

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

6 FEBRUARY 2007

REPORT OF THE DIRECTOR OF FINANCE

FINANCE DEPARTMENT - CURRENT ESTIMATE 2006/07 AND BASE ESTIMATE 2007/08

1. EXECUTIVE SUMMARY

- 1.1 This report informs Members of the Current Estimate for 2006/07 and the Base Estimate for 2007/08. The report also draws together the key financial issues that have been reported to this Committee during the year to date as part of the regular financial monitoring reports.
- 1.2 Members are asked to endorse these proposals and refer items for revenue growth and savings to the Budget Cabinet on 19 February 2007 so that they can be included in the 2007/08 Budget.

2. INTRODUCTION

- 2.1 Appendix 1 details the significant variations affecting the Current Estimate 2006/07 and Base Estimate 2007/08. This includes a number of inter-departmental budget transfers which affect both financial years.
- 2.2 For the 2007/08 Base Estimate an allowance for inflation has been included as follows:
- | | |
|----------------------|-------|
| Pay | 3.00% |
| Prices (income only) | 3.00% |

3. FINANCIAL YEAR 2006/07

- 3.1 Following Budget Council on 1 March 2006 the approved budget for the Finance Department was set at £15,272,300. This reflected the approved growth/policy options and the implementation of any savings, which included the relevant proportion of any Central Service savings.
- 3.3 **Progress on Service Re-Engineering Savings**
- 3.3.1 The Department achieved the Service Re-Engineering savings target of £767,000 for 2006/07 through:-

Saving	Savings Target £'000	Achieved to Date £'000	Forecast Year End £'000
Benefits Restructure	319	319	319
Council Tax & Benefits	101	101	101
Corporate IT Unit	100	100	100
Financial Services	100	100	100
Printing Services	87	87	87
IT Contracts	60	60	60

3.5 Bridging Finance

3.5.1 The consolidation of the various departmental IT units into a Corporate IT Unit within the Finance Department was agreed (see 3.6.2) with bridging finance provided for 2006/07.

3.6 Cabinet / Executive Board Decisions

3.6.1 Cabinet on 20 February 2006 agreed a four year programme of investment into street lighting which required £140,000 in 2006/07 and £130,000 in 2007/08 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 investment was met by a transfer to Technical Services from the Service Re-engineering investment budget and was included in the Base Budget.

3.6.2 In establishing the Corporate IT Unit Cabinet on 2 March 2006 agreed to the transfer of IT budgets from Children and Young Persons, Adult Social Services, Corporate Services, Regeneration and Technical Services. The budgets for both Adult Social Services and Children and Young Persons have been transferred to the Finance Department, the budgets for Corporate Services, Regeneration and Technical Services have yet to be transferred.

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

3.6.4 Cabinet on 25 May 2006 agreed to the creation of an additional Senior Auditor post to undertake the assessments for the Financial Management Standard in Schools. The additional cost of this post will be £22,300 for 2006/07 and £44,600 for 2007/08 and will be recovered from charges made to schools.

3.6.5 Cabinet on 28 June 2006 agreed to variations in the Finance Department budget, to meet the increased requirements on Treasury Management, due to the Audit Commission and Internal Audit reports in respect of the Prudential Code. The costs to be met from a transfer from Treasury Management, are £125,000 for the full year but total £93,800 in 2006/07. The same meeting also agreed the creation of two new posts within Printing Services financed by the additional income generated by the acquisition of new equipment.

3.6.6 Cabinet on 27 July 2006 agreed to the creation of three new posts within the Accountancy section for the financial management of the Enterprise Resource Planning (ERP) system. The costs are being met from the Service Re-engineering investment budget.

3.6.7 On 7 September 2006 a report was presented to Cabinet proposing the establishment of two posts within Support Services to develop web services and the Documentum system. The costs are met from the Service Re-engineering investment budget.

