

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

Children & Young Peoples Services

- Remove recharge budget between the Youth Court Service and Youth Offending Team in accordance with the directive from elected members to reduce internal recharges (£33,500).

Neighbourhood & Environmental Services

- Transfer of budget from Trading Standards to Policy & Performance due to movement of a member of staff (£2,910).

Members Approval

- 3.2 The following virements require Cabinet Member approval:

One year Revenue Virements

Children & Young Peoples Services

- Reallocation of EIG (Early Intervention Grant) from individual cost centres to Early Intervention Grant income cost centre to enable senior management monitoring and allocation according to service requirements (£1,037,580).
- Increase of budget within Locality Scope North Brigg and Isle to now include 6 months staff member salary funded from underspend within Teenage Pregnancy Area Based Grant (£30,610) and the corresponding realignment of grant funding (£30,610).
- Transfer of Youth - Life Skills from Localities & Partnership to Specialist Services (£52,620) and the setting up of YICU (Youth) within Specialist Services with budget transferred from Localities & Partnership (£15,200).

Corporate & Community Services

- Reallocation of budgets within Communities & Customers to match expected expenditure (£778,570).

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, which was subsequently reduced by Cabinet on 24 January, 2012 to £134.040m. After the transfers at 3.1 and 3.2 the budget will now remain unchanged.
- The original capital programme for 2011-2012 approved at Council on 23 February, 2011 was £69.243m. After earlier virements and approvals at previous Cabinets this was reduced to £62.902m.

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