

RECORD OF EXECUTIVE DECISION

Tuesday, 17 October 2023

Decision No: (CAB 23/24 39082)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Finance and Change
SUBJECT:	Medium Term Financial Strategy Update
AUTHOR:	Steve Harrison (Finance)

THE DECISION

General Fund – Revenue

It is recommended that Cabinet:

- i) Notes the updated budget position, progress made on the financial strategy and MTFS forecast.
- ii) Approves the creation of a Transformation Reserve and an Organisational Redesign Reserve as set out in paragraphs 50 to 54.
- iii) Approves the creation of an Investment Risk Reserve as set out in paragraphs 55 to 58.
- iv) Approves the reintroduction of the Social Care Demand Risk Reserve as set out in paragraph 59 to 62.

Housing Revenue Account

It is recommended that Cabinet:

- v) Notes the update on the Housing Revenue Account business plan proposals set out in paragraphs 90 to 99 and Appendix 6.
- vi) Approves the in-year budget adjustments to the Housing Revenue Account capital programme detailed in paragraphs 82 to 89.

Capital Programme

It is recommended that Cabinet:

- vii) Notes the progress on reviewing the General Fund capital programme set out in paragraphs 70 to 72.
- viii) Notes the in-year budget adjustments to the General Fund capital programme, as summarised in paragraph 72 and detailed in Appendix 5.

REASONS FOR THE DECISION

1. The medium term financial strategy is a dynamic plan which requires regular review and update to ensure the council has clear oversight of its medium term financial position, therefore it is best

- practice to bring updates revising the assumptions and progress on the plan.
2. There is also a need to bring forward proposals to help address the budget shortfall identified for future years.
 3. There is also a further update on the work that has been undertaken by the Chartered Institute of Public Finance and Accountancy (CIPFA) on the financial position of the council, following the review of the robustness of forecasts.

DETAILS OF ANY ALTERNATIVE OPTIONS

An approach of failing to take actions in-year and implement the new Financial Strategy agreed in July by full council would lead to a large forecast overspend which would mean the council being financially unsustainable and the issuing of a S114 notice. The council is also legally obliged to set a balanced budget for 2024/25, and the work reported below includes measures to help with that requirement.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None.

CONFLICTS OF INTEREST

None.

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 17th October 2023

Decision Maker:
The Cabinet

Proper Officer:
Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on
Date of Call-in <i>(if applicable) (this suspends implementation)</i>
Call-in Procedure completed <i>(if applicable)</i>
Call-in heard by <i>(if applicable)</i>
Results of Call-in <i>(if applicable)</i>