

## Working for you

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

**DATE:** 16 January 2008

**DEPARTMENT:** Corporate Policy & Improvement

**REPORTING OFFICER:** Assistant Chief Executive (*Simon Johnson*)

**SUBJECT:**  
**DRAFT GENERAL FUND BUDGET 2008/2009  
DEPARTMENT OF CORPORATE POLICY &  
IMPROVEMENT (INCLUDING THE OFFICE OF THE  
CHIEF EXECUTIVE)**

**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 the financial information for the Department of Corporate Policy and Improvement (DCPI) and the Office of the Chief Executive (OCE) on:-

- The revised estimates for 2007/2008
- The draft revenue estimates for 2008/2009 (the proposed base budget).
- Requests for discretionary growth in services in 2008/2009.
- Projections for 2009/2010 and 2010/2011.
- Use of Reserves
- Efficiency Savings

### 2.0 RECOMMENDATIONS

2.1 The Leader of the Council, as Portfolio Holder for the DCPI and OCE services, is asked to:-

2.1.1 Note the latest position shown in the Revised Estimates for 2007/2008.

2.1.2 Recommend the draft 2008/2009 General Fund Estimates for the DCPI and OCE Services to the Cabinet.

2.1.3 Make an appropriate recommendation on each of the growth items listed in Section 9 of this report.2.1.4 Note the projections for 2009/2010 and 2010/2011.

2.1.5 Note the position on the DCPI and OCE Earmarked Reserves.

2.1.6 Note the efficiency savings made in the Business Unit.

### **3.0 RECOMMENDED REASONS FOR DECISION**

3.1 To provide the Portfolio Holder with the financial information on the draft General Fund Budget 2008/2009 in relation to the Cost Centres in DCPI and OCE for his consideration and recommendation to the Cabinet as part of the Council's Budget process.

### **4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION**

4.1 Not to report this information to the Portfolio Holder. That option would not meet the requirements of the Council's Budget process.

### **5.0 THE REPORT**

5.1 This report covers the estimates of the following Corporate Policy and Improvement Cost Centres:-

5.1.1 **Office of Chief Executive:** Page A1 shows the salaries and related on-costs of the Chief Executive and his secretary.

5.1.2 **Policy and Improvement:** Page A1 shows the salaries and on-costs of the staff in the Department of Corporate Policy and Improvement on the DCPI services which are charged directly to the General Fund Revenue Budget.

5.1.3 **Civil Contingencies:** Page A1 shows the DCPI Civil Contingencies salaries and on-costs to meet the Council's statutory duty on emergency planning and civil contingencies.

5.1.4 **DCPI General Fund Revenue Budget Variations 2007/2008 Original to Revised Estimate and Original 2007/2008 to Original 2008/2009 Estimate:** Pages A2, A3 and A4 outline the minor variations in the DCPI General Fund Revenue budgets.

5.1.5 **DCPI Rechargeable Accounts:** Page A5 shows the salaries and on-costs of the staff in DCPI whose services are recharged in full to its customers in Council Departments. The rechargeable accounts cover Media/PR, corporate governance and overview/scrutiny.

5.1.6 **DCPI Rechargeable Accounts: Variations 2007/2008 Original to Revised Estimate and Original 2007/2008 to Original 2008/2009 Estimate:** Pages A6 and A7 outline the minor variations in the DCPI rechargeable accounts.

5.1.7 **DCPI Earmarked Reserves:** Pages A8 to A12 show the latest position on the DCPI Earmarked Reserves on the Local Public Service Agreement, the Environment Initiatives Fund, the Local Strategic Partnership, Customer Care and CPA/Best Value.

## 6.0 REVISED ESTIMATES 2007/2008

6.1 There is an overall decrease of £30,310 from Original to Revised Estimate in 2007/2008 for the General Fund cost centres. This comprises a number of variances which are shown on page A2 and A3.

|   | <b>£'000</b> |
|---|--------------|
| • Executive Director's post vacancy   | - 43         |
| • Transfer of posts from Business Support   | + 46         |
| • Business Process Improvement Officer funded from Ats reserves – see savings in ITD budget | + 31         |
| • Recruitment advertising for above Director's post   | + 9          |
| • Local Government Review   | + 9          |
| • Reduction in additional expenditure mainly due to the above staff transfer                | - 82         |

6.2 The net increase in the DCPI rechargeable account of £45,590 is shown on page A6 and comprises the following variances:

|   | <b>£'000</b> |
|---|--------------|
| • Extension to the Procurement Assistant contract (Reserves and Mobile Phone savings) | + 14         |
| • Corporate Governance payments (funded from reserves) to:-                           |              |
| (i) National Procurement Group  | + 13         |
| (ii) @UK Licence  | + 7          |

