

# **PART 6**

## **OTHER RULES AND REGULATIONS**

**Access to Information Rules**

**Financial Regulations**

**Scheme of Transfers and Virements**

## ACCESS TO INFORMATION RULES

### Scope

1. These rules apply to all meetings of the Council and its committees and sub-committees and ~~public~~ meetings of the Cabinet and its committees except where specified (together these meetings are herein referred to as "meetings"). ~~Public meetings of the Cabinet are those meetings which are required to be held in public i.e. where a Key Decision will be made or discussed in the circumstances specified in Rule 28 below and those which the Cabinet determine should be held in public.~~
- 1.
2. Nothing in these rules shall be treated as limiting or diminishing any rights conferred on the public, members of the Council or co-opted or independent members by any of the Standing Orders or other rules in the Constitution or the law.

### Rights of Press and Public to attend Meetings

3. The press and public shall, subject to the exceptions contained in these rules, be entitled to attend all meetings subject to the capacity of the room in which the meeting is held. Unless there is another meeting being held in the room in which the meeting is to be held, the press and public will be admitted to the room 30 minutes before the meeting is due to start.
4. Separate seating will be provided for the press and public and admission will be on the basis of "first come, first served" with no seating being reserved.
5. Except in respect of disturbances and unruly behaviour, the press and public may only be excluded from a meeting in respect of business relating to confidential or exempt information as defined in the relevant legislation and set out below, and any resolution excluding press and public shall specify the nature of the confidential and/or exempt information relating to the business to be transacted which justifies the exclusion.
6. Tweeting, blogging etc. and filming from hand held devices will normally be permitted at meetings without advance notice, however it is important that meetings are allowed to discharge their business without distraction or disruption both to the Councillors and officers at the table and any public present. This means that 'roving' filming close to or around the meeting table and filming using flash lighting will not normally be allowed. The Chair shall have discretion over deciding whether any such activity poses a threat to the efficient conduct of the meeting. Further rules governing the media are set out below.
7. No animal shall be allowed into any meeting, except a guide dog accompanying a blind or deaf person.

### Media

8. Photography and sound recording shall generally be permitted except where the public and media have been excluded. ~~and provided notice is given to the Head of Executive and Member Services by noon on the day of the meeting concerned.~~ Any individual or television production company shall be permitted to film any proceedings of any meeting except where the public and the media have been

excluded. Any filming shall only take place from the positions authorised by the Head of Executive and Member Services for that purpose.

9. The Chair shall have discretion to regulate the behaviour of all media representatives present at a meeting in the interests of the efficient conduct of the meeting. In exercising this discretion the Chair shall have regard to the following principles:
- (a) the Chair's discretion shall not be used for the purpose of seeking to limit or restrict the right of the press to fairly report the business of the Council conducted in public and shall be used only for the purpose of enabling the efficient conduct of the meeting.
  - (b) the main priority shall be to enable the business of the meeting to be conducted by the members.
  - (c) the second priority shall be to enable the public and media representatives present at the meeting to see and hear the business being conducted.
  - (d) the third priority shall be to facilitate photography, sound recording and filming of the proceedings, bearing in mind always that these facilities are provided at the discretion of the Council and are in addition to the basic legal entitlement of the media to report the proceedings of the Council.
  - (e) generally media representatives will not be permitted to wander round within the meeting room.
  - (f) the use of any equipment which interferes with the efficient operation of hearing aids or facilities to improve hearing for the hearing impaired shall not be permitted.
  - (g) any sound recording equipment must not operate in such a way as to be audible and generally wandering microphones will not be permitted other than for brief periods not exceeding a few minutes.
  - (h) any photography must take place from positions approved by the Head of Executive and Member Services so that the view of members, officers, public and media representatives in attendance is not obstructed. Any use of flash lighting will generally be permitted for periods not exceeding a few minutes with much longer intervals between. Generally, close up photography in the sense of the photographer being close to the subject will not be permitted, with or without flash lighting; where this is desired it should be arranged before or after the meeting.
  - (i) if filming causes any noise it will be limited as for sound recording. Use of additional lighting in connection with filming will be restricted as for flash photography to minimise inconvenience to those others in attendance at the meeting.

~~in the event of any television production company filming a meeting and then providing an unbalanced or unfairly edited account of it (applying the same criteria as are used in the televised reporting of Parliament) then the company concerned shall be denied any further filming facilities at meetings.~~

- (j) any disruptive behaviour by any media representative will be dealt with in the normal manner under these rules.
- (k)
- (k) where appropriate, the Chair and/or Head of Executive and Member Services as the case may be will give preference to media representatives who obtain agreement to their proposed activity before the meeting takes place.

### **Notice of Meetings - The Weekly List**

10. Notice of meetings shall be given at least five clear working days in advance. On Friday in each week a list shall be published at the Civic Centre and on the Council's website giving notice of the meetings to be held in the week commencing on the second Monday following publication of the notice. This list should be known as "The Weekly List". If the Friday falls on a public holiday then the Weekly List shall be published the working day before the Friday.

### **Access to Agendas and Reports prior to Meeting**

11. Except in the case of urgency (see below) or in relation to the Standards Committee the agenda for, and any reports or minutes to be submitted to, meetings shall be sent to members of the Cabinet or the relevant committee or sub-committee at least five clear working days in advance of the meeting in question.
12. Once agendas have been sent out as above, an item may only be added if it is urgent in the opinion of the Chair.
13. The papers which do not relate to any exempt or confidential matters ("the open papers") shall also be available for public inspection at the Civic Centre and on the Council's website from the date copies are sent or given to members together with the list of relevant background information (see below) and shall be despatched to any members who are not members of the committee or sub-committee upon request.
14. Where a report to the Cabinet or a committee of the Cabinet contains exempt or confidential matters such that it is likely that information will not be discussed at the meeting in public or be available to the public, the Council will give 28 days notice (at its offices and on its website) of its intention not to provide such information and the reasons for this and these details will be included in the Forward Plan. Further notice will be given 5 days before the meeting with details of any representations made, and the Council's response. Where, because of the date by which the meeting must be held, the notice cannot be given, agreement must be given by the Chair of Scrutiny Committee and reasons for the urgency must be given and published on the Council's website.

### **Access to minutes and papers after a decision has been taken**

15. The Council will make available for inspection during normal office hours and on the Council's website, copies of the following for at least six years after a decision has been taken:
  - (a) the minutes of any meeting and, in the case of any Key Decision, the record of the decision required to be prepared pursuant to these Rules (but

excluding any minute or record which discloses any exempt or confidential information);

- (b) a summary of any proceedings not open to the public where the minutes or record open to inspection would not provide a reasonably fair and coherent record;
- (c) the agenda for the meeting; and
- (d) reports relating to items when the meeting was open to the public.

