

# Business and Financial planning Cycle

Audit Committee  
15 February 2019



## What will be covered

- Background
- Summary of the cycle
- Better understanding:
  - Cycle: Part 1 – Financial Planning
  - Cycle: Part 2 – Internal Business Planning
  - Cycle: Part 3 - Controls and External Context



## Background

- Request from CROSC meeting for a model to assist with better understanding of the financial and business/performance planning cycle
- Meeting between Scrutiny Chairs and Audit also raised a similar request
- Developed the model with assistance and contributions from Chief Officers
- Useful exercise to pull all the relevant elements together



## Summary of the cycle

- Broken down into 3 main elements:
  - Financial – both capital and revenue; leading to budget setting
  - Delivery and performance – focus on the Council Plan and monitoring
  - Controls and external context – focus on internal controls and Public Services Board



## Cycle: Part 1 – Financial Planning

- Revenue and Capital budget setting
- 3 staged revenue budget setting
  - Initial preparations April – November
  - Stages 1 & 2 – December
  - Stage 3 – January
  - Council Tax – March
- Capital programme setting with final set by Cabinet February
- Both capital and revenue monitored throughout the year
- Not include HRA – this is a separately funded budget



## Cycle: Part 2 – Internal Business Planning

- Business Planning to set Council Plan
  - Priorities linked to policy changes, continuing schemes, capital programme, Well-being Plan
  - Council Plan and portfolio planning updated side-by side
  - Most development work – early winter into spring before setting the Council Plan – May
  - Earlier than previous practice
- Portfolio and other operational plans developed/revised alongside Council Plan setting
- Monitoring at monthly and/or quarterly periods with formal Annual report published October; initial report in June.



## Cycle: Part 3 – Controls and external context

- Controls
  - Identification of risks – Council Plan, Annual Governance Statement, other corporate risks to create Council Strategic Risk Register
  - Risks monitored by Overview and Scrutiny Committees quarterly and Audit Committee half yearly
- External context
  - Focus on Public Services Board Well-being Plan – deliverables in partnership