

NORTH LINCOLNSHIRE COUNCIL

**POLICY AND RESOURCES
CABINET MEMBER**

VIREMENTS 2014-15

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To approve changes to revenue and capital budgets for 2014-15 as part of the council's policy of active budget management.
- 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 Policy and Resources 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.
- 1.3 Similar controls apply to the transfer of funding between schemes in the capital programme. Where new funding is made available during the year, usually from external sources, it can be added to the programme with the appropriate approval.

2. BACKGROUND INFORMATION

- 2.1 On 25th February 2014 Council approved the revenue and capital budgets for the 2014/15 financial year respectively. This report gives details of virements approved by the Director of Policy and Resources 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 Policy and Resources are :

Revenue movements under £50,000.
Capital movements under £50,000.
- 2.3 Cabinet Member approval is currently required for:

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

3. OPTIONS FOR CONSIDERATION

Delegated Approvals

- 3.1 There have been no virements approved by the Director of Policy and Resources under delegated powers since the last report.

Member's Approval

- 3.2 The following virements require Cabinet Member approval:

Temporary Revenue Virements

People

- Transfer of the budget for 7 Peri Team posts from Kingfisher Lodge to Fostering to reflect the role of established posts within Children & Family Support Services (£92,000).
- Realignment of budgets for the Troubled Families Initiative for additional income for Payment by Results from DCLG (£283,000).
- Establish a budget for the Regional Adoption Reform Programme, Pooled Grant Monies for the Consortium Members in line with anticipated spending (£314,000).
- To establish a budget for Sector Led Improvement within Prevention & Commissioning funded from Succession Planning Grant earmarked reserves (£115,000).
- Establish a budget for the Adoption Reform Grant allocation for 2014/15, and the use of Earmarked Reserve to cover the anticipated spend in 2014/15 in line with the service 3 year projected plan (£265,000). Temporary posts funded by this grant have previously been approved by Cabinet Member.
- Transfer of Drug Action Team (DAT) budget to Places from People following the transfer of the Misuse Service (£56,000).
- To amend the DSG budget allocation in line with the Schools Forum approval (£911,000) resulting in an increase in the schools budget (£10,000) with a corresponding reduction in Education.

Places

- Realignment of budgets within Community Services to address an unachievable income target for Driver Training by reducing staffing budget (£58,000).
- Realignment of income budgets for Design & Maintenance Services within Planning & Regeneration to enable better identification of income streams (£100,000).
- Realignment of budgets within Community Transport to offset the shortfalls in Concessionary Fares and Subsidised Bus Routes (£418,000).

People & Places

- Realignment of budgets following a review of the Applications & Customer Support Service (£1,122,000), resulting in an overall movement of budget from [People] Prevention & Commissioning to [Places] Planning & Regeneration of £18,000.

Corporate Services

- Agreement has now been reached regarding the 2014-15 pay award for employees paid under the National Joint Council for Local Government. A virement of £683k is required from the provision held within the contingency fund to cover additional Pay, National Insurance and Superannuation costs. The virement will increase the Peoples services budget by £243k, Policy & Resources £96k and Places by £344k.

Capital Virements

Places

- Establish a budget for the University Technical College externally funded construction costs (£6,993,000).

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 (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial

The original approved revenue budget for 2014-15 approved at Council on 25th February, 2014 was £142.112m. After the transfers at 3.1 and 3.2 this budget will remain unchanged. The capital budget for 2014-15 approved by Cabinet on 2nd July, 2014 was £69.268m. After previous adjustments the budget was increased to £85.502m. After the transfer at 3.2 the budget will now be £92.495m.

- 5.2 Staffing: There are no direct staffing implications

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 6.1 Not required

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 7.1 None required

8. RECOMMENDATIONS

8.1 That the virements outlined at 3.2 be approved.

DIRECTOR OF POLICY AND RESOURCES

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Background Papers used in the preparation of this report: None