
REPORT TO:	Community & Partners Overview & Scrutiny Commission (<i>Community Safety & CCTV</i>) Organisation Improvement & Environment Scrutiny Commission (<i>Public Protection</i>)
DATE:	14 January 2008 21 January 2008
DEPARTMENT:	Community Services
REPORTING OFFICER:	Head of Public Protection (<i>Report author – Peter Moore, DCS Finance Manager</i>)
SUBJECT:	DRAFT GENERAL FUND REVENUE BUDGET 2008/09 – PUBLIC PROTECTION BUSINESS UNIT
WARDS AFFECTED:	All
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to consider budget details as they relate to services and functions in the Public Protection Business Unit, which fall under the terms of reference of the Cabinet Member (Public Protection & Rural Affairs).
- 1.2 The Director of Resources has been consulted during the preparation of this report.

2.0 RECOMMENDATIONS

- 2.1 The latest financial position show in the Revised Estimates for 2007/08, as detailed in Appendix A, is noted.
- 2.2 The Draft General Fund Revenue Estimates for 2008/09 as detailed in Appendix A are recommended to the Cabinet.
- 2.3 That the Cabinet Member (Public Protection & Rural Affairs) notes the projections for 2009/10 and 2010/11.

2.4 That the Cabinet Member (Public Protection & Rural Affairs) notes the growth item at paragraph 5.7 and recommends Cabinet to support it. See Appendix B for proforma.

3.0 RECOMMENDED REASON FOR DECISION

3.1 To assist in monitoring the current year's financial position and in the setting of the overall Council Draft General Fund Revenue Estimates for 2008/09 and make recommendations to the Cabinet meeting in January 2008.

4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 Not to approve the budget estimates and make no recommendations to the Cabinet meeting in January 2008 – rejected as not in accordance with the Council's Medium-Term Financial Strategy, or the legal framework which governs Local Authority accounting.

5.0 THE REPORT

The information contained in this report is as follows:

Main report – which includes specific information and comments on the main features of the detailed budget from the Director of Community Services.

Appendix A – contains the draft summary budget and details of the variances between the Original Estimate 2007/08 and the Revised Estimate 2007/08 and the Original Estimate 2008/09, for this Business Unit.

5.1 Comments on detailed estimates from Director of Community Services and Business Unit/Cost Centre Managers

5.2 Key changes in the revised 2007/08 estimates for Public Protection Business Unit, excluding Community Safety and CCTV

The key variances between Original Estimate and Revised Estimate 2007/08 are highlighted in page 2 of Appendix A.

5.2.1 The following variances have no overall net effect on the budget.

1. Hackney Carriages – Reduced employee costs through a vacancy (-£16,000) and car allowance (-£2,000) together with reduced support charges (-£3,000). This has been off-set by increased testing fees (+£6,000) a +£13,000 surplus and increased spending in temporary staff of +£2,000.
2. Smoke Free – A grant of -£63,000 has been used to fund expenditure relating to the smoke free project and has been spent on employees (+£13,000) and supplies and services (+£50,000).

3. Temporary Licensing Officer – Reduced employee costs of -£10,000 have been off-set by no requirement to drawn down from reserve (+£10,000)
4. Dog Wardens – There have been increased employee costs while covering maternity leave which has been off-set by a drawn down from reserves (£10,000).
5. Air Quality – There has been reduced expenditure in this area (£6,000) which has been met by reduced income.

This leaves the following variances, which explain the -£72,000 decrease in net expenditure from Original Estimate to Revised Estimate in 2007/08.

5.2.2 Controllable expenditure

- There is a saving on salaries (-£4,000) as a result of vacancies within the Business Unit although this is off-set by employing temporary staff (+£10,000).
- A delay in the introduction of the out of hours kennelling service has resulted in a saving of -£6,000.
- The introduction of the Gambling Act has allowed us to achieve additional new income (-£16,000).

5.2.3 Additional expenditure

- Capital charges have increased by +£4,000.
- Support charges (excluding Hackney Carriages) have reduced by -£63,000.

Other small variances: +£3,000

5.3 Key changes in the Original Estimate 2008/09 for Public Protection Business Unit – excluding Community Safety and CCTV

The key variances between Original Estimate 2007/08 and Original Estimate 2008/09 are highlighted on page 3 of Appendix A. Subject to service considerations and market forces, fees and charges have been increased by a minimum of 4% in accordance with the guidelines in the Medium-Term Financial Strategy.

