

Budget Setting & Monitoring Process

STAGE	DESCRIPTION
[1]	Responsibility for budget setting and budget monitoring is specified within the Council's Constitution as part of the Financial Procedure Rules.
[2]	<p>Each September, the Director of Finance submits a report setting out the process for Service and Financial Planning to the Policy & Resources Committee for approval.</p> <p>Service budgets are driven by Service Plans which cover a rolling three year period and flow from the Council's overall Corporate Framework.</p> <p>Revenue & Capital budgets for the coming financial year are sent to Council in January/February for final approval. The forecast budgets for the subsequent two financial years are noted by Council at the same time.</p>
[3]	A timetable for budget monitoring is sent annually to Heads of Services and ties in with the cycle of Policy & Resources Committee meetings.
[4]	In line with the timescale for reporting to Policy & Resources Committee, Heads of Service update the Council's Financial Information System (FMS) for revenue and capital budget variances.
[5]	Finance provide support and challenge to Heads of Service to ensure that variations are fully explained and any anomalies resolved.

[6]	<p>The individual changes variances and explanations from across the council are collated.</p> <p><i>Movement of funds within individual cost centres – for example from “equipment, furniture and material” to “printing and stationery” would not need to be reported to Policy & Resources Committee.</i></p> <p><i>Significant increases in expenditure would need to be subject to a separate report by the Head of Service to the Policy & Resources Committee.</i></p>
[7]	<p>This information is used to produce a “Budget Monitoring Report” detailing the council’s current financial position and the impact of forecast variances over the next three financial years.</p> <p>The report also highlights financial risks, aged debtor analysis , key income streams and current staff vacancies</p>
[8]	<p>The Quarterly Budget Monitoring report is presented to the Council’s Corporate Management Team (CMT) for approval in the first instance.</p>
[9]	<p>The Budget Monitoring report approved by CMT is then published and included on the agenda for the next Policy & Resources Committee.</p> <p>The report seeks approval from the Policy & Resources Committee to make changes in the approved medium-term financial plan.</p>
[10]	<p>At Policy & Resources Committee meeting, a recommendation is made to Council for approval of the proposed variations to the budgets and this will be minuted.</p>
FINAL STAGE	<p>Council approve the budget changes and these are formally updated in the Council’s FMS for Heads of Services to work to their latest approved budget.</p>