

# REPORT TO COUNCIL

**REPORT OF: CLLR M TAYLOR: STRATEGIC RESOURCES-WELL RUN  
COUNCIL PORTFOLIO HOLDER**

**REPORT NO: HOF256**

**DATE: 7 November 2013**

<b>TITLE:</b>	Medium Term Financial Strategy 2013/14 – 2017/18	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	Policy Framework Proposal	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Councillor Mike Taylor - Strategic Resources - Well Run Council Portfolio Holder	
<b>CONTACT OFFICER:</b>	Daren Turner – Strategic Director 01476 406301 Email: <a href="mailto:d.turner@southkesteven.gov.uk">d.turner@southkesteven.gov.uk</a> Richard Wyles – Head of Finance 01476 406210 Email: <a href="mailto:r.wyles@southkesteven.gov.uk">r.wyles@southkesteven.gov.uk</a>	
<b>INITIAL IMPACT ASSESSMENT:</b>	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required:
<b>Equality and Diversity</b>	N/A	
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Your Council and Democracy link on the Council’s website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS</b>		

## **1. RECOMMENDATION**

1.1 It is recommended that:

- Council approve the Medium Term Financial Strategy for the period 2013/14 – 2017/18.

## **2. PURPOSE OF THE REPORT**

2.1 To seek Council approval of the Medium Term Financial Strategy covering the 5 year period 2013/14 – 2017/18.

## **3. DETAILS OF REPORT**

3.1 The Medium Term Financial Strategy (MTFS) sets out the Council's strategic approach to the management of its finances and presents indicative budgets and Council tax levels for the medium term. The scope of the MTFS includes the General Fund Revenue Account and the Capital Programme over the five year period. It also highlights the significant financial risks facing the Council in the forthcoming years and explains what the Council is doing to reduce those risks and ensure all the plans are robust, realistic, achievable, deliverable and fully funded.

3.2 The format of the MTFS provides contextual information with respect to the financial climate from a global, national and local perspective. It then provides detail of the key funding sources that are available to the Council specifically Government funding, Council Tax and fees and charges.

3.3 The Council is moving towards priority (rather than service based) budgeting providing specific focus on ensuring sufficient resources are directed at the delivery of priority outcomes. The MTFS also recognises the pressures the Council will face in the coming years and translates rising expenditure and reducing resources into forecasted deficits in the medium term.

3.4 In order to ensure a sustainable balanced financial platform a number of principles are proposed that the Council will incorporate into its medium term financial planning in order to deliver sustainable budgets and support the delivery of the stated priorities in accordance with the Corporate Plan Vision 2021.

3.5 In summary the principles are focussed on:

- Future setting of Council Tax levels
- Use of Government grants

- Cyclical review of Fees and Charges
- Use of specific funding streams to fund priority projects and services
- Localised Business Rates and pooling arrangements
- Delivery of the Efficiencies and Transformation Plan
- Delivery of the Treasury Management, Capital Framework and asset review

3.6 The MTFS also outlines the Capital Programme spending proposals for the five year period by priority theme and shows how the Council's resources will be used to fund the programme. Careful resource planning will need to be undertaken on an annual basis to optimise the most financially advantageous position. In the short to medium term it is not anticipated that the Council will require external borrowing to fund the Programme but this position may change should borrowing become a cheaper funding source than utilising existing resources.

3.8 The Council has agreed to join the Lincolnshire business rates pooling for 2014/15 which will enable the financial benefits of local business rate growth to be retained in the district to support the delivery of the Council priorities.

3.7 The formation of the MTFS has been carefully considered by Resources PDG as part of their annual work programme and Cabinet considered the MTFS at their meeting on 7<sup>th</sup> October 2013 and recommended it's approval by Council.

#### **4. OTHER OPTIONS CONSIDERED**

4.1 None applicable

#### **5. RESOURCE IMPLICATIONS**

5.1 None applicable

#### **6. RISK AND MITIGATION**

6.1 None applicable

#### **7. ISSUES ARISING FROM EQUALITY IMPACT ANALYSIS**

7.1 None applicable

#### **8. CRIME AND DISORDER IMPLICATIONS**

8.1 None applicable

## **9. COMMENTS OF FINANCIAL SERVICES**

9.1 Comments are included in the report.

## **10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES**

10.1 As this strategy is part of the Council's Budget and Policy Framework, it is essential it is regularly reviewed to ensure it remains fit for purpose.

## **11. COMMENTS OF OTHER RELEVANT SERVICES**

11.1 None applicable

## **12. APPENDICES**

12.1 Medium Term Financial Strategy 2013/14 – 2017/18