5.3.1 The following variances have no overall net effect on the budget.

1. Licensing Officer – Temporary position removed (-£12,000) off-set by the removal of the appropriation from reserve to fund the post (+£12,000).

2. Hackney Carriages – Increased employee costs (+£4,000) and testing fees (+£5,000) together with increased support charges (+£1,000) is off-set by an appropriation from reserve.
3. Air Quality – The decrease in air pollution subsistence grant income (+£6,000) is off-set by reduced expenditure (-£6,000).

This leaves the following variances of +£9,000 increase in net expenditure from Original Estimate 2007/08 to Original Estimate 2008/09.

5.3.2 Controllable expenditure

- There is an increase in salaries of +£14,000 due to the 2½% pay award (+£24,000) which has to some extent been off-set by the changes in hours, grades and incremental movement (-£10,000).

5.3.3 Income

- There has been increased income with the section mainly from the introduction of the Gambling Act (-£16,000).
- Income from internal recharges has increased by a total of -£7,000.

5.3.4 Additional expenditure

- Access to services has decreased by -£68,000.
- Departmental overheads (+£31,000), DCS Business Support (+£27,000), CSU (+£8,000) and other support charges (+£12,000) have all increased.

Other small variances: +£9,000

5.4 Key changes in the Revised Estimates 2007/08 for Public Protection Business Unit – Community Safety and CCTV only

The key variances between Original Estimate and Revised Estimate 2007/08 are highlighted in page 4 of Appendix A.

5.4.1 The following variances have no overall net effect on the budget:

1. There has been a net increase in grants and contributions to Community Safety (-£25,000), together with a saving on the grant-funded salary posts (-£10,000), which has meant more funding is available for spending on projects, etc (the +£35,000 in supplies and services).
2. Community Safety Forum reserve drawn down from the overall Business Unit Reserve (£27,000) off-sets expenditure.

3. Radiolink – Reduced expenditure on equipment and saleable items (-£5,000) is off-set by reduced income (+£5,000).

This leaves the following variances, which explain the +£8,000 increase in net expenditure from Original Estimate to Revised Estimate 2007/08.

5.4.2 Controllable expenditure

- There are savings in salaries (-£10,000) as a result of vacancies and changes to posts.
- There has been +£20,000 appropriation to reserve from 2006/07 underspends to go towards the cost of upgrading the CCTV Control Room.

5.4.3 Income

- CCTV has benefited from additional income from parking fees (-£5,000).

5.4.4 Additional expenditure

- Support charges have increased by +£4,000 together with capital charges +£1,000.

Other small variances: -£2,000

5.5 Key changes to the Original Estimate 2008/09 for Public Protection Business Unit – Community Safety & CCTV only

The key variances between Original Estimate 2007/08 and Original Estimate 2008/09 are highlighted on page 5 of Appendix A. Subject to service considerations and market forces, fees and charges have been increased by a minimum of 4% or more in accordance with the guidelines in the Medium-Term Financial Strategy.

5.5.1 The following variances have no overall net effect on the budget:

1. Community Safety grant funded salaries (+£7,000) and decreased grant contributions (+£5,000) off-set reduced expenditure (-£12,000).
2. Reduced contribution to Radiolink (+£5,000) are being off-set by reduced expenditure on equipment and saleable items (-£5,000).

This leaves the following variance of +£13,000 increase in net expenditure from Original Estimate 2007/08 to Revised Estimate 2007/08.

5.5.2 Controllable expenditure

- There is an overall increase in non-grant funded salaries of +£8,000 due to the 2.5% pay award. This has been off-set to some extent by

salary increments and changes in hours (-£3,000).

5.5.3 Income

- There is increased income for CCTV from parking fees (-£5,000).
- Internal income has increased by -£3,000.

5.5.4 Additional expenditure

- Departmental overheads (+£14,000), other support charges (+£6,000) and building management charges (+£1,000) have increased.
- Capital charges have decreased (-£3,000).

Other small variances: -£2,000

5.6 Cash efficiency savings

The 1% cash efficiency of £9,000 has been identified and incorporated into the Public Protection base budget for 2008/09.

