



MEDIUM TERM FINANCIAL STRATEGY 2018/19–2022/23

Sheena Ramsey, Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval of the Medium Term Financial Strategy 2018/19 to 2022/23.
2. The Council's current Medium Term Financial Strategy for the period 2017/18 to 2021/22 was approved by Council in July 2016 and was refreshed in January 2017 following the provisional Local Government Finance settlement.
3. The proposed Medium Term Financial Strategy presents a very challenging financial position over the medium term as a result of assumptions concerning future Government and other funding. The indicative budget forecasts show an estimated funding gap of around £88.044m for the next five years to 2022/23 with an estimated gap of £41.876m for the first two years. This position assumes that all previous year savings are fully achieved within the financial year.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATION

5. It is recommended that Council:
 - (i) Approves the Medium Term Financial Strategy for 2018/19 to 2022/23 including the proposed MTFS principles.
 - (ii) Notes the outcome of the review to both general fund and strategic earmarked Council reserves and approves;
 - a. the remaining of the Development Pool Reserve to Workforce Development Reserve and the increased scope of the reserve to include training and development to support activity within the workforce plan;
 - b. to increase the scope of the deployment of the Economic Growth Reserve to include culture, place shaping and the facilitation to housing growth within the Borough;
 - c. to create a new Strategic Revenue Investment Reserve of £4.206m from the £2.897m Airport Dividend and the £1.309m former Strategic Change Reserve;

- d. to create a new Voluntary Sector Reserve using £0.500m earmarked from the general reserve to support development and activity in this sector;
 - e. to create a new Anti-Poverty Reserve using £1.000m earmarked from the general reserve to mitigate the impact of poverty and social exclusion;
- (iii) Notes that the Strategic Director, Corporate Resources, following consultation with the Chief Executive, will continue to keep under review and update the MTFS as appropriate to respond to Government policy and funding announcements.
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