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

**DATE:** 21 January 2008

**DEPARTMENT:** Community Services

**REPORTING OFFICER:** Business Support Manager  
*(Michelle Ingham)*

**SUBJECT:** DRAFT GENERAL FUND REVENUE BUDGET  
2008/09 – BUSINESS SUPPORT BUSINESS UNIT

**WARDS AFFECTED:** All

**FORWARD PLAN REF:** N/A

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**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 DCS Business Support Business Unit, which fall under the terms of reference of the Cabinet Member (Environment).
- 1.2 The Director of Resources has been consulted during the preparation of this report.

**2.0 RECOMMENDATIONS**

- 2.1 The latest financial position shown in the Revised Estimates for 2007/2008, as detailed in Appendix A, is noted.
- 2.2 The Draft General Fund Revenue Estimates for 2008/2009 as detailed in Appendix A are recommended to the Cabinet.

**3.0 RECOMMENDED REASON FOR DECISION**

- 3.1 To assist in monitoring the current years 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 Original Estimate 2008/09, for this Business Unit.

#### 5.1 Key changes in the revised estimate 2007/08 for DCS Business Support

The key variances between original estimate and revised estimate 2007/08 are highlighted in page 2 Appendix A.

##### 5.1.1 Controllable Expenditure

- The increased cost of +£16,000 for the graduate trainee will be met from reserves.
- The increases in temporary staff (**+£8,000**) and changes in hours (**+£6,000**) are a result of implementing new software systems and a more pro-active approach to debt recovery.
- There have been some savings in supplies and services (**-£9,000**) to offset the increased employee costs above.

##### 5.1.2 Additional Expenditure

The computer SLA has increased by £32,000 along with capital charges (**£6,000**). There has been a subsequent reduction in support charges (**-£10,000**).

Other small variances: £1,000

#### 5.2 Key changes in the original estimate 2008/09 for Business Support

The key variances between original estimate 2007/08 and original estimate 2008/09 are highlighted in page 3 of Appendix A. Business Support does

not levy any external charges and therefore is not subject to a fees and charges report.

#### 5.2.1 Controllable expenditure

There is an increase in salaries of +£49,000, due to the 2½% pay award (+£23,000), salary increments (+£3,000) and the addition of one full time post (+£23,000). This post will provide support to the new software system being implemented by Housing and as such will be funded in full by the Housing Revenue Account.

#### 5.2.2 Additional Expenditure

Support charges (-£18,000) and insurance (-£15,000) have reduced. The recharge for the computer SLA (+£212,000) and capital charges (+£5,000) have increased.

Other small variances: £4,000

### 6.0 CASH EFFICIENCY SAVINGS

6.1 As part of the process a 1% cash efficiency saving of £4,000 has been identified and incorporated into the base budget for 2008/09.

- Reduced expenditure for books and publication – £400
- Reduced expenditure for equipment – £1,120
- Reduced expenditure for photocopiers/fax – £1,800
- Reduced expenditure for training – £680

### 7.0 DISCRETIONARY GROWTH

No growth proposed.

### 8.0 USE OF RESERVES

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 Business Support.

### 9.0 FINANCIAL RISK MANAGEMENT

9.1 A key aspect of the Council's approach to budgeting is a risk management assessment, which is carried out throughout the budget process.

9.2 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.

9.3 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.

10.0 **SCRUTINY**

10.1 The Business Support 2008/09 Budget will be scrutinised by the Organisation, Improvement & Environment Overview & Scrutiny Commission on 21 January 2008.

11.0 **CONCLUSION**

11.1 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 2008/2009.

**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 Michelle Ingham, Business Support Manager, 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 01423-556884 or by e-mail – [michelle.ingham@harrogate.gov.uk](mailto:michelle.ingham@harrogate.gov.uk)

SUSTAINABILITY ASSESSMENT/CRIME AND DISORDER

		<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			

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

