POLICY ON AUTHORITY TO INCUR EXPENDITURE AND RAISE INCOME

1.0 BACKGROUND AND PURPOSE

1.1 The Association's Rules define the aims and set out the power and authority of the Association, which is vested in the Board, and amongst other things lays down the overall financial framework for SBHA. SBHA's Standing Orders set out the extent to which the Board's powers are delegated and to whom.

1.2 This Policy forms part of a suite of policies which define the financial rules and regulations operating within SBHA which collectively comprise the financial framework referred to in paragraph 1.1.

1.3 This Policy is subordinate to the Association's Rules and Standing Orders.

1.4 Application of this Policy is mandatory for all Association staff.

1.5 The Association's detailed Financial Procedures which give guidance on the application of this Policy are listed at the end of this document.

2.0 FINANCIAL PLANNING

2.1 Every year, the Association will produce a 30-year Business Plan which demonstrates that funding is in place to deliver SBHA's Strategic Plan and objectives. The Business Plan which is produced must demonstrate that it is viable and meets the requirements of SBHA's Funder and Regulator. The first year of the Business Plan will form the basis of the Budget for the forthcoming financial year.

2.2 The Plan referred to in paragraph 2.1 must be presented to the Board no later than February for final approval, and, if required, submission to SBHA's Funder. The Board must approve a Business Plan prior to the commencement of the new financial year which starts on 1st April.

2.4 Approval of the Business Plan implicitly approves the Revenue and Capital Budgets for the forthcoming financial year and gives the Association's Leadership Team authority to incur expenditure and raise income up to the level of resources approved in the budget.

2.5 If during the financial year, it is necessary to consider a supplemental budget request, this will be first considered by SBHA's Executive Team and thereafter by the Board.

3.0 VIREMENT

3.1 If there is an underspend in one line of SBHA's Income and Expenditure Account, a request can be made to the Board for a virement of the underspend to another line on the Income and Expenditure account.

3.2 An example would be if interest cost were protected to make savings, the savings could be vired to maintenance, or corporate costs.

3.3 For a non material virement, Board will delegate responsibility to Chief Executive so long as the virement is in line with the aims of the Association, and is reported to the next Board of Management meeting.

4.0 STAFFING

4.1 The financial cost of the SBHA Staffing complement and grading structure of the Association forms part of the business planning process and ultimately the approved Business Plan. Any material changes to the Staffing complement and grades must have prior approval of the Board.

5.0 DELEGATION OF BUDGETS AND LEVELS OF AUTHORISATION

5.1 Directors may delegate the management of budgets to appropriately trained staff members. ***Appendix 2*** lists the authorisation levels for budget holders.

6.0 BUDGETARY CONTROL

6.1 It is the responsibility of the appropriate Director and the approved Budget Holder, to ensure that the budget they have been given is spent appropriately and within the level of budget resources allocated to them.

6.2 Budget Holders will be given initial training and ongoing support by the Finance Section to enable them to fulfil their budgetary control responsibilities.

6.3 If a Director becomes aware of the possibility of their budget being breached overall, they are responsible, as far as it is within their power, to bring the budget under control.

6.4 In the situation that a budget will be breached and is unlikely to be brought under control, the appropriate Director must notify as a matter of urgency the Director of Finance who will advise of any actions or potential virements that may be applied.

6.5 Finance staff will produce monthly management accounts and other relevant budget monitoring working papers to aid the budgetary control process. It is the responsibility of Budget Holders to review this information on a timely basis in preparation for their budget meetings with Finance staff.

6.6 Finance staff will meet on a monthly basis with budget holders on Repairs and Maintenance budgets and at least quarterly with other budget holders, to review their budget performance and inform the overall financial performance of the Association which will be reported to the quarterly Board meetings.

6.7 If during a budgetary control review, suspicious activity is uncovered, then the finance staff should bring the matter to the attention of the Director of Finance who will decide on the appropriate action to take.

6.8 Monthly management accounts will be prepared under the guidance of the Director of Finance for the Executive Team and quarterly accounts submitted to Board of Management meetings. A detailed commentary will be provided with the Accounts so that a full understanding of the Association's position can be achieved.

7.0 EMERGENCY SITUATIONS

7.1 In order to protect the Association's Tenants, Staff and property during an emergency, the Chief Executive may authorise expenditure in excess of their budgets up to the limit provided for in SBHA's Standing Orders. Such expenditure should be recorded and presented to the Board at the next appropriate Board meeting. Where possible, such expenditure incurred should be claimed from the Association's Insurers.

8.0 POLICY REVIEW

8.1 This Policy will be subject to review every 3 years, or earlier if legislative or other changes necessitate this.

Appendix 1

RELEVANT PROCEDURES

1.0 Authorisation Levels (set annually)
2.0 Budget Setting Procedure
3.0 Authorisation of Expenditure Procedure
4.0 Procedure for Raising Income
5.0 Financial Management and Procedures
6.0 Budget Setting Procedure
7.0 Actual Vs Budget Reporting Procedure

OPERATIONAL AUTHORISATIONS 2026-2027 **Appendix 2**

(Subject to Annual Review)

Payment Authorisations

Limits will be set above which Budget Holders and Budget Administrators must refer to their Line Manager, i.e. Department Head or Budget Holders respectively, for authorisation.

POST	**LIMIT £**
2 x Department Heads required	Unlimited
Department Head	12,600
Head of Programme & Delivery; Head of Neighbourhoods & Solutions; Head of Support Services; Head of IT & Business Solutions; Head of People; Asset Planning Lead	7,350
Repairs & Maintenance Manager; Programme Manager; External Contracts Manager; Asset Manager; Compliance Manager; Development Manager	3,150
Budget Holders *	2,500
Neighbourhood Property Officers , Asset Safety Officer & Supervisors	1,050
Storeman	1,050
Operatives (Re: Jewsons Purchases) Electricians and Plumbers	315 420
Budget Administrator *	370

Authorisation levels are set annually and have been set for 2026-27 at:

* = see definitions below: For the avoidance of doubt, Department Heads have unlimited invoice approval authority for expenditure duly approved within the appropriate procurement policy delegated approval thresholds and where budget availability is confirmed.

The following definitions apply:

Department: Customer Services, Property Services, Development, Finance, Business Support, Chief Executive

Department Heads: Directors, Chief Executive & Chief Operating Officer

Budget Holders: Strategic Leadership Level Posts

Budget Administrator: As detailed annually by Budget Holde