

Peterborough City Council

Appendix L- Budget Virement Limits

1. Budget Virement is the process of transferring budgeted funds from budget code to another, with the approval of the relevant Head of Service, Chief Finance Officer or elected members to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. The following rules have been established to ensure there is both flexibility and transparency.
2. The Council's Budget and Policy Framework, paragraph 4.9 enables the council to specify the extent of virements within the budget and degree of in-year changes to the Policy Framework, which may be undertaken by Cabinet. Virements allows the Council to move spend approved in the budget to another budget in accordance with Financial Regulations.
3. Having reviewed the existing framework and the council's Financial Regulations the principle remains that approved budget cannot be moved from one area of spend or project to another unless it meets Financial Regulations. This applies to both revenue and capital budgets.
4. **The virement limits for 2023/24 will be as follows:**
 - Directors, within their own area, can approve virements up to £500k
 - Virements required across departments can be approved by the relevant departments up to a limit of £250k, any virements in excess of this limit will require Cabinet approval
 - All budget virements in excess of £500k will require Cabinet approval
 - All budget virements in excess of £1m will require Council approval.
5. **The virement procedure rules will not apply in the following circumstances:**
 - a) Reflecting organisational structure changes e.g., changes in reporting line
 - b) Allocating corporate budgets or savings to departments agreed in the MTFS
 - c) Allocating budgets to individual schemes e.g., from school places capital programme or local transport plan projects.
6. **Part 13, section 3 of the constitution enables the Chief Executive to undertake certain action in an emergency:**
 - 3.13.2 The Chief Executive is authorised:
 - (d) to take any action, including the incurring of expenditure, where emergency action is required.
7. In the event that this applies to virements, it will be reported to the next relevant meeting in line with the limits in 3 above.

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