



Belfast City Council

Report to: Strategic Policy and Resources Committee

Subject: Financial Planning Cycle

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Relevant Background Information

Members will recall that the Council's strategic financial management framework was presented to the Strategic Policy and Resources Committee on 14 March 2008. As can be seen from figure one below, a key element of this framework is financial planning.



The key outputs of the financial planning processes in the Council are the Medium Term Financial Plan and the Annual Budget which concludes with the setting of the rate. These financial plans are simply a monetary expression of what the Council wants

to deliver and therefore they need to reflect our key priorities and objectives. In June 2008 Members will agree a new corporate plan. One of the key delivery determinants of this plan will be the Council's ability to align money to the agreed priorities within the context of an agreed district rate. The most successful organisations have achieved this by ensuring that their business planning and financial planning are very closely aligned. The purpose of this report is to propose a revised planning cycle for the organisation which starts to merge the financial and business planning cycles.

Key Issues

The following paragraphs outline chronologically the key elements of a revised planning cycle.

June 2008

Members will be requested to agree:

- Corporate Plan 2008 – 2011
- Capital Programme 2008/09

Members will receive the following:

- An assessment of the financial performance and standing of the council for 2007/08.
- Notification of the district rates finalisation figure for 2007/08.
- An assessment of key financial external pressures such as inflation.
- Draft efficiency programme

Members will also be requested to provide a range of indicative acceptable rate levels for 2009/10. This information will be needed so that a comparison can be made of draft budgets and plans against affordability.

September / October 2008

Members will receive the following:

- Costed options for taking forward corporate priorities for 2009/10
- Draft core budgets for delivering business as usual activities
- A first indication of the level of income the rates will yield in 2009/10
- An assessment of mid year financial position for 2008/09

October / November 2008

Members will receive the following:

- A comparison of proposed summary budgets for corporate priorities and business as usual against affordability levels and rate yield indication.
- An analysis of funding gaps and trade-off options
- A second indication of the level of income the rates will yield in 2009/10

Members will be requested to:

- Provide direction on trade off between budget and priorities

November / December

Members will receive the following:

- Notification of the level of income the rates will yield in 2009/10
- An assessment of the impact of rate yield on plans and budgets

- Revised summary budgets aligned to plans

January / February

Members will be requested to:

- Agree district rate 2009/10
- Agree summary budgets for business as usual and corporate priorities for 2009/10.

March

Members will be requested to:

- Agree corporate plan year 2 - 2009/10

April

Members will be requested to:

- Agree department plans

Recommendations

Members are requested to:

1. Note of the contents of the report.
2. Agree to the revised planning cycle.

