

Cabinet report



Report of Head of Finance

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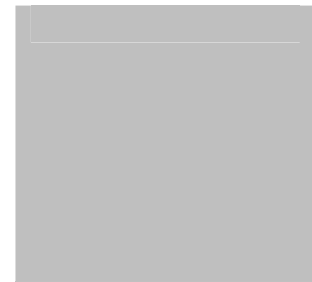
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To: CABINET

DATE: 12 February 2015



Medium Term Financial Strategy 2015/16 – 2019/20

Recommendation to Council:

To recommend Council to approve the Medium Term Financial Strategy for 2015/16 – 2019/20 as attached to the report of the head of finance to the Cabinet meeting of 12 February 2015.

Purpose of report

1. This report asks Cabinet to consider and recommend Council approve the medium term financial strategy for 2015/16 – 2019/20.

Strategic objectives

2. In order to achieve our strategic objective to manage our business effectively and, specifically, our corporate priorities to keep our share of council tax as low as possible whilst continuing to deliver high quality services we set a sustainable medium term financial strategy. Financial planning within a medium term strategy helps achieve this in a structured way while directing resources to priority areas.
3. Sound financial management is central to the ongoing delivery of all the council's functions and a key part of our governance framework.

Background

4. The medium term financial strategy (MTFS) is reviewed and approved annually. The document sets a stable financial framework within which the council operates and as such should not require significant amendment on an annual basis.

5. Council approved the previous MTFS on 13 December 2013.

The Medium Term Financial Strategy

6. The MTFS for 2015/16 – 2019/20 is attached as appendix one. It sets out the fundamental financial objectives of the council and the principles to be followed in managing the council's finances to achieve its objectives. It helps inform our treasury management strategy that governs how we invest money held in balances.
7. In addition to objectives and principles, a narrative on significant current issues is included in each section.
8. The significant current issues have been updated. No changes to the principles or objectives of the MFTS are being proposed.

Financial implications

9. The MTFS provides a framework within which we will prepare annual spending plans. The implications of working within this framework are set out in the strategy. In essence, it creates a rigorous discipline to follow, but one which helps ensure sound financial management.

Legal implications

10. The MTFS will help ensure council sets its budget and council tax requirements and approves its annual statement of accounts within legislative requirements and deadlines.

Conclusion

11. A key target of the council is to keep our share of council tax as low as possible whilst continuing to deliver high quality services and the proposed MTFS 2015/16 – 2019/20 will help achieve this. The MTFS identifies the objectives the council will pursue, and the principles it will follow, in managing its finances.

Background Papers

- MTFS 2014/15 – 2018/19 Council 20 February 2014.