

STRATEGY & RESOURCES COMMITTEE

10 October 2016
5.00 – 8.30pm

Present: Barnett (Vice-Chair in Chair), Baigent, Bick, Cantrill, Sinnott and Sarris

<p>RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE AND RESOURCES COUNCILLOR ROBERTSON)</p>
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MID-TERM FINANCIAL STRATEGY (MTFS) OCTOBER 2016

The report presented and recommended the budget strategy for the 2017/18 budget cycle and specific implications, as outlined in the Mid-Term Financial Strategy (MTFS) October 2016 document.

The report also recommended the approval of new capital items and funding proposals for the Council's Capital Plan, the results of which are shown in the MTFS.

At this stage in the 2017/18 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2016 was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for updating budgets for 2017/18 to 2021/22. All references in the recommendations to Appendices, pages and sections relate to the MTFS Version 1.

The recommended budget strategy is based on the outcome of the review undertaken together with financial modelling and projections of the Council's expenditure and resources, in the light of local policies and priorities, national policy and economic context. Service managers have identified financial and budget issues and pressures and this information has been used to inform the MTFS.

The Strategy and Resources Committee considered and approved the recommendations 4 votes to 0 with 2 abstentions.

Subsequent to the meeting the Head of Finance requested a change to recommendation 2.2 to add the wording (underlined) 'budget savings, pressures, proposals and rephasings' to properly cross reference the MTFS document as detailed in recommendation ii below.

Accordingly, Council is recommended to:

General Fund Revenue

- i. Agree the budget strategy and timetable as outlined in Section [pages 1 to 2 refer] of the MTFS document.
- ii. Agree incorporation of the budget savings, pressures, proposals and rephasings identified in Section 4 (pages 13 to 15 refer). This provides an indication of the net savings requirements, by year for the next 5 years, and revised General Fund revenue, funding and reserves projections as shown in Section 5 (page 16 refers) of the MTFS document.

Capital

- i. Allocate £20m in the Capital Plan for investment in a new programme of commercial property acquisition with the emphasis on security of assets and their income stream and
- ii. Delegate authority to the Head of Property Services to identify and invest in suitable commercial property up to £20m (inclusive of acquisition costs) in consultation with the Executive Councillor for Finance and Resources, the Chair and Opposition Spokesperson for Strategy & Resources Scrutiny Committee and the Head of Finance.
- iii. Note the changes to the Capital Plan as set out in Section 6 [pages 17 to 21 refer] of the MTFS document and agree the new proposals:

Ref.	Description	2016/17 £000
Proposals		
SC631	Grand Arcade car park LED lights	194
SC622	Grafton East car park LED lights	137
SC629	Abbey Pools air plant upgrade	46
SC630	Abbey Pools solar thermal upgrade	49
SC625	Lammas Land kiosk improvements	20
SC623	Environment and cycling improvements in Water Street and Fen Road	50

Ref.	Description	2016/17 £000
PR038	Investment in commercial property	20,000
Misc	Section 106 miscellaneous	1,084
	Total Proposals	21,579

Reserves

- i. Agree changes to General Fund Reserve levels, with the Prudent Minimum Balance being set at £5.31m and the target level at £6.37m as detailed in Section 7 [pages 22 to 25 refer].