

**REPORT TO:** Cabinet Member (Planning and Transport)

**DATE:** 20 December 2006

**DEPARTMENT:** Development Services

**REPORTING OFFICER:** Head of Planning Services  
(Mrs K Robinson, Business Support Manager)

**SUBJECT:** **Draft Revenue Budget 2007/08**  
- Department of Development Services  
Business Support Business Unit

**WARD/S AFFECTED:** All

**FORWARD PLAN REF:** N/A

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**1.0 PURPOSE OF REPORT**

1.1 This report sets out the details of the financial information for DDS Business Support as follows:

- Revised estimate 2006/07
- Original estimate 2007/08
- Details of efficiency savings

**2.0 RECOMMENDATION/S**

2.1 The Cabinet Member is requested to:

- (i) Note the revised estimates for 2006/07.
- (ii) Recommend the OE 2007/08 for the Business Support business unit to Cabinet.
- (iii) Note the efficiency savings made in this business unit.



### **3.0 RECOMMENDED REASON/S FOR DECISION/S**

- 3.1 The proposed revised estimates for 2006/07 and the original estimates for 2007/08 will if approved, underpin the delivery of the Business Support services for the Department of Development Services.

### **4.0 BUSINESS SUPPORT IN DEVELOPMENT SERVICES**

- 4.1 Development Services Business Support covers the cost of the Departmental Support Services, which includes Finance, Business Support, Directorate Support, Human Resources and Information Management. It also includes the operational expenditure on photocopying, plan printing, stationery, etc.
- 4.2 Departmental charges from other business units e.g. Creditors, Payroll, Accountancy and Human Resources are collected in this account before being recharged to services. There are increased support costs due to the new Payroll and Personnel system in 2006/07. There are also additional support costs for the departmental reception service provided by the CSU.
- 4.3 These services are recharged to the relevant Cost Centres. Charges are based on staff numbers, usage statistics or timesheet records.
- 4.4 The detailed budget pages for the Development Services Business Support Business Unit are attached at Appendix A.

### **5.0 EXPLANATION OF THE MAJOR VARIANCES**

#### **5.1 Budget Changes Resulting from new Statement of Recommended Practice 2006**

The CIPFA Accounting Code of Practice issued in 2006 has brought in a number of changes to the way that Local Authorities present their accounts from 2006/07.

In order to prepare for 2006/07 Final Accounts, we have introduced these changes from 2006/07 Revised Estimates. The changes affecting service budgets are:

##### **5.1.1 Capital Charges**

The main change is the removal of the notional interest element of the capital charge. The notional interest charge was 3.5% of the net book value of assets and its removal has resulted in a large reduction in the capital charges shown in the estimates. The remaining element is a charge for depreciation.



The notional interest charges were charged to services, but reversed centrally. Their removal, therefore, has no impact on the General Fund bottom line, because the central reversal is also removed.

## **5.2 Key Features of the Revised Estimate for 2006/07**

- 5.2.1 There is an overall increase of £12,630 from Original to Revised Estimate. This comprises of a number of variances (See Appendix A page 2):
- Decrease of £27,000 in employee costs is due to vacancies during the year. This is offset by an increase of £26,000 in temporary staff costs to support the development of FMS and assist with this year's close down of accounts.
  - An error in the OE 06/07 resulted in the departmental computer consumable budget being reduced by £10,000. This has now been reinstated.
  - Reduction of £13,000 due to the removal of interest on capital charges (see section 5.1.1)

## **5.3 Key Features of the Draft 2007/08 Budget**

- 5.3.1 The increase of £14,430 as shown in Appendix A page 3, is mainly as a result of the following significant variances:
- Increase in Employee costs of £5,000 in superannuation and £15,000 as a result of the pay award.
  - An error in the OE 06/07 resulted in the departmental computer consumable budget being reduced by £10,000. This has now been reinstated.
  - Reduction of £9,000 in paper and printing costs due to improved procurement through the NYCC Framework (see section 6.1).
  - Reduction of £13,000 due to the removal of interest on capital charges (see section 5.1.1).

## **6.0 DETAILS OF EFFICIENCY SAVINGS**

- 6.1 This Business Unit has put forward 3 cash and 1 non-cash efficiency savings.

A total of £9,500 cash and £2,000 non-cash efficiencies have been identified from:

- Reduction in newspaper and publication costs of £500.
- Reduced costs of £3,000 by purchasing paper through the NYCC Framework.
- Reduced costs of copying by completing the work in house results in a cash efficiency of £6,000 and £2,000 non-cash.



## 7.0 FINANCIAL RISK MANAGEMENT

7.1 The budgets within the Business Unit are managed through the financial processing and monitoring systems in place in the Department of Development Services. Monitoring statements are prepared and considered in detail with budget holders and reported to the Department Resources Monitoring meeting on an exception basis.

## 8.0 SCRUTINY

8.1 This report will be considered by the Organisation Improvement and Environment Overview and Scrutiny Commission on 18 January 2007.

## 9.0 CONCLUSIONS

9.1 The draft original estimates for 2007/08 for Business Support in the Department of Development Services have been prepared having regard to the guidelines issued by the Director of Resources.

