

Updated Virement Scheme

Overview

A Virement is the transfer of revenue budget from one specific area of the budget to another.

A scheme of virement is intended to enable the Service Directors and budget managers to manage their budgets with a degree of flexibility within the overall policy framework as determined by Council.

The overall revenue budget is approved by Full Council. Service Directors and budget managers are authorised to incur expenditure in accordance with the scheme of delegation included in the Council's Constitution.

Key Controls

The section below highlights the key controls around the processing of Virements.

Virements with the necessary approvals will be processed by Finance Support Services if they are in line with the key controls detailed in the following table:-

Control Number	Key Control
1 – No overspend created by the request.	Virement into a receiving budget head may only occur provided that the donating cost centre will not subsequently become overspent during the budget period.
2 – No additional liability created by the request.	Permanent virements can only be processed if the donating cost centre has permanent budget provision to fund the requested virement.
3 – No key decision/change in policy created by the request.	Virements which involve a key decision should be subject to a Cabinet Report and the Council's decision making process in line with the Council's Constitution.
4 – No permanent change created to the substantive staffing structure as a consequence of the virement.	Note only in year virements (i.e. not on going) can be agreed for Employee budgets unless the virement is linked to a structural change that has received the necessary approvals e.g. DDM

3 Budgets which cannot be subject to a virement request:-

- Leasing charges
- NNDR
- Depreciation

- Internal charges
- Levies payable to public bodies
- Budgets which affect other services of the Council
- EL/PLPA

See [appendix A](#) for a full list of detail codes which cannot be vired.

4 **Authorisation Levels**

Value of Virement	Authority to Approve Virement
Up to £50,000	Budget Manager
£50,001 to £250,000	Budget Manager and Service Director (Requires both to approve)
£250,001 to £500,000	Budget holder, Service Director, ELT Member. (Requires all to approve) In Consultation with the relevant Portfolio Holder.
£500,001	Director of Finance In consultation with the relevant Portfolio Holder
Note virement requests that are across cost centres or across services require approval by the donating and recipient budget managers and Service Directors. Appendix B is a flowchart of the procedure.	

5 **Processing of Virements.**

All virement requests need to be submitted to the relevant service accountant within FSS. The service accountant will ensure the virement is actioned within the Authority's Financials if the virement is in line with the key controls, has the appropriate authorisation and it does not involve a budget that cannot be subject to virements.