

**Part 4f**

**Financial Procedure Rules**

**1. Introduction**

- 1.1 In determining any matter in the discharge of an executive function concerned with the authority's budget (as defined in Part 3 of this Constitution), a decision maker may work within the flexibilities and parameters described in these rules and by reason of doing so, will not be held to have made the determination contrary to, or not wholly in accordance with, the authority's budget.

**2. Revenue expenditure**

- 2.1 Expenditure may be incurred in excess of individual revenue budget heads provided savings in other budget heads offset them. A virement of funds in such circumstances will take place.
- 2.2 The maximum aggregate virement which can take place on a single budget head in any year is calculated as 0.5% of the authority's net revenue expenditure on a social services budget and 0.25% of the net revenue expenditure on any other budget head.
- 2.3 Expenditure may be incurred in excess of individual revenue budget heads provided that the total of such excess spending does not
- (i) exceed 1% of the authority's total gross revenue expenditure or
  - (ii) have the effect of reducing the authority's Working Balances below 50% of their normal target level.
- 2.4 Expenditure may be incurred on new budget headings provided that the total sum so expended does not exceed 0.1% of the authority's total net revenue expenditure.

**3. Capital expenditure**

- 3.1 All capital bids for external funding must be submitted to the Executive for their approval prior to submission where they require match funding from the Council and the total value of the bid exceeds £50,000.
- 3.2 Expenditure may be incurred on capital schemes forming part of the authority's approved capital programme provided that:
- (i) the total cost of the scheme does not exceed 120% of the approved estimated cost of that scheme
  - (ii) the total cost of the capital programme does not exceed 105% of the total estimated cost of the approved schemes within the capital programme.
- 3.3 Subject to 3.4 below, a scheme forming part of an approved programme but for which funding has not been allocated, may proceed provided off-setting savings are found from within the approved programme or additional funding is obtained.
- 3.4 All capital contracts exceeding £50,000 in value must be approved by the Executive before they are let.