

## BUDGET VIREMENTS 2013/14 – PERIOD 4

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### 1. Summary

On 18<sup>th</sup> September Cabinet received the Period Four revenue budget monitoring report setting out the financial position for the Council for 2013/14. Cabinet agreed to recommend that Full Council approve virements relating to in year savings in order to fund known budgetary pressures. Full Council's approval is necessary in order to comply with the Council's Financial Rules.

### 2. Recommendations

- A. That Full Council approve the following virements in accordance with the recommendations from Cabinet:

	In Year Savings	Known Budgetary Pressures
Commissioning	-£2.336m	
Adult Services	-£3.023m	+£8.800m
Children's Services	-£1.556m	+£1.000m
Public Health	-£0.010m	
Resources & Support	-£3.075m	+£0.200m
	<u>-£10.000m</u>	<u>+£10.000m</u>

- B. That Full Council approve the increase in the gross revenue budget reflecting additional schools funding obtained as detailed in Paragraph 5.6.

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

3.1 Details of the potential risks to the Council's level of balances are highlighted monthly within the revenue monitoring report. This process identified the need for management action to identify compensatory savings to mitigate the risk to balances caused by the known budgetary pressures in 2013/14.

#### 4. Financial Implications

4.1 This report is based on the financial outturn of the Council's budget for 2013/14 and includes necessary virements required to the budget in order that accurate revenue monitoring can be performed during the remainder of the financial year.

#### 5. Background

5.1 Since the budget was agreed in February 2013, known budgetary pressures in adult social care and children's safeguarding have continued to rise with an increase in the numbers of users of the services. In the Revenue Outturn position for 2012/13, Long Term Support for Adults had an overspend of £5.8m and Childrens Safeguarding had a pressure of £0.8m. Property Services also had an overspend of £0.6m due to a reduction in the Capital Programme. These pressures were funded by one off applications of grants and underspends achieved in other services across the Council.

5.2 Since the end of the year, there have been further increases in demand for these services and management recognised that immediate action would be required in 2013/14 in order to deliver a balanced budget for the year. It was therefore agreed that the Council would require in year savings of £10m to be identified in order that these saving could be used to fund the known budgetary pressures.

5.3 The in year savings targets for each Director were calculated on the controllable budgets that they held and work has been ongoing over the first four months of the financial year to identify where these savings can be delivered from. The budget virements in relation to the in year savings have now been agreed by each Director and Portfolio Holder and these are detailed in Appendix 1.

5.4 The re-allocation of the in year savings to the known budgetary pressures has been determined based on the level of projected overspend as at Period 4 in Adult Social Care, Children's Safeguarding and Property Services. Again, Directors and Portfolio Holders have agreed these reallocations.

5.5 Cabinet therefore recommended that Council approve the virements as detailed in Appendix 1 and summarised in the table below.

	In Year Savings	Known Budgetary Pressures
Commissioning	-£2.336m	
Adult Services	-£3.023m	+£8.800m
Children's Services	-£1.556m	+£1.000m
Public Health	-£0.010m	
Resources & Support	-£3.075m	+£0.200m
	<u>-£10.000m</u>	<u>+£10.000m</u>

5.6 During Period 4 there have been some virements affecting the gross expenditure and income budgets. The most significant increase relates to additional funding that Schools have applied for since the budget book was agreed in February,

and this has now been applied to schools expenditure budgets accordingly. This is shown in Table 1 below.

**Table 1: 2013/14 Budget Amendments Analysed by Service Area**

<b>Service Area</b>	<b>Original Budget £'000</b>	<b>Net Virements £000</b>	<b>Revised Budget £000</b>
<b>Gross Expenditure</b>			
Commissioning	125,744	(2,407)	123,337
Adult Services	91,826	5,777	97,603
Childrens Services	268,045	18,504	286,549
Public Health	9,760	(10)	9,750
Resources & Support	158,484	(1,593)	156,891
	653,859	20,271	674,130
<b>Gross Income</b>			
Commissioning	(28,119)	73	(28,046)
Adult Services	(28,548)	0	(28,548)
Childrens Services	(206,111)	(19,071)	(225,182)
Public Health	(9,333)	0	(9,333)
Resources & Support	(150,216)	(1,273)	(151,489)
	(422,327)	(20,271)	(442,598)
<b>Net Expenditure</b>			
Commissioning	97,625	(2,334)	95,291
Adult Services	63,278	5,777	69,055
Children's Services	61,934	(567)	61,367
Public Health	427	(10)	417
Resources & Support	8,268	(2,866)	5,402
<b>TOTAL</b>	<b>231,532</b>	<b>0</b>	<b>231,532</b>

