

## Part A

**Report to:** Council

**Date of meeting:** Tuesday, 17 October 2023

**Report author:** Head of Finance

**Title:** Budget Virement Requests - Quarter 1

### 1.0 Summary

1.1 This report sets out the budget virements requested by Officers between budget headings over £100,000, requiring Council approval. Virements are requested in order to facilitate effective financial management, ensuring that budgets accurately reflect planned expenditure and income.

1.2 The Council's Scheme of Virement is set out in section 5.0 of the Budget and Policy Procedure Rules which form Part 4(4) of the Council's Constitution.

### 2.0 Risks

#### 2.1

<b>Nature of risk</b>	<b>Consequence</b>	<b>Suggested Control Measures</b>	<b>Response</b> (treat, tolerate, terminate or transfer)	<b>Risk Rating</b> (combination of severity and likelihood)
Budgets are not correctly aligned to expected activity and financial management responsibilities.	Financial management is more challenging and financial risks are harder to identify.	Budgets are realigned by applying the measures in the Council's Scheme of Virement.	Treat	4 (4x1)

### 3.0 Recommendations

3.1 To approve the revenue virements set out in Appendix 1

3.2 To approve the capital virements set out in Appendix 2

3.3 To agree an increase in the annual budget for the CCTV monitoring contract of £16,000 in 2024/25, £23,000 in 2025/26 and £30,000 in 2026/27.

**Further information:**

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**Report approved by:**

Alison Scott, Shared Director of Finance

**4.0 Detailed proposal**

- 4.1 The Council's scheme of virement requires movements between budget headings of £100,000 or over to be approved by Full Council. This applies to both the Council's revenue and capital budgets. The scheme of virement exists to enable the Mayor, Executive/ Cabinet, Chief Officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council.
- 4.2 The revenue virements requested are set out in Appendix 1. All revenue virements requested in this report create a budget for a drawdown from earmarked reserves and the associated expenditure. The use of the reserves was forecast in the Financial Monitoring Report for quarter one.
- 4.3 The Capital Virements and Rephasing requested in Appendix 2 reflect the latest profile for delivery of the capital investment programme and latest cost estimates as reported in the Financial Monitoring Report for quarter one. Updating the capital budgets to reflect the rephasing between financial years will ensure that budget managers are able to accurately forecast in future monitoring reports.
- 4.4 Council is also requested to approve an increase in the revenue budget for future years for the Council's CCTV monitoring contract. This is required following a recent tender exercise. In order to agree to enter into a new contract, sufficient budget must be allocated by Council to meet the contract costs. The funding of this increase will be considered in the detailed 2024/25 budgetary planning which will be presented to Cabinet and Council in January 2024.
- 4.5 The following table sets out the additional budget required over the new Medium Term Financial Strategy (MTFS) period, 2024/25 to 2026/27:

<b>Financial Year</b>	<b>Current Budget £m</b>	<b>Proposed Budget £m</b>	<b>Change £m</b>
2024/25	0.167	0.183	0.016
2025/26	0.167	0.190	0.023
2026/27	0.167	0.197	0.030

## 5.0 Implications

### 5.1 Financial

- 5.1.1 The Shared Director of Finance comments that virements (revenue and capital) and reprofiling (capital only) must net to zero and do not impact on the funding required across the MTFS.
- 5.1.2 The additional budget requirement for the CCTV monitoring contract will be taken into account when agreeing the allocation of resources across the MTFS.

### 5.2 Legal Issues (Monitoring Officer)

- 5.2.1 The Group Head of Democracy and Governance comments that there are no legal implications directly arising from this report.

### 5.3 Equalities, Human Rights and Data Protection

- 5.3.1 Under s149 (1) of the Equality Act the council must have due regard, in the exercise of its functions, to the need to –
- eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act
  - advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share them
  - foster good relations between persons who share relevant protected characteristics and persons who do not share them.
- 5.3.2 Having had regard to the council's obligations under s149, it is considered there are no relevant issues arising directly from this report.
- 5.3.3 Having had regard to the council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

### 5.4 Staffing

- 5.4.1 There are no staffing implications arising from this report.

### 5.5 Accommodation

- 5.5.1 There are no accommodation implications arising from this report.

## **5.6 Community Safety/Crime and Disorder**

5.6.1 Section 17 of the Crime and Disorder Act 1998 requires the council to give due regard to the likely effect of the exercise of its functions on crime and disorder in its area and to do all it reasonably can to prevent these. There are no issues arising from this report.

## **5.7 Sustainability**

5.7.1 There are no sustainability implications arising from this report.

## **Appendices**

- Appendix 1 – Revenue Budget Virements
- Appendix 2 – Capital Budget Virements

## **Background papers**

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- Financial Monitoring Report 2023/24 – Quarter 1, report to Finance Scrutiny Committee 12 September 2023