



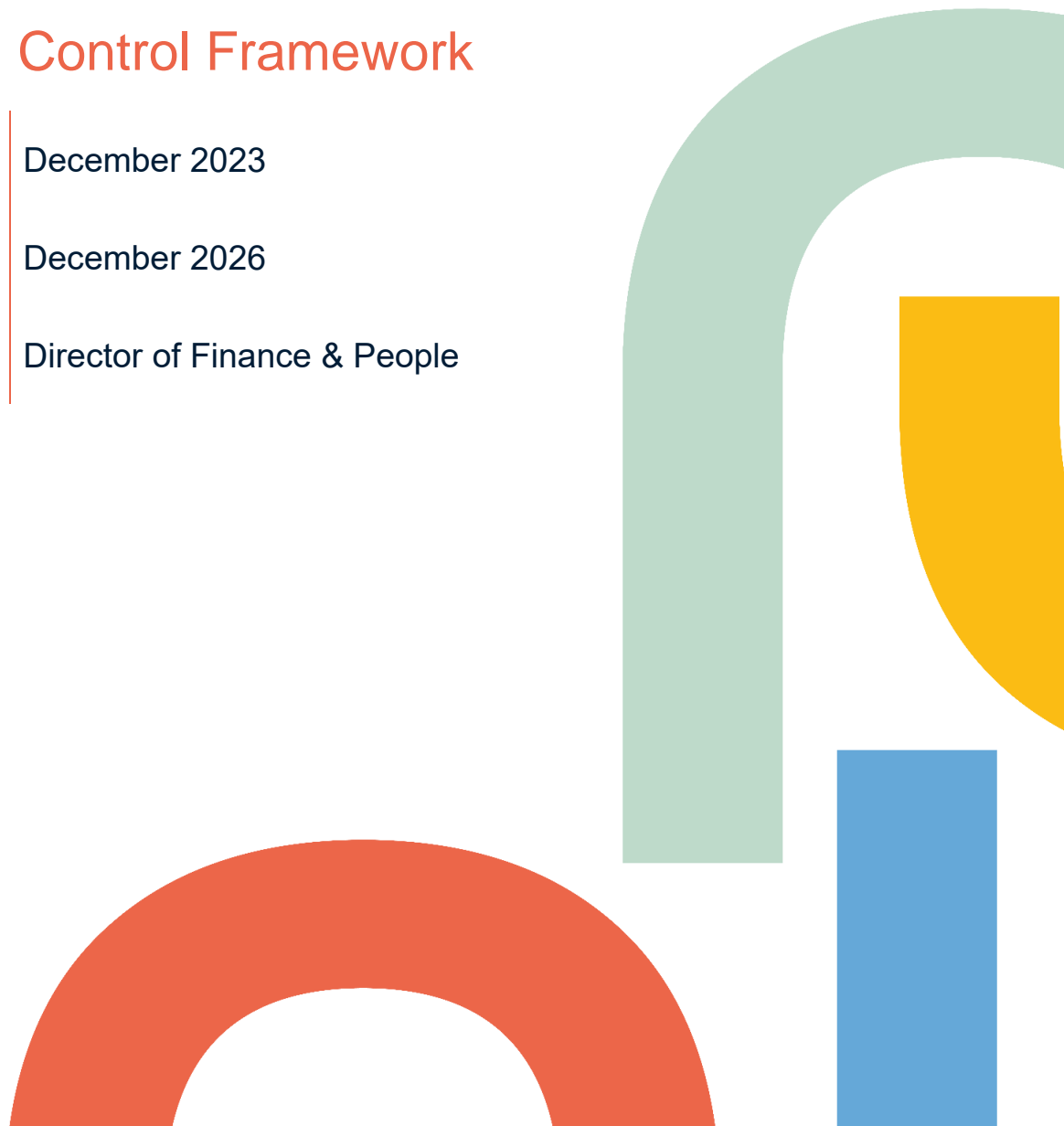
Affordable homes.
Exceptional care.

