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

**DATE:** 16 January 2008

**DEPARTMENT:** Department of Resources

**REPORTING OFFICER:** Dianne Adams, Head of Human Resources

**SUBJECT:** **HUMAN RESOURCES DRAFT GENERAL FUND  
REVENUE BUDGET 2008/2009**

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## 1.0 INTRODUCTION

- 1.1 The purpose of this report is to consider budget details for the Human Resources Section within the Department of Resources as they relate to services for which the portfolio holder has responsibility.
- 1.2 The report sets out the following financial information:-
- The revised estimates for 2007/2008.
  - Original estimate for 2008/2009.
  - Use of reserves
- 1.3 The Director of Resources has been consulted during the preparation of this report.
- 1.4 This report will be scrutinised at the Organisation Improvement and Environment on 16 January 2008.

## 2.0 RECOMMENDATIONS

- 2.1 That the Cabinet Member:-
- (a) Notes the revised estimates for 2007/2008.

- (b) Recommends the original estimates for 2008/2009 to Cabinet.

### **3.0 HUMAN RESOURCES SECTION**

- 3.1 The Human Resources Business Unit provides a central advisory service to all departments on all aspects of personnel management, including training and development, and health and safety.

Since the devolvement of certain personnel activities in 1992/93, the cost centre has taken on a more strategic role working towards the fulfilment of the Council's Human Resources Strategy and corporate objectives including policy development, corporate procedures and guidelines, corporate training initiatives and involvement in corporate projects.

- 3.2 Attached is Appendix A the draft revenue budget for 2008/2009 and the overall variance analysis to both Revised Estimate 2007/2008 and Original Estimate 2008/2009.

There are a number of major corporate initiatives that require resourcing and work has been re-allocated to enable these to happen. However, this means that some day to day work will not get done. Without the additional resources referred to in the report the Section will not be able to deliver and finalise the Single Status project or contribute to the pay and personnel system review.

### **4.0 EXPLANATION OF THE MAJOR VARIANCES**

#### **Revised Estimates 2007/2008**

- 4.1 In addition to the comments outlined in paragraphs 3.0 above other variances are as follows:-

- 4.1.1 Major variances between 2007/08 revised and original estimates. (A2).

The Council has embarked upon the single status project and the budget held in reserve is now being appropriated.

The Human Resources budget also carries the budget to pay for the 18.5 hours time off arrangement for the Branch Secretary, Unison, approved by the Human Resources Committee in 2005. This has now been increased to a full time off arrangement until 31 August 2008 as approved by the Human Resources Committee in August 2007. Unison have agreed to contribute £2,000 (£1,000 2007/08, £1,000 2008/09) to this cost.

#### **Original Estimates 2008/2009**

- 4.1.2 Major variances between 2007/08 and 2008/09 original estimates. (A3).

The major variances are

- Temporary support officer post for single status and payroll/personnel projects which terminated on 30 September 2007;
- change to the time off arrangement for the Unison Branch Secretary; and
- extension of the post of Project Manager to enable completion of the implementation of the HR/Payroll system [to be funded from Reserves, See Appendix B(B3)].

## **5.0 USE OF RESERVES**

- 5.1 In line with CIPFA Guidance, reserves are reviewed as part of both final accounts and the budget process.
- 5.2 The use of the Human Resources Business Unit reserves in the current and future years were reported to Council in September 2007 and are subject to Business Unit rules regarding the level of authority.
- 5.3 Appendix B gives details of the Earmarked Reserves for this Business Unit.

## **6.0 FINANCIAL RISK MANAGEMENT**

- 6.1 The Human resources budget is primarily a staffing budget and as such is controllable. However, within the Human Resources Budget are the Council's Occupational Health Budget and the Council's Training Budget. In terms of Occupational Health the budget is used for medical referrals, medical clearance, and counselling. As such it is not possible to accurately predict demand for one year to the next. The budget is carefully monitored to ensure it meets demands. The consequences of not being able to fully fund demand may result in employees not being referred for counselling and/or employees not being referred to Occupational Health for a view on their medical condition/ill health retirement. Such delays may result in prolonged sickness absence and hinder the management of the sickness absence. Should such an event occur departmental management would be asked to fund the cost.

In terms of the Corporate Training budget this is managed on the basis of training need demand. Again the budget is closely monitored. In the event of the budget not meeting training needs demands the training will be held over until the following year.

**Background Papers -**

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**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.