### **Background Papers**

16. All reports shall include a list of those documents (called background papers) relating to the subject matter of the report which in the opinion of the proper officer who shall be the relevant Service Area or Strategic Director within whose Service Area or Corporate Unit the report was written or relates:
- (a) discloses any facts or matters on which the report or an important part of the report is based; and
  - (b) have been relied on to a material extent in preparing the report but do not include published works or those which disclose exempt or confidential information or the advice of a political adviser appointed under section 9 of the Local Government and Housing Act 1989.
17. The relevant Service Area or Strategic Director will make available for public inspection during normal office hours and on the Council's website for four years after the date of the meeting a copy of each of the documents on the list of background papers.

### **Supply of Copies**

18. The Council will supply copies of:
- (a) any agenda and reports which are open to public inspection;
  - (b) any further statements or particulars which are not exempt or confidential and which are necessary to indicate the nature of the items in the agenda; and
  - (c) any minutes and records of decisions
  - (d) if the Head of Executive and Member Services thinks fit, any other documents supplied to councillors in connection with an item

to any person upon payment of the Council's standard charge for copying and postage and any other costs incurred.

### **Rights of Access for Members of the Council**

19. Any member of the Council will be entitled to inspect any document in the possession or under the control of the Council which relates to any business to be transacted at a meeting of the Council, a committee or a sub-committee, except any part of a document that contains exempt information.

20. Any member of the Council will be entitled to inspect any document (except those available only in draft form) in the possession or under the control of the Cabinet which relates to any business to be transacted at a public meeting except any part of a document that contains exempt information or advice of a political adviser appointed under section 9 of the Local Government and Housing Act 1989.
21. Any member of the Council will be entitled to inspect at the conclusion of a meeting of the Cabinet or, in the case of an executive Decision made by an Officer, immediately after that decision has been made, any document which is in the possession, or under the control, of the Cabinet and which contains material relating to any business previously transacted at a private meeting or (in the event that they are permitted to take decisions) any decision taken by an individual member of the Cabinet or any executive decision made by an officer except any part of a document that contains exempt information or advice of a political adviser appointed under section 9 of the Local Government and Housing Act 1989.
22. Notwithstanding anything in paragraphs 19 to 21 a member is entitled to inspect any information that is exempt information if it falls within;
  - (a) Category 3\* "information relating to the financial or business affairs of any particular person (including the authority holding that information)" unless it contains information that relates to any terms proposed or to be proposed by or to the authority in the course of negotiations for a contract; or
  - (b) Category 6\* "Information which reveals that the authority proposes -
    - (i) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
    - (ii) to make an order or direction under any enactment" a member is entitled to have access to that information.

\*Category refers to one of the categories of exempt information set out in paragraph 52.

23. These rights of a member are additional to any other right he/she may have.

#### **Additional rights for members of Scrutiny Committee**

24. Any member of the Scrutiny Committee shall be entitled to copies of any document which is in the possession or control of the Cabinet and which contains material relating to any business already transacted at a meeting or (in the event that they are permitted to take decisions) any decision taken by an individual member of the Cabinet or any Key Decision that has been made by officers except:-
  - (a) any part of a document that contains exempt or confidential information, unless that information is relevant to an action or decision they are reviewing or scrutinising or to any review contained in any programme of work of the Scrutiny Committee of which they are member; or
  - (b) the advice of a political adviser appointed pursuant to Section 9 of the Local Government and Housing Act 1989.

## Human Rights Act

25. Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

## Key Decisions

26. A decision taken by Cabinet or an officer exercising an executive function under delegated powers will be a Key Decision if the decision is likely to:
- (a) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
  - (b) be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority
27. Number not in use
28. In determining whether a decision falls into one of the above categories officers must consider each decision in light of its particular facts having regard to the statutory definition of Key Decisions and to:
- any relevant statutory guidance in force at the time;
  - the amount of money concerned;
  - the type of function; and
  - the overall circumstances of the case.
29. Special attention should be paid to decisions which are likely to result in a service area or corporate unit incurring expenditure which is, or the making of savings which are, 30% or more of its budget for the function in question. In determining what is a 'budget' or a 'function' for these purposes the person or body taking the decision should have regard to any guidance from the Monitoring Officer or Chief Finance Officer.

## Consequences of a decision being classed as a Key Decision.

30. Subject to the rules on urgency (set out in the Standing Orders), a Key Decision may not be taken (by the Cabinet or officers) in respect of any matter unless the matter in question has been publicised in the Forward Plan and unless the reports to be considered by the decision maker have been available for public inspection for at least 5 clear days prior to the date on which the decision is made and copied to the Chair of the Scrutiny Committee.
31. ~~If the Cabinet or its committee(s) meet(s) to take a Key Decision then it must meet in public (unless the matter relates to exempt or confidential information). For the time being, the Cabinet will, except when the matter relates to exempt or confidential information, always meet in public for their regular scheduled decision taking meetings whether or not the decisions being taken at that meeting would otherwise fall within the definition of a Key Decision.~~

- 32.** If the Cabinet or its committee(s) meet with an officer present (other than a political assistant appointed under section 9 of the Local Government and Housing Act 1989) to discuss a matter relating to a decision included in the current Forward Plan within 28 days of the date according to the Forward Plan by which the matter is to be decided, or to discuss a matter in respect of which notice has been served under Rule 38 then the meeting shall be held in public. This requirement does not apply to meetings whose principal purpose is for officers to brief members e.g. the Leader's Briefing.
- 323.** As soon as reasonably practicable after a Key Decision has been taken a record of that decision must be prepared in accordance with these Rules and made available for public inspection. This will be included in the minutes of the meeting.

### **The Forward Plan**

- 334.** A Forward Plan shall be prepared by the Head of Executive and Member Services to cover a period of not less than 28 days before any decision on it is to be made.
- 345.** The Forward Plan will contain details of the matters which the Head of Executive and Member Services has reason to believe will be the subject of a decision to be taken by the Cabinet or a committee of the Cabinet and any Key Decisions to be taken by officers, or under joint arrangements in the course of the discharge of an executive function during the period covered by the Plan. It will describe the following particulars in so far as the information is available or might reasonably be obtained:
- (a) that a key decision is to be made on behalf of the relevant local authority;
  - (b) the matter in respect of which the decision is to be made;
  - (c) where the decision maker is an individual, that individual's name, and title if any and, where the decision maker is a decision-making body, its name and a list of its members;
  - (d) the date on which, or the period within which, the decision is to be made;
  - (e) a list of the documents submitted to the decision maker for consideration in relation to the matter in respect of which the key decision is to be made;
  - (f) the address from which, subject to any prohibition or restriction on their disclosure, copies of, or extracts from, any document listed is available;
  - (g) that other documents relevant to those matters may be submitted to the decision maker; and
  - (h) the procedure for requesting details of those documents (if any) as they become available.
- 356.** A Key decision must be included on the Forward Plan not less than 28 days before the decision is to be made.
- 367.** [Number not in use].

