



**REPORT of
INTERIM CHIEF FINANCE OFFICER**

**to
STRATEGY AND RESOURCES COMMITTEE
14 MARCH 2024**

**SUPPLEMENTARY ESTIMATES, VIREMENTS, PROCUREMENT EXEMPTIONS AND
USE OF RESERVES: QUARTER 3 (1 OCTOBER - 31 DECEMBER 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 agreed under delegated powers.

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.

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 is prescribed within the Council's financial regulations: F1.3 The use of reserves is to be approved through the same authorisation process as virements where not approved as part of the annual budget or accounts processes or have specific delegation.

3.3 Virements

- 3.3.1 The following virements were agreed during this period.

Cost Centre To	Directorate / Service	Cost Centre From	Directorate/ Service	Budget Amount	Description
501/1020	Service Delivery / Blackwater Leisure Centre	256/4833	Resources / Corporate Management Contingency	£1,200	RAAC (Reinforced Autoclaved Aerated Concrete) Surveys
502/1020	Service Delivery / Dengie Leisure Centre			£500	
514/1040	Service Delivery / Parks and Open Spaces			£4,500	Longfields pathway patch repair and sealing (high risk trip hazard)
104/4770	Resources / HR Corporate Training	132/0010	Environmental Health Salaries	£6,000	Coaching training for Service Delivery (SD) staff

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	£7,645	LG Futures – purchase of collection fund accounting suite	There are only two suppliers of this specialist collection fund support and the Council has previously used the other supplier but not been satisfied. Hence the reason to award the contract directly to LG Futures.	Lead Specialist Finance
2	£145,098	Beat the Street – a mass participation community behaviour change programme	91% funded by grants from Sport England and Essex County Council (CC), this is a 12 month contract which can only be delivered by one contractor – Intelligent Health who were Identified via Sport England through their evaluation and delivery and their grant is conditional on engaging Intelligent Health to deliver Beat the Street.	Lead Specialist Prosperity
3	£12,200	Maldon District Visitor Guides – Kingfisher Media Ltd	By using Kingfisher, we will have the process managed with us – to enable hard copy guides for placement in establishments and for Maldon District Council (MDC) use, alongside a full digital package, which is unique to this supplier.	Tourism Specialist
4	£21,000	Sonic Wall Firewall Uplift	The current Firewall Supplier is Palo Alto Firewalls which were engaged for the last three years. Now the licences have expired, MDC can either renew at a cost of £45k per annum or change the firewalls to Sonic Wall, the only other competitor in the market. They offer a like for like service for £21k over three years, generating a saving of £110k	Lead ICT Specialist

3.6 Use of Reserves

3.6.1 No drawdowns from reserves were agreed during this period.

4. CONCLUSION

4.1 The Committee is asked to:

- note the virements in paragraph 3.3.1
- note the procurement exemptions in paragraph 3.5.1.

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

5.1 Smarter finances

- 5.1.1 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.

5.2 Provide good quality services.

- 5.2.1 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** – Maldon District Visitor Guides.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on Risk (including Fraud implications)** – None identified.
- (iv) **Impact on Resources (financial)** – As detailed in the report.
- (v) **Impact on Resources (human)** – None Identified

Background Papers: None.

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