

AGENDA MANAGEMENT SHEET

Name of Committee Cabinet

Date of Committee 07 September 2006

Report Title Savings from the Restructuring of the County Council

Summary The report informs members of the progress in identifying the savings resulting from the restructuring of County Council Directorates.

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Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers None

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members Cllr Tandy, Cllr Roodhouse, Cllr Booth, Cllr Hicks – for information
- Cabinet Member Cllr Farnell, Cllr Cockburn – “approved for consideration”
- Chief Executive Jim Graham - reporting officer
- Legal David Carter – approved as part of SDMT consideration
- Finance Dave Clarke - reporting officer
- Other Chief Officers The report has previously been considered and agreed by SDMT
- District Councils
- Health Authority

Police

Other Bodies/Individuals

FINAL DECISION YES

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by this Committee

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

Agenda No

Cabinet - 07 September 2006

Savings from the Restructuring of the County Council

Report of the Chief Executive and Strategic Director, Resources

Recommendation

- To note the savings of £671,000 in 2006/07 and a further £21,000 in 2007/08, identified as a result of the restructuring of County Council Directorates.
- To approve the allocation of the savings identified to the Modernisation Fund, in the first instance, in accordance with the Council resolution.

1 Introduction and Background

- 1.1 At Council in November 2005 members approved the restructuring of the authority with a reduction from nine service departments to six directorates. The proposals included corporate funding of up to £3 million for the upfront costs of early retirements and redundancies resulting from the restructuring. To restructuring was expected to save around £700,000 a year through the reduction in the number of posts at Head of Service/DMT level and a number of other consequent changes. As a result, over the medium to long term, the restructuring would provide for a more efficient management structure.
- 1.2 As part of setting the 2006/07 Budget members agreed that any savings from the restructuring would, in the first instance, be added to the Modernisation Fund. All allocations of resources from the Modernisation Fund are to be approved by Cabinet after consideration of a business case by the cross-party Modernisation Board.
- 1.3 This report informs members of the progress to date.

2 Financial Impact of Restructuring

- 2.1 With any significant change agenda, such as the restructuring, there is a need for any consequences not only to be fair but also to be seen to be fair for the changes to be widely accepted. SDMT have considered all the issues and have agreed the budget adjustments set out in Table 1 below. This has been delivered using a clear set of principles. The principles used are:

- The corporate restructuring, for the purpose of identifying any saving, is restricted to first and second tier level and any consequent changes, for example personal assistants to chief officers.
- The exception to this is where the costs of redundancy/retirement have been corporately funded. For these the post will be deleted and savings generated accordingly.
- All heads of service posts will be funded at their assessed grade.
- Where second tier Departmental Management Team posts (old structure) are now redesignated as third tier posts the resources will remain in the relevant Directorate.

2.2 Applying the above principles, SDMT have agreed savings from the restructuring of £692,000 in a full year and £671,000 in 2006/07.

Table 1: Financial Impact of the Restructuring		
Directorate	Impact In 2006/07 £000	Full Year Impact £000
Adult, Health & Community Services	(101)	(101)
Children, Young People and Families	(218)	(204)
Community Protection	0	0
Environment & Economy	(25)	(28)
Performance & Development	(72)	(72)
Resources	(255)	(287)
Total	(671)	(692)

2.3 Members are asked to note the level of savings identified and approve, in accordance with the Council Budget resolution that the savings are added to the Modernisation Fund.

JIM GRAHAM
Chief Executive

DAVE CLARKE
Strategic Director, Resources

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02 August 2006