378. Exempt information need not be included in the Forward Plan and confidential information cannot be included. In accordance with paragraph 14 above, the reasons for excluding such information shall be given on the Forward Plan.

### Urgency

389. The reports which relate to an item of urgent business which is added to an agenda in accordance with these Rules after the agenda has been sent out and/or the reports which relate to an item of business which is included on an agenda but in respect of which it was not possible for the report to be sent out with the agenda in accordance with these Rules shall be sent or given to members of the Cabinet or the committee or sub-committee concerned as soon as reasonably practicable and shall thereafter be made available for other members of the Council and for public inspection together with the list of background information.
3940. The reason(s) for urgency shall be specified in the minutes of the meeting concerned together with the reason why it was not possible for the report to be available when the agenda was published (where relevant).

### Non-compliance

401. The Leader shall report to Full Council any decisions which were Key Decisions in respect of which the rules applicable to such decisions were not complied with.
412. If the scrutiny committee considers that a Key Decision has been taken but the Rules applicable to such decisions were not complied with (and nor did any of the exceptions apply) then the committee may require the Cabinet to submit a report to the Council within such reasonable time as the committee may specify. The power to require a report rests with the committee but is also delegated to the Head of Executive and Member Services, who shall require such a report on behalf of the committee when so requested by 40% of the Members of the committee. Alternatively the requirement may be raised by resolution passed at a meeting of Scrutiny Committee.
423. If requested to do so in accordance with the above rule the Cabinet will prepare a report for submission to the next available meeting of the Full Council. However, if the next meeting of the Full Council is within 9 days of receipt of the written notice or the resolution of the committee, then the report may be submitted to the meeting after that. The report to Council will set out particulars of the decision, the individual or body taking the decision, if the Leader is of the opinion that it was not a Key Decision the reasons for that opinion or, if the Leader considers that the decision was a Key Decision but that the rules for taking the decision were complied with, the reasons for that opinion.

### Record of Executive Decisions

434. In addition to the List of Executive Decisions prepared by the Head of Executive and Member Services under Standing Orders, the Head of Executive and Member Services will, as soon as reasonably practicable after a public meeting of the Cabinet, produce a record of every decision taken at that meeting which shall include a statement of the reasons for each decision and any alternative options considered and rejected at that meeting any conflict of interest declared by any member and any dispensation granted.

445. As soon as reasonably practicable after an Executive Decision has been taken by an officer a record of that decision shall be prepared by the relevant officer setting out the information listed above and shall be forthwith submitted to the Head of Executive and Member Services. An Executive Decision by an officer is a decision which is a Key Decision, or a decision which is delegated to an officer by the Cabinet.
456. A copy of the record(s) so prepared and the reports considered (unless confidential or exempt) and the background documents shall be made available for public inspection at the Council offices and on the website.

### Joint Committees

467. These Rules apply to the Council's Joint Committees as follows:
- (a) If all the members of a joint committee are members of the Cabinet in each of the participating authorities, then its access to information regime is the same as that applied to the Cabinet.
  - (b) If the joint committee contains members who are not on the Cabinet of any participating authorities then the access to information rules in Part VA of the Local Government Act 1972, as applicable to meetings of the Full Council and its committees will apply.

### Exempt and Confidential information

478. Nothing in the above shall be taken to authorise the publication of any report which in the discretion of the Head of Executive and Member Services is marked not for publication in accordance with the Local Government Act 1972 i.e. it contains confidential or exempt information.
489. Reports containing confidential information shall remain not for publication but in respect of reports containing exempt information the meeting to which the report is submitted may decide to take the report while the press and public are present in which case copies shall be made available to press and public at that time and the report and list of background information shall be available for public inspection from the next working day following the meeting.
4950. The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.
501. The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.
512. Confidential information means information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by law or Court Order.
523. Exempt information means information falling within any one of the following 7 categories but the information is **only considered exempt, if and so long**, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**Categories of exempt information**

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information). However Information falling within this paragraph is not exempt information if it is required to be registered under—
  - (a) the Companies Act 1985;
  - (b) the Friendly Societies Act 1974;
  - (c) the Friendly Societies Act 1992;
  - (d) the Industrial and Provident Societies Acts 1965 to 1978;
  - (e) the Building Societies Act 1986; or
  - (f) the Charities Act 2011.
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes -
  - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
  - (b) to make an order or direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

534. Information falling within any of categories 1-7 is not exempt if it relates to proposed development for which the Council can grant itself planning permission under Regulation 3 of the Town and Country Planning General Regulations 1992.

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# FINANCIAL REGULATIONS

## INTRODUCTION

### 1.1 What This Section Covers

1.1.1 These Regulations form part of the Council's Constitution, which makes up the Council's regulatory framework alongside Standing Orders. They are mandatory and as such must be followed by all officers of the Council whether directly employed, contracted or employed through an agency in their conduct of financial and related matters. They cover the following areas of financial management and control:

- revenue budgets
- the capital programme
- financial systems and accounting
- procurement, contracts & leasing
- orders & payments
- expenditure items
- income and debt
- external arrangements
- risk management and control of resources
- retention of documents

### 1.2 To Whom the Regulations Apply

1.2.1 For the purposes of this document, the Chief Finance Officer is the Officer appointed by the Council in accordance with Section 151 of the Local Government Act 1972. (Further details of roles and responsibilities are set out in Part 4 of the Constitution).

1.2.2 These Regulations apply to all officers across the council responsible for or engaged in undertaking financial activity. Failure to comply may constitute misconduct and lead to formal disciplinary action.

1.2.3 The following describes the overall framework and the main roles and responsibilities in respect of these Regulations. This is not exhaustive and there will be overlaps. The Chief Finance Officer is responsible for reviewing these Regulations and the reporting of any significant breaches to the Cabinet or Full Council:

- The Chief Finance Officer (CFO) puts in place financial standards and practices across the Council to deliver a framework for financial control, provide accurate, timely and consistent monitoring information, and sound advice on financial decisions to be made by officers and members.
- Service Area Directors and officers are fully accountable for budgets under their control. They must ensure that the service promotes, enacts and monitors adherence to the financial control framework, that effective budgetary control systems are in place and that spending is within their aggregate cash limit, indicating where necessary, conflicts between current service policy and plans and resource allocation. Each Service Area Director must maintain a record of officers authorised to act upon their behalf in respect of managing budgets, income collection, requisitioning, placing and approving orders, approving variations and write offs. Where appropriate the record should show limits of their authority.
- Finance and Corporate Services maintains the council's financial and procurement system, collates and reports financial information, monitors the implementation of the financial control framework, advises & supports service area officers in fulfilling their financial responsibilities, and gives assurance to management and members that adequate controls exist to produce sound financial administration.