3.6.8 Cabinet on 15 November 2006 changed the method of billing for care to generate additional income. In Adult Social Services. The net income provides for two additional posts in income collection. Also agreed was additional staffing of £100,000 in the Procurement Unit for 2007/08 to deliver the Procurement savings target of £1.1m.

3.6.9 Cabinet on 14 December 2006 agreed to the budget for Council Tax Benefits Subsidy to be reduced by £500,000 for 2006/07 and subsequent years due to the changes in Council Tax Single Persons discounts. Additionally there is to be a £500,000 increase in Housing Benefit expenditure in 2007/08 for liabilities arising from non grant eligible expenditure.

3.7 Variations 2006/07

3.7.1 The paragraphs below detail areas where variations or potential variations may occur between forecast expenditure and the budget. These variations are analysed between those arising from central sources and those which are Departmental specific.

3.8 Variations From Central Sources

3.8.1 Transfers Between Departments

The budgets for the Student Support Team, Education Technical Support Services team and the Adult Social Services Technical Support Team have been transferred to the Finance Department. The cost of these functions will be recharged to the relevant Departments.

There has been a transfer of budget to the Finance Department from Treasury Management. This is to fund the newly established Treasury Management and Capital section within Accountancy and to reallocate part of the External Audit budget to Internal Audit.

3.8.2 Capital Charges

In June 2006 CIPFA removed the requirement for a notional financing charge to be applied to the value of Council assets. This is one of a number of amendments to bring public sector accounts into line with the UK GAAP (Generally Accepted Accounting Practice) standard. However, a depreciation charge is still required for operational assets.

The net effect on the budget was therefore an increase in capital charges of £173,100, which is offset in the Treasury Management budget. This is the net effect of a reduction in capital charges of £85,800 in 2006/07 and the revaluation of administrative buildings, which increased the depreciation charge by £258,900 in 2006/07.

3.8.3 Central Establishment and Other Recharges

Central establishment and other recharges have been reallocated to ensure services within Finance are appropriately charged out across the service areas. This includes changes in the allocation of Call Centre and One Stop Shop recharges as well as the Corporate IT Unit.

3.8.4 Reinvestment and Procurement

Service Re-engineering Reinvestment

For 2006/07 £1.2 million was allocated for Service Re-engineering reinvestment and the table shows the commitments to date with the balance remaining to be used to offset the procurement target as described below.

	£
Service Re-engineering Reinvestment 2006/07	1,200,000
Less : Investment	
Website and Document Management	100,000
Transformational Change	80,000
Integrated Financial Management	130,000
Street Lighting – 4 year programme	350,000
Total to be invested – see procurement	540,000

Procurement

The agreed budget includes projected savings arising from procurement which as previously reported to Committee are being achieved by departments with the support of the Procurement Unit. These form part of the various departmental Service re-engineering savings achieved for 2006/07. However there has been a significant element of double counting between procurement savings and general service re-engineering savings. To give greater clarity to the process the Service Re-engineering targets from 2007/08 include the procurement target. To resolve the position for 2006/07 the procurement target has been incorporated within the Finance Department budget and is being supported through the use of the remaining reinvestment allocation.

4. FINANCIAL YEAR 2007/08

- 4.1 The Base Estimate has been prepared assuming inflation as per paragraph 2.2 of this report.
- 4.2 The paragraphs below detail areas where variations may occur between the 2006/07 Base Estimate and the 2007/08 Estimate. These variations are analysed between those arising from central sources and those which are Departmental specific.

4.3 Variations From Central Sources

4.3.1 Transfer of Budgets Between Departments.

The budgets for the Student Support Team, Education Technical Support Services team and the Adult Social Services Technical Support Team have been transferred to the Finance Department. The cost of these functions will be recharged to the relevant Departments.

There has been a transfer of budget to the Finance Department from Treasury Management. This is to fund the newly established Treasury Management and Capital section within Accountancy and to reallocate part of the External Audit budget to Internal Audit.

