

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.

Permanent Revenue Virements

Corporate & Communities Services

- Budgets for Unison, GMB and PP/HR info transferred from Finance (£3,910), Infrastructure (£12,150), Executive Management Team (£250) and Neighbourhood and Environment (£14,100).
- Transfer of Secretarial Support from Executive Management to CMT Support (£3,190).

Infrastructure Services

- Realignment of budgets in respect of the Highways and Planning Training Plan 2011-12 (£8,370).
- To utilise savings from a service review (£17,500) to fund Tourism Exhibitions and Events (£7,500) and Repairs and Maintenance for Normanby Park Administration (£10,000).
- Multi Function Device budget centralisation at Education Development Centre (£4,780).

One year Revenue Virements

Corporate Budgets & Levies

- Addition to South Humber Economic Growth budget to reflect new grant funding from the Regional Improvement & Efficiency Programme (RIEP) (£37,500).

One year Capital Virements

Children & Young People's Services

- Reallocation of funding from Extended Schools to Messingham Primary (£16,700).
- Reallocation of funding from Extended Schools to Sure Start scheme for Kirton Children's Centre (£16,360).
- Reallocation of funding from Leys Farm Junior Kitchen & Dining scheme to Kitchen Ventilation (£2,290).
- Reallocation of funding from Extended Schools scheme to Parkwood Primary Kitchen & Dining (£24,950).

Infrastructure Services

- Safety Camera Partnership slippage into 2012/13 (scheme fully grant funded) (£9,000).

Members Approval

3.2 The following virements require Cabinet Member approval:

One year Revenue Virements

Adult Services

- Transfer of budget for NHS money from Strategic Commissioning to Rehabilitation and Reablement in Health & Well-being (£200,000).
- Removal of grant funded budget (£182,440) to be replaced by contribution from earmarked reserves (£182,440), in respect of Self Directed Support.

Children & Young People's Services

- To build in Diploma Planning Funded Earmark Reserve (£62,530).
- Removal of obsolete SEN (Special Education Needs) recharge budgets (£126,060).
- To build in earmarked reserve for Succession Planning in 2010/11 (£252,700).
- To build in budget for Contribution to Earmarked Reserve in respect of Newly Qualified Social Workers - Children's Workforce Development Council (£79,510).

Corporate Budgets & Levies

- Reallocation of Executive Management team budget in line with anticipated expenditure (£153,900).

Finance

- Update of budgets for benefits, subsidy and overpayments to reflect mid-year estimate (£1,903,040), additional spending funded from government grant.

Infrastructure Services

- Realignment of budget within I.T. Services Facilities from Other Sales/Fees & Charges to Internal Fees & Charges to reflect that the income which will be received will be recharged income from other services (£63,650).
- Transfers of budget within Sport, Leisure and Culture to reflect staffing restructure (£66,070).

Neighbourhood & Environment

- Transfer of budgets due to restructuring of Strategic Housing within the Housing Division (£246,960).

One year Capital Virements

Children & Young People's Services

- Allocation of Devolved Formula Capital (DFC) carry forwards to individual schools and transfer of some DFC allocations to Schools Kitchens & Dining (£2,610), Kitchen Ventilation (£58,640), Schools & Children's Centres Investment Programme (£258,560) and Building Schools for the Future (BSF) (£138,590) in order to bring together all funding elements for these schemes.
- Rephasing of Messingham Primary funding to 2012/13 (£50,000).

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.
- The capital programme for 2011-2012 approved at Council on 28 June, 2011 a capital programme of £73.21m was approved. After allowing for the slippage approved by Cabinet on 27 September, 2011 this was reduced by £2.278m. After the capital virements detailed in 3.2 this budget reduces further to £70.87m.

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