- Audit and Investigations provide the Council's internal audit function and anti-fraud services. They are authorised representatives of the Chief Finance Officer to assist him to discharge his statutory duties and provide Managers with advice and guidance on the system of internal control. They are responsible for investigations into financial irregularities across all Council services.

1.2.4 These Regulations are supplemented by, and should be read in conjunction with:

- Scheme of Transfers & Virements. This must be complied with as part of the Council's Constitution. Any variation from this scheme requires the approval of Full Council
- Required Financial Practice Notes. This represents mandatory financial practice within the Council and must be followed by all officers. They set out in detail the key financial controls and supporting processes.
- Specific guidance, procedure and process notes on good financial practice that are issued periodically by the CFO

## 2. REVENUE BUDGETS

### 2.1 General Provisions

2.1.1 The Budget is proposed by the Cabinet and agreed by Full Council. The Budget and Policy procedure rules are set out in Standing Orders. It is the Council's financial representation of its policies.

2.1.2 The Chief Finance Officer is responsible for:

- Developing and maintaining a resource allocation process that ensures due consideration of the Full Council's policy framework.
- Preparing a consolidated budget for all Revenue Account activities and for reporting on the robustness of budget estimates and the adequacy of financial reserves.
- Preparing a budget monitoring statement to the Cabinet on a quarterly basis. Budgetary control action should be specified and where the action is endorsed by the Cabinet which would make changes to the Policy Framework and the Budget then it will require agreement by Full Council (Part 5 of the constitution). Officers cannot implement these changes until such endorsement is obtained.
- Preparing and maintaining a Scheme of Transfers and Virements to be approved by Full Council and approving Transfers and Virements where required under the Scheme.
- Prepare and maintain the Required Financial Practice Notes.
- Ensuring that systems are in place to measure activity and collect accurate information for use in performance indicators and performance plans.
- Determining what constitutes revenue expenditure and income and which relevant account in which a transaction should be properly recorded.

### 2.2 Setting the Revenue Budget

2.2.1 The Chief Finance officer is responsible for preparing annual budget preparation guidelines and publishing a detailed budget book covering council spending.

2.2.2 Service Area Directors are responsible for preparing and submitting draft budget estimates and accompanying schedules as required. Service plans must be supported by adequate budgets.

2.2.3 The inclusion of an item within the Revenue Budget as approved by the Full Council provides the necessary authorisation to responsible officers to spend up to that sum for the specified purposes for that budget.

2.2.4 Finance & Corporate Services will ensure the robustness of service area budgets by working with Service Area Directors and budget holders to prepare budgets and to report any weakness or concern covering budget construction or its adequacy to cover service provision

## **2.3 Revenue Budget Monitoring, Forecasting and Overspends**

- 2.3.1 Service Area Directors and their officers are not authorised to exceed the cash limited budget under their control and must identify and set performance measures linked to service plans. They must make suitable arrangements to ensure that identified overspends are controlled and implement corrective action within the overall constitution.
- 2.3.2 Service Area Directors are responsible for preparing accurate financial forecasts and must report forecast overspends or forecast reductions in income to the CFO along with a detailed plan of action aimed at controlling the situation.
- 2.3.3 Service Area Directors shall identify budget holders who will prepare budgets, keep spending within cash limits, maintain forecasts, monitor and report performance data.
- 2.3.4 Finance & Corporate Services will identify Finance Business Partners to work with and support service departments in ensuring the robustness of the monitoring and forecasting arrangements. They must report any failures to adhere to those arrangements or any overspends identified and will ensure the completeness and accuracy of the budget data input and held in the general ledger.
- 2.3.5 The Strategic Finance Group will review the monitoring information and provide summary information and exception reports to the Corporate Management Team (CMT). CMT will examine proposed recovery plans and take any other necessary action to deliver spending within those overall resources.

## **3. THE CAPITAL PROGRAMME**

### **3.1 Authorisation and Financing**

- 3.1.1 The Full Council will approve the Capital Programme and make budget allocations to Service Areas as part of the Policy Framework and the Budget.
- 3.1.2 The Chief Finance Officer will prepare for approval by Full Council a capital programme report and will ensure that all reporting requirements under the Prudential Code are met and that prudential indicators are maintained. The CFO will also determine the method of financing of capital schemes.
- 3.1.3 Service Area Directors will prepare capital programmes and seek appropriate approval for programmes and schemes within.
- 3.1.4 The Chief Financial Officer must set aside an amount of minimum revenue provision (MRP) which is prudent and also prepare an annual statement of their policy on making MRP to Full Council

### **3.2 Capital Programme Monitoring**

- 3.2.1 Service Area Directors will make adequate arrangements for the management and monitoring of their capital programme. They must report scheme progress, slippage and forecast overspends, detailing the action they propose to control the overspend and to set out the arrangement by which it will be funded from within the service area's programme. In cases where this proposed action will stop or significantly change any previously agreed projects or programmes then this may require the approval of the Cabinet and Full Council.
- 3.2.2 Service Area Directors shall identify Budget Holders responsible for ensuring expenditure is contained within the capital resources allocated in each financial year and that the overall cost of the scheme does not exceed the budget allocated. They must ensure that all external funding streams are validated and collected.
- 3.2.3 The Service Area Director must identify those officers responsible for issuing and approving variations to orders for works and building contracts. This process must adhere to best practice and guidance.

- 3.2.4 Finance & Corporate Services through the Finance Business Partner will ensure the robustness of the monitoring and forecasting arrangements. They must report any failures to adhere to those arrangements or any overspends identified. They must ensure the completeness and accuracy of the budget data input and held in the general ledger.

### **3.3 Capital Expenditure**

- 3.3.1 Finance & Corporate Services will ensure all capital expenditure meets the required definition for charging.
- 3.3.2 Budget holders are responsible for ensuring that payments made are in accordance with the terms and conditions of the contract provisions in relation to stage, interim and retention payments. They must keep a contract payment register to provide a record of all interim payments and any outstanding retention amounts and also make proper arrangements for the identification of expenditure liable for construction industry tax.

## **4. FINANCIAL SYSTEMS AND ACCOUNTING**

### **4.1 Accounting Systems and Procedures**

- 4.1.1 The Chief Finance Officer will determine the accounting system that shall be used by the Council and the financial processes that shall be operated. The CFO will ensure adequate controls and segregation of duties exist within the system, that adequate security arrangements have been made and that adequate procedures are in place to enable financial records to be reconstructed in the event of system and procedure failures.
- 4.1.2 Finance & Corporate Services will determine and maintain the allocation of user responsibilities within the system.

