

## FINANCE DEPARTMENT - FINANCIAL MONITORING

### 1. EXECUTIVE SUMMARY

- 1.1 This is one of a series of reports submitted throughout the year to highlight the financial performance of the Finance Department. Members are requested to note the report.

### 2. FINANCIAL YEAR 2006/07

- 2.1 At the time of preparing this report work continues on completing the accounts for the 2006/07 financial year and further details will be included in the report to the next meeting of this Committee.

### 3. FINANCIAL YEAR 2007/08

- 3.1 Further to the reporting of the Estimates 2007/08 to Cabinet on 20 February 2007 and to Council on 1 March 2007, the approved budget for the Finance Department is £14,388,400.

- 3.2 Since the Finance Department budget was approved by this Committee on 6 February 2007 it has been revised to reflect the agreed savings, policy options and the re-allocation of internal recharges.

	£
Budget presented to Overview & Scrutiny Committee	14,878,900
Subsequent Budget changes:-	
Agreed Savings:	
- Reduction in Pay inflation	-189,900
- Reduction in Procurement	-74,800
- Reduction in Car Allowances	-8,800
- Reduction in Schedule of Rates	-5,400
Transfers Between Departments	-448,200
Policy Options	220,000
Procurement	50,000
Recharge Adjustments	-33,400
<b>Budget approved by Council 1 March 2007</b>	<b>14,388,400</b>

3.3 The approved budget analysed over service areas is as follows :-

	£
Revenues Benefits, and Customer Services	
Benefits	8,262,400 DR
Council Tax	3,472,500 DR
One Stop Shops	100,000 DR
Customer Services Development	177,400 DR
Call Centre	-
Income	289,900 DR
Financial Services	
Financial Services	-
IT Services	
IT Services	2,271,600 DR
Administrative Buildings	2,900 DR
Printing Services	124,700 CR
Pension Fund	
Pension Fund	-
Support Services	
Archives	242,700 DR
Administration and Management	-
Pay and Tax Control	-
Procurement and Creditors	-
Other Functions	
Internal Audit	-
Service Re-engineering &Reinvestment	<u>306,300 CR</u>
Finance Department budget	<u>14,388,400 DR</u>

#### **4. FINANCIAL MONITORING 2007/08**

##### **4.1 Progress on implementing Policy Options**

4.1.1 The only policy option related to pensioner Council Tax discounts for the over 75's. To date around 7,000 pensioners have applied for the discount which is in excess of expectations.

##### **4.2 Progress on delivering savings**

4.2.1 The saving of £90,000 from Call Centre developments and working practices has been implemented for the financial year. In terms of the £8,800 from car allowances the budgets have been reduced and spend is being monitored against the reduced budgets.

### 4.3 Progress on delivering Service Re-engineering savings

4.3.1 The Finance Department share of the overall savings target for the year 2007/08 is £728,000 to be achieved through:

Details	£000	£000
Benefits and Council Tax	300	
IT Hardware Contracts	200	
Integrated Benefits and Council Tax System	100	
Treasury Management	73	
Review of Procurement and Creditors	<u>55</u>	728

4.3.2. The savings arising from Benefits and Council Tax reflect the continuing improvements in service delivery, including customer access primarily through the One Stop Shops, which should be reflected in increased Benefits Subsidy receivable. Those from IT Hardware and the Integrated Revenues and Benefits IT System are being realised during the financial year. By making use of e-technology for various Government payments benefits through improved cash flow are achievable under Treasury Management. The Executive Board on 12 April 2007 agreed a revision to the Procurement and Creditors Services.

### 4.5 Variations

4.5.1 At this stage of the financial year there are no variations to report. The following sections highlight those areas of the budget that are identified as key risks in delivering the objectives of the department within the available resources. These are subject to closer monitoring because of the volatile nature of either demand or cost or because in recent years pressures have been experienced in keeping to the agreed budget.

4.5.2 Housing Benefit and Council Tax payments together with the associated administration costs total in excess of £120 million per year. With this area of activity also attracting similar levels of Government Grant it represents the largest individual service within the Council budget. As such it is subject to numerous performance and control measures to ensure that individuals receive the benefits to which they are entitled and the Council maximises the grant opportunities.

### 4.6 Issues affecting future financial years

4.6.1 There are no current issues affecting future financial years.

## 5. FINANCIAL AND STAFFING IMPLICATIONS

5.1 For 2007/08 the agreed estimate for the Finance Department is £14,388,400 and, at this stage of the year this is projected to be the anticipated spend.

5.2 There are no additional staffing implications arising from this report.