### Background Papers -

**OFFICER CONTACT:** Please contact Mrs K Robinson, Business Support Manager if you require any further information on the contents of this report. The officer can be contacted at Department of Development Services, Knapping Mount, West Grove Road, Harrogate by telephone on 01423 556513 or by Email – [karen.robinson@harrogate.gov.uk](mailto:karen.robinson@harrogate.gov.uk) .

### SUSTAINABILITY ASSESSMENT / POLICY CONSIDERATIONS

		Implications are		
		Positive	Neutral	Negative
A	Economy	✓		
B	Environment	✓		
C	Social Equity			
i)	General		✓	
ii)	Customer Care / People with Disabilities	✓		
iii)	Health Implications		✓	
D	Crime and Disorder Implications		✓	

If all comments lie within the shaded areas, the proposal is sustainable.



**PLANNING & TRANSPORT PORTFOLIO  
RECHARGEABLE ACCOUNTS**

**BUSINESS SUPPORT BUSINESS UNIT**

2006/07 Original Estimate	2006/07 Revised Estimate	Cost Centre	2007/08 Original Estimate		
			Gross Expenditure	Gross Income	Net Expenditure
£	£		£	£	£
		<b>Service Management &amp; Support Services</b>			
112,850	111,180	Management	114,040	40	114,000
176,130	184,510	Finance Unit	179,380	0	179,380
665,120	676,120	Business Support	691,490	1,370	690,120
380,030	374,950	SLA'S From other Business Units	365,060	0	365,060
1,334,130	1,346,760		1,349,970	1,410	1,348,560
-1,334,130	-1,346,760	<b>Recharges to Services</b>	0	1,348,560	-1,348,560
0	0	<b>Net Expenditure</b>	1,349,970	1,349,970	0
		<b>Subjective Analysis</b>			
659,400	666,150	Employees	683,430	(1)	
166,020	176,860	Supplies & Services	169,260		
4,020	3,120	Transport	3,900		
829,440	846,130	<b>Total Controllable Expenditure</b>	856,590		
9,650	9,650	Employees	13,890		
57,740	62,960	Supplies & Services	60,480		
418,820	423,780	Support Services	413,360		
18,850	5,650	Capital Charges	5,650		
505,060	502,040	<b>Total Additional Expenditure</b>	493,380		
1,334,500	1,348,170	<b>Total Expenditure</b>	1,349,970		
		<b>Less Income</b>			
		Internal Recharges -			
546,280	554,300	Planning	560,090		
421,310	432,780	Transport	439,720		
247,780	248,500	Property	244,220		
80,920	80,450	EDU	80,260		
8,000	760	Other Departments	810		
28,040	32,170	Corporate Work	33,430		
1,800	-2,200	Other	-9,970		
1,334,130	1,346,760		1,348,560		
370	1,410	Other Income	1,410		
0	0	<b>Net Expenditure</b>	0		

(1) Full Time Equivalents

The Employee costs relate to the following number of full time equivalent employees:  
22.08 06/7 OE; 22.48 06/7 RE; 22.08 07/8 OE



**PLANNING & TRANSPORT PORTFOLIO  
BUSINESS SUPPORT BUSINESS UNIT**

**Major Variances between 2006/07 Original and Revised Estimates**

	£	
Original Estimate 2006/07	1,334,130	
Revised Estimate 2006/07	<u>1,346,760</u>	
Increase/Decrease(-) in Net Expenditure		<u>12,630</u>
<b>Explained By :</b>		<b>£'000</b>
<b><u>CONTROLLABLE EXPENDITURE</u></b>		
Increase in Employee Costs		
Temporary Staff	26	
Overtime	5	
Staff Advertising/recruitment	3	
Other increases/decreases	-27	
Increase in Supplies & Services costs		
Computer consumables	10	
Other increases/decreases	1	
Decrease in Transport costs		
Total variation	<u>-1</u>	17
<b><u>INCOME</u></b>		
External Income	-1	-1
<b><u>ADDITIONAL EXPENDITURE</u></b>		
Computer SLA	5	
Increase in Support Charges	5	
Capital charges - removal of interest	<u>-13</u>	-3
		 <u>13</u>

**PLANNING & TRANSPORT PORTFOLIO  
BUSINESS SUPPORT BUSINESS UNIT**

**Major Variances between 2006/07 and 2007/08 Original Estimates**

	£	
Original Estimate 2006/07	1,334,130	
Original Estimate 2007/08	<u>1,348,560</u>	
Increase/Decrease(-) in Net Expenditure		<u>14,430</u>
<b>Explained By :</b>		
		£'000
<b><u>CONTROLLABLE EXPENDITURE</u></b>		
Increase in Employee Costs		
Increase in Superannuation rate from 19.9 to 21.0%	5	
Pay award - 2.5%	15	
Other increases/decreases	4	
Increase in Supplies & Services costs		
Computer consumables	10	
Paper costs & printing savings	-9	
Other increases/decreases	<u>2</u>	27
<b><u>INCOME</u></b>		
External Income	<u>-1</u>	-1
<b><u>ADDITIONAL EXPENDITURE</u></b>		
Increase in employee insurance	4	
Computer SLA	4	
Decrease in Support Charges	-5	
Capital charges - removal of interest	-13	
Other increases/decreases	<u>-2</u>	-12
		<u>14</u>



