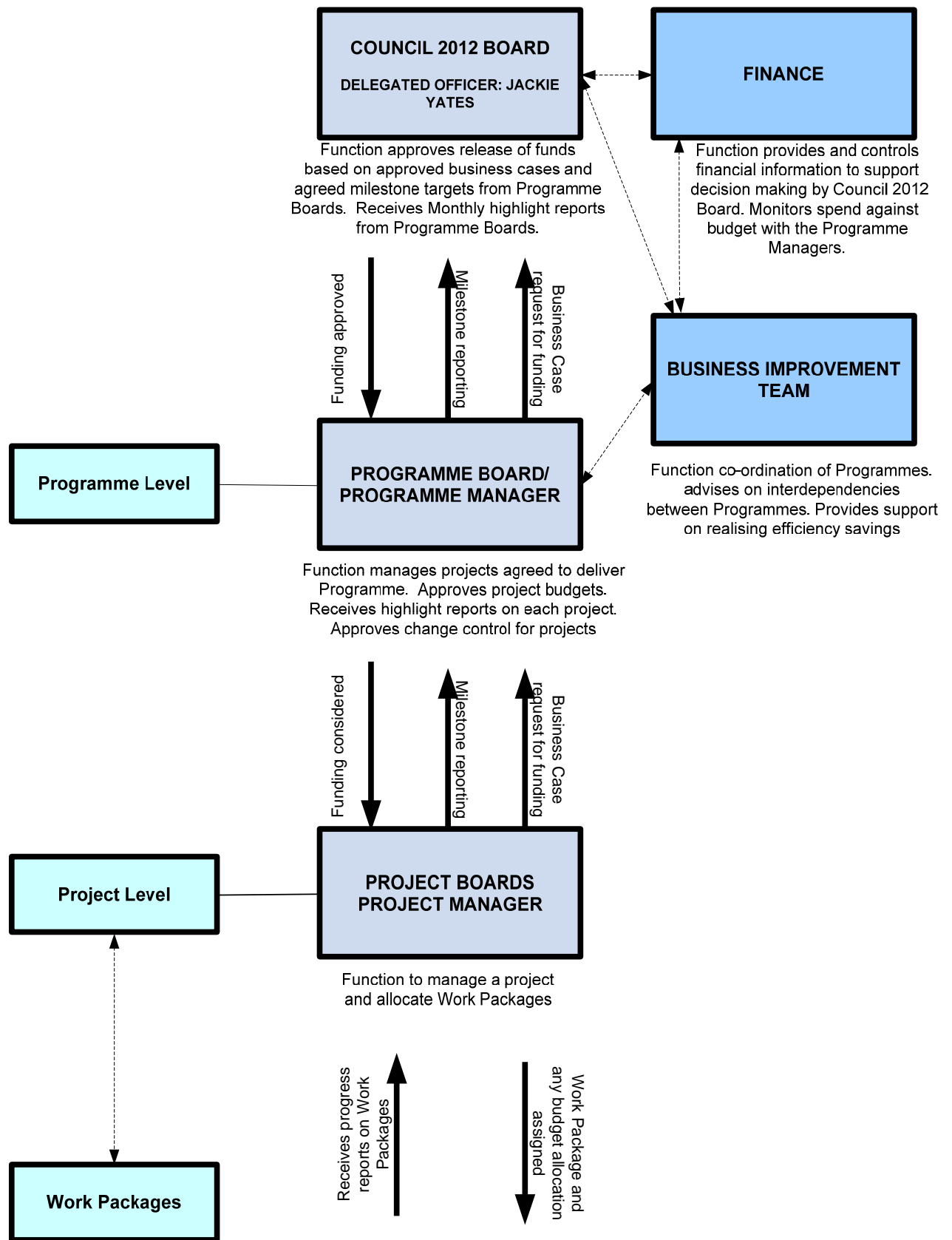
Business Improvement

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List of background papers: Medium Term Financial Strategy 2010-13

Version number: 1.0

Appendix one: Process for Governance and Funding Approvals



Appendix two: Process for Allocating Funding via the Efficiency Partnership

