

**HARBOROUGH**  
**DISTRICT**  
**COUNCIL**

**BUDGET SETTING**  
**2012/13**

**Guidance Notes for**  
**Finance Team & Budget**  
**Managers**

## **BUDGET GUIDELINES 2012/13**

### **1. Introduction**

This document sets out the procedure and timetable to be followed for the preparation of the 2012/13 revenue & capital budget. Queries should be referred to the appropriate member of the Finance Team or the Finance Services Manager.

To ensure uniformity across all services, it is essential that the procedures are followed and that any special or particularly significant factors are discussed with the Deputy Chief Executive or Finance Services Manager.

The Council has a Medium Term Financial Plan this gives us a framework against which to prepare a detailed budget for 2012/13, on the underlying assumption that in overall terms there is a requirement to make savings over each of the next 3 years.

Budgets will be constructed on a 'portfolio' basis as in previous years. Activity costings will also be completed once the initial budget work is undertaken.

The Budget sheets need to be completed on a three year basis, taking the inflation and other assumptions into account, therefore there will an estimate for 2012/13, 2013/14 and 2014/15.

## 2. Timetable

The detailed budget work is being undertaken as part of the Business Planning Process, therefore the overriding timetable is the Business Planning timetable.

These are highlights to link in with the Business Planning Timetable

Date	Action	Responsibility
August 2011	Meetings with members of Management Board to discuss the business activities and any changes to these.	Finance Team
July & August 2011	Salary estimates to be produced, and agreed with Budget Managers and members of Management Board	Finance Team, Budget Managers and Management Board
August 2011	Finance team to set up budget spreadsheet for 2012/13	Finance Team
By end of August 2011	Finance Team to work through budget sheets and amend for inflation and other assumptions in line with the guidelines in this document. Discussion with budget manager surrounding contracts where relevant.	Finance Team, Budget managers and Management Board
30 November 2011	Salary budgets finalised. All known changes to budgets and inflation assumptions built in, including Fees and Charges. Budget position established.	Finance Team
19 December 2011	Approval of draft revenue budget and capital programme	Executive
16 January 2012	Tax base approval	Full Council

9 February 2012	Scrutiny Resources – Review of draft revenue budget and capital programme	Scrutiny Resources
13 February 2012	Recommendation to council of revenue budget and capital programme	Executive
23 February 2012 (reserve date 27 February 2012)	Budget and Tax Setting	Full Council
23 February 2012 (reserve date 27 February 2012)	Approval of capital programme	Full Council

### 3. Salaries

The salary estimate sheets will be compiled by the Finance Team, a pay award of 0% has been assumed for the purposes of compiling the 2012/13, 2013/14 and 2014/15 budgets. Detailed salary estimates will be issued by Finance Services to Management Board members.

Normal Incremental movements will be applied to calculate these estimates for all years, where appropriate.

It is the Budget Manager's responsibility to check the accuracy of these sheets and ensure that any known changes are built in, for e.g. a employee decreasing the number of hours they work or a fixed term contract coming to an end. Each member of Management Board will be required to certify that all officers for whom they have responsibility have been correctly included in the salary estimates, and to return a signed copy of those estimates to the Finance Services Manager by end of August.

### 4. Car Allowances

To be compiled by Finance Team assuming 0% increase and ensuring that all essential users are correctly identified.

### 5. Gas & Electricity

To be increased by 20%.

6. Contractual Increases  
To be calculated in line with the terms and conditions specified within the contract document, or RPI. Fully documented working papers to be provided in support of these estimates.
7. Water Charges  
These should be based on RPI of 4.5% unless already notified of a different figure.
8. Insurances  
To be increased in line with RPI of 4.5%, potential tender will take place.
9. Income  
Fees and charges to be increased by RPI of 4.5%, as a minimum, unless Statutory, in which case this should be the prescribed amount.

Budget managers are asked to consider where the level of service provision and/or the market rate justifies or makes viable a higher level of potential fee, and to present options for member consideration.

10. Other Expenditure  
All other expenditure should be held at the same level as for 2011/12 although budget holders will have the ability to redirect budget provision to another budget head within the same cost centre if required.
11. Medium Term Financial Strategy  
An updated Medium Term Financial Plan for the Council is also being prepared at this time, which will cover the next three year period. It is therefore critical to apply the assumptions surrounding inflation etc to the budget sheets for each of the 3 years until 2014/15.

### **Finance Team only**

12. Spreadsheet notes  
Please ensure comments are noted on the relevant budget spreadsheet to enable another member of the Finance Team to identify why that particular entry has been made.