

QUARTERLY MONITORING REPORT

DIRECTORATE: Corporate and Policy

SERVICE: Financial Services

PERIOD: Quarter 4 to period end 31st March 2008

1.0 INTRODUCTION

This Monitoring Report covers the Financial Services fourth quarter period up to year end 31st March 2008. It describes key developments and progress against all objectives and performance indicators for the service.

Given that there are a considerable number of year-end transactions still to take place a Financial Statement for the period, which will be made available in due course, has not been included within this report in order to avoid providing information that would be subject to further change and amendment.

The way in which traffic light symbols have been used to reflect progress is explained within Appendix 3.

2.0 KEY DEVELOPMENTS

The Final Local Government Finance Settlement was announced on 24th January 2008, with only very minor changes for Halton's Settlement.

The Council's 2008/09 Revenue Budget, Capital Programme and Council Tax were approved by Full Council on 5th March 2008.

The Audit Commission issued the Annual Audit and Inspection Letter in March relating to 2006/7 which confirms

- its assessment that the Council has continued to maintain its strong performance
- the direction of travel continues to be positive and has been rated as improving well
- an unqualified audit opinion on the accounts and
- the Council continues to manage its use of resources effectively and has been assessed as performing well.

3.0 EMERGING ISSUES



Work continues to support the financial aspects of the Mersey Gateway development and the partnership with Merseyside Waste Disposal Authority for the procurement of waste treatment and disposal facilities.

Considerable planning has been put in place in preparation for closing the Council's 2007/08 year-end accounts, so as to ensure that statutory deadlines are achieved.

The first stage of the work with our efficiency partner (KPMG) to identify efficiency improvements is progressing well. These will help the Council to meet the Government target for local authorities to achieve 3% value for money improvements each year for the next three years.

The Government have issued new capital financing regulations which remove the statutory calculation of the minimum revenue provision and require the Council to make prudent provision. The implications are being assessed.

4.0 PROGRESS AGAINST KEY OBJECTIVES / MILESTONES

Total	4		4		0		0
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All four of the key objectives / milestones for the Service have been achieved and details are provided within Appendix 1.

4.1 PROGRESS AGAINST OTHER OBJECTIVES / MILESTONES

Total	4		4		0		0
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All four of the remaining objectives / milestones for the Service have been achieved and details are provided within Appendix 2.

5.0 SERVICE REVIEW

Following the 2007 CPA Use of Resources assessment, an action plan has been developed which is being used as the basis for continued improvement across the Service and to assist in preparing for the enhanced requirements of the 2008 assessment.

The Audit Commission has undertaken its triennial review of Internal Audit and is expected to report shortly.

6.0 PROGRESS AGAINST KEY PERFORMANCE INDICATORS

Total	2		2		0		0
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Both of the key performance indicators for the Service have been achieved and details are provided within Appendix 3

6.1 PROGRESS AGAINST OTHER PERFORMANCE INDICATORS

Total	6		6		0		0
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All six of the remaining performance indicators for the Service have been achieved and details are provided within Appendix 4.

7.0 PROGRESS AGAINST LPSA TARGETS

There are no LPSA Targets related to the service.

8.0 RISK CONTROL MEASURES

During the production of the 2007-08 Service Plan, the service was required to undertake a risk assessment of all Key Service Objectives.

Where a Key Service Objective has been assessed and found to have associated 'High' risk, progress against the application of risk treatment measures is to be monitored, and reported in the quarterly monitoring report in quarters 2 and 4.

None of the Key Service Objectives for this service were assessed as having associated High Risk, there is no progress to report.

9.0 PROGRESS AGAINST HIGH PRIORITY EQUALITY ACTIONS



During 2006 / 07 the service was required to undertake an Equality Impact Assessment. Progress against any actions identified during that assessment with associated High priority, is to be reported in the quarterly monitoring report in quarters 2 and 4.

No actions have been identified as high priority for the service.