Reduced expenditure from car allowances	£2,000
Reduced expenditure from insurance	£1,000
Reduced expenditure from overtime	£2,000
Reduced expenditure from external contractors/consultants/bailiffs	£3,000
Reduced expenditure from laboratory services	£1,000
Total	<u>£9,000</u>

5.7 Growth

5.7.1 Part-time Licensing Enforcement Officer (£13,850)

5.7.2 The growth bid is for an additional part-time Licensing Enforcement Officer which will enable the Licensing Team to undertake enforcement work resulting from the Gambling and Animal Welfare Acts and also to coordinate focused activity around children and alcohol.

5.7.3 There is already £16,000 additional income from the Gambling Act included in the 08/09 estimate.

5.7.4 Apart from giving general additional enforcement capacity to the Licensing Team it is proposed that there is additional work done, working with the Community Safety Partners on reducing the availability of alcohol to young people, and also to be able to support the roll-out of the 'Best Bar None' scheme. Please see Appendix B for the completed growth programme.

5.8 Use of Reserves

5.8.1 The use of Business Unit Reserves in the current and future years has been reported to Council in September. Such expenditure is subject to Business

Unit rules regarding the level of authority required, and is therefore not being reviewed in this budget report. There are no earmarked reserves for Public Protection but the Hackney Carriage and Community Safety Reserves are to be used solely for this function.

6.0 FINANCIAL RISK MANAGEMENT

- 6.1 A key aspect of the Council's approach to budgeting is a risk management assessment, which is carried out throughout the budget process.
- 6.2 In the case of expenditure, there is little risk to most of the General Fund Estimates and the budget can be fairly accurately predicted, for example employee costs and most running costs.
- 6.3 The Council is much more dependent on income from sales, fees and charges than most other authorities. In Public Protection the relatively high levels of income from Licensing result in greater risk to the overall budget process. The income is carefully and prudently assessed for budget purposes by relevant managers on the basis of contracted or confidently expected income. Regular monitoring meetings are held and any remedial action taken where necessary.
- 6.4 The budgets in Community Safety and CCTV are managed through the processing and monitoring systems in place in the Department of Community Services. A dedicated administrator works on grant administration. Day-to-day management is overseen by the Community Safety & CCTV Manager and Head of Public Protection with overall progress on the Community Safety Partnership monitored by the Community Safety Executive who receive monthly financial reports. A key area of risk is proper expenditure of grants allocated to other bodies. An audit of the financial management of the grants was undertaken in early 2005. Internal Audit concluded that 'they had a high level of assurances as to the operation of the function'.
- 6.5 If any of the Government Office funds were no longer forthcoming in future then staff funded wholly from them plus revenue projects would have to be given notice. For these reasons staff are employed on temporary contracts and ongoing revenue projects are only funded over time period for which funding is known to have been confirmed.
- 6.6 A key element of the risk assessment process is the review of all budgets, especially those reflecting material risk, by the Director of Resources and the Head of Financial Management in conjunction with Directors, which takes part routinely as part of the budget preparation process.
- 6.7 The CCTV Control Room service receives a significant level of income from car parking charges. This is a high risk area should the current proposal by North Yorkshire County Council to disband the Highways Agency if arrangements go ahead.

7.0 PROJECTIONS FOR 2009/10 AND 2010/11

7.1 We are now required, under the Government's new Prudential Code and also for the Comprehensive Performance Assessment, to produce projections for the next three years. These projections are only a broad indication of likely net expenditure levels and have been compiled in accordance with the guidance and parameters set.

8.0 SCRUTINY

8.1 The Public Protection & Rural Affairs 2008/09 budget will be scrutinised by the Community & Partners Overview & Scrutiny Commission on the 14 January 2008 for the Community Safety and CCTV budgets and by the Organisation, Improvement & Environment Overview & Scrutiny Commission on 21 January 2008 for the remainder of the Public Protection budgets.

9.0 CONCLUSION

9.1 Estimates are in accordance with the Council's Medium-Term Financial Strategy to assist in the setting of the overall Council Draft General Fund Revenue Estimates for 2008/09.

Background Papers:

1. *Estimate working papers held within the Resources Department*
2. *Working papers held within the Department of Community Services*

OFFICER CONTACT: Please contact Nicky Garside, Head of Public Protection, if you require any further information on the contents of this report. The officer can be contacted at the Department of Community Services, Springfield House, Kings Road, Harrogate, HG1 5NX, by telephone on 01423-556847 or by e-mail – nicky.garside@harrogate.gov.uk

SUSTAINABILITY ASSESSMENT/CRIME AND DISORDER

		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			

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