

CYNGOR SIR POWYS COUNTY COUNCIL.

Full Council
7th March 2024

REPORT AUTHOR: County Councillor David Thomas, Cabinet Member for Finance and Corporate Transformation

REPORT TITLE: Revenue Virement

REPORT FOR: Decision

1. Purpose

- 1.1. This report sets out a Cabinet recommendation to Council for revenue virements that were approved on the 27th February 2024.

2. Advice

- 2.1. The Revenue Outturn Forecast as at 31st December 2023 was reported to Cabinet on the 27th February 2024. The report included revenue budget virements which Cabinet approved for consideration and approval by Council.
- 2.2. A virement is the process of amending a budget during the financial year from the amount which was originally agreed when the budget was approved. Virement authorisation limits over £500,000 require sign off by the Head of Service, the Section 151 Officer and Full Council.
- 2.3. Revenue virements have been requested for the items set out below.
- 2.3.1. Transfer of Children's Contract and Commissioning Budget – the transfer of contract and commissioning budget related to Children's Services totalling £804,970 from the Commissioning for Adults and Children service to Children's Services is requested. This virement will align the budget with line management and budget holder responsibilities.
- 2.3.2. Virement of Risk budget to Children's Services – the virement of £810,000 from the Risk budget to Children's Services in the 2023-24 financial year is requested. This is in order to reflect the funding required for costs associated with increasing numbers of unaccompanied asylum-seeking children (UASC) and the unavoidable pressures in relation to an increased demand for placements for children with complex needs amid a national shortage of placements, which have both impacted on the service's ability to deliver the cost reductions identified for 2023/24 in full.
- 2.3.3. Virement of costs of borrowing to capital financing reserve – the virement of £1.6 million estimated underspend from the cost of borrowing to the capital financing reserve in the 2023-24 financial year is requested. This is consistent with previous practice where underspends on the cost of borrowing are transferred to the capital financing reserve to support the forward capital programme, helping to reduce the need to borrow. The underspend in the costs of borrowing is due to some capital schemes being reprofiled to future years and a drive to minimise in-year borrowing whilst borrowing rates remain high.

3. Resource Implications

- 3.1. The virement of the Children's contract and commissioning budget from Commissioning to Children's Services is a permanent budget virement to reflect the new directorate structure and will continue in future years. There are no overall resource implications as a result of this virement.
- 3.2. The virement of the risk budget to Children's Services and the virement of the costs of borrowing to the capital financing reserve are both temporary virements affecting the 2023/24 financial year only with no resource implications.
- 3.3. The Head of Finance (Section 151 Officer) supports the recommendation.

4. Legal implications

- 4.1. Legal acknowledge this report and have nothing further to add.

5. Climate Change & Nature Implications

- 5.1. The virements being considered today do not have any specific implications for Climate Change and Nature.

6. Data Protection

- 6.1. The proposal does not involve the processing of personal data.

7. Comment from local member(s)

- 7.1. Not applicable.

8. Integrated Impact Assessment

- 8.1. No impact assessment is required.

9. Recommendation

- 9.1. That Council approves the virements set out in section 2.3.

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