

REVENUE BUDGET 2011/12 – VIREMENT REQUESTS**EXECUTIVE MEMBER:** Cllr Gillian Troughton,**LEAD OFFICER:** Joanne Wagstaffe, Corporate Director of Resources and Transformation**REPORT AUTHOR:** Barry Williams, Interim Technical Accountant**Summary:**

Recommendations:

Council is asked to;

Approve the virements to the value of £501,483 (as shown in paragraph 2.2) required to date in 2011/12 in accordance with financial regulations. The virements relate to the Revenues and Benefits Shared Service, the Copeland Local Strategic Partnership, Waste Services, Legal Services and Policy and Transformation.

1. INTRODUCTION

- 1.1 During the year, services make requests to transfer budgets from service areas where the budget can be released as it is higher than necessary or is no longer needed, to service areas where there are budget pressures that require further resources. The transfer of resources in this way is known as virement and requires the approval of service managers, heads of service or the Council, depending on the amount of the virement. Approval of a virement does not result in a net overall increase in the Council's budget requirement.
- 1.2 In accordance with Council's Financial Regulations, the Corporate Director of Resources and Transformation is required obtain approval from Council for virements of over £50,000 in order to revise the 2011/12 budget.

2 VIREMENT REQUESTS

- 2.1 In the first quarter of 2011/12 the virements totalling £447,108 were requested that need approval of Council. A further virement for £54,375 has since been requested as a result of the re-structure of the Policy and Transformation Service.
- 2.2 It should be noted that these virements relate to technical accounting adjustments to more accurately reflect spending patterns of existing budgets, rather than an actual change in the use of approved budgets;

<u>Resources and Transformation</u>	£
(i) Transfer the budget for Fraud to consolidate services provided by the Revenues and Benefits Shared Service, which now undertakes both activities on behalf of the Council.	113,908
(ii) Transfer the budget held within the Chief Executive's New Initiatives budget to the Copeland Local Strategic Partnership budget to provide a budget for staffing for The Copeland Plan, the successor to the West Cumbria Partnership.	60,770
(iii) Transfer budgets for 2 staff and meeting costs from Legal and Democratic Services to Policy & Transformation (£37,445) and Equalities (£16,930).	54,375
<u>Neighbourhoods</u>	
(iv) Transfer a series of budgets to create a holding account to more accurately recharge management and supervision costs to waste services. The budgets to be reduced will be Environmental Cleansing (£64,663), Refuse Collection (£114,294), Commercial Refuse (£29,410), Recycling (£29,410) and Kerbside Recycling (£34,653).	272,430
TOTAL	501,483

3 CONCLUSION

3.1 In accordance with Financial Regulations, Council approval of the virements contained in the table in paragraph 2.1 is required to revise the 2011/12 budget as they individually exceed £50,000.

4. STATUTORY OFFICER COMMENTS

4.1 The Monitoring Officer's comments are:

None

4.2 The Section 151 Officer's comments are:

All comments are contained in the report.

4.3 Other consultee comments, if any:

The Corporate Leadership Team and Heads of Services have been consulted on the quarter 1 budget monitoring report, which contained the virement proposals submitted for approval.

5. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 5.1 The budget monitoring process is carried out on a monthly basis. Virements will be identified as a result of this process and reported for approval as necessary to Council.

6. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 6.1 The measurement of revenue budget position for 2011/12 is key to determining the required use of reserves for the year and the level of general and earmarked reserves the Council will have available to support its revenue budget in future years.
- 6.2 Spending areas that vary significantly from the approved budget need to be identified to enable informed decisions on changes to the Council's budget to be made. Virements help to reduce potential budget pressures as budgets can be transferred from service areas where the budget can be released as it is higher than necessary or is no longer needed, to service areas that require further resources.

List of Background Documents:

Budget monitoring working papers April-June 2011.