

9. COMMITTEE REPORTS - FINANCIAL MATTERS

9.1 HEAD OF FINANCE RESPONSIBILITIES

The Head of Finance shall ensure that Committee reports contain a section outlining the financial implications of the matter being reported upon. Additionally, the Head of Finance shall be entitled to report upon the financial implications of any matter coming before the Council, Service Committees or other Committees, and shall further report as necessary to the Corporate Services Committee in the interests of the financial affairs of the Council.

Subject to the exclusions noted in **Standing Order 47(3)** relating to Planning and Licensing matters, all Chief Officers are obliged to consult with the Head of Finance on all matters which are likely to result in a report to Committee.

9.2 CHIEF OFFICERS' RESPONSIBILITIES

With regard to reports prepared for consideration by Committee, Chief Officers shall follow the expected format and latest detailed guidance notes, as issued by the Chief Executive and the Head of Finance, for ensuring all financial implications are identified and recognised. Further, Chief Officers shall ensure that the Head of Finance is fully and timeously consulted on the financial implications of all reports (with the inclusion of appendices within reports for ease of reference where it is considered appropriate) and shall be responsible for ensuring the Head of Finance's comments are taken on board.

9.3 PRINCIPLES

It is essential that the financial implications for the Council arising from the recommendations in Committee reports are clearly and transparently shown in those reports so that elected members can make fully informed decisions.

Although avoiding excessive detail, Council officers responsible for drafting Committee reports should ensure that all relevant facts and information concerning the financial implications of their recommendations are included within the report in a clear and logical manner so as to aid the readers understanding. In addition to this general principle the following specific principles should be adhered to in the preparation of all Committee reports:

- a The report should clearly distinguish capital and revenue financial implications, the financial years affected and the phasing of costs and funding where applicable;
- b Implications for the capital budget should identify where provision exists within the Council's capital programme;
- c Where there are no specific financial implications (revenue or capital) arising as a direct result of the recommendations of a report, the financial implications must not be omitted but must clearly indicate there are no implications to afford clarity to members in this regard;
- d Implications for the revenue budget should identify where provision exists within the Council's revenue budget. It is not sufficient to merely indicate that any increase in expenditure will be contained within the departmental budget;
- e Implications for the revenue budget should distinguish ordinary running costs from capital financing costs;
- f Capital financing costs should be calculated on the basis of loan charges. The capital financing costs arising from the recommendations of a Committee report (if any) should be sought from Departmental Accountants within the Finance Division;

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- g No budgetary implications which cannot be contained within existing departmental resources will be allowed, unless specifically approved by the Strategic Policy Committee;
- h Reports should make clear how additional or unbudgeted running costs are to be funded in both the current year and future year's revenue budgets i.e. via ongoing compensating savings, virement, external funding etc;
- i Where virement is proposed, in order to fund overspends or unbudgeted expenditure, reports should indicate whether such virement is to be considered as a permanent adjustment or as a one-off;
- j Grant funding availability / arrangements should be clearly highlighted, as should the percentage of expenditure covered by grant and any residual costs to be borne by the Council. If the grant is to be available for only a limited period then this should also be identified in the financial implications;
- k Staffing changes / additions should clearly state whether such adjustments are of a permanent, temporary or fixed term nature;
- l All financial implications calculations, narrative and supporting appendices should be agreed with the relevant Departmental Accountant within the Finance Division at drafting stage and thereafter with the relevant Finance Division Committee attendee at formal consultation stage;
- m Reports with significant financial implications, should, as a matter of course have a financial appendix which should provide a financial analysis broken down into appropriate cost and income headings (e.g. employee costs, property costs, supplies and services etc.) and should identify current year costs (which in the main will have a part year effect only) and costs for a full financial year; and
- n Costings for the purpose of financial implications should be to the nearest hundred pounds using current year prices, unless there is a need to use a different price base as advised by the Head of Finance.

9.4 LONGER TERM PLANNING & BUDGETING

Chief Officers shall comply with any guidance issued by the Head of Finance with regard to the need to reflect any longer term planning and / or budgeting implications within Committee reports. This guidance may cover three year budgeting issues, prudential indicator requirements, etc.

**For clarification or any queries in respect of this section please contact
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