

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

DATE: **WEDNESDAY, 30 JULY 2014**

REPORT BY: **CORPORATE FINANCE MANAGER**

SUBJECT: **FUNCTIONAL VALUE FOR MONEY (VFM) PROGRAMME UPDATE**

1.00 **PURPOSE OF REPORT**

1.01 To provide an update to Members on the Functional VFM Programme and the Programme Management arrangements in place.

2.00 **BACKGROUND**

2.01 The 2014/15 financial strategy and the development of the Organisational Change and Redesign Programme has been reported and approved by Members.

The four sub-programmes of the Organisational Change and Redesign Programme include:

- Organisational Design: Structure and Operating Model
- Organisational Design: Workforce
- Corporate Value for Money: (VFM)
- Functional Value for Money: (VFM)

The total efficiencies included in the 2014/15 budget amount to £11.9m.

- Corporate Value for Money - £1.3m
- Functional Value for Money - £7.5m
- Workforce Efficiencies - £3.1m

At the Corporate Resources Overview and Scrutiny Meeting on 2 July 2014 members requested a progress update on the Functional (VFM) programme and the efficiencies included in the 2014/15 budget.

3.00 **CONSIDERATIONS**

3.01 Progress on the achievement of the £7.5m Functional VFM efficiencies is monitored on an ongoing basis through the functional efficiencies tracking document which includes a detailed progress risk based assessment of each initiative. This is updated monthly after

Finance Managers and VFM Review Leads have assessed and challenged the progress of each project, both for 2014/15 and future years.

- 3.02 The Functional VFM Board chaired by the Head of ICT and Customer Services and made up of Finance Managers and the Finance Lead - Organisational Change meet on a monthly basis to review the updated tracking document. Regular updates are provided to the Chief Officer Team.
- 3.03 The Revenue budget monitoring (month 2) report (also on this agenda) was considered by Cabinet on the 15 July and provided an update on the monitoring of efficiencies as shown below:

Corporate and Functional Efficiencies

The 2014/15 budgets include £8.8m of efficiencies relating to Corporate VFM on Procurement and Back to Basics (£1.3m) and specific Functional VFM efficiencies (£7.5m). These are being monitored closely on a risk based approach and current information indicates that there is one area flagged as red at this stage of the year which has a value of £0.070m (delegation of teaching assistant support to schools) which is due to delays in reaching agreements with schools. Implementation is now likely to take place in April 2015.

Workforce Efficiencies

Workforce Efficiencies of £3.1m are included within the 2014/15 budget. A Voluntary Redundancy Programme commenced early in the year which invited invitations for employees to apply. As a result of this, efficiencies totalling approximately 40% of the target have been identified to date in the first phase. Further work is now underway to consider and action the release of a number of deferred VR applications from the earlier programme, to develop proposals for the next phase of the Management Review and to run a further phase of the voluntary redundancy programme.

- 3.04 Due to the complexity and the level of detail included in the Functional VFM monitoring spreadsheet it will be posted out to members in advance of the meeting under separate cover.
- 3.05 As in recent years the monthly budget monitoring report will include details on the progress of all of the efficiencies included in the budget and the month 3 report will provide the first detailed update.

4.00 RECOMMENDATIONS

- 4.01 Members are asked to note the contents of this report

5.00 FINANCIAL IMPLICATIONS

- 5.01 As set out in the report

6.00 ANTI POVERTY IMPACT

6.01 None directly as a result of this report

7.00 ENVIRONMENTAL IMPACT

7.01 None directly as a result of this report

8.00 EQUALITIES IMPACT

8.01 None directly as a result of this report

9.00 PERSONNEL IMPLICATIONS

9.01 None directly as a result of this report

10.00 CONSULTATION REQUIRED

10.01 None directly as a result of this report

11.00 CONSULTATION UNDERTAKEN

11.01 None directly as a result of this report

12.00 APPENDICES

12.01 None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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