

FINANCIAL PRINCIPLES

The following financial principles have been developed by Executive Group to guide budget setting and medium term financial planning:

1. A corporate approach will be taken to the development of budgets and savings programmes
2. Savings delivery will be planned so that savings are delivered at the optimum time to balance the budget
3. Financial planning assumptions will be realistic and prudent and will take account of pay and price inflation
4. One off and recurring growth will be limited
5. Revenue contributions to reserves for capital investment, IT and other equipment replacement will be maintained
6. The revenue budget and capital investment will be aligned with strategic priorities and risks
7. Reductions in planned reserve contributions will be used as a last resort to balance the budget.