4.3.2 Capital Charges

As per paragraph 3.8.2 above CIPFA has changed the accounting treatment of capital charges on Council assets. The net effect on the budget was an increase in capital charges of £173,100, which is offset in the Treasury Management budget. This is the net effect of a reduction in capital charges of £85,800 in 2007/08 and the revaluation of administrative buildings, which increased the depreciation charge by £258,900 in 2007/08.

4.3.3 Central Establishment and Other Recharges

As outlined above in paragraph 3.8.3, Central establishment and other recharges have been reallocated to ensure services are appropriately charged out across the service areas. This includes changes in the allocation of Call Centre and One Stop Shop recharges as well as Corporate IT Services.

4.4 ADDITIONAL REQUIREMENTS

4.4.1 No unapproved additional growth is included within the budget.

4.5 Savings

4.5.1 The 2007/08 budget includes a Service Re-engineering savings target of £653,000 as agreed by Cabinet on 14 December 2006. The savings shown in Appendix 2 are reflected in the Base Estimate 2007/08.

5. FINANCIAL AND STAFFING IMPLICATIONS

5.1 The attached gives further explanation of the changes to, and the composition of, the budget for the Finance Department. The key figures at the date of preparing this report are:

Finance Department	£
Base Estimate 2006/07	15,272,300
Current Estimate 2006/07	13,394,000
Base Estimate 2007/08	14,878,900

6. EQUAL OPPORTUNITIES IMPLICATIONS

6.1 There are none arising directly from this report.

7. HUMAN RIGHTS IMPLICATIONS

7.1 The allocation and management of resources must be mindful of the Council obligation to act consistently to ensure the rights of individuals are not contravened.

8. COMMUNITY SAFETY IMPLICATIONS

8.1 There are no specific implications arising from this report.

9. LOCAL MEMBERS SUPPORT IMPLICATIONS

9.1 There are no specific implications for any Member or ward arising from this report.

10. LOCAL AGENDA 21 IMPLICATIONS

10.1 There are no specific agenda 21 implications arising from this report.

11. PLANNING IMPLICATIONS

11.1 There are none arising from this report.

12. BACKGROUND PAPERS

12.1 None were used in the preparation of this report.

13. RECOMMENDATIONS

13.1 That a further report on financial monitoring for 2006/07 be submitted to the next appropriate meeting.

13.2 That the Current Estimate for 2006/07 and the Base Estimate for 2007/08 be approved and referred to the budget meeting of Cabinet on 19 February 2007.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/28/07

FINANCE

Appendix 1

	Current Estimate 2006/07		Base Estimate 2007/08	
	£'000	£000	£'000	£000
Base Estimate 2006/07		15,272.3		15,272.3
<u>Bridging Finance:-</u>				
Creation of Corporate IT Unit		-		(100.0)
<u>Transfers Between Departments:-</u>				
Council procurement savings target	(1,960.0)		(1,960.0)	
Student Support – From Children & Young Persons	287.6		287.6	
Street Lighting – From Technical Services	-		10.0	
Internal Audit – From Treasury Management	130.0		130.0	
Corporate ICT – From Adult Social Services	138.8		142.8	
Treasury Team – From Treasury Management	93.8		125.0	
Energy Savings – From Technical Services	(3.7)		(6.2)	
		(1,313.5)		(1,270.8)
<u>Inflation :-</u>				
Pay	-		674.1	
Income	-		(35.9)	
		-		638.2
<u>Increased Expenditure :-</u>				
Service Re-engineering Savings Adjustment	767.0		767.0	
Service Re-engineering Reinvestment	-		1,200.0	
Housing Benefit payments	-		500.0	
Waste Contract	190.0		91.0	
Capital Charges	173.1		173.1	
Procurement	-		100.0	
Audit of Schools	22.3		44.6	
		1,152.4		2,875.7
<u>Reduced Expenditure :-</u>				
SRE – Benefits Restructure	(319.0)		(319.0)	
SRE – Council Tax & Benefits	(101.0)		(101.0)	
SRE – Corporate ITU	(100.0)		(100.0)	
SRE – Financial Services 1 Business	(100.0)		(100.0)	
SRE – Printing Services	(87.0)		(87.0)	
SRE – IT Contracts	(60.0)		(60.0)	
		(767.0)		(767.0)
<u>Increased Income :-</u>				
Support Service Charges	(1,450.2)		(1,616.5)	
		(1,450.2)		(1,616.5)
<u>Reduced Income :-</u>				
Council Tax Benefits Subsidy	500.0		500.0	
		500.0		500.0
<u>Agreed Savings :-</u>				
Service Re-engineering 2007/08	-		(653.0)	
		-		(653.0)
ESTIMATE 2006/07 and 2007/08		13,394.0		14,878.9

