

Finance Committee

To monitor, review and assist in the effective financial management of the Council.

The Committee should be seven voting Members – and, in any case, shall be no fewer than five – appointed by Full Council. The Committee may appoint additional Members as non-voting members of the Committee.

The Chair of the Council, and the Chairs of Committees to which the Council has delegated powers to authorise expenditure, shall not be members of the Finance Committee.

The Chair of the Committee shall convene an ordinary meeting of the Committee at least once every quarter and, in addition, the Committee shall hold budget scrutiny meetings in October and November in accordance with the Council's budget-setting procedures.

The Committee shall have the authority to establish sub-committees and/or working groups from within the membership of the Committee and to appoint other Members of the Council to the sub-committees and/or working groups for which it is responsible.

The Committee shall have the authority to appoint members of the Committee (or of a sub-committee or working group) who are not Members of the Council. The Committee is advised to actively seek to appoint non-Council Members with specialist knowledge of matters that fall within the remit of the Committee, and these shall for all purposes be treated as non-voting members of that committee, sub-committee or working group.

The Committee's duties shall be:

To monitor, review, and to make recommendations to the Council regarding:

- the financial resources required by the Council to fulfil its statutory obligations and to support the well-being of its communities;
- the Council's borrowing requirements, reserve funds, investments and banking arrangements;
- the charging policies for services provided by, and provided to, the Council.

To monitor, review, and to make recommendations to the Council regarding the effectiveness of the Council's systems of internal financial control, specifically:

- Ensuring compliance with Regulations, statute or law and the Council's Standing Orders and Financial Regulations;
- Ensuring an adequate and effective system of internal audit of the Council's accounting records and system of internal control;
- Monitoring the Council's income and expenditure against budget;
- Ensuring that accounts are properly maintained and reflect current best practice;
- Ensuring that bank reconciliations are undertaken regularly;
- Receiving and reviewing regarding the Council's draft accounts, draft Annual Return and draft Governance Statement, and making recommendations to the Council.

To monitor financial transactions including receipts, payments and bank transfers.

To identify business risks that may prevent the Council achieving its aims and objectives, and to make recommendations to the Council.

To ensure that the Council has appropriate insurance cover in place relating to buildings, property, staff, Members, public liability and employers' liability, and to make recommendations to the Council.

To determine applications from the Responsible Financial Officer and from Committees for authority to overspend up to and including £500 against any individual budget line¹.

In accordance with the Council's budget-setting procedures:

To receive draft budget presentations from the Responsible Financial Officer and from Committees, to scrutinise the draft budgets, and to make recommendations (to be minuted) to the Responsible Financial Officer and to the Committees;

To receive final budget presentations from the Responsible Financial Officer and from Committees and to compile a budget report and written recommendations plus written recommendations as to contingencies, reserves (including any proposals for earmarked reserves) and the precept for submission to the Full Council budget-setting meeting.

On request, to receive reports and/or presentations as to project planning and expenditure from the Responsible Financial Officer and from Committees, to scrutinise expenditure and expenditure proposals, and to make recommendations (to be minuted) to the Responsible Financial Officer and to the Committees.

To consider the needs of the Community Council area and the opportunities for the Council in regards to the Well-being of Future Generations (Wales) Act 2015, the Blaenau Gwent Public Services Board Well-being Plan and the power to promote or improve economic, social or environmental Well-being under the Local Government Act 2000, and to make recommendations to the Full Council.

¹ Where an application for an overspend is not approved by the Finance Committee, a Committee may make an application directly to the Full Council. Where an urgent decision is required, it may be necessary for applications for overspends to be made directly to the Full Council, which meets more frequently.

Budget-setting policy

The key stages in the budgeting process shall be:

Committees

Every meeting

- Review of current financial year delegated budget and spending;
- Review spending plans for current financial year.

June/July

- Determine scope of plans for following financial year;
- Any proposed expenditure in committee budgets must be the subject of a resolution by that committee or the Full Council.

September/October

- Forecast the cost of spending plans;
- Assess levels of any anticipated income;
- Draft budget for following financial year.
- Present draft budget to Finance Committee.

November

- Review (amending budget lines as appropriate) and finalise budget for following financial year;
- Present budget proposals to Finance Committee (including advice on contingencies and any proposals for earmarked reserves).

January

- Present budget to a full council budget-setting meeting for approval alongside Finance Committee report and recommendations in writing.

Full Council working groups (and other projects not delegated to Committees)

June/July

- Agree scope of plans for following financial year by resolution at Full Council.

September/October

- Forecast the cost of spending plans;
- Assess levels of any anticipated income;
- Draft budget for following financial year.
- Present draft budget to Finance Committee.