### **4.2 Accounts and Accounting Policies**

- 4.2.1 The Chief Finance Officer will determine the:
- Council's accounting policies and ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the UK and for ensuring proper arrangements are made for the audit of the accounts in accordance with the Accounts and Audit Regulations.
  - Treatment of balances where a provision and/or liability recorded in the balance sheet is deemed no longer appropriate.
  - Arrangements and procedures for preparing the annual accounts

## **5. PROCUREMENT, CONTRACTS & LEASING**

- 5.1 The Chief Finance Officer will determine and maintain the councils procurement system and the processes therein.
- 5.2 The Chief Finance Officer will put in place arrangements which ensure the requirements of the Prudential Framework and that relevant Accounting Standards are complied with and make arrangements for a register to be maintained of all contracts awarded or entered into.
- 5.3 All Officers are required to procure using the procurement system and the contracts, arrangements and processes set up therein.
- 5.4 All Officers must comply with:
- the Council's Standing Orders on Contracts (Part 3 of the Constitution) for entering into contracts Contracts of £150,000 in value or more must be executed in accordance with the Council's Standing Orders.
  - the requirement that contracts or procurement of less than £150,000 in value shall be signed only by officers authorised to do so,

- Required Financial Practice Notes
- Contract Procurement and Management Guidelines (the “Blue Book”)
- the requirement to maintain the Contracts Register held by the Procurement team ,
- the requirement to ensure variations and amendments are properly authorised

5.5 Service Area Directors must ensure that adequate monitoring and review arrangements are in place to cover contracts for externally provided services and sign off any variations or amendments to contracts.

## **6. ORDERS AND PAYMENTS**

6.1 Service Area Directors must ensure that all officers procure using the procurement system. They must allocate and then maintain a record of officers roles and approval levels within the procurement system. This record is called the system scheme of delegation and covers officers authorised to make requisitions and approve requisitions

6.2 Budget Holders must ensure that value for money has been obtained in the purchasing of all goods and services, the requisition is lawful expenditure, and the correct code has been used to charge that expenditure.

## **7. EXPENDITURE ITEMS**

### **7.1 GPC / Business credit cards/Pre pay cards**

7.1.1 The Chief Finance Officer is responsible for putting in place arrangements for the use of these cards

7.1.2 Service Area Directors must ensure that only authorised officers have access and use of these cards.

### **7.2 Payroll**

7.2.1 The Chief Finance Officer shall approve arrangements for the payment of all salaries, wages, pensions, compensation, other emoluments and the deductions from salaries for tax, superannuation and other deductions to and/or from all employees and former employees of the Council. All redundancy and early retirements have to be approved by the CFO.

7.2.2 Service Area Directors must authorise the recruitment of permanent or temporary staff and the undertaking of overtime or additional payments. They must ensure that and that adequate budget provision is available. Within service areas the budget holders must ensure that all appointments, resignations, absences, overtime or other circumstances affecting the salary, wage or emoluments of an employee included in their budget is acted upon immediately and notified to Finance & Corporate Services.

### **7.3 Officer Expenses Claims**

7.3.1 Budget holders are responsible for authorising officer expenses and for ensuring the correct method of reimbursement is used.

### **7.4 Petty Cash**

7.4.1 Petty cash is not allowable unless approved by the Chief Finance Officer.

### **7.5 Internal Trading & Recharges**

7.5.1 The Chief Finance Officer is responsible for approving all internal trading and recharging initiatives. Where necessary approval of the Cabinet or Full Council will be obtained

7.5.2 Budget holders must ensure that the agreed budgeting, accounting and charging procedures are adhered to.

## **7.6 Income and Expenditure Taxation Returns**

- 7.6.1 The Chief Finance Officer will make arrangements and issue guidance for the completion of all returns to the HM Revenue and Customs.
- 7.6.2 Budget holders, must provide information on employee benefits in the format and timetable required by central finance.
- 7.6.3 Budget holders must ensure that the required employment status and CIS checks are undertaken prior to approving new suppliers or requisitions
- 7.6.4 Finance & Corporate Services are responsible for ensuring all input and output invoices are VAT compliant in every respect.

## **8. INCOME AND DEBT**

### **8.1 Income – General**

- 8.1.1 The Chief Finance Officer is responsible for approving all debt recovery arrangements including performance monitoring and any on-line income collection or payment facilities.
- 8.1.2 Service Area Directors shall review all charges within their area at least annually. Such reviews shall take account of any criteria agreed by Full Council except where such charges are fixed by statutory provision.
- 8.1.3 Budget holders are responsible for the raising of invoices for any income due and the subsequent safe custody and banking of any income received to their service
- 8.1.4 Financial and Corporate Services is responsible for the collection of all debt over 31 days old and maintaining records relating to income collection and debt write-offs.

### **8.2 Income – Grants**

- 8.2.1 The Chief Finance Officer is responsible for signing grant claims unless otherwise required by the grant giving body. The CFO will maintain a grants register.
- 8.2.2 Service Area Directors are responsible for signing off grant applications and ensuring that where the grant application requires matching resources to be input, that the matching amount is available from within existing budgets or verified other sources
- 8.2.3 Budget Holders are responsible for claiming and recovering grant due. Copies of grant claims must be sent to the CFO
- 8.2.4 Finance & Corporate services will scrutinise claims and review working papers.

### **8.3 Income – Bad Debts and Write Offs**

- 8.3.1 The Chief Finance Officer will put in place arrangements for the collection and write off of bad debts
- 8.3.2 Service Area Directors must ensure adequate bad debt provision exists to cover debt within their service. They have delegated powers to authorise the write-off of debts only in relation to their own operational budgets up to the value of £1,000 a schedule of which must be submitted to the CFO in an approved format. Any debt above £1,000 is to be agreed individually in advance by the CFO. Those debts over £3,000 will be reported to the Cabinet bi-annually.
- 8.3.4 Finance & Corporate Services will ensure that following approval to write-off debt the appropriate accounting and budgeting adjustments are made and the debt recovery team are informed.

## **9. EXTERNAL ARRANGEMENTS**

### **9.1 Accountable Body and Partnership Arrangements**

- 9.1.1 The Chief Finance Officer must be informed and written approval obtained before entering into any proposed accountable body or partnership arrangements
- 9.1.2 Service Area Directors must ensure that the objectives of the arrangement are consistent with the Council objectives and priorities. Within Service Areas the budget holders are responsible for managing & controlling such arrangements and the expenditure incurred and income received
- 9.1.3 Finance & Corporate Services are responsible for monitoring and validating such arrangements

### **9.2 Provisions of Goods, Services and works to Other Bodies**

- 9.2.1 Service Area Directors can enter into such arrangements providing they have written legal advice that the Council has power to make such arrangements. Specific Cabinet approval (or if appropriate the General Purposes Committee) will be required if:
- the contract value would exceed £150,000 per annum;
  - the gross cost to the Council of providing the relevant goods or services under the contract is estimated to exceed £150,000 per annum having consideration to the full costs over the term of the contract. It is not acceptable to split contracts into smaller parcels to avoid exceeding the £150,000 per annum threshold above;
  - a company is to be set up for the purposes of the arrangements; or
  - if the contract exceeds £500,000 per annum in value it shall be in a formal document under the seal of the Council.
- 9.2.2 Budget holders are responsible for the maintenance and control of such contracts.

