

TO: EXECUTIVE MEMBER FOR FINANCE, RESOURCES AND ASSETS
09 March 2016

FINANCIAL REPORTING PROCESS (BUDGET BOOK 2016/17)
Borough Treasurer

1 PURPOSE OF DECISION

- 1.1 The Council's financial planning and monitoring processes have developed gradually over time. The Council agreed the overall budget for 2016/17 on 24 February. The information presented to Members at Council was on a "total cost" basis whereas the way the Council operates its budget monitoring is on a "cash" basis. This report exemplifies the budget proposals at the level of detail required to support the Scheme of Virement.

2 RECOMMENDATION(S)

That the Executive Member:

- 2.1 **Agrees the attached Budget Book which forms the basis of the Council's Scheme of Virement as set out in financial regulations.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To present a detailed budget book which forms the basis of the Council's Scheme of Virement.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None. In the absence of a detailed Budget Book the Council's Scheme of Virement could not operate.

5 SUPPORTING INFORMATION

5.1 Financial reporting – Context

- 5.1.1 CIPFA's Service Reporting Code of Practice for Local Authorities (SeRCOP) specifies a standard reporting format that must be adopted in budget setting and in the annual statement of accounts. This comprises both an objective (service based) and a subjective (type of expense) hierarchy. It is this requirement that means we must report the original budget and final accounts to Members on a "total cost" basis, i.e. including non-cash budgets for capital charges and notional pension payments (known as IAS19) and fully apportioning central support and service management costs to front line services.
- 5.1.2 Budget monitoring information presented monthly to CMT and quarterly to Members reflects budget management responsibilities within departments, which in practice is undertaken on "controllable" or cash expenditure and income. Budget monitoring and the Scheme of Virement will continue on the basis of cash budgets in 2016/17.

5.2 Detailed Budget Book

- 5.2.1 The detailed Budget Book has been prepared and is attached as a separate document to the report. This Budget Book includes a one page summary by department which demonstrates a clear reconciliation between “total cost” as approved at Council and cash budgets. The detailed pages are broken down over the services for which each Chief Officer is responsible. The level of detail for each cash budget forms the basis for the Scheme of Virement. To ensure all Members are aware of the approach to budget monitoring copies of the Budget Book will be sent to them during April.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Nothing to add to the report.

Borough Treasurer

- 6.2 The budget book forms the basis of in year budget monitoring and the Council’s Scheme of Virement.

Impact Assessment

- 6.3 None

Strategic Risk Management Issues

- 6.4 The Council uses regular budget monitoring throughout the year, as one way of managing risk, to identify budget pressures and to take necessary action to minimise their impact.

7 CONSULTATION

Principal Groups Consulted

- 7.1 None.

Contact for further information

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