

Working for you

REPORT TO: Organisation Improvement & Environment Overview
and Scrutiny Commission

DATE: 16 January 2008

DEPARTMENT: Resources

REPORTING OFFICER: Business Support Manager
(*Marion Wrightson*)

SUBJECT: **Business Unit Budget Report 2008/2009**
Business Support - Department of Resources

WARDS AFFECTED: N/A

FORWARD PLAN REF: N/A

1.0 **PURPOSE OF REPORT**

1.1 The purpose of this report is to consider budget details for Business Support within Department of Resources for which the Resources Cabinet Member is responsible.

1.2 The report sets out the following financial information:

- Revised estimates for 2007/2008
- Draft revenue estimates for 2008/2009 (the proposed base budget)
- Details of cash savings

The Director of Resources has been consulted during the preparation of this report.

2.0 **RECOMMENDATION/S**

It is recommended that the Cabinet Member (Resources):

- Note the latest position in the revised estimates for 2007/2008
- Note the achieved savings

- Recommend the draft revenue estimates for 2008/2009 to Cabinet

3.0 BUSINESS SUPPORT IN DEPARTMENT OF RESOURCES

- 3.1 The Business Support function within the Department of Resources provides support to those units within the department plus the Department of Corporate Policy and Improvement.
- 3.2 The report sets out the following Business Unit budgets
- Directorate – Director of Resources
 - Finance – provision of departmental finance support for both Department of Resources and Department of Corporate Policy and Improvement
 - Administration - provision of secretarial support to Director and Heads of Service within Department of Resources. Provision of all devolved HR processes and a variety of general administration to both departments
 - Staff Agency – scheme whereby individuals are employed on a minimum guaranteed level of hours per week capable of being deployed across HBC to cover staffing shortfalls.
- 3.3 The summary budget and a full analysis is at appendix A

4.0 EXPLANATION OF THE MAJOR VARIANCES

4.1 Key Features of the Revised Estimate for 2007/2008

4.2 The Revised Estimate for the Business Support Unit shows a **net decrease of £62,000** on the Original Estimate. Full details appear on page A2 of Appendix A

4.3 The main variations can be summarised as follows:

	£'000
Transfer of Business Support staff x 3 (1.91fte)	-46
Contribution to Project Manager Payroll/HR project	-6
Net savings from vacant posts	-7
Support to development of Agresso for Internal Billing Systems	+4
Net reduction in support charges	-7

4.4 The transfer of Business Support staff previously "seconded" to DCPI of £46k relates to an arrangement whereby the staff have now been formally transferred into the management arrangements for DCPI. There will be an equivalent increase in the DCPI Directorate general fund account.

4.5 The contribution to the Project Manager post is possible through savings on the staffing arrangements which support the secondment of Amy Hare into this role

4.6 Savings from vacant posts are net of the cost of recruitment and use of temporary agency cover.

4.7 The cost of support for the development of the Agresso Internal Billing function is funded by an appropriation from the reserve account.

4.8

Key Features of the Draft 2008/2009 Budget

4.9 The Original Estimate for the Business Support Unit shows a **net decrease of £36,000** on the Original Estimate for 2007/08. Full details appear on page A3 of Appendix A

4.10 The main variations can be summarised as follows:

	£'000
Pay Award, 2.5%	+15
Transfer of Business Support staff x 3 (1.91fte)	-47
New Business Support post from virement and transfer from DCPI	+8
Virement and savings on reduction of hours	-8
Cash savings achieved through deletion of hours from Staff Agency	-17
Overall increase in SLAs	+11

4.11 Transfer of budget from DCPI augmented from a vacant Business Support post has created new flexible support arrangement to both the CE Secretary and DR Directorate Support

4.12 The required provision can now be made from within budget following the anticipate retirement from within the staffing structure. For 2007/08 this was shown as funded from draw down of reserves ie no budget increase. The required budget adjustment has now been made.

5.0

CASH EFFICIENCY SAVINGS

5.1

Cash Savings

Savings achieved of £17,000 arising from reductions to hours of Staff Agency. Experience showed that demand was not occurring when staff fell available. In some cases the staff were being used to fill posts where a fixed term appointment would have been more appropriate and thus negating the desired flexibility.

The decision was taken in consultation with all departments via the Business Support Managers. Access to the Framework Agreement for agency/temporary staff with a number of suppliers at lower commission rates than previously given was a factor in reaching the decision. The management overhead in placing these posts and ensuring work is available

at all times is also saved..

6.0

RISK MANAGEMENT

6.1 In relation to Business Support there is little risk to most of the Business Unit's estimates. The budget can be fairly accurately predicted with the main costs being employee costs and running expenses.

7.0

USE OF RESERVES

7.1 In line with CIPFA Guidance, reserves are reviewed as part of both final accounts and the budget process.

7.2 The use of Business Unit reserves in the current and future years is subject to report to Council in September of each year. Expenditure from Business Unit Reserves is subject to Business Unit rules regarding the level of authority.

7.3 There are no earmarked reserves for this business unit.

8.0

SCRUTINY

8.1 This report will be considered by the Organisation, Improvement and Environment Commission at its meeting on 16 January 2007.

Background Papers -

OFFICER CONTACT: Please contact Marion Wrightson if you require any further information on the contents of this report. The officer can be contacted at Council Offices, Crescent Gardens, Harrogate by telephone on 01423 556166 or by Email – marion.wrightson@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			

iii)	with Disabilities Health Implications			
D	Crime and Disorder Implications			

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