FINANCE	Base Estimate 2006/07 £	Current Estimate 2006/07 £	Estimate 2007/08 £
SUBJECTIVE SUMMARY			
<u>Expenditure</u>			
Employees	17,753,100	21,466,000	21,712,600
Premises	1,849,700	1,815,400	1,814,200
Transport	127,000	177,300	177,300
Supplies and Services	9,198,600	6,442,200	6,058,900
Third Party Payments	5,834,500	5,797,800	5,797,800
Transfer Payments	108,127,900	114,441,100	115,183,300
Support Services	7,324,500	8,420,700	9,840,500
Financing Costs	859,300	1,032,400	1,032,400
	151,074,600	159,592,900	161,617,000
<u>LESS Income</u>			
Government Grants	-106,708,100	-112,860,700	-113,021,200
Other Grants and Reimbursements	-852,000	-1,283,200	-1,131,500
Customer and Client Receipts	-1,368,700	-2,895,400	-2,963,700
Recharge to Other Revenue Accounts	-26,873,500	-29,159,600	-29,621,700
	-135,802,300	-146,198,900	-146,738,100
FINANCE TOTAL	15,272,300	13,394,000	14,878,900

Base Current

FINANCE	Estimate 2006/07 £	Estimate 2006/07 £	Estimate 2007/08 £
OBJECTIVE SUMMARY			
<u>SUPPORT SERVICES</u>			
Archives	172,800	217,600	244,900
Administration	-	-	-
Management	-	-	-
Pay & Tax Control	-	-	-
Procurement & Creditors	-	-	100,000
<u>FINANCIAL SERVICES</u>			
Financial Services	-	-	-
<u>IT SERVICES</u>			
Administrative Buildings	3,200	2,800	2,900
IT Services	2,122,300	2,254,800	2,194,800
Printing Services	-28,700	-115,600	-122,400
<u>BENEFITS, REVENUES & CUSTOMER SERVICES</u>			
Benefits	7,950,400	7,597,800	8,280,700
Income	277,100	282,100	289,900
Call Centre	-	-	-
Council Tax	3,384,100	3,162,400	3,264,900
One Stop Shops	100,000	100,000	100,000
Customer Services Development	143,800	163,400	178,700
<u>PENSION FUND</u>			
Pension Fund	-	-	-
<u>OTHER OPERATIONS</u>			
Internal Audit	-	-	130,000
Service Re-Engineering	-767,000	-	-653,000
Reinvestment and Procurement Savings	1,914,300	-271,300	867,500
FINANCE TOTAL	15,272,300	13,394,000	14,878,900