### **9.3 Grants to Outside Bodies**

- 9.3.1 Service Area Directors are responsible for ensuring that grants to outside bodies are only given where the Council has the statutory powers to do so. Legal opinion must be given before grant is awarded.
- 9.3.2 The Budget Holder is responsible for administering, monitoring and enforcing the terms and conditions of that grant.

## **10. RISK MANAGEMENT AND CONTROL OF RESOURCES**

### **10.1 Risk Management and Insurance**

- 10.1.1 The Chief Finance Officer shall be responsible for the preparation and promotion of the Council's risk management policy statement. Subject to any liability imposed on the Council by statute or other legal obligation, all insurance shall be effected by the Chief Finance Officer or under arrangements approved by him/her.
- 10.1.2 Service Area Directors must:
- ensure that adequate risk management controls are implemented, monitored and reviewed and that assets under their control have appropriate insurance cover within the overall guidance issued.
  - notify the Chief Finance Officer immediately of any loss, liability or damage that may lead to a claim against the Council and of all new risks, properties or vehicles that require insurance and of any alternations affecting existing insurances;

- consult with the Chief Finance Officer and the Solicitor to the Council on any terms or any indemnity that the Council is requested to enter into.

## **10.2 Internal Controls**

10.2.1 The Chief Finance Officer shall make arrangements for the production and publications of an annual independent statement on internal control and risk management.

10.2.2 Service Area Directors must ensure that adequate systems of internal control are established, adhered to, tested and reviewed in order to be confident in the areas set out in the annual assurance matrix and that all staff have a clear understanding of the consequences of lack of control and knowledge of Financial Regulations.

## **10.3 Audit Requirements**

10.3.1 The Chief Finance Officer, or authorised representative, shall have authority to:

- Enter any building, land or area where records relating to any activity of the Council, its partners, contractors or any body partly or wholly funded by the Council, are, or may be, held. This includes all schools who receive funding from the Council. If necessary, to conduct searches of those areas, including cabinets, workspaces, desks for the purposes of locating documents or other material relevant to any matter under investigation. Where necessary to remove and examine IT equipment.
- Have access to all records, data, computer systems, correspondence and any other source of information relating to any matter under examination and remove any documents and records as deemed necessary. This will include documentation held by Council Officers in respect of organisations who are partners of the Council receiving funding from the Council or are providing services on behalf of the Council.
- Require and receive such explanations as are considered necessary concerning any matter under examination.
- Require any person holding or controlling cash, stores or any other Council property to produce such items for examination. These may be removed as deemed necessary.

10.3.2 The Chief Finance Officer will ensure that a strategic and annual audit plan is prepared by the Head of Audit and Investigations which takes account of the characteristic and relative risks of the activities involved. The Chief Finance Officer is responsible to the audit committee for ensuring that adequate arrangements are made for the effective delivery of this plan.

10.3.3 The Chief Finance Officer will ensure that members, and in particular the audit committee, and chief officers receive suitable reports setting out the findings of internal and external audit reports.

10.3.4 Service Area Directors must:

- consider and ensure Managers respond promptly to recommendations in both internal and external audit reports;
- ensure that agreed actions arising from the audit recommendations are carried out in a timely and efficient fashion;
- report to members the reasons for any failure by Managers to implement those audit recommendations.

## **10.4 Financial Irregularities**

10.4.1 All officers have a responsibility to report any irregularities concerning cash, stores or other property of the Council or any suspected financial irregularity in the exercise of the functions of the Council

10.4.2 Service Area Directors must keep and review a service based register of gifts and gratuities received by officers.

**10.5. Money and Banking**

- 10.5.1 Service Area Directors must ensure the adequacy of security arrangements for the holding of cash including controlling access to safes and other receptacles. They must also approving the authorised signatories to all bank accounts within their control
- 10.5.2 The Chief Finance Officer is responsible for opening and amending details of any bank account.

**10.6. Money Laundering**

- 10.6.1 It is the responsibility of the Chief Finance Officer to put in place anti-money laundering policies.
- 10.6.2 All officers have a responsibility to identify possible money laundering activities, and report possible money laundering in line with the council's anti-money laundering policies.

**10.7. Property, Stock and Equipment**

- 10.7.1 Officers responsible for property, stock and equipment must ensure adequate security arrangements are made. They must maintain an inventory of, and ensure the care and custody of valuable goods and equipment.
- 10.7.2 The Chief Finance Officer shall maintain an appropriately valued asset register of all the Council's land and buildings.
- 10.7.3 The Director of Regeneration & Major Projects shall ensure records are maintained of all properties owned or managed by the Council and that where commercial rents are payable to the Council a regular review of such rents is carried out to ensure they are set at an appropriate level. The terms of any leases should generally reflect market rents. An annual review of property should be undertaken for the purpose of identifying surplus or inefficient properties

**10.8. Sale of Council Assets – General Requirements**

- 10.8.1 Officers disposing of assets must at all times have regard to the Required Financial Practices and must obtain the required consent before any disposal takes place
- 10.8.2 The treatment for amounts received in excess of the costs of disposal shall be determined by the Chief Finance Officer.

**10.9 Disposal of Equipment and Stock**

- 10.9.1 Service Area Directors can authorise disposals up to the value of £1000. The CFO must be consulted on any disposals expected to exceed this sum.
- 10.9.2 Disposal of IT hardware and software must be approved by the Head of ITU.

**10.10. Disposal of Land and Buildings**

- 10.10.1 All disposals must be agreed by the Council's Cabinet except in circumstances specified in the Council's Constitution
- 10.10.2 The Director of Regeneration & Major Projects shall make arrangements for the disposal of all land and property.

**10.11. Treasury Management**

- 10.11.1 The Chief Finance Officer is responsible for the execution and administration of treasury management decisions. The CFO will act in accordance with the Treasury Policy Statement, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

10.11.2 The Chief Financial Officer shall effect all borrowings and investments ( or make arrangements to do so), report periodically to the Council, be responsible for the safe custody of securities held by or on behalf of the Council, and approve all Trust Funds.

10.11.3 The Chief Finance Officer shall be responsible for maintaining adequate cashflow forecast and for ensuring that the Council has adequate liquidity at all times.

#### **10.12 Financial Implications within Reports**

10.12.1 All officers involved in the origination of reports must consult with the CFO before preparing reports to committee. They must ensure that reports they present to Full Council, the Cabinet , Highway Committee or any other committee of the council should contain a section covering the Financial Implications prepared in accordance with the Required Financial Practice requirements.

10.12.2 The Chief Finance Officer may, where considered necessary, issue a concurrent report on matters requiring the Members' attention or where the financial implications of a report are considered invalid he/she may:

- require the report to be withdrawn;
- supply alternative financial implications under his own name to be circulated to Members; or
- indicate to Members the reasons why he believes the financial implications are incomplete and/or incorrect and the consequences of proceeding on that basis (i.e. that the expenditure would be unauthorised).

