VIREMENT POLICY

Approved by Council on 18th April 2019
Minute number F0861 refers
To be reviewed April 2021

1. Background

Council annually approves the budgets for all committees for the forthcoming financial year.

Budgeting, by its very nature is not an exact science so it is inevitable that during the financial year some budget headings will have been over-estimated and some under-estimated. This policy seeks to smooth out these 'peaks and troughs' to enable the finances of the Council to operate efficiently and effectively whilst retaining the control necessary to ensure that public money is protected.

2. What is Virement

Virement can be defined as '*To spend more on one budget head when this is matched by a corresponding reduction on some other budget head, ie a switch of resources between budget heads. Virement must be properly authorised by the appropriate committee or by officers by delegated powers'.*

'A flexible approach to virement can act as a powerful motivation to seek value for money and should therefore be encouraged.'
Source: Councillors Guide to Local Government Finance
Page 232 and 356

A practical approach to virement is therefore a useful tool in the management and administration of the Council's finances ensuring that appropriate control over expenditure is still in place whilst providing operational flexibility, when required.

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3. Policy For Virement

3.1 **UP TO £1,000 within the same Cost Codes.**
By the Finance Officer in consultation with the relevant department head responsible for the cost code with authorisation from the Responsible Financial Officer subject to the agreement of the

Chairman of Finance and General Purposes committee being sought at the earliest possible opportunity (no virement between committees).

3.2 All members to be advised at the relevant committee of any virement made by Officers.

3.3 **£1,001 - £5000 within the same Cost Codes.**
By the relevant committee making recommendation to Finance and General Purposes Committee for agreement, with advice from the Responsible Financial Officer
(no virement between committees).

3.4 **£5001 – 5% of the total revenue expenditure.**
By Finance and General Purposes Committee making recommendation to Council for agreement, with advice from the Responsible Financial Officer.

3.5 **Virements Between Committees**
Requests with reasons for virement are to be made by the relevant committee by recommendation to Finance and General Purposes Committee for agreement, with advice from the Responsible Financial Officer.