

**TO: DIRECTOR OF CHILDREN, YOUNG PEOPLE AND LEARNING AND THE EXECUTIVE MEMBER FOR CHILDREN, YOUNG PEOPLE & LEARNING**

**DATE: 14 MARCH 2017**

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**ANNUAL REPORT ON BUDGET VIREMENTS: 2016-17 FINANCIAL YEAR**  
**Chief Officer: Strategy, Resources and Early Help**

**1 PURPOSE OF REPORT**

1.1 The purpose of this annual report is to seek agreement to a range of budget virements, as required under the Council's Financial Regulations.

**2 RECOMMENDATIONS**

2.1 That the Director **AGREES** the virements proposed in columns 1 and 2 of Annex A;

2.2 That the Executive Member **AGREES** the virements proposed in columns 3 and 4 of Annex A.

**3 REASONS FOR RECOMMENDATIONS**

3.1 To ensure that 2016-17 budget virements are suitably approved.

**4 ALTERNATIVE OPTIONS CONSIDERED**

4.1 Not applicable.

**5 SUPPORTING INFORMATION**

5.1 Financial Regulations provide the framework for managing the authority's financial affairs. This framework requires all Officers to carry out their responsibilities in an open and consistent manner. They have been designed to promote and maintain the high standards expected of the public sector in dealing with the Council's finances.

5.2 To enable effective budget management, there are occasions during the year that changes to initially approved budgets are required. The scheme of virement contained within Financial Regulations is intended to enable the Executive, Directors and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Full Council, and therefore to optimise the use of resources.

5.3 The maximum level of virement permitted under the scheme is set out in the table below:

<b>Value</b>	<b>Authoriser</b>
Up to and including £25,000	Director
Over £25,000 up to and including £50,000	Executive Member
Over £50,000 up to and including £100,000	Executive
Over £100,000	Full Council

5.4 Annex A sets out the virements requested to be approved. Columns 5 to 8 are subject to approval by the Executive and Full Council as appropriate.

**6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

6.1 Not sought.

Borough Treasurer

6.2 The recommendations in this report are in accordance with provisions contained in Financial Regulations.

Equalities Impact Assessment

6.3 There are no specific impacts arising from this report.

Strategic Risk Management Issues

6.4 There are no strategic risk management issues arising from this report.

**7 CONSULTATION**

7.1 Not applicable.

Background Papers

Financial Regulations.

Contact for further information

David Watkins, Chief Officer: SR&EH	4061
Paul Clark, Head CYPL Finance	4054

Doc. Ref

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Approved by Cllr Dr Gareth Barnard  
Executive Member, Children, Young People  
& Learning

Approved by Nikki Edwards  
Director, Children, Young People  
& Learning

Signature.....

Signature.....

Date: 14 March 2017

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## Proposed Virements – To December Reporting Cycle

Explanation	Up to £25k - Director		£25k to £50k - Exec Member		CYPL budgets over £50k - Executive / Full Council		Other budgets over £50k - Executive / Full Council	
	1.0 Debit £k	2.0 Credit £k	3.0 Debit £k	4.0 Credit £k	5.0 Debit £k	6.0 Credit £k	7.0 Debit £k	8.0 Credit £k
<b>DEPARTMENTAL CASH BUDGET</b>								
<b>House keeping virements</b>								
A number of net nil effect virements are proposed. These include resetting devolved staffing budgets between services and making adjustments in the light of new grant notifications that require adjustments to expenditure and income profiles, most notably in respect of the Trouble Families Programme, Youth Justice Board, Restorative Justice Maintenance Grant and Staying Put. Following the endorsement of the Executive Member, there have also been some virements between staffing and non-staffing budgets in respect of bringing in-house aspects of the Young Carers and Information, Advice and Guidance contracts. Other non-staffing budgets have been amended to reflect new year spending plans, including school trading. The Education Library Service budget has also been re-profiled.								
<b>Changes to DSB</b>								
School Improvement, Music and Governor Services		-18.8						
Adult Education	0.5							
Education Welfare and Support	0.6							
Education Psychology	17.8							
Children's Services & Commissioning	25.0		27.5					
Children Looked After						-28.6		
Family Support Services		-15.3						
Youth Justice						-44.7		
Other Children's and Family Services			36.1					
Early Years, Childcare and Play	17.0							
Office Services						-25.1		
Information Technology Team		-8.6						
Property and Admissions Team		-10.1						
Performance and Governance	17.6							
Finance Team	2.6							
Human Resources Team	23.4							
Extended services and support to families		-20.6						
Youth Service	3.6							

Unrestricted

Explanation	Up to £25k - Director		£25k to £50k - Exec Member		CYPL budgets over £50k - Executive / Full Council		Other budgets over £50k - Executive / Full Council	
	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0
	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k
<b><u>DEPARTMENTAL CASH BUDGET</u></b>								
<b><u>General House keeping</u></b>								
Departmental Management Team	1.3							
School Improvement, Music and Governor Services		-12.8						
Education Welfare and Support	0.6							
Children Looked After		-8.0						
Family Support Services	8.0							
Early Years, Childcare and Play	15.9							
Office Services	3.7							
Information Technology Team								-25.7
Property and Admissions Team		-1.7						
Finance Team	1.9							
Human Resources Team		-5.1						
Extended services and support to families		-17.3						
School Related Expenditure			39.2					
<b><u>Transfers between staffing and non-staffing budgets:</u></b>								
<b><u>Young Carers:</u></b>								
Staffing	15.0							
Non-staffing		-15.0						
<b><u>Information, Advice and Guidance:</u></b>								
Staffing			44.4					
Non-staffing								-44.4
<b><u>Adult Education:</u></b>								
Staffing	13.0							
Non-staffing		-13.0						

