

CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

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| Date of Meeting | Thursday, 11 April 2019 |
| Report Subject | Medium Term Financial Strategy (MTFS) Forecast Update |
| Cabinet Member | Leader of the Council and Cabinet Member for Finance |
| Report Author | Corporate Finance Manager and Chief Executive |
| Type of Report | Strategic |

EXECUTIVE SUMMARY

The Council has set a cycle of reviewing its Medium Term Financial Strategy (MTFS) on an annual basis.

At the Council budget meeting on 19 February a high level overview of the range of potential pressures was presented. At that time the forecast for 2020/21 was £9.5m with the overall “gap” for the three year period forecast to be £26m. The 2020/21 “gap” increased to £9.8m due to the additional use of reserves in balancing the budget for 2019/20.

A report is being prepared for Cabinet on 16 April which will give an update and provide the first detailed overview of the financial forecast for 2020/21 together with a high level forecast for the following two years up to 2022/23. This will provide members with the opportunity to consider the financial position and potential solutions at an early stage.

A presentation on the forecast for 2020/21 – 2022/23 will be provided at the meeting.

RECOMMENDATIONS

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| 1 | Members are invited to consider the presentation and provide any comments. |
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REPORT DETAILS

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| 1.00 | EXPLAINING THE FINANCIAL FORECAST |
| 1.01 | <p>The Council has set a cycle of reviewing its Medium Term Financial Strategy (MTFS) on an annual basis.</p> <p>At the Council budget meeting on 19 February a high level overview of the range of potential pressures was presented. At that time the forecast for 2020/21 was £9.5m with the overall “gap” for the three year period forecast to be £26m. The 2020/21 “gap” increased to £9.8m due to the additional use of reserves in balancing the budget for 2019/20.</p> <p>A report is being prepared for Cabinet on 16 April which will provide the first detailed overview of the financial forecast for 2020/21 together with a high level forecast of the following two years up to 2022/23 and a presentation on the forecast will be provided at the meeting.</p> |
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | To be set out in the Cabinet report and the presentation. |
| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | Consultation with Group Leaders, Overview and Scrutiny Committees, external partners, external advisors and representative bodies, and eventually the communities of Flintshire will follow as part of the annual budget process. |
| 4.00 | RISK MANAGEMENT |
| 4.01 | All parts of the financial forecast will be risk assessed stage by stage. |
| 5.00 | APPENDICES |
| 5.01 | None. |
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | <p>Contact Officer: Gary Ferguson, Corporate Finance Manager Telephone: 01352 702271 E-mail: gary.ferguson@flintshire.gov.uk</p> |

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| 7.00 | GLOSSARY OF TERMS |
| 7.01 | <p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p> <p>Revenue: a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Revenue Support Grant: the annual amount of money the Council receives from Welsh Government to fund what it does alongside the Council Tax and other income the Council raises locally. Councils can decide how to use this grant across services although their freedom to allocate according to local choice can be limited by guidelines set by Government.</p> <p>Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p>Welsh Local Government Association: the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.</p> <p>Financial Year: the period of 12 months commencing on 1 April.</p> |