

## RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

### PUBLIC DOCUMENT

Any interest to declare/ or conflict and any dispensation granted [*if applicable*] N/a

**SERVICE DIRECTORATE:** Resources

#### **1. DECISION TAKEN**

To make minor changes to the Financial Regulations in respect of virements.

#### **2. DECISION TAKER**

Ian Couper, Service Director: Resources

#### **3. DATE DECISION TAKEN:**

3 January 2019

#### **4. REASON FOR DECISION**

4.1 The two changes being made are a combination of providing clarification and also making internal processes more efficient.

#### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 It would be possible to not make the changes, but this would fail to achieve the desired benefits.

#### **6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)**

6.1 The changes remove the requirement for the Senior Management Team as a whole to approve virements between service areas. The Service Directors have been consulted and are fully supportive of this change.

#### **7. RELEVANT CONSIDERATIONS**

7.1 Section 7.2 of the Financial Regulations has been amended, from:

*Some budgets are allocated to Budget Holders but are also managed centrally (e.g. repairs and maintenance, training). The virement of these budgets is not generally permitted, and would require the approval of the central manager (e.g. Property Services, Learning and Development).*

To:

*Some budgets are allocated to Budget Holders but are also managed centrally (e.g. repairs and maintenance, training). The virement of these budgets for other purposes is not generally permitted, and would require the approval of the central manager (e.g. Property Services, Learning and Development). If used for the intended purpose, the virement of these budgets can be approved by the central manager, without requiring the approvals set out in 7.3 below.*

This clarifies that these budgets can be moved to be managed by Budget Holders as long as this is in line with the initial purpose, but can not then be used for a different purpose without the permission of the central manager. To make processes efficient, the change allows the initial transfer to be approved by the central manager (i.e. without additional approval). This is because the budget will still be spent in line with the initial intended purpose.

7.2 Section 7.3 of the Financial Regulations has been amended, from:

*The authorisation required for a budget virement is as follows:*

Between budgets that are under their control	<b>Budget Holder</b>
Between budgets within a Service Area	<b>Service Director</b> after consulting with all affected <b>Budget Holders</b>
Between budget areas that are in different Service Areas	<b>Senior Management Team</b>

To:

Between budgets that are under their control	<b>Budget Holder</b>
Between budgets within a Service Area	<b>Service Director</b> after consulting with all affected <b>Budget Holders</b>
Between budget areas that are in different Service Areas	Agreed by the relevant <b>Service Directors</b> (providing and receiving the budget) after consulting with all affected <b>Budget Holders</b> .

This removes the requirement for the Senior Management Team (SMT) meeting to approve virements between Service Areas. The key interested parties in making this decision are the Budget Holders and Service Directors affected. Therefore they should be the ones that make this decision rather than the whole of the SMT. This also allows decisions to be made more quickly (as do not have to wait for a SMT meeting) and makes SMT meetings more efficient.

## 8. LEGAL IMPLICATIONS

- 8.1 Section 151 of the Local Government Act 1972 makes the Chief Finance Officer (also known as s151 Officer) responsible for the proper administration of the Council's financial affairs. The Council's financial regulations provide part of the framework for ensuring the required "proper administration".
- 8.2 The Chief Finance Officer has delegated authority to make certain changes to the Financial Regulations (under 2.6.2 of the Constitution). The changes referenced in section 7 above are considered to be minor variations (as per clause a of 2.6.2) and required to be made to remove ambiguity (as per clause c of 2.6.2).
- 8.3 Any changes made under 2.6.2 must be notified to all Members (as per paragraph 2.6.4). To achieve this requirement, this decision notice is being published in the Members Information Service (MIS).

**9. FINANCIAL IMPLICATIONS**

9.1 There are no direct financial implications arising from this decision.

**10. RISK IMPLICATIONS**

10.1 This change ensures that virements are approved by the key parties involved and therefore there are no additional risk implications.

**11. EQUALITIES IMPLICATIONS**

11.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

11.2 There are no equalities implications to this decision.

**12. SOCIAL VALUE IMPLICATIONS**

12.1 The Social Value Act and “go local” policy do not apply to this decision.

**13. HUMAN RESOURCE IMPLICATIONS**

13.1 This decision will make the virement process more efficient and will therefore result in a small time saving.

**14. BACKGROUND PAPERS**

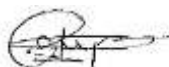
None

**15. NOTIFICATION DATE**

15.1 Published in MIS on 4<sup>th</sup> January 2019.

**Signature of Executive Member Consulted .....Not applicable.....**

**Date ... Not applicable .....**



**Signature of Decision Taker .....**

**This is a Non-Executive decision. Call-in does not apply to NON-EXECUTIVE DECISIONS**