

### **Agenda Item 4.5.3**

#### **Finance Committee**

#### **Brief Note on the Budget Setting Process 2016/17**

Given the difficulties in arriving at a balanced budget, some additional steps were built into the end of the Budget Setting Process before arriving at a final budget (Financial Forecast Return).

- A series of weekly meetings were held in July with all members of the full SMT and the Senior Finance Team available at that time. The SMT members were charged with detailed budgetary review including bringing further budget savings / additional income in their own areas (114 Cost Centres) in an iterative process until all areas were fully exhausted.
- Certain SMT members were charged with having a “horizontal” look at areas of income and expenditure for a further credibility check, out with individual Cost Centres e.g. fees, salaries.
- The Principal and Chair of the Board of Management held further dialogue with the SFC Executive to outline the funding gaps.
- The Vice Principal (Resources) held further dialogue with the SFC Financial Analysts to outline the funding gaps.
- Special meeting of the Finance Committee on 05/09/16 held to discuss the 2016/17 Budget.
- A Budget Monitoring Group established for ongoing management and monitoring above established monitoring mechanisms.

The SMT are satisfied that the revised budget process has been robust and at present there are no other opportunities to achieve increased revenue streams or cut expenditure any further. Budget management and monitoring will remain a high priority as reflected in the Risk Register. The SFC have been advised and are aware of the deficit budget and its construction.

Iain Clark

Vice Principal (Resources)

September 2016