

CYNGOR SIR POWYS COUNTY COUNCIL

10 October 2019

REPORT AUTHOR: Jane Thomas
Head of Finance

SUBJECT: Changes to the Financial Regulations for Virements

REPORT FOR: Decision

1 Summary

- 1.1 This report will set out the proposal to change the Financial Regulations for the authority. The change relates predominately to the virement rules regarding projects that span more than one financial year.

2 Proposal

- 2.1 The proposal is to change the Financial Regulations. The changes are to add paragraph 16.89.2 below:

16.89.1 The scheme of virement applies to the revenue budget and the capital programme.

16.89.2 For the avoidance of doubt, the re-profiling of capital budgets between financial years (provided always that the overall project budget remains the same) is not a Virement to which Rules 16.92 to 16.100 below apply. Such re-profiling of budgets will be subject of approval of the section 151 officer and will be reported to Cabinet within the budget monitoring reports.

3 Options Considered / Available

- 3.1 The options considered are no change and continue with the current arrangements.
- 3.2 Change the regulations as outlined above.

4 Preferred Choice and Reasons

- 4.1 The preferred choice is to change the financial regulations.
- 4.2 The reason for the change is to make the monitoring of capital projects easier. The budgets will be up to date. This will enable project managers to monitor against a reprofiled budget. Capital projects by their very nature are complex with unexpected delays occurring.
- 4.3 A second benefit is that Cabinet will only need to be concerned about projects that are over or under spending.

- 4.4 A third benefit is that capital accounting staff can spend more time assisting project managers and budget holders rather than updating monthly reports with the same information, particularly for projects over £500,000 where a Council virement is required.

5 Impact Assessment

- 5.1 Is an impact assessment required? Yes/No

6 Corporate Improvement Plan

- 6.1 To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the short and longer term council vision. These capital and revenue monitoring reports are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

16. Statutory Officers

The Deputy Head of Finance (Deputy Section 151 Officer) supports the recommendation.

The Monitoring Officer comments that the recommendation can be supported from a legal point of view.

Recommendation:	Reason for Recommendation:
That the changes to the Financial Regulations are approved.	To allow the roll forward of capital budgets and finding to a future year providing the overall budget remains the same.

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Relevant Local Member(s):	
Person(s) To Implement Decision:	Jane Thomas
Date By When Decision To Be Implemented:	ongoing
Is a review of the impact of the decision required?	N
If yes, date of review	n/a

Background Papers used to prepare Report:

Financial Regulations