

REPORT TO: Leader

DATE: 17th December 2008

DEPARTMENT: Corporate Policy & Improvement

REPORTING OFFICER: Acting Assistant Chief Executive (*Mike Simpson*)

SUBJECT: **DRAFT GENERAL FUND BUDGET 2009/2010
DEPARTMENT OF CORPORATE POLICY &
IMPROVEMENT (INCLUDING THE OFFICE OF THE
CHIEF EXECUTIVE)**

WARD/S AFFECTED:
FORWARD PLAN REF:

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 2008/2009.
- The draft revenue estimates for 2009/2010 (the proposed base budget).
- Projections for 2010/2011 and 2011/2012.
- 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 2008/2009.

2.1.2 Recommend the draft 2009/2010 General Fund Estimates for the DCPI and OCE Services to the Cabinet.

2.1.3 Note the projections for 20010/2011 and 2011/2012.

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

2.1.5 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 2009/2010 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 2008/2009 Original to Revised Estimate and Original 2008/2009 to Original 2009/2010 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 2008/2009 Original to Revised Estimate and Original 2008/2009 to Original 2009/2010 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 Business Change, the Environment Initiatives Fund, the Local Strategic Partnership, Customer Care and Comprehensive Area Assessment.

6.0 REVISED ESTIMATES 2008/2009

6.1 There is an overall decrease of £51,840 from Original to Revised Estimate in 2008/2009 for the General Fund cost centres. This comprises a number of variances which are shown on page A2 and A3.

	£'000
• Net saving on Executive Director/Assistant Chief Executive post	-20
• Transfer of Business Process Improvement Officer post to Customer Services Unit	-35
• Recruitment costs for Chief Executive (part funded from reserves)	+22
• Emergency Planning alterations at Claro Depot (reserves)	+15
• Customer Care initiatives (reserves)	+33
• CPA and Diversity initiatives (reserves)	+17
• Emergency Generator, corporate research, new signage (reserves)	+106
• Youth Participation - community engagement (reserves)	+19
• Partnership development and VFM	+22
• Increased transfers to/from reserves to off-set the expenditure above (see page A3 for full list)	-235

6.2 The net decrease in the DCPI rechargeable account of £5,140 is shown on page A6 and comprises the following variances:

	£'000
• Corporate Improvement Officer salary protection ceased on 31/10/2008	-3
• Non-qualification training on risk management and efficiency	+5
• Procurement post budget transferred to Business Support in the Department of Resources	-17
• O&S research, efficiency and risk management (reserves)	+12

7.0 ORIGINAL ESTIMATE 2009/2010

7.1 The original estimates 2009/2010 show an overall decrease of £38,970 as shown on page A4 for the General Fund Cost Centres. The main variations are as follows:

	£'000
• Pay award	+19
• Net saving on Executive Director/Assistant Chief Executive post	-18
• Transfer of Business Process Improvement Officer post to Customer Services Unit	-36
• Secretarial support for the Chief Executive's Personal Assistant	+13
• Market supplement and standby payments to Civil Contingencies Officers paid through basic pay	+8
• Corporate Improvement Officer protection regarding departmental restructure reduces until 31/07/2009	-5
• Other pay adjustments	-6
• Decrease in supplies and services expenditure	-10
• Increased transfers to/from reserves (see page A3)	-4
• Additional expenditure - increase in support costs	+15
• Increase in Chief Executive's time charged to DRM	-18

7.2 The net decrease in the DCPI rechargeable account of £18,710 in 2009/2010 is shown on page A7 and comprises the following variances:-

	£'000
• Pay award	+4
• Corporate Improvement Officer protection ceased on 31/10/2008	-3
• Procurement post budget transferred to Business Support in the Department of Resources	-5
• Budget moved to Business Support to fund temporary Procurement post	-17

8.0 EFFICIENCY SAVINGS

8.1 The DCPI/OCE cash savings target for 2009/2010 of £11,000 has been achieved by a £5,000 saving in the Assistant Chief Executive salary budget and £6,000 saving on the cost of producing the Council's Annual Report to meet the requirements of the Comprehensive Area Assessment (CAA).

9.0 USE OF RESERVES

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

9.2 The use of DCPI business unit reserves in the current and future years were reported to Council in September 2008 and are subject to the Business Unit rules regarding the level of authority.

9.3 The latest details on the use of the DCPI Earmarked Reserves are set out on pages A8 to A13.

10.0 FINANCIAL RISK MANAGEMENT

10.1 DCPI has £10,000 of external income comprising a £10,000 Local Strategic Partnership (LSP) administrative grant. It also has internal income from recharges on other Council services. There would be significant impact on the operation of the LSP from a loss of the external grant income.

10.2 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 Area Assessment (CAA) and Civil Contingencies. The 2009/2010 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 2009/2010, that could increase the Council's costs in these areas. The likelihood of increased costs because of legislative change remains small.

11.0 PROJECTIONS FOR 2010/2011 AND 2011/2012

11.1 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.

12.0 SCRUTINY

12.1 This report will be scrutinised at the Organisation Improvement and Environment Overview and Scrutiny Commission meeting on the 14th January 2009.

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

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.