November

- Review (amending budget lines as appropriate) and finalise budget for following financial year;
- Present budget proposals to Finance Committee (including advice on contingencies and any proposals for earmarked reserves).

January

- Present budget to a full council budget-setting meeting for approval alongside Finance Committee report and recommendations.

Finance Committee

Every meeting

- Review of current year Council budget and spending;
- Financial scrutiny of Council's legislative duties plus project and policy proposals not covered by Committees.
- Determine any applications from Responsible Financial Officer and Committees for authority to overspend up to and including £500 against any individual budget line.²

Every quarter

- Receive financial report from Responsible Financial Officer;
- Recommendations or comments (minuted) to Responsible Financial Officer ahead of next Responsible Financial Officer report to Full Council meeting.

By end of July

- Propose and secure agreement from Full Council of general principles and parameters for Full Council budget for following financial year.

October

- Receive draft budget presentations from Responsible Financial Officer and Committees;
- Financial scrutiny of budgets;
- Recommendations (minuted) to Responsible Financial Officer and Committees.

November

- Receive final budget presentations from Responsible Financial Officer and Committees;
- Compile Finance Committee budget report(s) and written recommendations as to contingencies, reserves (including any proposals for earmarked reserves) and the precept for submission to Full Council budget-setting meeting.

December

- Consider tabling possible amendments to main motion for Full Council budget-setting meeting (only where significant concerns have arisen as a result of the budget scrutiny process).

² Under Standing Order 7a, a Committee may seek a resolution of the Full Council to reverse a decision of the Finance and Grants Committee. Where an urgent decision is required, it may be necessary for applications for authorisation to overspend to be made directly to the Full Council, which meets more frequently.

Responsible Financial Officer

June/July

- Assess scope of plans for following financial year.

September/October

- Forecast the cost of spending plans and expenditure required by Regulations, statute or law;
- Assess levels of any anticipated income;
- Draft budget for following financial year.
- Present draft budget to Finance Committee.

October/November

- Review (amending budget lines as appropriate) and finalise budget for following financial year;
- Present budget proposals to Finance Committee (including advice on contingencies and any proposals for earmarked reserves) in writing.

January

Present budget to a full council budget-setting meeting for approval alongside Finance and Grants report and recommendations.

Full Council

Every meeting

- Determine any applications from Responsible Financial Officer and Committees for overspends of more than £500 against any individual budget line;
- Determine any applications from Responsible Financial Officer and Committees for overspends of up to and including £500 against any individual budget line that have not been determined by the Finance Committee.

Every quarter

- Receive quarterly financial report from Finance Committee plus any associated recommendations or comments.

By end of July

- Agree the general principles and parameters for Full Council budget for the following financial year

January

- Resolve to agree the Full Council budget and precept at the Full Council budget-setting meeting.

The following shall be Standing Orders for the annual budget-setting meeting and shall take precedence over any conflicting Standing Orders for that meeting only:

1. Unless in exceptional circumstances³, no budget line (or significant increase to an existing budget line) shall be included in the Full Council budget unless it has been presented to, and scrutinised by, the Finance Committee⁴.
2. Written notice of the Full Council budget-setting meeting; written copies of the proposed budget; Finance Committee budget report(s) and recommendations; and a draft agenda shall be received by Members by a date prior to that meeting that reasonably enables Members to give written notice of motions, and/or amendments to motions, to the Proper Officer at least six clear working days before the meeting.
3. Unless in exceptional circumstances, which shall be specified in the minutes, the Chair shall not accept any motion, or amendment to a motion, to include a new budget line (or significant increase to an existing budget line) in the proposed Full Council budget during the Full Council budget-setting meeting. The Chair's decision shall be final.
4. Unless in exceptional circumstances, which shall be specified in the minutes, the Chair shall not accept any motion, or amendment to a motion, during the Full Council budget-setting meeting that could reasonably have been submitted in writing to the Proper Officer at least six clear working days before the meeting. The Chair's decision shall be final.
5. If a Member or officer of the Council believes that a proposed budget line may be unlawful, or that a budget line required by Regulations, statute, law or official guidelines has been omitted from the proposed budget, they shall inform the Responsible Financial Officer at the earliest opportunity and, in any case, at least six clear working days before the Full Council budget-setting meeting.

³ 'Exceptional circumstances' shall normally include only emergencies, unforeseen circumstances that have arisen since the Finance Committee budget scrutiny process was concluded, or a budget line that is deemed to be unlawful or to be required by Regulations, statute or law.

⁴ The budget will be considered to be a constituent part of a substantive motion to be considered at the Full Council budget-setting meeting and Standing Orders 9e and 9f will apply.