

NORTH LINCOLNSHIRE COUNCIL

**FINANCE AND PROCUREMENT
CABINET MEMBER**

VIREMENTS 2011-12

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To approve changes to revenue and capital budgets for 2011-12.
- 1.2 Revenue budgets are cash limited. Financial regulations do allow transfers (virement) of budget within the cash limit to meet emerging needs. The Director of Finance has the delegated power to approve these transfers up to a defined level. Above this level requires cabinet member approval. Both categories are included in this report at 3.1 and 3.2.

2. BACKGROUND INFORMATION

2.1 On 23 February 2011 Council approved the revenue and capital budgets for the 2011/2012 financial year. The budget was subsequently reviewed at Council on 28 June 2011. This report gives details of virements approved by the Director of Finance under delegated powers, and those requiring Cabinet Member approval.

2.2 Since April 2009 the levels covered by these delegated powers to the Director of Finance have been amended, and can now be summarised as follows :

Revenue movements under £50,000.
Capital movements under £50,000.

2.3 Further to the revised approval levels, it follows that Cabinet Member approval is now required in the following instances :

Revenue movements over £50,000.
Capital movements over £50,000.

3. OPTIONS FOR CONSIDERATION

Delegated Approvals

3.1 The following virements have been approved by the Director of Finance under delegated powers.

One year Revenue Virements

Corporate & Community Services

- Transfer of budget to match expected expenditure from Human Resources to Customer Service (£28,000).
- Efficiency savings transferred from Trading Standards (£17,500).

Infrastructure Services

- Centralisation of MFD (Multi-Function Device) Costs from Adult Services (£3,930).
- I.T. growth virement moving budget from Regeneration & Planning to I.T. for 2011/12 (£390).
- Transfer of budgets from Adult Services (£7,530), Children & Young Peoples Services (£8,240), Neighbourhood & Environmental Services (£1,760) and Carbon Reduction Strategy (£26,980) to Corporate & Community Services (£4,860) and Infrastructure Services (£39,650) due to Carbon Management savings in quarter 2 of 2011/12.
- Centralisation of the budgets for Local Land and Property Gazetteer to Data Development Team (£23,840) from Adults Services (£1,490), Corporate & Community Services (£5,960), Corporate Budgets (£2,980), Children & Young Peoples Services (£4,470), Infrastructure (£5,960) and Neighbourhood & Environmental Services (£2,980).

Members Approval

3.2 The following virements require Cabinet Member approval:

One year Revenue Virements

Adult Services

- To utilise underspends to offset pressures in Activity Budgets within Learning Disability (£227,590).

Children & Young People's Services

- To adjust SEN statement funding for South Axholme School for 1 extra month (transfer to academy deferred) and to correct the DSG statement budget following the transfer to Academy status of North Axholme from 1/1/12 and Huntcliff from 1/2/12 (£111,500).
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- Budget realignment following service review, including movement of Early Intervention Grant income from 'Localities' to 'Resources' to aid monitoring (£6,505,040).
- Increase income budgets within Alternative KS4 packages to reflect current recharges (£136,450).
- Realignment of budgets from Learning & Improvement to Schools Access & Business Resources due to a temporary change in management responsibilities for School Intervention Grant (£75,000).
- Streamlining of Direct Payments and Early Intervention Grant budgets within the Integrated Service for Disabled Children (£150,000).

Corporate & Community Services

- Transfer of budget to match expected expenditure from Human Resources (£9,550) and Democratic and Legal (£4,000) to Communities and Customers (£13,550) with overall movements of £57,030 after internal transfers within Human Resources.

Infrastructure Services

- Realignment of Better Routes budgets in line with current year end predictions (£461,700).
- Realignment of the Building Schools for the Future budget with overall movements of £274,120.
- Transfer of Church Square House running costs budget to the newly formed generic administration team within Construction and Technical Services (£83,100).

Neighbourhood & Environmental Services

- Transfer of total budget on Trade Recycling to realign with General refuse collection as it is no longer necessary to separate this function (£136,260).
- Realignment of Streetscene & Landscapes budgets in line with anticipated expenditure and income patterns (£106,000).
- Realignment of Catering and Cleaning budgets from 'Pay' to 'Provisions' (£355,000) and creation of Learning Development Centre budget by transferring budget from Primary General (£69,000).

4. ANALYSIS OF OPTIONS

- 4.1 Approval of the virements detailed at 3.2 will allow budget responsibilities to be aligned with activity and management responsibilities for those services. Should the virements fail to gain approval this may create difficulties in the future control and management of these budgets.

5. RESOURCE IMPLICATIONS

- 5.1 Financial

- The original approved revenue budget for 2011-12 approved at Council on 23 February 2011 was £134.440m. After the transfers at 3.1 and 3.2 the budget will now remain unchanged.

5.2 Staffing: There are no direct staffing implications

6. **OTHER IMPLICATIONS**

6.1 There are no other implications.

7. **OUTCOMES OF CONSULTATION**

7.1 None required

8. **RECOMMENDATIONS**

8.1 That the virements at 3.1, approved by the Director of Finance under delegated powers be noted.

8.2 That the virements outlined at 3.2 be approved

DIRECTOR OF FINANCE

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Background Papers used in the preparation of this report

None