

West Suffolk Shadow Council

Section 4 - Scheme of Delegation to Officers

B. Budget Setting and Medium-Term Planning

1. Budget Setting and Medium-Term Planning

1.1 Overarching Principles

1.1.1 The Shadow Council is required to prepare for West Suffolk Council to become ready to deliver a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with priorities and statutory obligations. The budget is the financial expression of the authority's plans and policies.

1.1.2 The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans, statutory services and priorities of the future West Suffolk Council. Budgets (spending plans) are needed so that the authority can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit.

1.1.3 Medium-term financial planning involves a planning cycle in which managers develop their plans. This ensures that the authority is always preparing for events in advance. The Medium Term Financial Strategy (MTFS) reflects this forward planning financially.

1.2 Role of Budget Managers

1.2.1 Budget managers are consulted and involved in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set out in the Constitution for their budgets and the level of service to be delivered; and

1.3 Responsibilities

1.3.1 Interim Chief Finance Officer

- (a) Prepare and submit reports on budget prospects as part of the financial planning cycle, including resource constraints set by the Government and other external factors. Reports should take account of medium-term prospects, where appropriate.
- (b) Prepare and submit the annual budget to full Council, on the basis of information provided by the Leadership Team and budget holders.
- (c) Advise on the medium-term implications of spending decisions.

- (d) Encourage the best use of resources and value for money by working with the Chief Officers and their staff in St Edmundsbury and Forest Heath to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- (e) To advise the Shadow Council in accordance with his or her responsibilities under Section 151 of the Local Government Act 1972.

1.3.2 Assistant Directors

- (a) Prepare budgets on the basis of service priorities and statutory obligations, within the overall context of the Cabinet's agreed priorities.
- (b) Prepare budgets that are consistent with any relevant limits, as part of the authority's budget cycle and within guidelines issued by the Shadow Executive (for example relating to the setting of council tax).
- (c) Integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- (d) When drawing up draft budget requirements, have regard to:-
 - (i) spending patterns and pressures revealed through the budget monitoring and budget setting processes;
 - (ii) legal requirements;
 - (iii) policy requirements as defined by the Shadow Council in the approved policy framework; and
 - (iv) initiatives already under way.

2. Resource Allocation

2.1 Overarching Principles

2.1.1 A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

2.2 Key controls

2.2.1 The key controls for resource allocation are:-

- (a) resources are acquired in accordance with the law and using an approved authorisation process;
- (b) resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for;
- (c) resources are securely held for use when required; and
- (d) resources are used with the minimum level of waste, inefficiency or loss for other reasons.

2.3 Responsibilities

2.3.1 Interim Chief Finance Officer

- (a) Advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.
- (b) Assist in the allocation of resources to budget managers.

2.3.2 All Assistant Directors

- (a) Work within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.
- (b) Ensure that delegated budgets are appropriately managed in line with the West Suffolk Financial Procedure Rules and other policy requirements.