

## 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.

## 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. Reflecting adjustments for Service Re-Engineering and the reallocation of internal recharges, the current budget was revised to £15,272,300.

- 2.2 The budget analysed over service areas was as follows :

	£
Support Services	
Management and Administration	-
Central Support Services	-
Procurement	-
Archives	172,800
Financial Services	
Financial Services	-
IT Services	
IT Services	2,093,600
Administrative Buildings	-
Benefits, Revenues and Customer Services	
Benefits	7,953,600
Council Tax	3,384,100
One Stop Shops	243,800
Call Centre	-
Business Rates	277,100
Pension Fund	
Pension Fund	-
Other Functions	
Internal Audit	-
Service Re-engineering	<u>1,147,300</u>
Finance Department budget	<u>15,272,300</u>

2.3 Since setting the budget Cabinet has agreed a number of changes (see section 3.4 below) which affect the Finance Department budget but which will be reflected in increased charges to client departments, including schools. As these affect all the departmental recharges the amendments to the budgets will be made as part of the mid-year review of all Council budgets.

### **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 / Executive Board decisions**

3.4.1 On 8 May 2006 a report to Cabinet detailed the award of a new contract in relation to the Environmental Streetscene Services which encompasses Refuse Collection, Street Cleansing and Recycling services. Cabinet agreed to additional funding for the Call Centre of £281,000 to support the communication plan over a two year period (£190,000 in 2006/07 and £91,000 in 2007/08).

3.4.2 The appointment of Internal Audit to assess all Wirral secondary schools as to compliance with the Financial Management Standard in Schools was approved by Cabinet on 25 May 2006. Also agreed was the funding of additional resources to be met from recharges to the schools involved.

3.4.3 On 28 June 2006 Cabinet agreed to revisions to printing services. This included additional equipment purchased from the printing reserve, procurement changes to realise service re-engineering savings and additional posts to meet both the current, and expected, increase in demand, the latter being met from projected income to be generated by the service.

3.4.4 Cabinet on 28 June 2006 considered a report on Treasury Management and the Prudential Code and agreed to variations in the Finance Department staffing budget. The costs of £125,000 are to be met from a virement of resources from the Treasury Management budget.

3.4.5 The management and development of the Integrated Financial System was reported to Cabinet on 27 July 2006. This set out the work programme for the next 3 years and it was agreed that the costs to the Financial Services Division of £130,000 be provided from the Service Re-engineering investment budget.

3.4.6 On 7 September 2006 the Executive Board agreed to funds being provided for additional posts in respect of the website and information management. The additional costs of £100,000 will be met from the Service Re-engineering investment 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:

	£
Benefits	319,000
Financial Services - 1 Business	100,000
IT Services	100,000
Printing Services	87,000
IT Contracts	424,000

### 3.6. **Variations**

3.6.1. The most volatile element of the Finance Department budget is the net expenditure on Benefits. I am in discussion with the Department for Work and Pensions about the level of clawback of Benefit Subsidy for the period from 2000-01. I am hopeful that this will soon be resolved and I will report the outcome to the Cabinet.