

### 3. REVIEW OF CORPORATE OVERHEADS AND EXPENSES

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The purpose of this information report is to advise the Committee of the process for the Review of Corporate Overheads and Expenses.

#### BACKGROUND

Over the last 2/3 years most of the major areas of Council activity have been reviewed as part of the ongoing drive to create efficiencies. This efficiency review process has both produced ongoing efficiency savings and resulted in a number of changes to organisational arrangements.

One of the remaining reviews, and most significant from an operational spend perspective, is the review of corporate overheads and expenses. The total value of corporate overheads (i.e. those costs allocated across the Council's outputs) is around \$26m and this is allocated across a total direct operational cost of approximately \$202m. Corporate overheads therefore account for about 13% of total direct cost. A further \$7m is allocated as direct costs against rates, this cost will be looked at as part of the review process for significant activities.

#### REVIEW SCOPE

It is proposed to carry out the review of corporate overheads and expenses as a number of discrete projects, noting that there are some overlaps and inter-relationships. The proposed sub-projects and indicative timing for these is as follows:

- Financial Services Review – this is virtually complete and is the subject of a separate report to the present meeting.
- Information Management and Technology Review – this review includes the whole of the Information Directorate, MIS and the document management role in the Corporate Services Unit with some potential impact on a few business units. The review commenced in late April and has a July completion date.
- Corporate Services Review – this review is targeted at the Corporate Services Unit with a particular focus on procurement opportunities. The review is to commence in July and is to be completed by September.
- Corporate Office and Corporate Expenses Review – this review includes the Corporate Team and Directorate support plus Legal Services and Human Resources as well as corporate expenses. This review is to commence in August and to be completed by October.

#### REVIEW REPORTING

The above reviews, collectively called the Corporate Overheads and Expenses Review, are not part of the significant activity reviews driven through the Budget Scrutiny and Audit Committee, rather it is an internal management review. It is proposed that the major outcomes or issues identified in the review will be reported to the Committee for information, to provide the opportunity for input to these and/or if appropriate to seek support for the proposed direction.

#### Chairperson's

**Recommendation:** That the information be received.