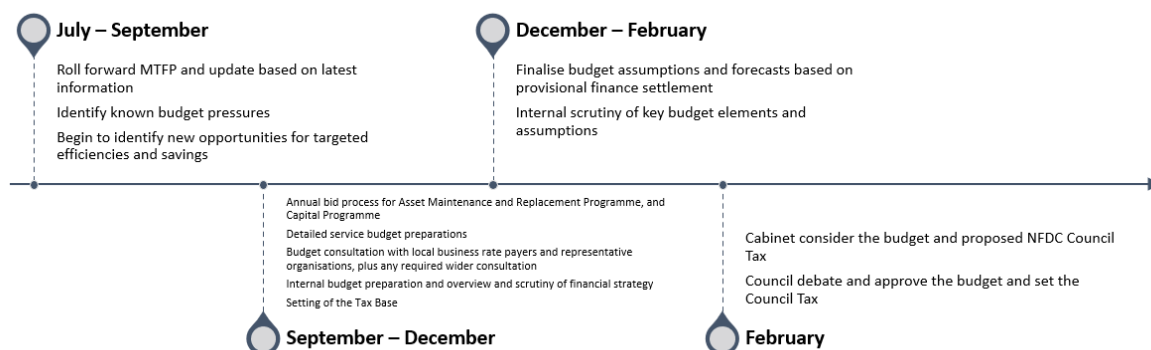


BUDGET SETTING

1. INTRODUCTION

- 1.1 This section of the Constitution considers how the Council plans its finance and agrees its annual budget.
- 1.2 The Local Government Act 2000 states that it is the responsibility of the Council, on the recommendation of the Cabinet, to approve the budget and related council tax demand. Every councillor has a role to play in the budget setting process. The Cabinet has the responsibility to draft proposals for the Council's expenditure and income for the financial year ahead. Councillors serving on Overview and Scrutiny Panels also have an important role in considering the proposed annual budget.
- 1.3 In addition, in line with statutory requirements, the Council's S151 Officer will formally consult on its budget with local business rate payers and representative organisations, with the results taken into account when the Council finally sets the budget.
- 1.4 The diagram below sets out a summary of the steps that will be taken by the Council when devising and agreeing its annual budget.



2. BUDGET CONSULTATION

2.1 Within the Council

- 2.1.1 Overview and Scrutiny Panels will have the opportunity to consider key elements of the draft budget proposals, assumptions, forecasts, financial strategy and Medium Term Financial Plan.

2.2 External consultation

- 2.2.1 The Council will run an annual budget consultation with business rate payers, and organisations representing businesses during October/ November in any given year. The Council will attempt different methodologies to promote awareness and completion of the annual consultation.

3. FEES AND CHARGES

- 3.1 Fees and charges have a significant role to play in assisting the Council achieve a balanced budget. All Portfolio Holders, on behalf of the Cabinet, will review their discretionary fees and charges annually. Fees and charges for adoption from April each year will be approved as part of the Medium Term Financial Plan and budget setting process for the forthcoming year.
- 3.2 Any 'In year' changes to the approved fees and charges can be made by the Cabinet or relevant Portfolio Holder(s) subject to such changes not exceeding the last published CPI rate of Inflation. Any 'In year' decisions outside of these limits will be referred to the Council.

4. FINANCIAL PLANNING AND THE MEDIUM TERM FINANCIAL PLAN (MTFP)

- 4.1 In addition to the annual setting of the budget, there will be twice yearly reporting to the Cabinet of the Council's Medium Term Financial Plan (MTFP). This is a regularly updated projected financial plan setting out the expected income and expenditure and corresponding pressures and challenges, as well as opportunities, over at least, the following three years. The MTFP will be consistent with the Council's work plans and strategies, particularly the Corporate Plan.

4.2 Financial Monitoring

- 4.2.1 Regular Financial Monitoring is an important feature in the management of the Council's finances as it gives an opportunity to reflect on variations as against the latest set budget and reflect on the impact that these variations may have over the period covered by the Council's MTFP.

4.3 Financial Regulations

- 4.3.1 The Council's Financial Regulations can be found in Section 4 of the Constitution. The Regulations govern the application of the overall financial strategy of the Council.