### **11. RETENTION OF DOCUMENTS**

11.1 All officers are responsible for ensuring compliance with Required Financial Practice and the requirements of the Freedom of Information Act 2000 in determining their local retention policies. They should consult the Brent Retention and Disposals Policy and the council's Information Asset Register to determine retention records. If any records are missing they must notify the Information and Strategy Team.

## Scheme of Transfers and Virements under Standing Order 17(a)

### Definitions

Unless specified to the contrary within the specific paragraphs, each of the following words within this Scheme of Transfers and Virements has the precise meaning assigned to it in this scheme.

**Accounts** – For the purposes of this scheme, the Council shall be considered to be operating three “accounts” – the General Fund, the Housing Revenue Account, and the Capital Programme.

**Budget** – The Council’s budget agreed by Full Council for a financial year is set at a Council meeting at the same time as the Council Tax levels are set for the financial year and is amended from time to time in accordance with this scheme or other relevant powers.

The budget includes planned expenditure and income for the Accounts, as well as transfers into and out of Reserves and Provisions.

The General Fund budget for each financial year contains the policy proposals included in the Service Development Plans, as amended by the Service Area Budget – Savings Appendix of the Report and summarised in the General Fund Budget Summary Appendix of the Report. The matrices in the Service Area Budget Summary Appendix of the Report show budget heads within each service area.

The Housing Revenue Account budget for each financial year is set out in the Housing Revenue Account Appendix of the Report.

The Capital Programme is set out in Capital Programme Forecast Appendix of the Report. This is set in the context of the Prudential limits set out in of the Report.

Full Council may amend the Budget at any time during the financial year, and the amended budget will replace the budget set at the budget setting Council meeting held before the start of the financial year.

**Reserves and Provisions** – The Council sets aside amounts from its Accounts from time to time to meet potential future specific or general liabilities or risks. Collectively the cumulative values of these amounts are called the Council’s Reserves and Provisions.

The values of Reserves and Provisions which are subject to the Transfer provisions of this scheme are those that appeared in the Council’s accounts as at 31<sup>st</sup> March of the previous financial year in respect of that year (for example, the values for 2004/5 were the values for 2003/4 as they appeared in the accounts as at 31<sup>st</sup> March 2004) as amended by appropriations contained in the other elements of the budget.

**Reserves and Provisions Established by the Chief Finance Officer** - The Chief Finance Officer may agree that reserves be established by a Service Area at the end of the Financial Year for a specified purpose, where the Service Area has sought permission from the Chief Finance Officer to apply some of all of that reserve to expenditure for that specified purpose in the next Financial Year and the Chief Finance Officer is of the opinion that this is a reasonable and prudent use of the resources.

**The Report** - References to the “Report” are references to the “Budget and Council Tax” report as agreed by Full Council at the budget setting meeting held to set the budget before the start of the current financial year.

**Virements** – A virement is an increase in any budget or budgets or part of a budget or budgets that is matched by an equal and opposite decrease in any other budget or budgets or part of budgets within the same Account, such that when the total changes are aggregated the net change across all budgets within that Account is zero.

**Schedule of Earmarked Reserves and Provisions** - the Schedule of Earmarked Reserves and Provisions approved by Full Council at the budget setting meeting held before the start of the financial year.

**Transfers** – For the purposes of this scheme, a Transfer is a movement of funds from any reserve, provision or Account to any other reserve, provision or Account.

**New Spending** – Any increase in gross expenditure or reduction in gross income above the aggregates included in each Account is considered to be “*new spending*” for the purposes of this scheme.

**Earmarked Supported Borrowing** – A permission to borrow issued by a Department of State limited to a specific purpose and coming with a commitment to include the financing charges within the calculation of Revenue Support Grant or Housing Subsidy.

## GENERAL PROVISION

1. Except where explicitly stated to the contrary, no virement, transfer, or new spending is authorised by this scheme if it is in conflict with the Policy Framework or if it conflicts with anything specifically agreed by Full Council as part of the budget setting process other than by a decision of Full Council.

## TRANSFERS

### General

2. Spending on any Account above that allowed for in the Budget, or a shortfall in income below that estimated in the Budget will result in a charge to Reserves unless compensating changes are made. This follows from the Accounting Code of Practice, which has Statutory force. It is acknowledged that such transfers may result in a conflict with the Policy Framework. Statute provides procedures for dealing with such transfers, especially where the resultant transfers exhaust Reserves and Provisions. This scheme does not deal with these transfers, although limits are placed on the Cabinet’s action to minimise the chance that such circumstances arise.
3. In certain circumstances where such overspends on Accounts arise, there is a choice as to which Reserve the charge should be made. There may also be circumstances in which Provisions can be used to prevent Reserves being exhausted. These are matters that are reserved to Full Council.

### Earmarked Reserves and Provisions for Specified Purposes

4. Certain reserves and provisions have been established to aid the smooth running of the Council’s finances, and it will be normal to charge costs to those reserves and provisions subject to financial regulations and local procedures and policies. These are listed in Part A of the Schedule of Earmarked Reserves and Provisions, and officers may make transfers from these reserves and provisions up to the amounts in them for the specified purposes.

5. Part B of the Schedule of Earmarked Reserves and Provisions lists those other reserves and provisions from which transfers may only be made on the authority of the Cabinet, up to the limits of the amounts in them and for the purposes for which they were established.
6. Transfers from Reserves and Provisions Established by the Chief Finance Officer may be made by the Chief Finance Officer up to the amount of £250k. Transfers of any greater amount may only be made on the authority of the Cabinet.
7. Transfers from Reserves and Provisions not included in the Schedule of Earmarked Reserves and Provisions or transfers from Reserves and Provisions for purposes other than those for which they were established require the approval of Full Council, unless otherwise allowed by this scheme.

### **Cabinet Powers**

8. The Cabinet shall have the power to approve any Transfer that does not result in New Spending across Accounts, on the recommendation of the Chief Finance Officer, for the purposes of the efficient management of the Council's affairs.
9. For the purposes of maintaining Reserves at a prudent level (as determined by the Cabinet on advice from the Chief Finance Officer), the Cabinet may make any Transfer from any Account to the appropriate Reserve if there is a reported saving in that Account.
10. The Cabinet may make one or more Transfers up to a total of £500,000 in the financial year from any Reserve to any appropriate Account for the purposes of New Spending provided that:
  - (a) Reserves are maintained at a prudent level after considering the effect of the Transfer and any risks that fall upon Reserves;
  - (b) The Account to which the Transfer is to be made is not immediately prior to making the transfer forecast to overspend; and
  - (c) The New Spending is for an objective contained within the Policy Framework, the Corporate Strategy, a legislative requirement or a contractual obligation.

