

CYNGOR SIR POWYS COUNTY COUNCIL

County Council
7 December 2023

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Cabinet Member for Finance and Corporate
Transformation

SUBJECT: Question from Nigel Williams

What sanctions are placed on the head of departments that year after year fail to meet the budget requirements they have proposed and yet annually fail to achieve. It seems pointless setting these targets, as for some heads of department, they are meaningless and are ignored on an annual basis.

The Council operates within its Constitution, which sets out how the council conducts its business, including the roles and responsibilities of officers and who makes decisions. There is a set of Procedure Rules including Section 15 Budget Procedure Rules and Section 16 which sets out the Councils Financial Regulations. These cover the financial framework and procedures for managing the Councils' financial affairs. [Council constitution and corporate governance - Powys County Council](#)

The Section 151 Officer ensures these arrangements are effectively complied with across the Council by all Services, all staff and councillors. Included within the Financial Procedure Rules are rules that set out how the budget is set and how the budget is managed through the year.

The annual budget is approved each year after Service Heads provide assurance that they are setting a sound deliverable budget, thus allowing the Section 151 Officer to confirm that the overall budget proposal is robust and achievable. Service Heads set out their known risks and possible issues that may occur in delivering their budget, and this highlights where services may be unable to deliver all their savings, or unforeseen cost pressures may materialise.

The Service Head has some flexibility to move their budgets around to accommodate budgets that are well above or below forecast provided they remain within their overall budget. The Council addresses overspending budgets as soon as they materialise, ensuring services take action to mitigate the overspend and submit a plan to recover their position. A recovery plan is not always feasible, especially if those services are facing increasing demands which cannot be stopped or reduced, therefore a mitigation plan that includes drawing from the centrally risk budget may be needed. The use of this budget can only be used after the Service Head has explained the circumstances about the pressure creating that overspend and why it cannot be addressed within other budgets in that service, this has to be approved by Cabinet.

Heads are then expected to realign budget pressures as part of the next budget planning process to ensure they address the budgets issues so they do not reoccur every year.

Performance against budget is routinely reported and budget managers are challenged on their financial performance through their individual performance reviews. Any issues or concerns around financial management would be addressed through the disciplinary procedure.

To gain a further understanding of budget issues we also rely upon the challenge and support from Scrutiny Committees and Internal Audit who will also review Service spend, actions being taken and controls that are in place.