



## **REPORT of DIRECTOR OF RESOURCES**

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**to  
FINANCE AND CORPORATE SERVICES COMMITTEE  
27 NOVEMBER 2018**

### **SUPPLEMENTARY ESTIMATES, VIREMENTS AND USE OF RESERVES: 1 SEPTEMBER - 30 OCTOBER 2018**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To report virements and supplementary estimates agreed under delegated powers to this Committee.
- 1.2 To inform Members of procurement exemptions that has been granted in the period.
- 1.3 To ask for members approval of requested drawdowns on reserves.

#### **2. RECOMMENDATIONS**

- i) That the virements of underspends as requested in paragraph 3.2.2 below be agreed;
- ii) That the procurement exemptions granted during the period, as detailed in paragraph 3.4 below be noted.

#### **3. SUMMARY OF KEY ISSUES**

##### **3.1 Rules and Regulations**

- 3.1.1 The approval and reporting arrangements in relation to virements and supplementary estimates are set out in the Financial Regulations and Financial Procedures These are as follows:

##### Virements (movements) within the same budget head:

- Agreed by the relevant Director and the Director of Resources.

##### Virements between different budget heads:

- Up to £20,000 – Director and Director of Resources and reported in monthly Members Bulletin;
- Over £20,000 up to £50,000 – Director, Director of Resources, in Consultation with relevant Standing Committee Chairman and reported to the next Finance and Corporate Services Committee;

- Over £50,000 - the Finance and Corporate Services Committee.

Supplementary estimates:

- Up to £20,000 – Director, Director of Resources and Chief Executive in consultation with the Chairman of the Finance and Corporate Services Committee and the Leader of the Council and reported to the next meeting of the Finance and Corporate Services Committee;
- Over £20,000 – the Finance and Corporate Services Committee.

3.1.2 The Contract Procedure Rules provide information in relation to procurement exemptions. The exemption enables the council to waive any requirements within the contract procedure rules for specific projects.

3.1.3 Procurement exemptions should be signed by the Officer and countersigned by the Director of Resources and where appropriate the Chairman of the Finance and Corporate Services Committee.

### 3.2 **Virements**

3.2.1 As we move forward with the Future Model, realised underspends need to be removed from budgets to ensure projected savings targets are being met, and any additional savings will provide a fund for associated costs, and support reserves in the funding of the overall transformation project.

3.2.2 It is therefore requested that advanced approval is given by members for all underspends, including salary underspends, to be vired to a central code. This code will be the budget responsibility of the Director of Resources. Any subsequent virements from this fund by services will be outside of this approval and actioned and reported as appropriate.

### 3.3 **Supplementary Estimates**

3.3.1 There were no supplementary estimates to report.

### 3.4 **Procurement Exemptions**

3.4.1 The following two exemptions have been approved in the period:-

3.4.1.1 The IT department has requested a procurement exemption for the upgrade of Maldon Districts Councils internet network. We are currently in an Essex wide agreement and to go with another supplier would negate the Council's ability to take advantage of the framework. The cost of the works is a one-off installation cost of £4,671 and ongoing revenue costs of £2,603.

3.4.1.2 The Director of Service Delivery requested a procurement exemption for the procurement of Emergency Planning and Business Continuity Support at a cost of £10,000, due to the current arrangement with Chelmsford City Council coming to an end. The arrangement is for an interim period of 12 months whilst the future delivery of this support is considered; a local authority with risks like our own has been chosen to provide the service.

### 3.5 Drawdowns on Reserves

3.5.1 There are no drawdowns on reserves to report.

## 4. CONCLUSION

4.1 The procurement exemption has been utilised over the period to waive the procurement requirements set out in the Contract Procedure Rules.

## 5. IMPACT ON CORPORATE GOALS

5.1 The adherence to the Financial Regulations and Financial Procedures contributes towards the corporate goal of ‘Delivering good quality, cost effective and valuable services’.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – None identified.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk** – None identified.
- (iv) **Impact on Resources (financial)** – These are discussed above.
- (v) **Impact on Resources (human)** – None identified.
- (vi) **Impact on the Environment** – None identified.

Background Papers: None.

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