Base

Current

FINANCE	Estimate 2006/07 £	Estimate 2006/07 £	Estimate 2007/08 £
<u>Archives</u>			
<u>Expenditure</u>			
1 Employees	191,100	224,300	251,200
2 Supplies and Services	24,000	24,000	24,000
3 Support Services	3,500	15,100	15,500
4	218,600	263,400	290,700
<u>LESS Income</u>			
5 Recharge to Other Revenue Accounts	-45,800	-45,800	-45,800
6 Archives Total	172,800	217,600	244,900
<u>Administration</u>			
<u>Expenditure</u>			
7 Employees	478,600	477,800	495,900
8 Premises	97,200	50,400	50,400
9 Supplies and Services	109,800	102,800	102,800
10 Support Services	58,000	65,000	65,000
11 Financing Costs	2,200	2,200	2,200
12	745,800	698,200	716,300
<u>LESS Income</u>			
13 Customer and Client Receipts	-700	-700	-700
14 Recharge to Other Revenue Accounts	-745,100	-697,500	-715,600
15	-745,800	-698,200	-716,300
16 Administration Total	-	-	-

Base Estimate 2006/07 £	Current Estimate 2006/07 £	Estimate 2007/08 £
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Management

Expenditure

17 Employees	465,800	510,800	528,900
18 Premises	16,700	20,000	20,000
19 Transport	11,000	11,000	11,000
20 Supplies and Services	29,000	24,500	24,500
21 Support Services	11,400	15,900	15,900
22	533,900	582,200	600,300

LESS Income

23 Recharge to Other Revenue Accounts	-533,900	-582,200	-600,300
24	-533,900	-582,200	-600,300

25 Management Total	-	-	-
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Pay & Tax Control

Expenditure

26 Employees	414,100	454,100	470,300
27 Premises	53,700	50,700	50,900
28 Transport	900	900	900
29 Supplies and Services	101,000	30,900	31,000
30 Third Party Payments	10,500	10,500	10,500
31 Support Services	81,500	141,800	145,200
32	661,700	688,900	708,800

LESS Income

33 Other Grants and Reimbursements	-4,600	-4,600	-4,600
34 Customer and Client Receipts	-91,500	-91,500	-92,900
35 Recharge to Other Revenue Accounts	-565,600	-592,800	-611,300
36	-661,700	-688,900	-708,800

37 Pay & Tax Control Total	-	-	-
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Base Estimate 2006/07	Current Estimate 2006/07	Estimate 2007/08
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Administrative Buildings

Expenditure

59 Employees	94,700	94,700	98,000
60 Premises	566,000	554,000	552,500
61 Supplies and Services	5,500	5,500	5,500
62 Support Services	66,700	66,700	68,900
63 Financing Costs	222,100	187,200	187,200
64	955,000	908,100	912,100

LESS Income

65 Customer and Client Receipts	-57,900	-57,900	-58,800
66 Recharge to Other Revenue Accounts	-893,900	-847,400	-850,400
67	-951,800	-905,300	-909,200

68 Administrative Buildings Total	3,200	2,800	2,900
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IT Services

Expenditure

69 Employees	3,336,100	5,243,200	5,428,100
70 Premises	285,100	298,100	297,900
71 Transport	31,800	82,100	82,100
72 Supplies and Services	4,376,600	4,641,900	4,641,700
73 Third Party Payments	551,200	551,200	551,200
74 Support Services	610,300	1,321,800	1,333,800
75 Financing Costs	607,000	799,400	799,400
76	9,798,100	12,937,700	13,134,200

LESS Income

77 Other Grants and Reimbursements	-284,400	-546,000	-554,600
78 Customer and Client Receipts	-54,300	-1,445,600	-1,487,700
79 Recharge to Other Revenue Accounts	-7,337,100	-8,691,300	-8,897,100
80	-7,675,800	-10,682,900	-10,939,400

81 IT Services Total	2,122,300	2,254,800	2,194,800
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Base Estimate 2006/07 £	Current Estimate 2006/07 £	Estimate 2007/08 £
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Printing Services

