

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

19 JUNE 2007

REPORT OF THE DIRECTOR OF FINANCE

SCRUTINY ISSUES 2007-08

1. EXECUTIVE SUMMARY

1.1. This report outlines the major issues affecting the Finance Department in 2007-08 which are within the remit of this Committee. It has been prepared in order to provide Members with an indication of those areas which may be of concern for the scrutiny function.

2. COMMITTEE RESPONSIBILITIES

2.1. The Finance Department operates through five divisions which comprise 21 sections. Of these 21 sections, 7 report to other committees: Pensions Committee (3), Audit and Risk Management Committee (1) and Community and Customer Engagement Overview and Scrutiny Committee (3).

3. MAJOR ISSUES 2007-08

3.1. For the remaining 14 sections of the Finance Department the key issues for 2007-08 are:-

- a. Comprehensive Spending Review (CSR). This is not expected to be announced until October 2007. Submissions to the CSR will be made throughout the year. The outcome will define the resources likely to be available to the public services for the period 2008 to 2011.
- b. Local Government Finance Settlement. This will follow the CSR with the provisional settlement expected in December 2007 and the final settlement in February 2008. The settlement should be for three years. Again, submissions will be made to the Government throughout the year.
- c. Budget 2008-09. I reported to the Cabinet on 24 January 2007 on the sustainability of the current budget. A projected budget for 2008-2011 will be presented to each meeting of this Committee.
- d. Closure of Accounts 2006-07. The closure of accounts timetable has been shortened and so the accounts now have to be closed by 30 June 2007. The accounts will be reported to the Audit and Risk Management Committee on 28 June 2007.

- e. Service Re-Engineering Savings 2007-08. Progress on achieving the service re-engineering savings which form part of the budget for 2007-08 will be reported to each meeting of this Committee.
- f. Efficiency Plan 2008-2011. The first phase of the efficiency plan to deliver savings of £30m over the period 2008-2011 will be reported to the Cabinet on 20 June 2007.
- g. Treasury Management. The Government intends to make significant amendments to the treasury management function for 2008-09.
- h. Insurance Fund. Actuarial revaluation currently underway, the results of which will be reported to the next meeting of this Committee.
- i. Comprehensive Performance Assessment (CPA) Use of Resources (UOR). The UOR assessment, which forms part of the CPA, will be reviewed over the summer. An action plan was agreed by the Cabinet on 24 January 2007 and reported to this Committee on 6 February 2007. Regular progress reports will be presented to this Committee commencing with an item elsewhere on this agenda.
- j. Benefits Fraud Inspectorate (BFI). The BFI is currently undertaking assessment of the Benefits service. The outcome will be reported to this Committee.
- k. Integrated Tax and Benefits IT System. This system became operational in December 2006. The successful implementation provides the platform for the delivery of significant service improvements in the Council Tax and Benefits services.
- l. Benefits Subsidy. Expenditure on the Benefits service is second only to expenditure on schools in terms of Council services. The majority of the cost is met by Benefits Subsidy receivable from the Department for Work and Pensions. Subsidy is increasingly being allocated on the basis of performance.
- m. Local Housing Allowance (LHA). The Welfare Reform Bill proposes the extension LHA nationally from 2008. This will have significant implications for the Benefits service.
- n. Debt Collection. The Accounts Receivable IT system which was implemented in April 2006 requires major upgrading in order to deliver the service required.
- o. Tax Compliance. An external review of tax compliance is being undertaken to improve procedures.

- p. Procurement. The budget for 2007-08 includes savings of £1.65m from improved procurement. A number of strategies are underway to achieve this including greater use of the procurement IT system and a restructuring of the procurement and creditor payments services which is reported elsewhere on this agenda.
- q. ICT Strategy. A revised ICT strategy is currently being finalised for presentation to the Cabinet in July 2007.
- r. ICT System Developments. A number of replacement IT systems are due to be implemented together with improvements to a number of existing systems, many of which have only recently been implemented. The replacement systems include land and property/geographical information system, case management, pensions investments and accounting and pensions administration.
- s. Local Pay Review. There are a number of significant recruitment issues in key areas which need to be addressed by the local pay review.

4. FINANCIAL AND STAFFING IMPLICATIONS

- 4.1. There are none arising directly from this report.

5. EQUAL OPPORTUNITY IMPLICATIONS

- 5.1. There are none arising directly from this report.

6. COMMUNITY SAFETY IMPLICATIONS

- 6.1. There are none arising directly from this report.

7. LOCAL MEMBER SUPPORT IMPLICATIONS

- 7.1. There are none arising directly from this report.

8. LOCAL AGENDA 21 IMPLICATIONS

- 8.1. There are none arising directly from this report.

9. PLANNING IMPLICATIONS

- 9.1. There are none arising directly from this report.

10. BACKGROUND PAPERS

- 10.1. None were used in the preparation of this report.

11. **RECOMMENDATION**

11.1. That Members consider which, if any, of the above issues should be scrutinised by this Committee.

IAN COLEMAN
DIRECTOR OF FINANCE.

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