Unrestricted

Explanation	Up to £25k - Director		£25k to £50k - Exec Member		CYPL budgets over £50k - Executive / Full Council		Other budgets over £50k - Executive / Full Council	
	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0
	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k
<b><u>DEPARTMENTAL CASH BUDGET</u></b>								
<b><u>Changes in grants:</u></b>								
Youth Justice - Staying put			38.4	-38.4				
Youth Justice - Legal Aid, Sentencing and Punishment of Offenders	11.9	-11.9						
Youth Justice Board - core grant			-26.7	26.7				
Early Years, Childcare and Play - Troubled Families	20.0	-20.0						
<b><u>Inter Departmental virement</u></b>								
A number of virements are proposed from other Departments, including non-Departmental that reflect corporatwide initiatives and use of reserves. It covers the additional savings made for 2016-17 (-£0.272m), addition SEND grant to support national reforms (-£0.080m), increased Local Government pension deficit contributions (£0.063m), loss of National Insurance rebate (£0.227m) allocations from the Structural Changes Fund (£0.041m), allocation from the Corporate Contingency (£0.071m), savings on various contracts (-£0.018m) and unspent 2015-16 budgets (£0.014m).								
Departmental Management Team							14.0	
School Improvement, Music and Governor Services							91.0	
Adult Education							1.0	
Education Welfare and Support							6.0	
Education Psychology								-61.0
Children's Services & Commissioning							66.0	
Children Looked After							28.0	
Family Support Services							9.0	
Youth Justice							9.0	
Other Children's and Family Services							10.0	
Early Years, Childcare and Play								-136.0
Office Services							2.0	
Information Technology Team							11.0	
Property and Admissions Team							8.0	
Performance and Governance							25.0	
Finance Team							11.0	
Human Resources Team							0.0	
Extended services and support to families							3.0	
Youth Service								-52.0
<b>Total</b>	<b>199.3</b>	<b>-178.1</b>	<b>158.9</b>	<b>-180.2</b>	<b>0.0</b>	<b>0.0</b>	<b>294.0</b>	<b>-249.0</b>

Unrestricted

Explanation	Up to £25k - Director		£25k to £50k - Exec Member		CYPL budgets over £50k - Executive / Full Council		Other budgets over £50k - Executive / Full Council	
	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0
	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k
<b>SCHOOLS BUDGET</b>								
<b><u>Virements</u></b>								
The Council's Budget setting process agreed that the allocation of budgets to individual lines of the Schools Budget could be agreed by the Executive Member, up to the level of anticipated grant income. The original budget approved by the Council was on a provisional basis and adjustments are now reported to reflect the changes agreed by the Executive Member as part of the budget setting process, all of which were supported by the Schools Forum.								
Funds Delegated to Schools					1,377.1			
De-delegated Budgets		-0.2						
Other School Services			47.9		23.2			
Funds Delegated to Special Schools			50.0		245.0			
Post 16 SEN and other grants							-88.0	
Maintained Schools & Academies			50.0		177.6			
NMSS & Colleges							-477.0	
Education out of School			30.0					
Other SEN Services	12.4							
EY Free Entitlement		-7.6						
Other EY Services			30.6					
DSG							-1,257.9	
Other income								
A number of other grant budgets have been updated to reflect updated allocations or revised estimates. This relates to the Pupil Premium, Primary PE and Sports Grant the Universal Infant Free School Meals Grant and the Post 16 Grant.								
Pupil Premium					700.5	-700.5		
Total for PE and Sports Grant	3.0	-3.0						
Universal Infant FSM					627.0	-627.0		

Unrestricted

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	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0							
	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k							
<b><u>SCHOOLS BUDGET</u></b>															
<b><u>Draw down from reserves</u></b>															
As part of the 2016-17 budget setting process, the Schools Forum agreed that £0.213m should be drawn down from the Schools Budget General Balance to support planned expenditure.							213.0								
<b><u>Intra Departmental virement</u></b>															
The Education Funding Agency has confirmed changes to Dedicated School Grant funding in respect of; deducting grant to be paid direct to academy schools of £8.509m; recalculated funding for Early Years provisions with a reduction of £0.072m; and recalculation of funding for High Needs pupils with £0.183m of additional funding. Relevant service budgets have been adjusted accordingly to reflect the revised income.															
Funds Delegated to Schools						-8,363.7									
De-delegated Budgets						-145.3									
NMSS & Colleges						183.0									
EY Free Entitlement						-71.0									
DSG						8,397.0									
As charitable bodies, academy schools are eligible to 80% rates relief. The budget for Brakenhale was set before conversion was confirmed, and there is now a £0.096m saving. This has been transferred to part fund the additional rates costs anticipated from the school building programme.															
Funds Delegated to Schools						-96.0									
Other School Services						96.0									
<b>Total</b>															
<b>15.4</b>		<b>-10.7</b>		<b>208.5</b>		<b>0.0</b>		<b>11,826.4</b>		<b>-11,826.4</b>		<b>213.0</b>		<b>0.0</b>	