

PAPER D

Purpose: for Decision

Committee : **CABINET**

Date : **3 APRIL 2007**

Title : **MEDIUM-TERM FINANCIAL PLAN (MTFP) 2007/08 to 2010/11**

REPORT OF THE CABINET MEMBER FOR RESOURCES AND TOWN / PARISH COUNCIL EMPOWERMENT

IMPLEMENTATION DATE : 17 APRIL 2007

PURPOSE

1. Members are asked to consider the Medium Term Financial Plan for 2007/08 to 2010/11 and approve its publication.

BACKGROUND

2. When reporting in 2006 on the Council's management and use of its financial resources (the Use of Resources Auditor Judgments), the Audit Commission made several recommendations in relation to the content of future MTFP's:
 - Provide evidence to show a clear alignment between budgets and corporate priorities
 - Demonstrate a clear linkage between the medium-term financial strategy and other internal strategies and plans
 - Ensure the MTFP is communicated to staff and stakeholders.

These points have been given due consideration in producing this MTFP, the quality of which will be taken into account as part of the next CPA Use of Resources assessment.

STRATEGIC CONTEXT

3. The MTFP reviews financial performance [estimated outturn] for 2006/07, summarises the main factors underlying the 2007/08 Budget and Council Tax; and looks ahead to 2010/11. This 'medium-term view' gives Members advance guidance as to the potential financial issues that lie ahead in delivering a robust budget year on year. The MTFP should be re-visited in the autumn as an integral part of the Revenue Budget approval process for 2008/09.

CONSULTATION

4. The 2006/07 and 2007/08 budget information has been the subject of much deliberation both internally (Officers and Members) and externally (the Council has a legal obligation to consult stakeholders on its budget proposals). The predicted medium-term budget requirements have also been the subject of consultation as an integral part of the 2007/08 Budget and Council Tax-setting process.

FINANCIAL / BUDGET IMPLICATIONS

5. The financial implications for 2007/8 and the following three financial years are detailed throughout the MTFP. Added emphasis has been given to linking resource utilisation to the Council's approved corporate objectives namely:-
 - Sustainable regeneration and development of the Island
 - Improving the health and well-being of Island communities
 - Creating safer and stronger communities
 - Improving outcomes for children and young people
 - Being a high-performing, cost-effective council

This approach is reinforced by reference to the Residents Survey and development of the 'One Island' programme which ensures the Council is following the priorities identified by residents in the survey:

- Respect
- Pride
- Value

LEGAL IMPLICATIONS

6. The MTFP is a document that contributes to the Council's efforts to attain Best Value in delivery of services to the community as required by the Local Government Act 1999. The sections in the Plan that deal with the delivery of efficiency savings are particularly relevant in this respect.

OPTIONS

7.
 - (a) To approve the MTFP for publication.
 - (b) To propose alterations to the MTFP prior to its publication.

EVALUATION / RISK MANAGEMENT

8. Approval of the MTFP provides an opportunity to demonstrate that the Council's has a robust budget strategy in place that links resources to the delivery of corporate objectives and priorities, and also demonstrates how other key strategies and plans form a part of a co-ordinated process.

Failure to approve the MTFP and seek to embed it in the Council's culture and processes would have a detrimental impact on the ability to link the financial strategy to the delivery of corporate priorities, which in turn would almost certainly adversely impact on the Council's next CPA Use of Resources score.

RECOMMENDATION

9. Option (a) – To approve the Medium Term Financial Plan for publication.

BACKGROUND PAPERS

Corporate Strategy documents relating to Children and Young People, Local Transport Plan, IoW Local Area Agreement, Strategic Asset Management Plan.

Residents Survey

RSG announcement

Comprehensive Spending Review

APPENDICES

1. Medium Term Financial Plan 2007/11

Contact Point: Stuart Fraser, Accounting Services Manager, tel: 01983 823657
email: stuart.fraser@iow.gov.uk

JOE DUCKWORTH
Chief Executive

CLLR JILLY WOOD
Cabinet Member for Resources and
Town/Parish Council Empowerment