



**AGENDA ITEM: 15**

**SUMMARY**

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>16 September 2014</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Medium Term Financial Strategy 2014/15 to 2018/19</b>
<b>Contact:</b>	Cllr Nick Tiley, Portfolio Holder for Finance and Resources Martin Hone, Corporate Director Finance and Operations
<b>Purpose of report:</b>	To present to Cabinet the revised Medium Term Financial Strategy for approval prior to being put to Council.
<b>Recommendations</b>	<p>That Cabinet recommend to Council:</p> <ol style="list-style-type: none"> <li>1. The approval of the revised Medium Term Financial Strategy for the period 2014/15 to 2018/19; incorporating the following recommendations: <ol style="list-style-type: none"> <li>a) approve the amended timetable for the future revision of the Strategy (as set out in Section 2 on Page 9;)</li> <li>b) approve a General Fund saving target of £0.9m for 2015/16 subject to confirmation that potential savings of £1.846m (as set out in section 3.1.3 on Page 14 of the Strategy)</li> <li>c) approve a combined four year General Fund savings target of £4.7m over the life of the Strategy</li> <li>d) to approve the timetable for identifying and delivering budget savings (as set out in Section 7 on pages 23 to 25);</li> <li>e) to approve the risk register identified together with planned mitigations in the Strategy</li> <li>f) to approve the key assumptions incorporated in the Medium Term Financial Strategy, (as summarised in Section 11 on Page 35).</li> </ol> </li> <li>2. To note the Housing Revenue Section of the MTFs is based on the continuation of current rent policy which will be subject to amendment upon the approval of the new policy proposed for 2015/16 contained within the HRA Business Plan.</li> </ol>

Corporate objectives:	The Medium Term Financial Strategy supports the delivery of the Corporate Plan.
Implications:	<u>Financial</u>  Contained in the body of the report.
'Value For Money Implications'	<u>Value for Money</u>  Contained in the body of the report.
Risk Implications	The updated strategy will reduce the risk that forward projections do not remain relevant in the current economic climate.
Equalities Implications	An Equalities Impact Assessment will be undertaken during the consultation on the annual budgets.
Health And Safety Implications	None
Monitoring Officer/S.151 Officer Comments	<b>Monitoring Officer:</b>  No further comments to add to the report.  <b>S.151 Officer</b>  This is a Section 151 report.
Consultees:	Corporate Management Team.
Background papers:	Budget Report to Cabinet, 11 February 2014  Provisional Financial Outturn and Closure of Accounts Report to Cabinet 29 May 2014.
Glossary of acronyms and any other abbreviations used in this report:	MTFS – Medium Term Financial Strategy

## BACKGROUND

1. The last iteration of the Medium Financial Strategy (MTFS) was approved by Council in September 2013. Each year, the strategy is rolled forward to reflect the Council's five-year forecast, based on both the national and local financial context.
2. The Budget report to Cabinet and Council in February 2014 provided updated information on the Council's financial position and the economic situation overall.

## Review of the Medium Term Financial Strategy

3. In the current economic climate and in light of proposed changes to Local Government Finance it is essential that the MTFS is regularly reviewed to enable forward projections to remain as relevant as possible.
4. The Strategy (Appendix A) has now been reviewed to take into account the outturn for 2013/14 as set out in the audited accounts report to Audit Committee on 30 July 2014.

5. It is recommended that Cabinet receive the revised MTFS for recommendation to Council. The Strategy will provide the framework for the development of annual budgets for 2015/16 together with the development of the five year capital programme for consideration and approval by Council in February 2015.
6. The MTFS has been substantially re-written since its last iteration, and these revisions seek to strengthen the links between the Council's financial plans and the Corporate Plan, which the MTFS supports, and the various strategies and policies that in turn support and are informed by the MTFS:
  - The Asset Management Strategy
  - The Treasury Management Policy
  - The Strategic Risk Register
  - The Reserves Strategy
  - The Fees & Charges Strategy