<u>Expenditure</u>			
82 Employees	209,800	285,600	301,300
83 Premises	16,900	16,900	16,900
84 Transport	4,100	4,100	4,100
85 Supplies and Services	209,900	203,000	203,000
86 Third Party Payments	18,500	18,500	18,500
87 Support Services	23,400	30,400	31,200
88 Financing Costs	5,800	5,800	5,800
89	488,400	564,300	580,800
<u>LESS Income</u>			
90 Customer and Client Receipts	-494,200	-657,000	-680,300
91 Recharge to Other Revenue Accounts	-22,900	-22,900	-22,900
92	-517,100	-679,900	-703,200
93 Printing Services Total	-28,700	-115,600	-122,400

Benefits

<u>Expenditure</u>			
94 Employees	3,146,300	3,212,300	3,329,200
95 Premises	90,900	115,700	116,100
96 Transport	35,700	35,700	35,700
97 Supplies and Services	1,497,300	502,200	251,800
98 Third Party Payments	123,200	123,200	123,200
99 Transfer Payments	107,466,200	113,779,400	114,521,600
100 Support Services	2,194,200	2,758,100	2,821,900
101	114,553,800	120,526,600	121,199,500
<u>LESS Income</u>			
102 Government Grants	-106,320,500	-112,473,100	-112,633,600
103 Other Grants and Reimbursements	-250,000	-419,600	-250,000
104 Recharge to Other Revenue Accounts	-32,900	-36,100	-35,200
105	-106,603,400	-112,928,800	-112,918,800
106 Benefits Total	7,950,400	7,597,800	8,280,700

Base	Current	Estimate
Estimate	Estimate	Estimate
2006/07	2006/07	2007/08
£	£	£

Income

<u>Expenditure</u>			
107 Employees	355,700	355,700	368,400

108 Premises	17,900	22,000	22,000
109 Transport	500	500	500
110 Supplies and Services	223,100	597,300	608,100
111 Third Party Payments	14,600	14,600	14,600
112 Transfer Payments	379,600	379,600	379,600
113 Support Services	402,600	31,400	31,500
114	1,394,000	1,401,100	1,424,700
<u>LESS</u> Income			
115 Government Grants	-387,600	-387,600	-387,600
116 Other Grants and Reimbursements	-92,000	-92,000	-94,700
117 Customer and Client Receipts	-50,900	-50,900	-50,900
118 Recharge to Other Revenue Accounts	-586,400	-588,500	-601,600
119	-1,116,900	-1,119,000	-1,134,800
120 Income Total	277,100	282,100	289,900

Call Centre

Expenditure

120 Employees	1,622,700	1,801,700	1,771,400
122 Premises	192,700	196,300	194,900
123 Transport	1,500	1,500	1,500
124 Supplies and Services	73,700	84,700	73,700
125 Third Party Payments	30,100	30,100	30,100
126 Support Services	60,700	63,900	63,400
127 Financing Costs	4,900	4,900	4,900
128	1,986,300	2,183,100	2,139,900
<u>LESS</u> Income			
129 Customer and Client Receipts	-50,400	-23,000	-23,000
130 Recharge to Other Revenue Accounts	-1,935,900	-2,160,100	-2,116,900
131	-1,986,300	-2,183,100	-2,139,900
132 Call Centre Total	-	-	-

Base Estimate 2006/07 £	Current Estimate 2006/07 £	Estimate 2007/08 £
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Council Tax

Expenditure

133 Employees	1,395,500	1,318,500	1,368,000
134 Premises	106,200	85,500	85,700

135 Transport	17,100	17,100	17,100
136 Supplies and Services	1,277,000	1,899,100	1,946,000
137 Third Party Payments	78,600	78,600	78,600
138 Support Services	935,500	189,400	195,700
139 Financing Costs	17,300	17,300	17,300
140	3,827,200	3,605,500	3,708,400
<u>LESS</u> Income			
141 Customer and Client Receipts	-425,300	-425,300	-425,300
142 Recharge to Other Revenue Accounts	-17,800	-17,800	-18,200
143	-443,100	-443,100	-443,500
144 Council Tax Total	3,384,100	3,162,400	3,264,900

