

Working for you

**REPORT TO:** Organisation Improvement & Environment Overview and Scrutiny Commission

**DATE:** 16 January 2008

**DEPARTMENT:** Resources

**REPORTING OFFICER:** Head of Legal and Democratic Services

**SUBJECT:**  
**REVISED ESTIMATES 2007/08 AND DRAFT  
GENERAL FUND BUDGET 2008/09 FOR THE  
LEGAL AND DEMOCRATIC SERVICES BUSINESS  
UNIT**

**WARD/S AFFECTED:** N/A

**FORWARD PLAN REF:** N/A

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**1.0  
PURPOSE OF REPORT**

1.1 To provide the Portfolio Holder with financial information for Legal and Democratic Services in respect of:-

- The revised estimates (RE) for 2007/08
- The original estimates (OE) for 2008/09

**2.0  
RECOMMENDATION/S**

2.1 It is recommended that the Cabinet Member:-

- (i) notes the revised 2007/08 estimates;
- (ii) recommend the Draft General Fund estimates for 2008/09 to Cabinet;
- (iii) notes the projections for 2009/10 and 2010/11;
- (iv) notes the proposed efficiency saving.

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

3.1 To secure approval to the revised 2007/08 and original 2008/09 budgets.

### **4.0**

#### **ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION**

#### 4.1

None.

### **5.0 THE REPORT**

#### **5.1 Overview**

5.1.1 The Legal and Democratic Services budget contains two elements. The business unit accounts discussed in pages A1 to A3 set out the costs of democracy and the Officer support to Members from both the Member Services Section and other Officers working with and advising Members and the Mayoralty. The other services included in this part of the accounts are those provided direct to the public in respect of electoral registration and the management of Elections and Local Authority Searches.

5.1.2 Pages A4 to A6 concern rechargeable holding accounts where support activity such as Legal Support, Customer services and the Town Hall Keepers are ultimately recharged to those services that they support.

#### 5.2

##### **General Fund Revised 2007/08 Estimate**

5.2.1 As regards the service element of the revised estimate for 2007/08 the revised estimate is £1,966,640 compared to an original estimate of £1,928,780 a net increase of £37,800. The major variances are set out on page A2 attached. You will note that by far the most significant element of "additional cost" is the projected fall in Land Charges income estimated at £61,000 and which is wholly attributable to Housing Market conditions and the activities of Independent Search Agents.

5.2.2 Another unavoidable increase in costs has been the £10,000 increase in payments to Electoral Registration Canvassers to meet Government requirements for personal visits to every property failing to respond to the request for information.

#### 5.3

##### **General Fund Original Estimate for 2008/09**

The proposed original estimate for 2008/09 is £2,041,170 an increase on the original estimate for the current year of £112,390. Again, by far the largest variation is the projected full year fall in land charges income of £72,000. The list of major variances can be seen on page A3.

#### 5.4

##### **Holding Account Revised 2007/08 Estimate**

These accounts show a revised estimate of £1,739,890 for the current year compared to an original estimate of £1,687,560. The increase in controllable expenditure are largely being met from reserves as shown on page A5.

#### 5.5

##### **Holding Account Original 2008/09 Estimate**

The proposed original estimate for 2008/09 in respect of rechargeable accounts is £1,838,130 and the main variances from the 2007/08 original estimate are as set out on page A6.

#### 5.6

##### **Use of Reserves**

- 5.6.1 The attached papers at Appendix B refer to the use of reserves. In line with CIPFA guidelines, details of reserves are required as part of both the final accounts and the budget process.
- 5.6.2 The use of Legal and Democratic Services Reserves were reported to the Council in September 2007 and are subject to Business Unit rules regarding levels of authority.
- 5.6.3 Further details on the position of earmarked reserves are listed at Appendix B.

#### 5.7

##### **Local Land Charges Fees**

- 5.7.1 There is always considerable uncertainty about the likely level of income arising from fees for local searches. A judgement is required each year which seeks to forecast Housing Market conditions up to 18 months into the future. This is a difficult task in any year, but is particularly difficult this year due to the following factors:-
  - (i) the projected housing market slowdown;
  - (ii) additional uncertainties caused by the introduction of Home Information Packs
  - (iii) continued aggressive lobbying/market penetration by independent search agents as regards their rights to information and its ease of accessibility.
- 5.7.2 At the meeting on 31 October 2007, the Cabinet Member (Finance and Resources) agreed to a reduced fee for standard searches in the hope that this would make them more attractive compared to private searches. The impact of this on budgets is extremely difficult to forecast at the present time.

5.7.3 The most optimistic scenario would be that the advent of Home Information Packs will mean that only those with serious intentions of selling will put their property on the market and that buyers (or more likely their agents) will become increasingly aware of the substantial difference in quality between a private and a local authority search and insist on the latter, especially if the price differential is lower.

5.8

### **Details of Cash and Efficiency Savings**

A saving in mayoral support of £14,000 has been identified, following the dis-establishment of a post. This is net of additional overtime for the Officer supporting in the absence of the Mayor's attendant/chauffer. Obviously the actual size of the saving is contingent upon the number and location of the events accepted by the Mayor in any single year.

5.9

### **Details of Discretionary Growth**

No growth proposals have been included.

5.10

### **Projections 2009/10 and 2010/11**

These are set out in the budget papers.

5.11

### **Financial Risk Management**

5.11.1 The risks relating to the Local Land Charges income are set out earlier in this report.

5.11.2 Another major risk is the inevitable increase in Ethical Standards work in the Legal Services Team. From 1 January 2008, the Standards Board will no longer be filtering complaints before they are referred to the Council's Monitoring Officer up until present approximately 80% of all complaints have been dismissed at the initial stage without any reference to the Council.

Even if the Council was to take the same robust view, it is inevitable that some preliminary work and a justification of this course of action will be required, together with some (as yet unknown) degree of reporting to Standards Committee to provide assurance and independent validation of these decisions. At the time of writing these matters are being discussed with Standards Committee.

5.11.3 Another major uncertainty relates to the amount of work which will be required to defend and support the Council's position in regard to the ongoing Single Status and Equal Pay Act discussions currently underway.

5.12

**Scrutiny**

The report will be considered at the Organisation and Improvement and Environment Commission at its meeting on 16 January 2008.

**Background Papers -**

**OFFICER CONTACT:** Please contact Peter Jordan if you require any further information on the contents of this report. The officer can be contacted at Crescent Gardens, Harrogate by telephone on (01423) 556029 or by Email – peter.Jordan@harrogate.gov.uk

**SUSTAINABILITY ASSESSMENT / POLICY CONSIDERATIONS**

		<b>Implications are</b>		
		<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>
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.