Report of the
Service Director Finance

Decision to be taken after:
28 November 2008

**NORTH LINCOLNSHIRE COUNCIL**

**CORPORATE SERVICES CABINET MEMBER**

**VIREMENTS 2008-09**

1. **OBJECT AND KEY POINTS IN THIS REPORT**

1.1 To approve changes to revenue and capital budgets for 2008-09.

1.2 Revenue budgets are cash limited. Financial regulations do allow transfers (virement) of budget within the cash limit to meet emerging needs. The Service Director Finance has the delegated power to approve these transfers in certain circumstances. Other transfers require cabinet member approval. Both categories are included in this report at 3.1 and 3.3.

1.3 New schemes may be added to the Capital programme during the year if new external funding becomes available. The phasing of schemes between financial years may change. The Service Director Finance has delegated power to approve these adjustments. These are reported at 3.2.

2. **BACKGROUND INFORMATION**

2.1 On 20 February 2008 Council approved the revenue and capital budgets for the 2008/2009 financial year. This report gives details of virements approved by the Service Director Finance under delegated powers and those that require approval by Cabinet Members.

3. **OPTIONS FOR CONSIDERATION**

**Delegated Approvals**

3.1 The following virements have been made by the Service Director Finance under delegated powers.

**Permanent Revenue Virements**

Adult Social Care

- Creation of Personal Assistant post within Other Services, budget transferred from Physical Disability £29,440.
- Alignment of budget from Other Services (5,850) to, and within Older People (£5,850) to allow for reduction in income from the West Hull Primary Care Trust, regarding the Challenging Behaviour Service.

Children and Young Peoples Services

Children, Strategy and Partnerships (CSP)

- To bring budget in line with current expenditure and income within Children and Young Peoples Services Resources (£258,300).
- Transfer to meet budget pressures on Adoption Allowances within Children and Family Services (£77,960).
- Transfer of budget from Children and Family Services Carers Area Based Grant to establish a budget within Community and Performance Young Carers Project (£11,000).

Community Planning and Resources

- Transfer of Consultancy costs from Community Planning (£9,690) to Community Planning Management Team (£510) and Resource Management (£9,180).
- Balancing of Diversity income within Community Planning by reducing Salary costs in Management (£5,000).

Neighbourhood and Environmental

- Correction to a previous Highways and Planning postage virement (£220).

Asset Management and Culture

- Realignment of Museums budgets £59,195.
- Transfer to match ground lease and industrial units budgets with individual sites within Commercial Property £2,478,840.
- Transfer of Casual Pay budgets from Cultural Services – Arts to Museums and Heritage £970.
- Movement of budgets from non-postable account codes within Markets (£62,220), Museum and Heritage (£105,630), Commercial Property (£1,143,130) and Asset Management (£86,140).

Human Resources

- Continuation of staffing transfer processed in previous year as a temporary virement between Management, Criminal Records Bureau and Adults and Corporate (£10,000).
- Transfer of budgets following the appointment of a pension advisor post, from Human Resources Management to Organisational Development (£11,000).

**One year Revenue Virements**

Adult Social Care

- Creation of a Personal Assistant post within Physical Disability, budget transferred from Other Services (£12,410).
- Re-align budget in line with actual spend for Fresh Start within Older People £88,840.
- Re-align Carers Development budget (£57,210).
- Re-align joint financial budgets within Mental Health – Pooled budget (£124,150).

Corporate Budgets

- Revised estimate within Acorns and Crosby Pathfinder (£105,160).
- Initial set up of the budget for Community Infrastructure £69,530 funded by Yorkshire Forward.

Human Resources

- Transfer of carried forward balances from Human Resources Management (£4,000) to Personnel Policy (£1,000), Corporate Training (£1,000) and the Transaction Team (£2,000).

Children and Young Peoples Services

Learning, Schools and Communities (LSC)

- Allocation of Grant 1.1 (Schools Development) Standards Fund for 2008/09 £687,000.
- Realign budget to spend within Intensive Supervision and Surveillance Programme (ISSP) £146,640.
- Realign budget to spend within Youth Inclusion Program £87,420.
- Realign budget to spend within Youth Offending Team £96,760.
- Realignment of budgets within Extended Schools £249,410.

Children, Strategy and Partnerships (CSP)

- Realignment of pay budgets within Children and Young Peoples Services Resources (£331,750).

Highways and Planning and Asset Management and Culture

- Transfer of Consultancy budget from Head of Better Routes to Property Construction within Asset Management and Culture (£35,000).

