

Decision Pathway



PURPOSE: Key decision

MEETING: Cabinet

DATE: 04 December 2018

TITLE	Medium Term Financial Plan and Capital Strategy		
Ward(s)	n/a		
Author: Denise Murray	Job title: Director of Finance		
Cabinet lead: Craig Cheney	Executive Director lead: Mike Jackson		
Proposal origin: <i>Other</i>			
Decision maker: Cabinet Member			
Decision forum: <i>Cabinet</i>			
Purpose of Report: The Medium Term Financial Plan (MTFP) and Capital Strategy are a key part of the Council's financial planning process and sets out the Council's strategic approach to the management of its finances and provides a framework within which delivery of the Council's priorities will be progressed. In July 2017, a Medium Term Financial Plan (MTFP) was presented to Cabinet which set out the financial outlook for the period 2017/18 – 2021/22 and set out a series of resourcing principles. This report sets out an update to the MTFP and a Capital Strategy to be considered by Cabinet in making recommendations for Council to approve.			
Evidence Base: The MTFP provides the financial context within which the Council budget will be set and the financial planning assumptions will be kept under constant review given the increased level of uncertainty in the financial and economic climate. The MTFP sets the principles under which the budget proposals are developed which are then put forward to Full Council for approval as part of the annual budget setting process. On 20 February 2018 Council agreed the annual 2018/19 budget, directorate spending limits and the Capital Programme covering the period up to 2022/23. This included a balanced financial outlook for the next four years. Despite having a balanced position there are still significant financial risks and uncertainties in the medium term. This refresh provides an update on the financial outlook and high level review of the key resourcing principles ahead of a more in-depth review following the Government Spending Review in 2019. Changes in the national and local context which may impact on the Council and the financial resourcing principles have been analysed and the resourcing principles have been reviewed in line with these changes. It also takes into account the financial impact of the measures implemented in the past year, considers the financial outlook for the Council over the next five years, and builds on the five year outlook included in the 2018/19 budget report. The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a Capital Strategy to demonstrate how capital expenditure, capital financing and treasury management activity contribute to the provision of desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability. The report has been developed through analysis of relevant data sets and engagement with officers and a scrutiny task and finish group.			
Cabinet Member Recommendations:			
The Cabinet			
<ol style="list-style-type: none"> 1. Notes the economic outlook and projections within the 5-year MTFP 2. Notes the strategic planning approach taken 3. Recommends the Medium Term Financial Plan for the period 2019/20 to 2023/24 to Full Council for approval. 			

4. Recommends the Capital Strategy to Full Council for approval.

Corporate Strategy alignment: The Medium Term Financial Plan aims to ensure available funding and budgetary processes are aligned with corporate priorities

City Benefits: n/a

Consultation Details: Budget consultation exercise will be carried out annually to help inform Members of stakeholder's views of spending priorities and acceptable levels of Council Tax.

Revenue Cost	£n/a	Source of Revenue Funding	
Capital Cost	£n/a	Source of Capital Funding	
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: The financial implications are set out in the Medium Term Financial Plan for the period 2019/20 to 2023/24.

Finance Business Partner: Michael Pilcher, Finance Business Partner

2. Legal Advice:

Whilst there is no legal requirement to produce a medium term financial plan (MTFP), it is a key financial document as it informs the Council's budget setting process.

It brings together all known factors affecting the Council's financial position and its financial sustainability into one place and enables a basis for decision making that balances the financial implications of objectives and policies against constraints in resources.

It gives clear and understandable information to decision makers on the actions that are needed to ensure long-term financial sustainability and provides the framework against which the Council's annual budget should be formulated and set.

The CIPFA Prudential Code was revised in 2017 to introduce a requirement for the Council to produce a Capital Strategy.

The strategy should be tailored to individual circumstances and cover capital expenditure, investments and liabilities and treasury management overall strategy, and governance. It should enable procedures and risk appetite to be fully understood by all elected Members and allows Members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

Legal Team Leader: Nancy Rollason 23/11/2018

3. Implications on IT: As this paper addresses funding principles, rather than budgets and costs directly, there are no direct IT implications in the production of this paper.

IT Team Leader: Ian Gale 22/11/2018

4. HR Advice: A key principle underpinning the Medium Term Financial Plan is our workforce and productivity. An organisational improvement plan is being put in place which will support the requirements set out in the Medium Term Financial Plan and our Corporate Strategy. There will be workforce changes arising during the financial planning period and these will be addressed and considered during the annual budget setting process.

HR Partner: Mark Williams 23/11/2018

EDM Sign-off	Mike Jackson	21/11/2018
Cabinet Member sign-off	Cllr Cheney	26/11/2018
CLB Sign-off	CLB	20/11/2018
For Key Decisions - Mayor's Office sign-off	Mayor's Office	05/11/2018

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Combined Background papers	NO
Appendix J – Exempt Information	NO
Appendix K – HR advice	NO
Appendix L – ICT	NO