### **VIREMENTS – GENERAL FUND**

#### **Officers**

11. Officers may make any virement within a budget line in a service area (i.e. within any one line in the Service Area Budget Summary Appendix of the Report).
12. Subject to paragraph 13, officers may agree any virement within their area of responsibility which:
  - (a) Is designed to keep function and finance together (as determined by the Chief Finance Officer); or
  - (b) Increases the budget of a unit that is overspending by reducing that of a unit that is underspending.

13. Virements in paragraph 12 may only be agreed by officers provided that:
- (a) They do not result in a commitment which would itself lead to an increased overspend in the current financial year or give rise to unfunded expenditure in future years;
  - (b) They are consistent with the Service Development Plan;
  - (c) They do not conflict with any prior decision made or policy or plan or strategy adopted by the Cabinet ; and
  - (d) They are reported to the Chief Finance Officer.
14. The Chief Finance Officer may agree any virement between areas of responsibility of different Officers whose effect falls within the criteria set out in paragraph 12 subject to the constraints in paragraph 13(a) to 13(c).

#### Cabinet

15. Subject to paragraph 16, the Cabinet may agree any virement either within or between any Service Area which:
- (a) Falls within the purposes of paragraph 12;
  - (b) Helps to maintain prudent levels of Reserves; or
  - (c) Helps to keep expenditure within the overall budget totals; or
  - (d) Finances new initiatives supporting the Policy Framework or the Corporate Strategy but not explicitly included in the Service Development Plan and Budget.
16. The Cabinet may only agree virements under paragraph 15 if it has received advice from the Chief Finance Officer that after the virement:
- (a) Reserves remain at prudent levels; and
  - (b) No unfunded expenditure commitments arise in future years.

#### New Spending

17. Where additional resources arise during the year and these are limited for a specific use (e.g. because of grant conditions), then officers may commit the New Spending provided that:
- (a) There is no unfunded spending commitment for future years;
  - (b) Any match funding for the current year is met from identified underspends; and
  - (c) The Chief Finance Officer certifies that the criteria in paragraph 16 apply.
18. Where additional resources arising from additional income, grant not limited for a specific use, or underspends of budgets are identified, then the Cabinet may agree New Spending, subject to the criteria in paragraphs 15 and 16.

**VIREMENTS - CAPITAL PROGRAMME****General**

19. The Capital Programme consists of individual projects and sums allocated for work of a particular type. Financial Regulations dictate that the latter type of expenditure can generally only be spent after approval by Cabinet of project schemes within that type.
20. Capital projects often span more than one year, and include provisions for contingencies, provisional sums and the like. This generates a degree of flexibility available for managing the overall programme and this scheme takes advantage of that flexibility.
21. Many funding streams for Capital projects are limited to particular types of projects. Nothing in this scheme allows virement between projects if the funding stream cannot be vired because of some other condition or limitation restricting or precluding a virement.
22. The Capital Programme is funded by a combination of capital receipts, grants and other direct external contributions and borrowing. The total amount of permitted borrowing can be varied during the financial year under the terms of Local Government Act 2003 and relevant regulations. Apart from any contingencies agreed in the Budget, this scheme does not permit any increase in the level of borrowing beyond that agreed in the Budget. Such increases require approval by Full Council in the context of advice from the Chief Finance Officer and subject to CIPFA's "*The Prudential Code for Capital Finance in Local Authorities.*"

**Officers**

23. Officers should make such virements as are necessary to ensure that the overall capital spend is kept within the sums allocated for that purpose within their area of responsibility provided that:
  - (a) They do not stop or significantly change projects approved by Full Council or the Cabinet except where as part of project approval the Full Council or Cabinet has delegated authority to officers to revise or reschedule such projects;
  - (b) They do not commit expenditure beyond resources available in future years; and
  - (c) They report changes to the Chief Finance Officer.

**Cabinet**

24. The Cabinet may make such virements within the Capital Programme as are necessary to ensure that overall spending is within the resources available, and it can bring forward, delay or stop projects as necessary to achieve this.
25. The Cabinet may vire funding from one set of capital projects to another without limit provided that:
  - (a) Reductions are not made to funding of projects below the level that is contractually committed;

- (b) Spending commitments in future years are not made beyond the resources available to fund them.

### **New Spending**

26. Where new Capital resources, not limited to specific purposes, are identified during the year, the Cabinet may commit new expenditure from the reserve list, where such a list exists, in its own priority order providing that:
- (a) The Capital Programme is not projected to overspend its resources;
  - (b) Spending commitments in future years are not made beyond the resources available to fund them.
27. Where new Capital resources, not limited to specific purposes, are identified during the year, and the reserve list has been fully funded, the Cabinet may commit new expenditure on other capital schemes provided that:
- (a) The Capital Programme is not projected to overspend its resources;
  - (b) Spending commitments in future years are not made beyond the resources available to fund them;
  - (c) The new spending meets objectives set out in the Policy Framework or the Corporate Strategy.
28. Where new Capital resources, limited for use for a specific purpose, are identified during the year that do not require matched funding, the Cabinet may commit new expenditure provided that:
- (a) Spending commitments in future years are not made beyond the resources available to fund them;
  - (b) The cost of any new borrowing is affordable;
  - (c) The new spending meets objectives set out in the Policy Framework or the Corporate Strategy.
29. Where new Capital resources, limited for use for a specific purpose, are identified during the year that do require matched funding, the Cabinet may commit new expenditure on that match funding provided that:
- (a) The Reserved List, where such a list exists, has been fully committed and there are sufficient capital resources available to meet the match funding requirements directly or by virement, OR additional revenue resources have been identified to meet the match funding requirements;
  - (b) Spending commitments in future years are not made beyond the resources available to fund them.

### **VIREMENTS – HOUSING REVENUE ACCOUNT**

30. The Strategic Director Regeneration and Growth may make any virements necessary for the efficient running of the Housing Revenue Account within the Account, including the use of revenue resources for capital purposes, provided that:

- (a) Spending commitments in future years are not made beyond the resources available to fund them; and
- (b) The changes are reported to the Chief Finance Officer.

### **REPORTING ARRANGEMENTS**

- 31. Subject to paragraph 32, all Transfers, Virements and New Spending are to be reported to Full Council whether or not they require Full Council's approval. Normally this will be done by means of the regular expenditure monitoring reports made by the Chief Finance Officer. The reports will classify changes by whether Officer, Cabinet or Full Council approval was required.
- 32. Virements within one line of the Service Area Budget Summary Appendix of the Report, Transfers falling within Part A of the Schedule of Earmarked Reserves and Provisions and Virements within the HRA will not normally be reported to Full Council but will be reported if the Chief Finance Officer or the monitoring officers consider that a report should be submitted.
- 33. Any failure to report to or notify the Chief Finance Officer on any matter as required under this scheme will not invalidate the decision by virtue of that failure to report or notify alone.