Financial Regulation FR02 (Version 007)

Financial Planning & Management

Financial Control Framework

Last Review	December 2023
Next Review	December 2026
Lead Officer	Director of Finance & People



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1. Introduction

Financial Planning and Management incorporates the various elements associated with the development, maintenance and monitoring of Trust's financial strategy and financial position. These include:

- General Accounting Framework
- Revenue Budgets (Short and Long-term)
- Capital Budgets
- Monitoring of Budgets
- Treasury Management
- Annual Accounts

2. General Accounting Framework

The Director of Finance & People is responsible for ensuring that adequate systems of financial control are maintained throughout Trust and that services conform to legislation, Trust policy, and codes of practice on these matters.

The Director of Finance & People will ensure appropriate policies and procedures are issued for:

- Developing, maintaining and reviewing the overall budget strategy and ensuring this is integrated with and reflective of the wider corporate strategy.
- Producing the annual and long-term revenue and capital budgets and financial plans.
- Treasury Management planning and operational activity
- Project and other Financial Appraisals
- Budget monitoring
- Applying schemes of budget flexibility to allow effective use of resources
- Ensuring adequate financial systems, records and operations
- Ensuring legislative compliance and best practice in procurement
- Storage and disposal of financial records
- Producing financial management information
- Submission of regulatory and statistical returns
- Completion of Annual Accounts

Directors are responsible for ensuring the proper completion of claims for Housing Association Grant (HAG) funding, other government and external grants, etc.

Board reports on any topic which involve any financial implications must contain a statement of those implications and confirmation that the Director of Finance & People has verified the financial content of the report.

3. Revenue Budgets

Refer to policy - FP15 Budget Development, Management and Monitoring Policy

Preparation – The Director of Finance & People will ensure that a revenue budget is prepared annually as part of Trust’s financial planning. This process will ensure that short-term (the following year), and long-term (a rolling 30-year period) financial plans are produced. The capital budget (referred to at 4 below) and its revenue consequences must be integrated with the revenue budget.

The Director of Finance & People will co-ordinate the preparation of the revenue and capital budgets and submit them to the Leadership Team for consideration prior to presentation to the Board. Directors have a duty to provide financial and budgetary information for revenue and capital budget preparation as required by the Director of Finance & People.

Approval - The Director of Finance & People is responsible for presenting, annually, a draft revenue budget to the Board, this will incorporate the revenue consequences of capital spend. The Board shall consider the draft budget, and subsequently approve revenue and capital budget, set rents and service charges and approve any annual employee pay award. The Board will also consider and approve updates to the 30-year financial plan and in doing so will consider sensitivity analysis and risk.

Revenue Budget Virements - In any financial year Directors may, without prior reference to the Board, exercise budget virement within and between expenditure/income headings within their approved budgets of up to 5% of the relevant expenditure/income heading subject to the following:

- the agreement of the Director of Finance & People is obtained;
- additional posts are not being established;
- there are no additional implications (e.g. additional resource requirements) for future years;
- the value of transfers in one year doesn’t affect an expenditure / income heading by more than 10%;
- the virements are reported retrospectively to the Board.

Virements affecting expenditure/income headings in excess of the above limits and virements between service areas and those necessitating additional resources in future years may require the approval of the Board. The Director of Finance & People must be consulted before virement proposals are submitted to the Board for consideration.

Active Budget Management – Trust operates a active budget management process, which simply builds on the process of budget virement but recognises the need for greater budgetary flexibility, particularly in times of austerity and volatility in the financial environment. This allows for changes in the agreed budget within the current financial year and impacting on future years. Budget changes arising as a result of this process will be agreed through the Board.

4. Capital Budgets

Refer to policy - FP15 Budget Development, Management and Monitoring Policy

Capital Budget Planning Process - The Director of Finance & People together with the Director of Asset Management Services is responsible for ensuring that Trust agrees and implements a Capital Investment and Planning process. The capital planning process will include appropriate links with asset management planning, strategic planning, treasury management and option/business viability appraisal.

Capital Budget Preparation - The Director of Finance & People together with the Director of Asset Management Services is responsible for ensuring that a detailed capital budget is prepared annually as part of the agreed capital investment and planning process. This budget must be integrated with the revenue budget.

Approval - The Director of Finance & People will present, annually, a draft capital budget to the Board. The Board shall consider the draft budget and subsequently approve a capital budget including the revenue consequences of the capital programme.

