

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 Budgets

- Realignment of budgets reducing expenditure budget within Adults - Business Support and correspondingly reducing the income budgets within Corporate Budgets to reflect Worksmart savings in 2011/12 (£14,810).

Corporate & Community Services

- Removal of part of printing and stationery recharge budget between Democratic Unit and Digital Printing as Democratic Unit are now scanning items rather than printing (£15,000).

Infrastructure Services

- Realignment of budgets in respect of photocopier costs at the Cygnets (£1,340).
- Realignment of staffing budgets to establish new generic administration team at Church Square House (£40,230).
- Realignment of budgets from Neighbourhood Services (£3,650), Children & Young Peoples Services (£1,220) and Infrastructure - Resources and Business Services (£1,000) to Infrastructure - Construction & Technical Services (£5,870) due to the centralisation of the postage budgets with Church Square House following the introduction of Worksmart.
- Realignment of budgets from Neighbourhood Services (£1,280), Children & Young Peoples Services (£2,010), Corporate & Community Services (£40), Finance Services (£280), Infrastructure - Resources and Business Services (£220) and Infrastructure - Asset & Estate Management (£70) to Infrastructure - Construction & Technical Services (£3,900) due to the centralisation of the stationery budgets with Church Square House following the introduction of Worksmart.

One year Capital Virements

Neighbourhood & Environmental Services

- Transfer of budget from Waste Containers & Storage to Household Recycling Centre Improvements (£5,500).

Members Approval

3.2 The following virements require Cabinet Member approval:

One year Revenue Virements

Adult Services

- To allocate LDDF (Learning Disability Development Fund) committed expenditure within Strategic Commissioning (£121,470).
- Realignment of the Mental Health Pool budget (£461,000).

Children & Young Peoples Services

- Readjustment of budget following the final allocation of Dedicated Schools Grant, reduction in budget following recoupment for Academies, and increase in budget following the mainstreaming of Standards Funds Grant (£7,628,570).

Corporate Budgets

- Realignment of Strategic Regeneration budgets in line with anticipated expenditure (£402,330).

Infrastructure Services

- Transfer of Baths Hall budget from Resources & Business to Sport, Leisure & Culture (£488,000).
- Realignment of budgets reducing expenditure budgets within Infrastructure and correspondingly reducing the income budget within Corporate Budgets (£80,140) due to Worksmart savings.

Neighbourhood & Environmental Services

- Realignment of budgets within Streetscene & Landscapes in line with anticipated expenditure identified as part of the latest monitoring exercise (£177,000).

One year Capital Virements

Neighbourhood & Environmental Services

- Realign capital funding from Fleet Replacement to Northampton Road Depot to reflect the latest capital spend projections (£140,000).
- Realignment of capital funding from Home Appreciation Loans (£57,000) and Energy Efficiency Grants (£58,000) to Disabled Facilities Grant (£115,000) to reflect the latest spend projections.

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. 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

Civic Centre
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB
Author: S Cowlbeck
Date: 1 March 2012

Background Papers used in the preparation of this report:

None