

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

DATE: 20 MARCH 2018

**ANNUAL REPORT ON BUDGET VIREMENTS: 2017-18 FINANCIAL YEAR
Finance Business partner - CYPL**

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 2017-18 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:

Value	Authoriser
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

Paul Clark, Finance Business Partner – CYPL

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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: 20 March 2018

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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 Debit £k	2 Credit £k	3 Debit £k	4 Credit £k	5 Debit £k	6 Credit £k	7 Debit £k	8 Credit £k
<u>DEPARTMENTAL CASH BUDGET</u>								
<u>House keeping virements</u>								
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, SEN, Youth Justice Board, Restorative Justice Maintenance Grant and Staying Put. Other non-staffing budgets have been amended to reflect new year spending plans, including school trading.								
School Improvement, Music and Governor Services		-7.4						
Adult Education		-0.6						
Education Welfare and Support	1.9							
Education Psychology	5.9							
Advice for 13-19 year olds	0.1							
Children's Services & Commissioning					30.0			
Children Looked After	6.1							
Family Support Services		-25.0		-13.9				
Youth Justice		-7.5						
Other Children's and Family Services		-7.0						
Asylum Seeker Dispersal Scheme	17.3							
Early Years, Childcare and Play							-94.5	
Office Services	14.5		13.9					
Information Technology Team	5.9							
Property and Admissions Team	13.7							
Performance and Governance	0.4					29.0		
Finance Team	15.5							
Human Resources Team		-15.6						
Extended services and support to families						35.5		
Youth Service		-18.2						
<u>Inter Departmental virements virements</u>								
A number of virements are proposed from other Departments, including non-Departmental that reflect corporatwide initiatives and use of reserves. It covers the part year effect of savings from Councilwide Support Services Review (-£0.430m) additional savings made on contracts (-£0.006m), increased Local Government pension deficit contributions (£0.089m), allocations from the Structural Changes Fund (£0.224m), allocation from the Corporate Contingency (£0.071m), other minor transfers (+£0.016m) and the income due from the Schools Budget to contribute to the council's statutory education functions (-£0.512m) where the budget was initially held centrally.								
Total Departmental Cash Budget	81.3	-81.3	13.9	-13.9	94.5	-94.5	330.0	-948.0

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	2	3	4	5	6	7	8
	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k	Debit £k	Credit £k
<u>SCHOOLS BUDGET</u>								
<u>Virements</u>								
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						-494.3		
School Grant Income					494.3			
De-delegated Budgets		-1.6						
Funds Delegated to Special Schools		-13.8						
Post 16 SEN and other grants		-5.2						
Maintained Schools & Academies					483.2			
NMSS & Colleges						-277.0		
Education out of School					113.7			
Other SEN Services					81.8			
EY Free Entitlement					1,558.6			
Other EY Services	20.6				3.7			
DSG						-1,963.8		
<u>Draw down from reserves</u>								
As part of the 2017-18 budget setting process, the Schools Forum agreed that £0.180m should be drawn down from the Schools Budget General Balance and £0.093m from the SEN Resource Unit Reserve to support planned expenditure.								
Maintained Schools & Academies							93.0	
Other income							180.0	
<u>Changes to grant income</u>								
Following a request from the Council, the Education and Skills Funding Agency (ESFA) has recalculated the High Needs Block Dedicated Schools Grant to reflect the closure of the SEN Unit at Ranelagh Academy, and this results in a £0.070m increase in grant income. This will be used to fund relevant expenditure budgets. The ESFA has confirmed changes to Dedicated School Grant funding in respect of; deducting grant to be paid direct to academy schools of £12.617m and a recalculated funding for Early Years provisions with a reduction of £0.002m. Relevant service budgets have been adjusted accordingly to reflect the revised income and ensure a net nil impact in the accounts. Furthermore, funding for school secondary sixth forms has increased by £0.135m and reflects additional student intake in 2016-17 academic year.								
NMSS & Colleges	25.0		45.0					
DSG		-25.0		-45.0				
Funds Delegated to Schools						-12,617.2		
DSG					12,617.2			
Funds Delegated to Schools		-21.4		-43.3				
Other School Services (Academy rates)			43.3					
Other School Services (Brakenhale in-year growth)	21.4							
EY Free Entitlement	-1.8							
DSG		1.8						
Funds Delegated to Schools					135.4			
School Grant Income						-135.4		
Total Schools Budget	65.2	-65.2	88.3	-88.3	15,487.8	-15,487.8	273.0	0.0