

APPENDIX 5

Virements

Revenue Budget Virements

- 3.6 The Cabinet is responsible for agreeing procedures for virements (the transfer of resources) between department, earmarked reserves and service budget headings. The framework that exists ensures that virements which are associated with a significant change in the level of service from that set out in the service plan must be approved by the Member with Portfolio in consultation with the relevant Authorised Senior Officer. However, the Director of Finance may approve virements to address identified budgetary challenges having regard to the financial position of services and the Council has a whole.
- 3.7 The Director of Finance may approve an increase in an approved Department budget by a transfer from another approved Department budget under the control of another Authorised Senior Officer where: -
- (i) both budget heads are cash limited; and
 - (ii) the variation does not exceed £250,000 and therefore not a Key Decision .
- 3.8 Authorised Senior Officers, are authorised to transfer resources within a service budget subject only to the maximum amount of virement on any one activity not exceeding 5% or £50,000, whichever is the smaller. Where the aggregate of such virements exceeds £250,000 in a financial year, and if in the opinion of the Director of Finance it is appropriate to do so, the Director of Finance and the appropriate Authorised Senior Officer will jointly report to the relevant Member with Portfolio and the Cabinet Member with responsibility for Finance and be considered for approval by the Director of Finance .
- 3.9 Authorised Senior Officers may approve a virement into an approved budget head under their management control by a transfer from another approved budget head where: -
- (i) both budget heads are cash limited; and
 - (ii) the virement does not exceed £100,000.

Authorised Senior Officers are responsible for formally approving, and for notifying to the Director of Finance, the record of their approval to in-

year virements within service budget headings, and within the limits delegated to them.

- 3.10 Authorised Senior Officers must consult with the Director of Finance about all virements above their approved, delegated limits before allowing any action in respect of them to take place. All virements above the above limits (ie £250,000) must be approved by Cabinet.

Note - "Approved budget" above means the original provision made when the annual budget was approved by Council, plus or minus any variation which has been approved subsequently.

Capital Budget Virements

- 3.11 Council has agreed that CIPB will make recommendations on virements within the overall agreed capital plan, between programme areas and within approved programme areas. Cabinet will approve any virements which are Key Decisions (those over £250,000) with virements below this level approved by the Deputy Chief Executive (Place) in consultation with the Cabinet Member with responsibility for Finance in ,the Director of Finance, and the relevant Cabinet Member for the service area. Any virement above £250,00 must be approved by Cabinet.

- 3.12 Whenever a project is to be funded via prudential borrowing it shall be done in accordance with the Council's Treasury Management Strategy.

Virements – General Protocols

- 3.13 The Director of Finance will report as part of the regular budget monitor to the Cabinet and the relevant Scrutiny Board, summarising any variations of the annual estimates including transfers to and from earmarked reserves for consideration at that meeting.

- 3.14 A virement is specifically not allowed where the transfer of resources is from budgets for capital charges and statutory taxes and levies.

- 3.15 All virements will be recorded in a way prescribed by the Director of Finance, who will arrange for virements to be reported to, and agreed where required by Cabinet.

- 3.16 Senior Officers are authorised to incur any expenditure included in the approved revenue budget for the Service, as amended by any virement.