One Stop Shops

<u>Expenditure</u>			
145 Employees	1,747,900	2,035,500	2,107,600
146 Premises	187,200	172,300	173,400
147 Transport	3,700	3,700	3,700
148 Supplies and Services	77,600	33,900	33,900
149 Transfer Payments	100,000	100,000	100,000
150 Support Services	235,600	350,600	365,000
151 Financing Costs	-	15,600	15,600
152	2,352,000	2,711,600	2,799,200
<u>LESS</u> Income			
153 Customer and Client Receipts	-123,700	-123,700	-123,700
154 Recharge to Other Revenue Accounts	-2,128,300	-2,487,900	-2,575,500
155	-2,252,000	-2,611,600	-2,699,200
156 One Stop Shops Total	100,000	100,000	100,000

Base	Current	
Estimate	Estimate	Estimate
2006/07	2006/07	2007/08
£	£	£

Customer Services Development

<u>Expenditure</u>			
157 Employees	287,000	320,400	341,700
158 Premises	41,300	40,800	40,900
159 Transport	800	800	800
160 Supplies and Services	49,000	11,400	11,400

161 Third Party Payments	13,600	13,600	13,600
162 Support Services	55,900	78,800	79,200
163	447,600	465,800	487,600
<u>LESS</u> Income			
164 Other Grants and Reimbursements	-127,900	-127,900	-131,700
165 Customer and Client Receipts	-3,900	-3,900	-4,000
166 Recharge to Other Revenue Accounts	-172,000	-170,600	-173,200
167	-303,800	-302,400	-308,900
168 Customer Services Total	143,800	163,400	178,700

Pension Fund

<u>Expenditure</u>			
169 Employees	2,430,400	2,390,200	2,474,100
170 Premises	89,500	89,500	89,500
171 Transport	5,000	5,000	5,000
172 Supplies and Services	999,600	756,300	756,600
173 Third Party Payments	4,879,700	4,879,700	4,879,700
174 Transfer Payments	182,100	182,100	182,100
175 Support Services	218,000	455,500	459,000
176	8,804,300	8,758,300	8,846,000
<u>LESS</u> Income			
177 Customer and Client Receipts	-10,500	-10,500	-10,900
178 Recharge to Other Revenue Accounts	-8,793,800	-8,747,800	-8,835,100
179	-8,804,300	-8,758,300	-8,846,000
180 Pension Fund Total	-	-	-

Base Estimate 2006/07 £	Current Estimate 2006/07 £	Estimate 2007/08 £
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Internal Audit

<u>Expenditure</u>			
181 Employees	536,200	688,500	731,800
182 Premises	29,900	35,000	34,900
183 Transport	4,200	4,200	4,200
184 Supplies and Services	37,400	14,300	14,300
185 Third Party Payments	31,400	31,400	31,400
186 Support Services	51,900	73,900	75,900

187		691,000	847,300	892,500
	<u>LESS</u> Income			
188	Customer and Client Receipts	-5,400	-5,400	-5,500
189	Recharge to Other Revenue Accounts	-685,600	-841,900	-757,000
190		-691,000	-847,300	-762,500
191	Internal Audit Total	-	-	130,000
 <u>Service Re-Engineering</u>				
<u>Expenditure</u>				
192	Employees	-767,000	0	-653,000
193	Service Re-Engineering Total	-767,000	0	-653,000
 <u>Reinvestment & Procurement Savings</u>				
<u>Expenditure</u>				
194	Supplies and Services	0	-271,300	-400,000
195	Support Services	1,914,300	0	1,267,500
196	Service Re-Engineering Total	1,914,300	-271,300	867,500
197	FINANCE TOTAL	15,272,300	13,394,000	14,878,900

APPENDIX 2

FINANCE DEPARTMENT

AGREED SAVINGS

Service Re-engineering Savings agreed by Cabinet on 14 December 2006:

Service Re-engineering Saving	£503,000
Procurement	£150,000
Total Service Re-engineering Saving	£653,000