5. Monitoring

Refer to policy - FP15 Budget Development, Management and Monitoring Policy

General - The Director of Finance & People will ensure appropriate financial information is provided to enable budgets to be monitored effectively. In addition to providing monitoring reports to Budget Holders, all Budget holders have access to the live accounting system and are able to view data at all times. Budget holders will control income and expenditure within their services and monitor net expenditure against the agreed budget.

Monitoring of Revenue Budgets - The primary responsibility for revenue budgetary control lies with Directors who are fully accountable for the financial performance of their services against the budget allocated. The Director of Finance & People is responsible for monitoring the overall budget and reporting of the financial position on a regular basis to the ET/LT and to the Board.

Monitoring of Capital Budgets - The primary responsibility for capital budgetary control lies with Directors who are fully accountable for the financial performance of their services against the budget allocated. It is the responsibility of the Directors to undertake monitoring of the capital programme for their Service. The Director of Finance & People is responsible for ensuring reporting on the financial position of the capital programme to the ET/LT and to the Board.

6. Treasury Management

Refer to policy - FP18 Treasury Management Policy

The Director of Finance is responsible for ensuring adequate policies and treasury management practices which;

- met the requirements of relevant legal and regulatory guidance

- ensure provision of the financial resources necessary to achieve Trust's purpose, strategy and objectives
- outlines Trusts approach to managing treasury risk
- ensure compliance with covenants prescribed by lenders.

Treasury plans will be presented to the Board at least annually as part of the budget setting process and as required for financing of specific projects outwith the budget cycle.

Covenant compliance will be reported to the Board at least 4 times a year, as part of the financial update.

7. Annual Accounts

The Director of Finance & People is responsible for ensuring that the statutory Annual Accounts are produced in compliance with Association policy, relevant legislation and accounting requirements.

The Director of Finance & People will submit a copy of the Annual Accounts to the Board and the External Auditor in accordance with the agreed timetable but, in any event, by the prescribed date.

Directors are required to provide information in accordance with instructions on the final accounts issued annually by the Director of Finance & People.

8. Outcomes & Standards

8.1. Scottish Social Housing Charter Outcomes & Standards

- Standard & Outcome 13: Value For Money
 - Social landlords manage all aspects of their businesses so that tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

8.2. Regulatory Standards of Governance & Financial Management

- Standard 1 - The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- Standard 2 - The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.
- Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
- Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
- Standard 5 - The RSL conducts its affairs with honesty and integrity.

- Standard 6 - The governing body and senior officers have the skills and knowledge they need to be effective.
- Standard 7 - The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.

9. Data Protection

We will comply with the provisions of the Data Protection Act 2018, which gives individuals the right to see and receive a copy of any personal information that is held about them by Trust and to have any inaccuracies corrected.

10. Anti-Bribery

Trust is committed to the highest standards of ethical conduct and integrity in all its activities and, to ensure compliance with the Bribery Act 2010, it has introduced an Anti-Bribery policy and procedures. These must be adhered to by all employees, Board Members and associated persons or organisations acting for or on behalf of Trust when undertaking any actions referred to in this policy.

11. Statement Equality, Diversity & Inclusion (EDI)

As leaders of EDI, Trust aims to promote equality and diversity and operate equal opportunities policies which inform all aspects of its business. It will ensure that it adheres to the Equality Act 2010 by being committed to equal and fair treatment for all and opposed to any form of unlawful discrimination. As such, in considering this policy, no one will be treated differently or less favourably than others because of any of the protected characteristics as listed in the Equality Act 2010:

- disability;
- sex;
- gender reassignment;
- pregnancy and maternity;
- race;
- sexual orientation;
- religion or belief;
- marriage and civil partnership;
- age;

or because of any other condition or characteristic which could place someone at a disadvantage were it to be taken into account, unless this can be objectively justified in terms of the legislation.

Trust will make reasonable adjustments for disabled people where necessary and possible to do so and will use Happy to Translate tools and procedures to help overcome a language barrier.

12. Policy Review

This policy will be reviewed on a three-yearly basis. The purpose of the review is to assess the policy's effectiveness and adhering to current legislation and good practice and identify any changes which may be required.

13. Document References

In all of Trust's official documents, where references are made to specific job titles, roles, groups or committees, such references shall be deemed to include any changes or amendments to these job titles, roles, groups or committees resulting from any restructuring or organisational changes made within Trust (or, where this policy also applies to another member of the Trust group, made within that group member) between policy reviews.