
MEDIUM TERM FINANCIAL STRATEGY 2008/09

1 SUMMARY

- 1.1 To consider and approve the integrated 5 year Medium Term Financial Strategy (MTFS) starting in 2008/09. This will be circulated under separate cover following the Members' Budget Awayday on 19 January 2008.

2 INTRODUCTION

- 2.1 The Council brings together all its priorities for consideration at this meeting to determine the budget strategy and the key priorities for 2008/09 and beyond. The Medium Term Financial Strategy covers:-

- The revised estimates for 2007/08
- The draft core estimates for 2008/09
- Government support for 2008/09
- Council Tax for 2008/09 and capping
- Management of reserves
- The total proposed budget for 2008/09
- Efficiency requirements for 2008/09
- Fees and charges for 2008/09
- The Capital Programme and Prudential Borrowing
- The Housing Revenue Account

3 BACKGROUND

- 3.1 In line with the requirements of Section 25 of the Local Government Act 2003, the Head of Finance, Audit & Performance Management, as Chief Finance Officer for the Authority, can affirm the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves discussed later in this report.
- 3.2 The Council regularly reviews financial management arrangements including the budget process to ensure that they remain 'fit for purpose', and keeps the financial services function under review to consider capacity, resourcing and training needs.
- 3.3 The MTFS models income and expenditure over a 5 year period and is reviewed twice a year, once when the final accounts for the prior financial

year have been completed and as part of the budget setting process for the forthcoming financial year.

4 REVISED ESTIMATES 2007/08 AND CORE ESTIMATES 2008/09

- 4.1 The summary Budget Book is attached to this report as Appendix A. This shows revised estimates, proposed estimates for 2008/09 and the variation of estimate to estimate from 2007/08 to 2008/09. This version of the Budget Book shows the percentage variations between the original estimates for 2007/08 and 2008/09. Changes of £500 or less have been removed. This is used as Members have found this presentation particularly useful in focusing on the expenditure and income of the Authority without the complication of recharges.
- 4.2 The Budget Book does not include any new allocation of resources discussed and agreed to submit to Council for approval at the Members' January Awayday. These will be included in the MTFS.
- 4.3 The Budget Book also does not include Deferred Charges which are items in the Capital Programme that do not create a tangible asset (for example, land, building or equipment). Once the Capital Programme has been agreed, these items will be included in the final Budget Book. They are reversed out before the calculation of the amount to be collected from council tax, so there is a nil effect on the Council's total revenue expenditure.
- 4.4 Members are reminded that the policy of the Council is that questions of detail relating to the enclosed information should be raised in advance of the meeting. Questions should be addressed to Miss C Watkins, either by telephone or email. A report showing the questions raised and the reply given will be made available before the meeting. The last date for questions raised is Friday 25th January.

5 MEDIUM TERM FINANCIAL STRATEGY (MTFS)

- 5.1 The Head of Finance, Audit and Performance Management will provide a presentation on the MTFS at the Council meeting.
- 5.2 If there are questions regarding any of the detail, particularly in the Summary Budget Book, please contact Carrie Watkins, Financial Services Manager on 01702 318164 (email carrie.watkins@rochford.gov.uk) by 25 January 2008. A list of questions will then be distributed at this meeting.

6 RECOMMENDATION

- 6.1 It is proposed that the Council **RESOLVES** to agree
- (1) The Management of Reserves Policy as outlined in the Medium Term Financial Strategy
 - (2) The revised estimates for 2007/08

- (3) The core estimates for 2008/09
- (4) The priorities identified for 2008/09 and the agreed non priorities for the Council
- (5) The 2008/09 Council Tax for Rochford District Council
- (6) The schedule of fees and charges
- (7) The Capital Programme

Yvonne Woodward

Head of Finance, Audit & Performance Management

Background Papers:-

None

For further information please contact Carrie Watkins on:-

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If you would like this report in large print, braille or another language please contact 01702 546366.