



<b>Report to:</b>	Executive
<b>Date of Meeting:</b>	7 January 2008
<b>Report from:</b>	Head of Corporate Resources
<b>Title of Report:</b>	Review of the Medium Term Financial Strategy
<b>Agenda Item Number:</b>	<b>11</b>

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**1. PURPOSE OF REPORT**

The report advises the Executive of the updated Medium Term Financial Strategy.

**2. CONSULTATION**

Corporate Management Team has been consulted on the report and involved in updating the Medium Term Financial Strategy.

**3. CORPORATE PLAN PRIORITIES**

3.1 The Medium Term Financial Strategy underpins the Council's Corporate Plan. The financial strategy aims to provide the means by which we intend to achieve our vision and priorities as stated in the Corporate Plan, and result in priority based budgeting.

3.2 The Strategy covers a rolling three year period so that the authority can plan ahead. Key to the management of the Strategy is our budget prioritisation process whereby bids for growth can be ranked and we ensure that the use of resources is linked to the Council's overall vision and priorities. In effect, the Medium Term Financial Strategy provides the framework for the overall management of the Council's resources and the annual budget process for the next three years.

**4. IMPLICATIONS**

**4.1 Financial and Value for Money**

The financial implications are detailed throughout the Strategy.

All service areas are subject to value for money assessments; action plans coming out of the assessments inform the development of the Medium Term Financial Strategy. The value for money assessments and action plans will be monitored as part of our service plan monitoring processes.

#### 4.2 Legal

There are no legal implications.

#### 4.3 Personnel

The financial and service planning process, as outlined in the Strategy, involves workforce planning which clearly has personnel implications.

#### 4.4 Other Services

The implementation of the Financial Strategy has implications for other services.

#### 4.5 Diversity

Although the revenue budget does not make any central financial provision for equalities and diversities work, the corporate training plan and budget makes specific provision for equalities training and service plans embed equality into service delivery.

#### 4.6 Risk

The financial strategy is supported by a risk assessment.

#### 4.7 Crime and Disorder

The Crime and Disorder Act of 1998 requires the Council to consider all of its budgets, policies and plans in the light of their contribution to the reduction of crime and disorder.

#### 4.8 Data Quality

Every care has been taken in the development of this report to ensure that the information and data used in its preparation and the appendices are accurate, timely, consistent and comprehensive. The Council's data quality policy has been complied with in producing this report.

#### 4.9 Other Implications

There are no other implications arising from the contents of the report.

### **5. THE MEDIUM TERM FINANCIAL STRATEGY**

5.1 When the Medium Term Financial Strategy was approved in October 2006, it was agreed that it would be monitored by the Executive and, as a minimum, progress would be reported every six months - when the revenue budget and capital programme is set for the forthcoming year and when the final accounts for the preceding year are closed. It was noted, however, that the Strategy would be reviewed outside these processes when required, particularly when the exact impact of major financial changes, such as those relating to the housing stock are more certain.

5.2 The updated financial strategy appended to the report incorporates the effect of the 2006/07 outturn, the provisional 2008/09, 2009/10 and 2010/11 settlements and the impact of housing stock transfer.

6. **RECOMMENDATIONS**

6.1 The Executive is requested to consider and approve the updated Medium Term Financial Strategy.

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<b>DATE OF REPORT</b>	18 December 2007
<b>VERSION NUMBER:</b>	1.0
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