

# METROPOLITAN BOROUGH OF WIRRAL

## FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

21 JUNE 2006

### REPORT OF THE DIRECTOR OF FINANCE

#### FINANCE DEPARTMENT - FINANCIAL MONITORING

##### 1. EXECUTIVE SUMMARY

1.1 This is one of a series of reports submitted to Members throughout the year, the purpose of which is to highlight the financial performance of the Finance Department during 2006/07. Included in this report is the composition of the departmental budget. Members are asked to note the report.

##### 2. BUDGET FOR THE FINANCIAL YEAR 2006/07

2.1 Further to the reporting of the Estimates 2006/07 to Cabinet on 20 February 2006 and to Council on 1 March 2006, the approved budget for the Finance Department was £15,344,600. The changes from the original Budget Estimates reported are as follows :

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Budget presented to Select Committee and then submitted to Budget Cabinet	15,344,600 DR

##### **Virement :**

Transfer from the Service Re-engineering reinvestment budget to Technical Services for replacement of street lights	140,000 CR
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##### **Re-allocation of internal recharges:**

Procurement and Archive Services (see 3.4.1)	67,700 DR
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<b>Budget Approved by Council 1 March 2006</b>	<b>15,272,300 DR</b>
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2.2 The approved budget can be analysed over service areas as follows :

	£
Support Services	
Management and Administration	-
Central Support Services	-
Procurement	-
Archives	172,800 DR
Financial Services	
Financial Services	-
IT Services	
IT Services	2,093,600 DR

Administrative Buildings	-
Benefits, Revenues and Customer Services	
Benefits	7,953,600 DR
Council Tax	3,384,100 DR
One Stop Shops	243,800 DR
Call Centre	-
Business Rates	277,100 DR
Pension Fund	
Pension Fund	-
Other Functions	
Internal Audit	-
Service Re-engineering	<u>1,147,300 DR</u>
Finance Department budget	<u>15,272,300 DR</u>

### **3. FINANCIAL MONITORING 2006/07**

#### **3.1 Progress On Policy Options**

3.1.1 There were no policy options approved for the Finance Department.

#### **3.2 Progress On Savings**

3.2.1 Other than Service Re-engineering there were no savings targets for the Department.

#### **3.3 Bridging Finance**

3.3.1 There was no bridging finance allocated to the Finance Department.

#### **3.4 Cabinet decisions**

3.4.1 The variations reflected in the report refer to the additional staff costs for delivering the procurement savings as part of the Procurement Strategy. Further to the report to Cabinet on 30 January 2006 the cost of the Archives is held as a service area within the Finance Department in accordance with the Accounting Code of Practise.

3.4.2 Cabinet on 20 February 2006 agreed to a four year programme of investment into street lighting which in 2006/07 required £140,000 to start the bulk replacement of street lamps with long life energy efficient bulbs. This will lead to reduced energy use and reduced maintenance and operational costs. The 2006/07 costs are being met from the Service Re-engineering investment budget.

3.4.3 There have been no further Cabinet decisions affecting the Finance Department budget.

### **3.5 Service Re-engineering**

3.5.1 The Finance Department share of the overall savings target for the year 2006/07 is £767,000 to be achieved through:

1 Business	£100,000
Benefits	£319,000
IT Contracts	£ 60,000
Savings to be identified	£288,000

3.5.2. In addition to the service re-engineering savings of £767,000 the Department also has to find an additional £69,000 to fund a restructure and £100,000 from the creation of the Corporate ICT unit. The outstanding savings should substantially be found from re-engineering in Benefits and Revenues, IT and Financial Services which are currently underway. These will be reported to the Cabinet as and when they have been completed.

### **3.6 Variations**

3.6.1 The Housing Benefit account is traditionally a volatile area and is regularly reviewed to allow corrective action.

3.6.2 During 2005/06 notification was received from the Department for Work and Pensions regarding settlement of the 1999/2000 subsidy claim for Housing Benefit and Council Tax Benefit. Decisions are still awaited for the subsequent financial years 2000/01 to 2004/05 and, as with 1999/2000, these repayments will be met from the Housing Benefit Reserve.

## **4. FINANCIAL AND STAFFING IMPLICATIONS**

4.1 For 2006/07 the agreed current estimate for the Finance Department is £15,272,300.

4.2 There are no staffing implications arising from this report.

## **5. EQUAL OPPORTUNITIES IMPLICATIONS**

5.1 There are none arising directly from this report.

## **6. HUMAN RIGHTS IMPLICATIONS**

6.1 There are none arising directly from this report.

## **7. COMMUNITY SAFETY IMPLICATIONS**

7.1 There are no specific implications arising from this report.

**8. LOCAL MEMBERS SUPPORT IMPLICATIONS**

8.1 There are no specific implications for any Member or Ward.

**9. LOCAL AGENDA 21 IMPLICATIONS**

9.1 There are none arising directly from this report.

**10. PLANNING IMPLICATIONS**

10.1 There are none arising from this report.

**11. BACKGROUND PAPERS**

11.1 None were used in the preparation of this report.

**12. RECOMMENDATIONS**

12.1 That the report be noted.

12.2 That a further report be submitted to the next meeting.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/147/06