

DECISION-MAKER:	COUNCIL		
SUBJECT:	BUDGET VIREMENTS		
DATE OF DECISION:	27 NOVEMBER 2024		
REPORT OF:	COUNCILLOR LETTS DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND CORPORATE SERVICES		
<u>CONTACT DETAILS</u>			
Executive Director	Title:	Executive Director Enabling Services and S151 Officer	
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Author:	Title:	Director of Finance	
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STATEMENT OF CONFIDENTIALITY
Not Applicable
BRIEF SUMMARY
This report sets out budget virements that, due to their size, require approval of full Council in accordance with the Financial Procedure Rules. Delegation of authority to Cabinet is also sought regarding the transfer of budgets for sustained favourable variances to centrally held contingency regardless of value, to be used to reduce the reliance on Exceptional Financial Support (EFS).

RECOMMENDATIONS:

	Council is recommended to:	
i)	Approve the transfer of budget from Community Wellbeing to centrally held contingency for the sustained favourable variance of £3.75M relating to care packages and costs as set out in paragraph 3.	
ii)	Delegate authority to the Cabinet to consider and approve the transfer to centrally held contingency of any further sustained favourable variances, regardless of value, identified in subsequent financial position updates for 2024/25.	
iii)	Approve the virement of £20M income and expenditure within the Schools Budget to recognise increased funding, as set out in paragraph 4.	
iv)	Approve the virement of £24.30M Social Care Grant income budget from Non-Specific Government Grants (Centrally Held Funding) to Children & Learning (£9.53M) and Community Wellbeing (£14.77M) to reflect a change in the grant conditions from an un-ringfenced to a ringfenced grant, as set out in paragraph 5.	

REASONS FOR REPORT RECOMMENDATIONS	
1.	To approve virements in accordance with the Financial Procedure Rules.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Not applicable.
DETAIL (including consultation carried out)	
	<u>Budget Virements</u>
3.	Sustained favourable variances are being achieved by directorates in 2024/25 through demand management transformation activity and other measures. The Business Planning & Budgeting Framework specifies that where favourable variances are being sustained, these budgets are to be transferred to centrally held contingency to be used to reduce the reliance on Exceptional Financial Support. Council is asked to approve the virement of £3.75M from Community Wellbeing to centrally held contingency of a sustained favourable variance identified in the month 4 financial position update relating to care packages and costs. Council is also asked to delegate authority to the Cabinet to consider and approve the transfer to centrally held contingency of any further sustained favourable variances, regardless of value, identified in subsequent financial position updates for 2024/25.
4.	The Schools Budget does not reflect the revised funding and associated expenditure plans for 2024/25, especially in relation to Early Years changes. To update the position, budget adjustments increasing expenditure and income (funding) by £20M are required. The increased funding is largely in the Early Years Block to expand subsidised provision for 2-year-old children and for children under 2 years old. Given the quantum of the budget changes Council is asked to approve the budget changes.
5.	The grant conditions for the Social Care Grant were changed in 2023/24 from an un-ringfenced grant to a ringfenced grant that must be used in meeting adults' and children's social care needs. The Social Care Grant currently forms part of the budget for Non-Specific Government Grants within Centrally Held Funding. Agreement is sought to vire the £24.30M income budget to Children & Learning (£9.53M) and Community Wellbeing (£14.77M) based on the relative proportions of children's social care and adult social care expenditure. The virement of the income budget has no impact on service provision it is only a change to the accounting treatment.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
6.	The revenue implications are contained in the report.
<u>Property/Other</u>	
7.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
8.	Financial reporting is consistent with the Section 151 Officer's duty to ensure good financial administration within the council.
<u>Other Legal Implications:</u>	
9.	None.

RISK MANAGEMENT IMPLICATIONS

10. None.

POLICY FRAMEWORK IMPLICATIONS

11. None.

KEY DECISION? No**WARDS/COMMUNITIES AFFECTED:** All**SUPPORTING DOCUMENTATION****Appendices**

1. None

Documents In Members' Rooms

1. None

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out? No

Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out? No

Other Background Documents**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1. The 2024/25 Budget and Medium Term Financial Strategy (Council 6 March 2024)

2. Financial Position Update (Cabinet 27 August 2024)

3. Financial Position Update (Cabinet 29 October 2024)