
Performance and Finance Scrutiny Committee

28 November 2022

Council Plan and Medium Term Financial Strategy

Report by Director of Law and Assurance

Summary

The attached report was provided by the Interim Director of Finance and Support Services and outlines the Council's integrated council planning and budget setting for 2023/24. It outlines the current situation in relation to the estimated financial position of the County Council and reflects the priorities agreed in the Council Plan agreed in February 2022.

The report sets out the internal and external context for the Council Plan including progress made on the improvement journey and the demands faced in delivering services in a changing national context. It reviews and updates the Medium Term Financial Strategy (MTFS) for the next four years. It considers the primary sources of funding and reviews and updates the assumptions in the strategy. These sources of funding include government grants, business rates, and council tax. The report outlines the uncertainty of future government funding and the potential impact of government initiatives. Key pressures and challenges facing our services are also considered including inflation and service demand pressures.

The budget gap before further savings have been identified is £43.5m over the next four years, as shown in table 2 of the attached report. This is a decrease of £19.9m since the budget was agreed in February 2022. The budget gap for 2023/24 is currently £5.6m.

The forecasts will be updated throughout the autumn as the budget for 2023/24 is set.

Focus for scrutiny

The Committee is asked to scrutinise the content of the report setting out the Council Plan and Medium Term Financial Strategy of the County Council. Key lines of enquiry for scrutiny include:

- That the progress made in achieving the aims/objectives of the Council Plan are on target.
- That the work underway to refresh the Council Plan takes into account both internal and external factors to ensure it remains relevant and appropriate.
- That the MTFS considers the implications of national changes on the County Council's financial position, including those related to the continuing Covid-19 pandemic, and that these are monitored to ensure the Council's financial position is understood and amended as necessary.
- That the financial position of the Council is clearly set out and any growth and/or savings requirements are identified.

- That the inflationary pressures are understood and adequately reflected in the MTFS.
- That the assumptions being made when setting out the MTFS are clear.
- That the objectives of the Council Plan are reflected in the available financial envelope.
- That there is sufficient information in terms of risks and how these will be managed and mitigated.

The Chairman will summarise the output of the debate for consideration by the Committee.

Details

The attached report sets out the priorities for the Council Plan and the financial position of the County Council over the next four years. The report shows that there is currently an estimated budget gap of £5.6m for 2023/24.

The report has been written ahead of the Autumn Budget and Spending Review announcement which is expected on 17 November, any significant changes as a result of that will be highlighted at the meeting. It is important for Members to recognise the particularly challenging circumstances for setting the budget this year with a number of uncertainties around funding including the social care, Business Rates and fair funding reviews. The MTFS is therefore based on a number of assumptions, as detailed in the attached report, which will be reviewed as the budget is developed.

The background and context to this item for scrutiny are set out in the attached Appendix. As it is a report dealing with internal financial matters only the Equality, Human Rights, Social Value, Sustainability, and Crime and Disorder Reduction Assessments are not required.

Tony Kershaw

Director of Law and Assurance

Contact Officer

Susanne Sanger, Senior Advisor (Democratic Services), 033 022 22550

Contact for financial implications

Taryn Eves, Director of Finance and Support Services, 033 022 22087

Appendices

Annex - Council Plan and Medium Term Financial Strategy

Background papers

None