



**REPORT of
INTERIM CHIEF FINANCE OFFICER**

**to
STRATEGY AND RESOURCES COMMITTEE
21 SEPTEMBER 2023**

**SUPPLEMENTARY ESTIMATES, VIREMENTS, PROCUREMENT EXEMPTIONS AND
USE OF RESERVES: QUARTER ONE: 1 APRIL - 30 JUNE 2023**

1. PURPOSE OF THE REPORT

- 1.1 To report virements and supplementary estimates agreed under delegated powers where they are below the levels requiring approval by this Strategy and Resources Committee and seek approval where they are above the levels requiring approval by this Committee.
- 1.2 To inform the Committee of procurement exemptions that have been granted in the period.
- 1.3 To report on the use of reserves during the period.

2. RECOMMENDATIONS

- (i) That the virements as detailed in paragraph 3.3.1 be noted;
- (ii) That the procurement exemptions as detailed in paragraph 3.5.1 be noted.
- (iii) That the drawdown from Reserves as detailed in paragraph 3.6.1 be agreed.

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 (budget movements) within the same directorate:

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

Virements between different directorates:

- Up to £20,000 – Director and Director of Resources and reported on a quarterly basis,
- Over £20,000 up to £50,000 - Director, Director of Resources in consultation with relevant Programme Committee Chairperson; and reported to the next Strategy and Resources Committee,
- Over £50,000 - the Strategy and Resources Committee,

In addition, for the purposes of virements, salaries budgets are to be considered as a separate Directorate.

Supplementary Estimates

- Up to £20,000 – Director and Director of Resources in consultation with the Chairperson of the Strategy and Resources Committee and the Leader and reported to the next Strategy and Resources Committee.
- Over £20,000 –Strategy and Resources Committee.

3.2 Procurement Exemptions and Use of Reserves

3.2.1 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.

3.2.2 Procurement exemptions should be signed by the Officer and countersigned by the Director of Resources and where appropriate the Chairperson of the Strategy and Resources Committee.

3.2.3 Delegation around the use of the reserves was prescribed by the Council in June 2019. It stated that the Director of Strategy, Performance and Governance be authorised, in consultation with the Commercial Projects Board (superseded by the Corporate Projects Working Group) to approve any spend up to £10,000, subject to the details being reported to the Strategy and Resources Committee.

3.3 Virements

3.3.1 The following reportable virements were agreed during this period.

Cost Centre To	Directorate / Service	Cost Centre From	Directorate/ Service	Budget Amount	Description
155	Service Delivery Cemeteries Parks Maintenance	141	Service Delivery Parks / Salaries	£13,800	3 months grass cutting contract
170	Service Delivery Training	104	Resources centralised training budgets	£12,100	Re-alignment and devolvement of training budgets to services
171	Resources Training	104	Resources centralised training budgets	£4,200	
172	Strategy, Performance and Governance (SPG) Training	104	Resources centralised training budgets	£2,900	
132	Environmental Health Salaries	103	SPG Climate Action Engagement	£6,100	Project management of Air Quality Project

3.4 Supplementary Estimates

3.4.1 There were no supplementary estimates agreed during this period.

3.5 Procurement Exemptions

3.5.1 The following Procurement Exemptions have been agreed.

Item	Amount	Description	Reason	Lead Officer
1	Up to £27,000	Grass cutting in Maldon, Heybridge and Burnham-on-Crouch cemeteries	A business case has been developed to justify outsourcing both grounds maintenance and grave-digging across Maldon's cemeteries. It is estimated that the work required to prepare the tender for a three year contract will take around 6 months to complete. Hence the need for a procurement exemption to address the immediate service pressure to cut the grass while this process is ongoing. Nine cuts will be required during this time and Maldon District Council (MDC) has received quotes from two contractors, the cheapest being £3,000 per cut for all three cemeteries.	Cemeteries and Bereavement Services Senior Co-ordinator
2	£6,250	Commercial Surveys and Red Book Valuations for Edmund House and Tensing House	Three written quotes have previously been obtained for work in 2022/23. At that point KSP Surveyors were the cheapest quote and MDC was pleased with the work undertaken and presented. A further piece of work is now required and due to the good professional standard and value for money that KSP demonstrated on the previous commission, they have been reappointed to undertake this new piece of work.	Senior Specialist Co-ordinator Housing
3	£28,379	Essex County Council (ECC) Verge Cutting (Maldon District)	MDC has been unable to complete a full tender process before commencement of work due to changes in key managerial positions towards the end of last year. It was urgent to carry out this work as complaints had been received around sightlines at junctions which are hazardous and a Health and Safety (H&S) issue. Three written quotations were received and the successful contractor, Saker Contracting, provided the best value for money.	Lead Countryside and Coast Co-ordinator

3.6 Use of Reserves

3.6.1 One drawdown from reserves was proposed during this period

Reserve	Drawdown amount	Reason for Drawdown
Community Housing Reserve	£12,500	To cover a three month contract extension for an employment support coach

4. CONCLUSION

4.1 The Committee is invited to:

- note the virement in paragraph 3.3.1;
- note the procurement exemptions in paragraph 3.5.1.
- agree the drawdown from reserves in paragraph 3.6.1

5. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2023 - 2027

5.1 Supporting our communities

5.1.1 The agreement to a drawdown of reserves to support the contract extension of an employment support coach.

5.2 Enhancing and connecting our place

5.2.1 None identified.

5.3 Helping the economy to thrive

5.3.1 None identified.

5.4 Smarter finances

5.4.1 The adherence to the Financial Regulations and Financial Procedures contributes towards the corporate core values of being open and transparent, and accountable for our actions.

5.5 A greener future

5.5.1 The virement to support the project management of an air quality project.

5.6 Provide good quality services.

5.6.1 The appropriate use of supplementary estimates, virement, procurement exemptions and reserves are agreed to support the delivery of good quality services within the council's available budgets.

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)** – As detailed in the report.
- (v) **Impact on Resources (human)** – As detailed – contract for air quality project manager and contract extension for employment support coach.

Background Papers: None.

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