

Subject: Update to the Medium Term
Financial Strategy

Status: For Publication

Report to: Council

Date: 26th February 2009

Report of: The Head of Financial Services

Portfolio

Holder: Finance and Resources

Key Decision: No – Recommendation to Full Council

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

1.1 The Purpose of the report is to present for approval an update to the Councils Medium Term Financial Strategy (MTFS).

2. CORPORATE PRIORITIES

2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.

- Delivering Quality Services to Customers (Customers, Improvement)
- Delivering Regeneration across the Borough (Economy, Housing)
- Keeping Our Borough Clean and Green (Environment)
- Promoting Rossendale as a cracking place to live and visit (Economy)
- Improving health and well being across the Borough (Health, Housing)
- Well Managed Council (Improvement, Community Network)

3. RISK ASSESSMENT IMPLICATIONS

3.1 The foundations of this report are an assessment of risk. These issues are therefore dealt within the report particularly in the area of revenue and capital

3.2 The MTFS includes a statement in relation to Council Section 25 of the Local Government Act 2003 which places a requirement on the Chief Financial Officer of each local authority (in Rossendale this is the Head of Financial Services) to advise councillors during the budget process on “the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves”. This provision is designed to ensure that councillors have information which will support responsible financial

management over the longer term. This is included as Appendix 3 within the MTFS and includes an estimate of potential financial risk exposure together with measures to mitigate these risks

- 3.3 It is worth emphasising the Council is not immune to the impact of economic recession and therefore diminishing financial resources over the forthcoming years. Yet this will be at a time when customers will look to the Council for assistance, guidance and continual improvement in service delivery. Ultimately the Council will still need to pursue and improve the well being of place and the people of Rossendale – even through a challenging economic period.
- 3.4 Members should note that final decisions with regard to current leisure options have not at the time of writing been finalised. The MTFS may require further amendment depending on Members final recommendations for leisure. It is recommended that any such amendments should be delegated to The Head of Financial services.

4. BACKGROUND AND OPTIONS

- 4.1 This is the fourth update to the MTFS. The detailed updated MTFS is attached in full as Appendix 1
- 4.2 The key assumptions to the MTFS have not changed significantly from those of previous years, but new concepts and reports have been introduced such as the Minimum Revenue Provision policy statement and further consideration of the Councils security arrangements with regard to Treasury Management and investment practices
- 4.3 The MTFS has set a savings target of £1.4M over the three years 09/10 and 11/12 for the Council.
- 4.4 The annual Treasury Strategy as per last year is now incorporated into the MTFS.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

- 5.1 Financial matters are dealt within the report

6. MONITORING OFFICER

- 6.1 Unless specifically commented upon within the report, there are no implications for consideration.

7. HEAD OF PEOPLE AND ORGANISATIONAL DEVELOPMENT (ON BEHALF OF THE HEAD OF PAID SERVICE)

7.1 Unless specifically commented upon within the report, there are no implications for consideration

8. CONCLUSION

8.1 That the updated MFTS is a robust document for the Council's financial planning over the medium term.

9. RECOMMENDATION

9.1 That Members approve the update to the MFTS, subject to any final amendments arising from the Council's final budget approval.

9.2 That any further amendments required, as a result of decisions regarding leisure or any other matters, be delegated to The Head of Financial Services.

10. CONSULTATION CARRIED OUT

10.1 As per the budget consultation guidelines

11. EQUALITY IMPACT ASSESSMENT

Is an Equality Impact Assessment required (previously completed) Yes / No

Is an Equality Impact Assessment attached Yes / No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required Yes / No

Is a Biodiversity Impact Assessment attached Yes / No

(nb – subject to the specific procurement requirements, biodiversity will be a consideration)

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Background Papers	
Document	Place of Inspection
2009/10 Budget Consultation and working papers	Website / Finance Office
MTFS (Feb 08 update)	Rossendale Borough Council - Website