10.0 APPENDICES

Appendix 1 - Progress against Key Objectives/ Milestones
Appendix 2 - Progress against 'other' Objectives/ Milestones
Appendix 3 - Progress against Key Performance Indicators
Appendix 4 - Debtor Summary Statistics
Appendix 5 - Use of traffic light symbols


Progress against 'key' objectives

Service Plan Ref.	Objective	Key Milestone	Progress Quarter 4	Commentary
FS O1	Setting the Revenue Budget, Capital Programme and recommend Council Tax	Report Medium Term Financial Strategy (MTFS) to Executive Board November 2007 Report to Council in March 2008		MTFS was reported to Executive Board on 15 th November 2007. Revenue Budget, Capital Programme and Council Tax approved by Council on 5 th March 2008.
FS O2	To take steps to maximise the Council's share of the Formula Grant (RSG)	Join with Merseyside authorities and SIGOMA to lobby for appropriate methodology changes September 07 Check relevant data with Dept of Communities and Local Govt. September 2007 Analyse provisional settlement November 2007 Lobby MP's and DCLG following provisional settlement December 2007		Halton's response to the consultation on changes to the Formula Grant, was submitted on 10 th October 2007. A major element of the response was the removal of Social Services double damping. Lobbying was also undertaken alongside SIGOMA and the Merseyside Authorities for the removal of double damping. The final Local Government Finance Settlement was announced on 24 th January 2008. This confirmed the removal of Social Services double damping, resulting in a grant increase for Halton of 4.1% compared to the national average of 3.6%.

APPENDIX ONE – PROGRESS AGAINST KEY OBJECTIVES/ MILESTONES (Financial Services)




Service Plan Ref.	Objective	Key Milestone	Progress Quarter 4	Commentary
FS 03	To effect financial prudence by assisting managers to control their budgets by monitoring spending and providing financial reports.	<p>Provide monthly financial reports to budget holders within 8 working days of month end.</p> <p>Provide quarterly financial monitoring reports to Operational Directors for inclusion in Departmental Service Plan Monitoring Reports.</p> <p>Provide quarterly monitoring reports on the overall budget to the Exec Board sub committee.</p>		<p>Reports issued on schedule to date.</p> <p>Quarter 3 reports were provided on schedule to Operational Directors.</p> <p>The overall quarter 3 position was reported to Executive Board Sub Committee on 7th February 2008.</p>
FS 04	To summarise and report the efficiency gains in response to the 'Gershon Review'	<p>Submit the 06/07 Annual Efficiency Statement (backward look) by June 2007 and report to the Business Efficiency Board.</p> <p>Submit the 07/08 Annual Efficiency Statement (forward look) by July 2007 and report to the Business Efficiency Board.</p>		<p>2006/7 Backward Look submitted by deadline and a summary report presented to the Business Efficiency Board in June 2007.</p> <p>2007/8 Forward Look submitted by deadline and summary report presented to the Business Efficiency Board in September 2007.</p>

**APPENDIX ONE – PROGRESS AGAINST KEY OBJECTIVES/ MILESTONES
(Financial Services)**



Service Plan Ref.	Objective	Key Milestone	Progress Quarter 4	Commentary
FS 04 Cont'd	To summarise and report the efficiency gains in response to the 'Gershon Review'	Submit the Half Year Review by November 2007 and report to the Business Efficiency Board.		2007/8 Mid Year statement submitted in November 2007. The Council is on target to achieve the gains set out in the 2007/8 Forward Look.

**APPENDIX ONE – PROGRESS AGAINST KEY OBJECTIVES/ MILESTONES
(Financial Services)**

Progress against other objectives / milestones



Service Plan Ref.	Objective	Key Milestone	Progress Quarter 4	Commentary
FS 05	Provide for public accountability by reporting the Council's stewardship of public funds and its financial performance in the use of resources by preparing the final accounts as required by statute and in accordance with the latest accounting standards.	<p>Complete the draft Abstract of Accounts and report to the Business Efficiency Board by 30th June 2007</p> <p>Publish the Abstract of Accounts by 30th September 2007</p>		<p>The draft 2006/07 Abstract of Accounts was reported to the Business Efficiency Board on 28th June 2007.</p> <p>The 2006/07 Abstract of Accounts was published on 28th September 2007 along with a short Summary of the Accounts which has been made available via the Council's website, HDL, Libraries and information points.</p>
FS 06	Make best use of cash resources available to the Council and fulfil statutory requirements by setting and monitoring Treasury Management Policy	<p>Establish Treasury Management Policy and report to the Exec Board Sub Committee by 31st March 2007</p> <p>Provide monitoring reports to the Exec Board Sub Committee on a quarterly basis</p>		<p>The 2007/08 Treasury Management Policy was approved by Executive Board Sub-Committee on 15th March 2007.</p> <p>2007/08 Quarter 3 was reported to Executive Board Sub Committee on 24th January 2008 and Quarter 4 will be reported on 8th May 2008.</p>
FS 07	Ensure that the Capital Programme is affordable, prudent and sustainable by setting and monitoring prudential borrowing indicators.	Report Prudential indicators to Council March 2007		Prudential Indicators for 2007/08 were approved by Council on 7 th March 2007.