## 7.0 ORIGINAL ESTIMATE 2008/2009

7.1 The original estimates 2008/2009 show an overall increase of £14,370 as shown on page A4 for the General Fund Cost Centres. The main variations are as follows:

|   | <b>£'000</b> |
|---|--------------|
| • Pay Award   | + 13         |
| • Transfer of posts from Business Support   | + 48         |
| • Business Process Improvement Officer funded from Ats reserves – see savings in ITD Budget | + 35         |

- Reductions in additional expenditure mainly due to the above staff transfer. - 82

7.2 The net increase in the DCPI rechargeable account of £25,330 in 2008/2009 is shown on page A7 and comprises the following variances:-

|                                      | <b>£'000</b> |
|--------------------------------------|--------------|
| • Pay award                          | + 3          |
| • Corporate governance payments to:- |              |
| (i) National Procurement Group       | + 13         |
| (ii) @UK Licence                     | + 4          |
| • Increase in additional expenditure | + 5          |

## **8.0 EFFICIENCY SAVINGS**

8.1 The DCPI/OCE cash savings target for 2008/2009 of £4,000 has been achieved by a £4,000 cut in the Chief Executive's subscription budget (see page A4).

## **9.0 OPTIONS FOR DISCRETIONARY GROWTH**

9.1 DCPI has identified two potential growth items which, if implemented, would cost £70,000 in 2008/2009 (see pages A13 to A17).

9.2 **Corporate Improvement Fund:** The growth proposal of £10,000 of one-off funding is to "top up" the existing Corporate Improvement Fund (CIF) to resource the Council's corporate improvement agenda in 2008/2009 from a CIF of £20,000. (The estimated balance on the CIF at 31<sup>st</sup> March 2008 is £10,000). The Council is asked to provide additional funding beyond March 2008 in order to deliver the improvement actions identified in the three-year Strategic Plan and Corporate Improvement Plan which the Council adopted in July 2007 and which includes preparing for the CPA corporate re-assessment in July 2008.

9.3 **Environment Initiatives Fund:** The growth proposal of £60,000 of one-off funding is to "top up" the existing Environment Initiatives Fund (EIF) to help deliver improvements on the environment and sustainability in 2008/2009 from an EIF of £155,000 to help meet the Council's top corporate priority "Caring for the Environment". The corporate fund was set up by the Council's Executive in 2006/2007 and it is estimated there will be a £95,000 balance on the Fund at the 31<sup>st</sup> March 2008.

## **10.0 USE OF RESERVES**

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

10.2 The use of DCPI business unit reserves in the current and future years were reported to Council in September 2007 and are subject to the Business Unit rules regarding the level of authority.

10.3 The latest details on the use of the DCPI Earmarked Reserves are set out on pages A8 to A12.

## 11.0 FINANCIAL RISK MANAGEMENT

11.1 DCPI has £184,017 of external income comprising £157,350 of Local Strategic Partnership (LSP) grant, £10,000 LSP administrative grant and £16,667 Regional Centre for Excellence grant. It also has internal income from recharges on other Council services. There would be significant impact on the initiatives delivered through the LSP and corporate procurement from a loss of the external grant income.

11.2 The main expenditure in the DCPI budget, excluding salaries, is to meet the costs of the Council's statutory requirements on Best Value, Performance Management, Public Consultation, the Comprehensive Performance Assessment (CPA) and Civil Contingencies. The 2008/2009 budget provision to meet these requirements is estimated on the basis of the current legislation and statutory guidance. If the Government amended those requirements in 2008/2009, that could increase the Council's costs in these areas. The likelihood of increased costs because of legislative change remains small.

## 12.0 PROJECTIONS FOR 2009/2010 AND 2010/2011

12.1 The Council is now required, under the Government's new Prudential Code, to produce budget projections for the next three years. These projections are only a broad indication of the likely net expenditure levels and have been compiled in accordance with the guidance and parameters set.

## 13.0 SCRUTINY

13.1 This report will be scrutinised at the Organisation Improvement and Environment Overview and Scrutiny Commission meeting on the 16<sup>th</sup> January 2008.

**Background Papers:** Estimates documentation.

**OFFICER CONTACT:** Please contact Mike Simpson 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 556065 or by Email – [mike.simpson@harrogate.gov.uk](mailto:mike.simpson@harrogate.gov.uk)

## SUSTAINABILITY ASSESSMENT/POLICY CONSIDERATIONS

|   |               | Implications are |         |          |
|---|---------------|------------------|---------|----------|
|   |               | Positive         | Neutral | Negative |
| A | Economy       |                  |         |          |
| B | Environment   |                  |         |          |
| C | Social Equity |                  |         |          |

|       |                                       |  |  |  |
|-------|---------------------------------------|--|--|--|
| (i)   | General                               |  |  |  |
| (ii)  | Customer                              |  |  |  |
| (iii) | Care/People with<br>Disabilities      |  |  |  |
|       | Health Implications                   |  |  |  |
| D     | Crime and<br>Disorder<br>Implications |  |  |  |

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

**KEY WORDS -**