

<b>This report may be of interest to: all Councillors and senior officers</b>
---

## MULTI YEARS BUDGETING

Accountable Officer and Author: Peter Timmins (Treasurer) MK 252371

### 1. Purpose

- 1.1 To set out a framework for the Council's budgeting processes.

### 2. Summary

- 2.1 The Council's budgeting process for revenue and capital has to evolve to accommodate Best Value and policy developments. At the same time it has to increase the financial responsibility of managers. Four papers set out how this aim can be delivered, and form this report, being:

- (a) Multi Years Budgeting [MYB] [Annex A] - the overall framework;
- (b) Best Value, Service Level Agreements [Annex B] - the rules for internal trading to help develop manager's financial control;
- (c) Carryforward [Annex C] - the rules for Departments taking responsibility for their annual financial performance;
- (d) Virements [Annex D] - the rules for transferring revenue budgets.

### 3. Recommendations

- 3.1 Multi Years Budgeting [MYB] - the Committee agree to:

- (a) Begin the budget process earlier;
- (b) Apply the same process to revenue [General Fund & Housing Revenue Account] and capital;
- (c) Develop cost centre revenue responsibility;
- (d) Incorporate policy into the budget planning process;

- (e) Continue to improve consultation with public;
  
- 3.2 Best Value, Service Level Agreements [SLAs] - the Committee agree to implement a comprehensive SLA process, as set out in the timetable on page 10 of this report;
  
- 3.3 Carryforwards - the Committee agree to between-year transfers to apply, starting with the 1999-2000 outturn, as set out at pages 12-13 of this report, and that when finances allow, there is a regime of investment to produce savings, via 'cost centre borrowing' and 'repayment', as set out at page 14 of this report.
  
- 3.2 Virements - the Committee agree the new virement rules set out on page 16 [section 3].

#### 4. **Background**

4.1 When considering Best Value, it is apparent that the Council's budgeting processes need updating. The following three papers will modernise our financial approach.

#### 5. **Issues and Choices**

5.1 The issues are set out in the four papers. Briefly, there are two key issues:

- (a) to improve financial planning, so that we take control of our financial future, rather than be forced to react to it;
- (b) to implement a better regime of financial responsibility for managers.

#### 6. **Implications**

6.1 Environmental

None.

6.2 Equalities

None.

6.3 Financial

Successful implementation will result in a culture change for the Council.

6.4 Legal

None.

6.5 Staff and Accommodation

There will be a requirement to train staff to realise the benefits of the new approach, which should enhance the work content of their jobs.

#### 7. **Conclusions**

7.1 Adoption of the proposals will equip the Council with mechanisms to meet the challenge of the Government's modernisation programme.

Background Papers: None.