Financial Regulation B: Financial Planning

Introduction

B.1 The Full Council is responsible for approving the Council's Budget and Policy Framework – Part 2 of the Constitution - and the council tax which will be proposed by the Executive. The key elements of financial planning are the:

- Corporate Plan;
- Capital Strategy;
- Asset Management Plan;
- Risk Management Policy Statement and Strategy;
- Treasury Management Strategy;
- Medium Term Financial Plan;
- Revenue Budget; and
- Capital Programme

Policy Framework

B.2 Unless it determines otherwise, the Full Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision is deemed to be contrary to the Budget and Policy Framework. Decisions will be referred to the Full Council by the Monitoring Officer and/or the Section 151 Officer.

B.3 The Full Council is responsible for setting the level at which the Executive may reallocate budgets from one service to another. The Executive is responsible for taking in-year decisions on resources and priorities to deliver the Budget and Policy Framework within the financial limits set by the Council.

Budgeting

Budget format

B.4 The Section 151 Officer is responsible for determining the general format of the budget. The draft budget will include allocation to different services and projects, proposed taxation levels and contingency funds.

Budget preparation

B.5 The Section 151 Officer is responsible for ensuring that a budget is prepared on an annual basis and a longer term budget plan is prepared for consideration by the Executive, before submission to the Full Council. The Full Council may amend the budget or ask the Executive to reconsider it before approving it. Further details on this procedure can be found in the Policy and Budgetary Framework Procedure Rules – Part 2 of the Constitution.

B.6 Guidelines on budget preparation will be issued to Executive Directors by the Executive following agreement with the Section 151 Officer. The guidelines will take account of:

- legal requirements;
- medium-term planning prospects;
- the Corporate Plan;
- available resources;
- spending pressures;
- best value and other relevant Government guidelines;
- other internal policy documents; and
- cross-cutting issues (where relevant).

B.7 An Executive Director is responsible for submitting budget estimates to the Section 151 Officer that reflect agreed service plans and that are prepared in line with the guidance issued by the Executive.

Resource Allocation

B.8 The Section 151 Officer is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Council's Policy Framework.

Preparation of the Capital Programme

B.9 The Section 151 Officer is responsible for ensuring that a capital programme is prepared annually for consideration by the Executive before submission to the Full Council.

Maintenance of Reserves and Balances

B.10 The Section 151 Officer is responsible for advising the Executive and/or the Full Council on prudent levels of reserves and balances.

Budget Monitoring and Control

B.11 The Section 151 Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively.

B.12 The Section 151 Officer must monitor and control expenditure against budget allocations. Any variation (after approved virements) that the Section 151 Officer considers material will be reported to the Executive.

B.13 An Executive Director is responsible for controlling income and expenditure in his/her own service area and for monitoring performance, taking account of financial information provided by the Section 151 Officer. He/she will alert the Section 151 Officer and report to Members on variances in his/her own service areas and take any action necessary to avoid exceeding his/her budget allocation (after any approved virements).

B.14 No expenditure will be incurred on a purpose for which there is no provision in the approved estimates except:

(a) where a supplementary estimate has been approved by the Executive/Full Council (as relevant) ; or

(b) in the case of an emergency as provided for in the Officers Scheme of Delegation.