

## 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 asked to note the report.

### 2. BUDGET FOR THE FINANCIAL YEAR 2007/08

- 2.1 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 was £14,388,400. This is analysed as follows:

- 2.2 Service Area :

	£
Support Services	
Management and Administration	-
Central Support Services	-
Procurement	-
Archives	242,700 DR
Financial Services	
Financial Services	-
IT Services	
IT Services	2,146,900 DR
Administrative Buildings	-
Benefits, Revenues and Customer Services	
Benefits	8,265,300 DR
Council Tax	3,472,500 DR
One Stop Shops	277,400 DR
Call Centre	-
Business Rates	289,900 DR
Pension Fund	
Pension Fund	-
Other Functions	
Internal Audit	-
Service Re-engineering	<u>306,300 CR</u>
Finance Department budget	<u>14,388,400 DR</u>

### 3. FINANCIAL MONITORING 2007/08

#### 3.1 Progress on implementing Policy Options

- 3.1.1 The policy option related to pensioner Council Tax discounts for the over 75's for which there were over 7,000 applications.

<b>Policy Option</b>	<b>£</b>
Pensioner Discounts for over 75's	220,000
<b>Total</b>	<b>220,000</b>

#### 3.2 Progress on delivering savings

- 3.2.1 The Department had two areas of savings. The £90,000 from Call Centre developments and working practices has been implemented and is effective 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.

<b>Savings</b>	<b>£</b>
Call Centre Developments / working practices	90,000
Car Allowances	8,800
<b>Total</b>	<b>98,800</b>

#### 3.3 Bridging Finance

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

#### 3.4 Cabinet decisions

- 3.4.1 Cabinet on 4 October 2007 agreed to the enhancement of the Pension Liaison Section with an additional post of Senior Pensions Liaison Officer to fulfil the increased requirements resulting from organisational change. The estimated full-year cost of £28,000 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 2007/08 is £728,000 to be achieved through:

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

3.5.2. 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.

### **3.6 Variations**

3.6.1 At this stage of the financial year there are no variations to report. The areas of the budget identified as a key risk in delivering the objectives of the Department within the available resources 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.

3.6.2 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.

### **3.7 Issues affecting future financial years**

3.7.1 An early indication from the Comprehensive Spending Review (CSR) 2007 is that the Department for Work and Pensions will reduce the subsidy allocated for Housing Benefit. Further information can be found in the Finance Department – Projected Budget 2008-11.

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

4.1 For 2007/08 the agreed current estimate for the Finance Department is £14,388,400.

4.2 There are no staffing implications arising from this report.