5.7 Further changes to schools budgets are expected during the course of the year as schools secure additional funding towards their key activities therefore the Council's gross expenditure budget is likely to fluctuate each month.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Revenue & Capital Budget 2012/13  
 Financial Rules  
 Revenue Monitoring Report – Period 3 2013/14  
 Revenue Monitoring Report – Period 4 2013/14

**Cabinet Member**

Keith Barrow - Leader

**Local Member**

All

**Appendices**

1 - In Year Saving and Known Budgetary Pressure Virements

**Appendix 1****In Year Saving and Known Budgetary Pressure Virements**

	<b>In Year Savings £</b>	<b>Budgetary Pressures £</b>	<b>Net Virement £</b>
<b>Commissioning</b>			
Director of Commissioning - Libraries	(167,350)		(167,350)
Area Commissioner North - Partnerships	(1,490)		(1,490)
Area Commissioner North – Positive Activities	(2,560)		(2,560)
Area Commissioner North – Community Action	(4,190)		(4,190)
Area Commissioner North - Waste	(855,670)		(855,670)
Area Commissioner South – Environmental Maintenance	(310,310)		(310,310)
Area Commissioner South – Highways & Transport	(14,110)		(14,110)
Area Commissioner South – Passenger Transport	(51,500)		(51,500)
Area Commissioner South – Arts	(14,560)		(14,560)
Area Commissioner South – Sports	(25,070)		(25,070)
Area Commissioner South – Leisure	(11,550)		(11,550)
Public Protection & Enforcement – Healthier People & Communities	(17,900)		(17,900)
Public Protection & Enforcement – Healthier & Sustainable Environment	(230)		(230)
Public Protection & Enforcement – Safer & Stronger Communities	(24,780)		(24,780)
Public Protection – Housing Health	(546,050)		(546,050)
Business Growth & Prosperity - Enterprise & Business	(4,330)		(4,330)
Business Growth & Prosperity - Visitor Economy	(15,850)		(15,850)
Business Growth & Prosperity - Outdoor Recreation	(30,930)		(30,930)
Business Growth & Prosperity - Theatre Severn	(6,700)		(6,700)
Business Growth & Prosperity - Sustainability	(18,770)		(18,770)
Business Growth & Prosperity - Development Management	(128,670)		(128,670)
Business Growth & Prosperity - Planning Policy	(83,210)		(83,210)
	<b>(2,335,780)</b>	<b>0</b>	<b>(2,335,780)</b>
<b>Adult Services</b>			
Social Care Operations	(1,828,290)	8,800,000	6,971,710
Social Care Efficiency & Approval	(1,194,780)		(1,194,780)
	<b>(3,023,070)</b>	<b>8,800,000</b>	<b>5,776,930</b>
<b>Childrens Services</b>			
Learning & Skills	(872,340)		(872,340)
Children's Safeguarding	(684,000)	1,000,000	316,000
	<b>(1,556,340)</b>	<b>1,000,000</b>	<b>(556,340)</b>
<b>Public Health</b>			
Public Health	(10,300)		(10,300)
	<b>(10,300)</b>	<b>0</b>	<b>(10,300)</b>

	<b>In Year Savings £</b>	<b>Budgetary Pressures £</b>	<b>Net Virement £</b>
<b>Resources &amp; Support</b>			
Strategy, Research & Performance	(163,080)		(163,080)
Legal & Democratic	(234,640)		(234,640)
Human Resources	(128,230)		(128,230)
Customer Care and Support Services		200,000	200,000
Finance, Governance & Assurance	(2,548,560)		(2,548,560)
	<b>(3,074,510)</b>	<b>200,000</b>	<b>(2,874,510)</b>
<b>COUNCIL TOTAL</b>	<b>(10,000,000)</b>	<b>10,000,000</b>	<b>0</b>