Highways and Planning

- Transfer of surface dressing budget to fund the spend on flooding £200,000.

**Capital Programme**

3.2 The following virements have been approved in the capital programme by the Service Director Finance under delegated powers.

**One year Capital Virements**

Adult Social Care

- Transfer of the Sandfield capital budget (£364,000) into Sandfield Phase 3 element of this scheme.

Corporate Budgets

- Amendment to the budget to match increase in expenditure for Lincolnshire Lakes Feasibility funded by Yorkshire Forward grant (£40,000).

Children and Young Peoples Services

Learning, Schools and Communities

- Budget for new capital Environmental Improvement Grant scheme (£160,000).

Asset Management and Culture

- To cover expenditure on Baysgarth Pool redevelopment from Capitalised Repairs and Maintenance £40,000.
- Contribution to Boiler Renewal at Winterton Comprehensive School from Capitalised Repairs and Maintenance £35,000.
- Approved Big Lottery funding for Barton Youth Club refurbishment (£4,650).

Highways and Planning

- To build into the budget the grant funding for Barton Links to School Phase 1 and 2 (£122,500).
- Movement from Capital Footway Schemes to Public Transport (£70,000) to reflect anticipated expenditure.

**Members Approval**

3.3 The following virements require cabinet member's approval:

**One Year Revenue Virements**

Corporate Budgets

- Reallocation of budgets formerly managed as Corporate budgets directly to service areas to allow greater means of control and monitoring in the areas of actual responsibility. Movements required are from Corporate Budgets (£763,940) to Property Construction (Asset Management and Culture) for Office Accomodation £600, Community Planning (Community, Planning and Resources) for the Voluntary and Community Sector £274,530, Head of Service and Emergency Planning within Highways and Planning £144,380, Procurement (Finance) £1,140, Communities and Environment (Neighbourhood and Environmental Services) for the Hull and Goole Port Health £97,250, Corporate and Miscellaneous (Corporate budgets) £10,050, Strategy and Performance Development (Corporate budgets) for Organisational Strategy £102,720, Economic Development Resources and Investment (Community budgets) for the Humber Economic Partnership £96,750 and Learning Services and School Improvement (Children and Young Peoples Services – Learning Schools and Communities) for Specific Teaching Initiative £6,520.

Children and Young Peoples Services

Learning, Schools and Communities (LSC) and Children, Strategy and Partnerships (CSP)

- Transfer of Standards Fund carry forward 07/08 for grant 121 (Broadband Connectivity) from Learning Services and School Improvements to Children and Young Peoples Services Resources (£482,570).

Children and Young Peoples Services

Learning, Schools and Communities (LSC)

- Funding for 3+4year nursery grant to be transferred from Schools contingency (£114,890).
- Realign budget from Community Services and Young Children to Integrated Youth Services (£200,000).

Highways and Planning

- Capitalisation policy adjustments from Aim 3 (Better Routes) £73,910 to Aim 2 (Travel Choice) £4,910 and Aim 4 (Moving Forward) £69,000.

Asset Management and Culture and Community Planning and Resources

- Transfer of budgets to newly established I.T. Business Engagement team (within AMCU) from Community Planning Business Transformation (£66,230).

All Service areas

- Transfer of budget from Contingency (£2,121,030) to fund the proposed pay increase of 2.45% split across service areas as follows:

| | |
|---|---|
| Asset Management and Culture | £228,170 |
| Adult Social Care | £411,330 |
| Children and Young Peoples Services (excludes schools) | £433,190 |
| Community Planning and Resources | £118,940 |
| Corporate Budgets | £76,380 |
| Finance | £175,530 |
| Highways and Planning | £217,330 |
| Human Resources | £52,930 |
| Legal and Democratic Services | £42,020 |
| Neighbourhood and Environmental Services | £365,210 |

## 4. ANALYSIS OF OPTIONS

4.1 Approval of the virements detailed at 3.3 will allow budget responsibilities to be aligned with 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 2008-09 approved at Council on 20 February 2008 was £127.268m. Outturn report of 21 May 2008 approved a budget carry forward of an additional £181,000. After the transfers at 3.1 and 3.3 the budget will remain the same.

- The capital programme for 2008-09 approved at Cabinet on 27 February 2008 was £52.461m. Following slippage from 2007/08 and subsequent approved virements this was revised to £35.5m at Cabinet on 22 October 2008. After the virements at 3.2 the budget will be £35.958m.

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 and 3.2 approved by the Service Director Finance under delegated be noted.

8.2 That the permanent virements outlined at 3.3 be approved

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**Background Papers used in the preparation of this report**
None