APPENDIX TWO – PROGRESS AGAINST OTHER OBJECTIVES/ MILESTONES (Financial Services)







Service Plan Ref.	Objective	Key Milestone	Progress Quarter 4	Commentary
FS 07 cont'd	Ensure that the Capital Programme is affordable, prudent and sustainable by setting and monitoring prudential borrowing indicators.	Provide quarterly monitoring reports to Exec Board Sub Committee		Capital spending as at 2007/08 Quarter 3 was reported to Executive Board Sub Committee on 7 th February 2008.
FS 08	Provide an independent and objective opinion on the Council's Risk Management processes, control systems, accounting records and governance arrangements.	Report Audit Plan to Business Efficiency Board May 2007		The Audit Plan was approved by the Business Efficiency Board in June 2007.

**APPENDIX TWO – PROGRESS AGAINST OTHER OBJECTIVES/ MILESTONES
(Financial Services)**

Progress against 'key' Performance Indicators



Ref	Indicator	Actual 06 / 07	Target 07 / 08	Quarter 4 Year-end	Progress	Commentary
FSLI 5	Receive an unqualified Audit opinion on the accounts	Yes	Yes	Yes		An unqualified opinion on the 2006/07 final accounts was reported by the Audit Commission to Executive Board on 20 th September 2007.
FSLI 7	Complete at least 90% of the Annual Audit Plan	91%	90 %	92%		Internal Audit delivered 92% of the planned audit days for the year.

Progress against 'other' Performance Indicators

Ref	Indicator	Actual 06 / 07	Target 07 / 08	Quarter 4 Year-end	Progress	Commentary
FSLI 1	Issue 75% of draft audit reports within 15 days of completing the fieldwork	Yes	75 %	77%		127 draft reports were issued in 2007/8. 98 of the reports were issued within 15 days of completing the audit fieldwork.
FSLI 2	Maintain a high degree of user-satisfaction (measured via survey of Internal Audit work)	100 %	90 %	96%		Surveys are issued at the end of each piece of Internal Audit work. 96% of all respondents said that they were either 'satisfied' or 'very satisfied' with the service provided.
FSLI 3	Maintain the number of schools buying back financial services	48	48	48		All existing SLA schools bought back from Financial Services for 2007/08.
FSLI 4	Achieve investment returns for the year higher than benchmark	4.80%	5.65%	5.72%		Despite the recent volatility in the financial markets, interest on investments exceeded the benchmark rate by year-end.
FSLI 6	Receive positive comments from District Audit relating to the financial standing of the Council and the systems of internal control.	Yes	Yes	Yes		The Audit Commission's Annual Governance Letter was presented to Executive Board on 20 th September 2007, which concluded that the Council has good systems of financial control and operates effective financial management.
FSLI 8	Maintain the scores achieved in CPA last year	3 out of 4	3 out of 4	3 out of 4		The Audit Commission has undertaken the 2007 CPA Use of Resources assessment and as a result the Council has maintained a score of 3 out of 4.

APPENDIX FOUR – PROGRESS AGAINST OTHER PERFORMANCE INDICATORS (Financial Services)

The traffic light symbols are used in the following manner:

	<u>Objective</u>	<u>Performance Indicator</u>
<u>Green</u>	 Indicates that the objective has been achieved within the appropriate timeframe.	Indicates that the annual 06/07 target has been achieved or exceeded
<u>Red</u>	 Indicates that that the objective has not been achieved within the appropriate timeframe.	Indicates that the annual 06/07 target has not been achieved.