

## **RESOURCES SCRUTINY COMMITTEE**

### **FINANCIAL MANAGEMENT UNIT POSITION STATEMENT**

#### **COMMENTARY AND BRIEFING NOTE**

##### **1. Positive Results**

- The Accountancy and Payments section have now completed the Council's Accounts for 2007-8 within the statutory time framework and these are scheduled to be approved by the Council at the end of this month.
- That section will now immediately begin their preparations to complete the Council's Final Grant claims and Returns for 2007-8. Some of these also have statutory deadlines.
- All sections in the unit continue to liaise closely with the Audit Commission on all related financial matters, particularly grant claims, final accounts, budgets and internal control mechanisms. My Director and I meet with the Council's External Auditor to discuss topical financial issues as and when required. There continues to be a number of queries been given to them regarding our preparations for Local Government Re-organisation (LGR). Often this involves the Audit Commission seeking advice and guidance from their own technical unit.
- During this financial year financial monitors will be presented to the Executive committee in respect of the 2008-9 General Fund and the HRA budgets. These monitors should give members a bi-monthly position on the spend against budgets. In addition these financial monitors will also be of importance during the period leading up to the new unitary Council.
- Collection rates on Council Tax and Business Rates together with Revenues and Benefits performance for 2008-9 are broadly on target; including the Council Tax collection rate which was only slightly below the same performance when compared to the previous financial year which is commendable considering the number of mortgage rate increases in the last 18 months, which has inevitably have had an adverse effect on Council Taxpayer's disposable incomes. In respect of Council Tax collection for last year (2007-8) the Council achieved its second highest ever collection rate which was under very slightly below the previous year's collection rate.
- The Internal Audit section has discontinued its day to day service with East Durham Homes from this financial year. EDH has now sought an alternative provider (Bentley Jennison) for this service. Impact on the Council's Internal Audit service will be minimised and managed out albeit there will be still be client responsibilities for the Council in overseeing EDH which will continue to be carried out by the Council's Internal Audit section, the costs of which will be charged to the Council's HRA. The new provider will meet with Council Officers on a quarterly basis to review progress.

- In general terms, within the unit, all Best Value Performance Indicators and Local Performance Indicators were broadly on target for 2007-8. The overall B.V.P.I.'s for 2007-8 are now being finalised and will be reported in detail to the Council's Audit Committee in the coming months. Early indications for this financial year are that all P.I.'s are on target in 2008-9.
- On a weekly basis, meetings of the LGR Finance officers group together with a number of sub groups have taken place and those groups have been collecting data and prepared a number of briefing papers which when finalised will be submitted to the Corporate Support Programme Board (CSPB). For example major areas of work include Revenues and Benefits, Budgets, Internal Audit, Risk and Governance, IT Systems and Treasury Management, Banking and Insurance. A full work programme for this group has also been agreed with the CSPB and more recently a high level options report for Finance has been prepared for the CSPB.

## **2. Negative results/slippage**

- Preparations for LGR have impacted therefore I will need to continuously assess this position and particularly its impact on myself and my senior staff in the first instance. I would anticipate the LGR workload to increase significantly in the coming months as other senior Finance officers become more actively involved. This position is being regularly monitored.

## **3. Any under/over Capacity Issues**

- No issues in last financial year (2007-8) and this years Service Plan (2008-9) has been prepared on the basis of nil budget growth and with no capacity issues. In addition cashable and non-cashable efficiencies have been advocated and offered up as part of the 2008-9 budget process. At this point in time that plan does not include any areas of budget growth, but does include for identifying further potential areas of efficiency in the unit to free up the proposed required overall cashable savings. No major revisions have been made to existing Service Plans, the details of which will inform the Council's Transitional Plan for 2008-9 and it's Corporate Plan.

***APPENDED TO THIS COMMENTARY AND BRIEFING NOTE ARE THE KEY SERVICE OBJECTIVES OF THE UNIT, THEIR LINKAGES TO THE COUNCIL'S CORPORATE OBJECTIVES TOGETHER WITH DETAILS OF THE 'TOP TEN' HIGH LEVEL ACTIONS IN THE UNIT'S SERVICE PLAN FOR 2008-9.***

**Dave Temple, Head of Financial Management**