

# **LOCAL AUTHORITY BUDGETS**

## **– The Questions for Elected Members**

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# LOCAL AUTHORITY BUDGETS



Introduction



Main Changes in  
the Budgetary  
Process for the  
Elected member



Key Decisions for  
the Elected  
Member



# INTRODUCTION

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Budget  
Process is  
changing  
for 2015

Decision on  
variation of  
LPT of +/-  
15%

Decisions  
on Rates

# INTRODUCTION

Develop Budget  
strategy

General Municipal  
Allocation (GMA)  
& MD Budgetary  
Plans

Reduced period  
for adjournment of  
budget meeting  
(14 days) and  
budgets adopted  
before 31  
December

Schedule of  
municipal district  
works



# Main Changes in the Budgetary Process for the Elected member

## 1. Agreeing and Setting Budget Strategy

- Departments Heads submit their budgets to Director of Finance
- Director of Finance and Chief Executive will prepare overall draft outline budget
- Chief Executive will commence consultation with CPG and workshops with elected members
- Consider overall financial impact of LPT variation (+/- 15%)
- Confirm decision on LPT – Reserved function by 30<sup>th</sup> September of each year

# Main Changes in the Budgetary Process for the Elected member

## 1. Agreeing and Setting Budget Strategy

- Agree overall General Municipal Allocation (GMA)
  - GMA is the discretionary funding which is made available to municipal district members for allocation in the draft budgetary plan
  - The amount an authority can provide by way of a GMA is dependent on the total level of income available to it, and the non-discretionary costs that must be met as a first call on that income, including at municipal district level.
  - The total GMA available is allocated by the chief executive to the municipal districts in a fair and equitable manner

# Main Changes in the Budgetary Process for the Elected member

## 1. Agreeing and Setting Budget Strategy

- Consider other budget strategy matters e.g. Rates Harmonisation (Base Year Adjustment) and Rates on Vacant Premises

## 1. Agreeing and Setting Budget Strategy

- Preliminary budget to be submitted to Dept by 30<sup>th</sup> September (EU Rules)



# Main Changes in the Budgetary Process for the Elected member

## 2. Develop draft budgetary plans

- Allocate GMA between municipal district
- Municipal districts consideration of draft budgetary plans
- Draft Municipal District budgetary plans only set out what the GMA will be spent on. They are not a full budget for the Municipal District as the MD is not a separate legal entity.

## 2. Develop draft budgetary plans

- Municipal districts to adopt draft budgetary plans no later than 21 days prior to the local authority budget meeting. (Reserved function of members at Municipal District Level)
- There is no provision for the adjournment of this meeting.
- If municipal district members do not adopt their draft budgetary plan the chief executive may take account of the draft budgetary plan as presented without amendment.

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# Main Changes in the Budgetary Process for the Elected member

## 3. Draft Local Authority Budget including adoption of budget

- Adopted draft municipal district budgetary plans to be incorporated into overall draft local authority budget.
- Statutory Budget meeting convened during a period set out by the Minister. (In November of each year in order to finalise all budgets by 31<sup>st</sup> December)

## 3. Draft Local Authority Budget including adoption of budget

- Members have 14 days from date of first statutory budget meeting to adopt their budget.
- Budget is adopted/Rate is 'struck'



# Main Changes in the Budgetary Process for the Elected member

## **4. Schedule of Municipal District Works**

- Following the adoption of the budget, a schedule of proposed works in each municipal district shall be prepared under the direction of the Chief Executive.
- The schedule of municipal district works shall be considered by the municipal district members concerned and be adopted by resolution, with or without amendment .

# Key Decisions for the Elected Member

## Budget Strategy

- Executive, CPG & Elected Members working in tandem
- Set Budgetary Parameters

## LPT Variation +/- 15%

- Effect on overall financial position of LA
- Impact of variation on other stakeholders
- Public Consultation
- Decision by 30<sup>th</sup> Sept – Reserved Function at Plenary Council



# Key Decisions for the Elected Member

## Decisions on Commercial Rates

- Rates Harmonisation (BYA)
- Rates on Vacant Properties
- Reserved Function at Plenary Council when adopting your Annual budget

## GMA & Municipal Budgetary Plans

- Agree GMA
- Adopt Draft Municipal Budgetary Plan – Reserved Function at MD

# Key Decisions for the Elected Member

Adopt Annual  
Budget & “Strike”  
your rate

- Reserved Function at  
Plenary Council

**Schedule of  
Municipal District  
Works**

- Reserved Function at  
MD

Thank You

Questions ?

