

**Meeting of the Resources Scrutiny Committee on 11<sup>th</sup> March 2008**

**FINANCIAL MANAGEMENT UNIT POSITION STATEMENT**

**COMMENTARY AND BRIEFING NOTE**

**1. Positive Results**

- All Budgets for 2008-9 have now been completed within the statutory time framework and have been approved by the Council together with the increase proposals on Council Tax and Council House rents. In addition the Council's Capital Programme for next year has been approved.
- The Accountancy and Payments section will now immediately begin their preparations to complete the Council's Final Accounts for 2007-8. This is once again another statutory deadline where they must be completed no later than 30th June 2008.
- All sections 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. Most recently a number of queries have been given to them regarding our preparations for Local Government Review (LGR).
- Later this financial year further financial monitors will be presented to the Executive committee in respect of the 2007-8 General Fund and the HRA budgets. These monitors should give members a fairly accurate picture on the likely outturn on budgets. In addition moving in to next financial year financial monitors will commence on the recently agreed 2008-9 budgets.
- Collection rates on Council Tax and Business Rates together with Revenues and Benefits performance for 2007-8 are broadly on target; including the Council Tax collection rate which is only slightly below the same performance when profiled to the same period last year which is commendable considering the number of mortgage rate increases in the last 18 months, which will inevitably have had an adverse effect on Council Taxpayer's disposable incomes.
- The Internal Audit section will be discontinuing its day to day service with East Durham Homes from the financial year 2008-9. EDH will be seeking an alternative provider 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.
- Work is ongoing on reviewing the cost and performance of the Revenues section as part of the Council's VFM review programme. This piece of work will be carried out in conjunction with the Corporate Development, the results of which will be reported to a future meeting of this committee.

- In general terms, within the unit, all Best Value Performance Indicators and Local Performance Indicators are on target for 2007-8. The overall 3<sup>rd</sup> quarter B.V.P.I.'s for 2007-8 have been produced and reported in detail to the Council's Audit Committee last month.
- On a weekly basis, meetings of the LGR Finance officers group have taken place and that group 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 a major area of work relating to Revenues and Benefits is being worked up in conjunction with senior Revenues and Benefits officers from all districts. A full work programme for this group has also been agreed with the CSPB.

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

- Preparations for LGR will impact therefore I will need to 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 monitored.

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

- No issues in this financial year (2007-8) and that years Service Plan 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 2007-8 budget process. Work has been completed on the preparation of my unit's Service Plan for the coming year i.e. 2008-9 which has now been finalised, *prior* to the commencement of that year's 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 and 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 OF THE UNIT'S SERVICE PLAN.***