

## RECORD OF EXECUTIVE DECISION

Tuesday, 15 November 2016

Decision No: (CAB 16/17 17562)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	FINANCE
SUBJECT:	THE REVISED MEDIUM TERM FINANCIAL STRATEGY 2017/18 TO 2020/21 INCLUDING THE GENERAL FUND REVENUE BUDGET
AUTHOR:	Sue Poynter

### THE DECISION

- (i) To note the revised Medium Term Financial Strategy 2017/18 to 2020/21 (attached as Appendix 2 - Summary and Appendix 4 – Full ) is based on the best estimate at this time and will need to be kept under review.
- (ii) To note the aims and objectives of the Medium Term Financial Strategy which will be presented to Council for approval in February 2017.
- (iii) To note that the report contains draft proposals for reducing cost and generating income that amount to £21.3M in 2017/18 increasing to £31.6M in 2018/19.
- (iv) To note that formal budget consultation will begin on 16 November 2016 for many proposals but that other proposals may be subject to different timescales when details are finalised. The proposals and methodology of this consultation are detailed in Appendix 6.
- (v) To note that the Executive's initial budget proposals will impact on staffing and that consultation will be undertaken in line with legislation and the Councils agreed processes before proposals are implemented.
- (vi) To note that the Executive's budget proposals for consultation are based on the assumptions detailed within the MTFs and that this includes a Council Tax increase of 3.99 %, 1.99% under general powers to increase Council Tax without a referendum and 2.00% Social Care Precept.
- (vii) To delegate authority to the Service Director – Finance & Commercialisation (S151 Officer), following consultation with the Cabinet Member for Finance, to do anything necessary to give effect to the proposals contained in this report.

### REASONS FOR THE DECISION

1. The Council is a large organisation managing the delivery of a vast range of businesses either directly or through/with others. Its core purpose is to improve the quality of life for residents and effective financial management is key to this. It is important that Members are aware of the major financial challenges and

opportunities and that they make informed decisions. The Council regularly revises its Medium Term Financial Strategy (MTFS) so that the financial position is clear for budget proposals to be drawn up for the forthcoming year. However in light of the proposed changes to funding from Central Government by 2019/20, it is important for the Council to set out its budget proposals and emerging ideas for savings in the context of the MTFS over a four year period 2017/18 to 2020/21.

2. The Cabinet wants to channel the decreasing resources towards agreed priority outcomes and to do this properly and transparently requires a different approach through focusing on Outcomes Based Planning and Budgeting (OBPB).
3. Many of the proposals will have some impact on services users, residents, businesses, partners and staff and therefore it is important for the Council to start consultation with a range of stakeholders before presenting final proposals to Council in February 2017.

### **DETAILS OF ANY ALTERNATIVE OPTIONS**

- 1 Alternative options for revenue spending and MTFS assumptions form an integral part of the development of the overall MTFS that will be considered at the Council budget setting meeting on 15 February 2017. The current set of assumptions contained within this report will be reviewed on a regular basis but represent the most up to date information available at this time.
- 2 The proposals presented in this report represent the Executive's draft budget for the period 2017/18 – 2020/21. Of these, many proposals for 2017/18 and 2018/19 are ready for consultation. The Cabinet have considered and rejected some proposals put forward by officers as they were not considered to align with the Executive Commitment. In addition there are a number of variables and alternative options that could be implemented as part of the budget.
- 3 Part of setting the General Fund Budget and Medium Term Financial Strategy and Model requires a view to be taken on the revenue cost of capital to the Authority and proposals are currently considered by the Council's Capital Board in order to ensure the most appropriate use of capital resources in meeting the Council's desired outcomes and the Executive commitments. A Capital Programme Update report is included elsewhere on the agenda, and the latest position is included in the MTFS Model.

### **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: 15 November 2016

Decision Maker:  
The Cabinet

Proper Officer:  
Pat Wood

**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 *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*