



Medium Term Financial Plan

2010/11 to 2014/15

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3 December 2009



MTFP 201/11 to 2014/15

- Timetable
- Issues/Priorities
- Economy – Global/National/Local
- Impact from legacy authorities
- Budget Objectives
- MTFP
- Capital Programme
- Consultation



Key Dates

July	<ul style="list-style-type: none">• Draft Budget Strategy
August/ September	<ul style="list-style-type: none">• Directors to identify revenue efficiencies• Capital Bids submitted
October	<ul style="list-style-type: none">• Fees and Charges policy agreed• Individual Directorate challenge days and Corporate Challenge day to consider revenue options
November	<ul style="list-style-type: none">• 2009/10 Capital Programme Reviewed• Fees and Charges agreed



Key Dates (2)

December	<ul style="list-style-type: none">• Local Government Finance Settlement• Draft Revenue Budget to Executive
December/ January	<ul style="list-style-type: none">• Draft Revenue Budget to Scrutiny• Public Consultation
January	<ul style="list-style-type: none">• Draft Capital Programme• Asset Management Strategy agreed• Treasury Management Policy agreed
February	<ul style="list-style-type: none">• Council approves Budget



Issues

Need to address:

- Priorities of Council
- Changes to the Medium Term Financial Plan
- The revenue budget for 2010/11, including reserves
- The Capital Programme for 2010/11
- The consultation process



Council Priorities

- Supporting and caring for an ageing population;
- Educating, protecting and providing opportunities for children and young people;
- Managing growth effectively;
- Creating safer communities; and
- Promoting healthier lifestyles



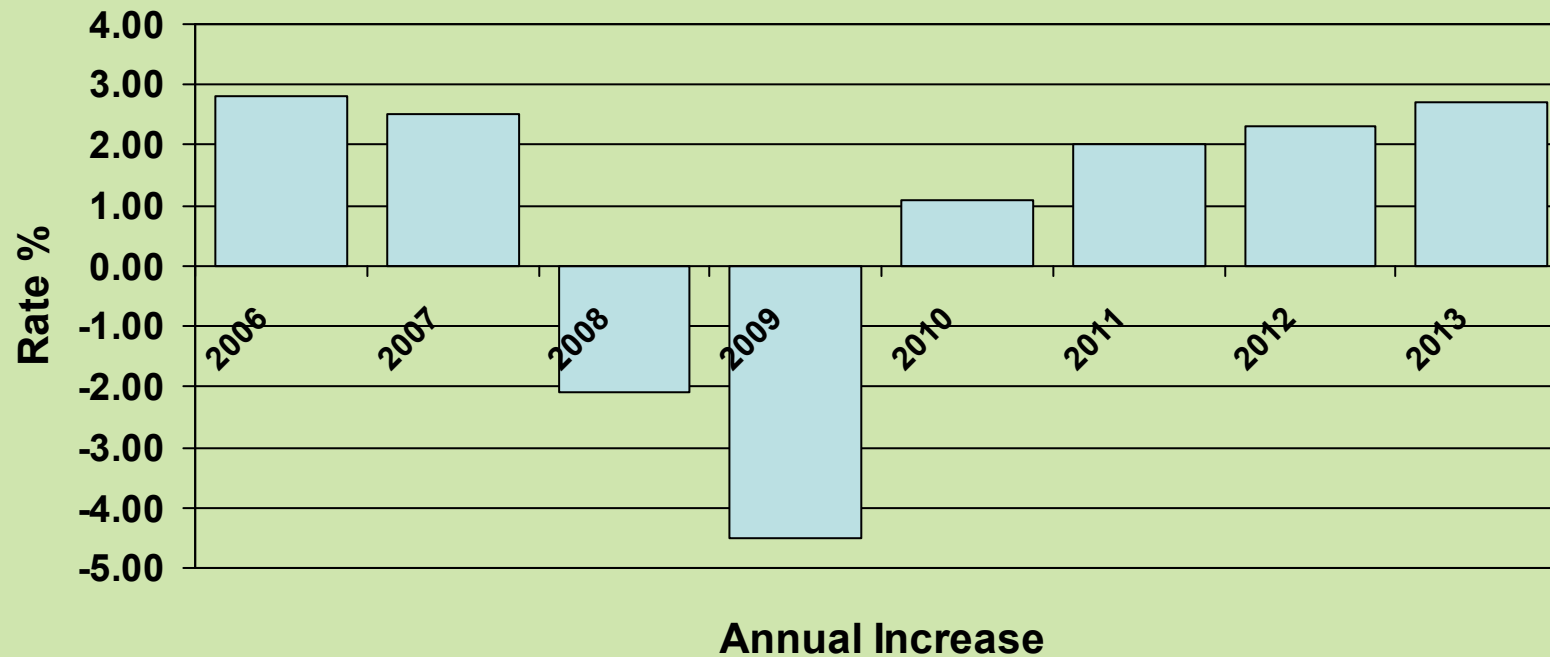
Economy

- GDP
- Inflation
- Interest rates
- Economic activity

Economy



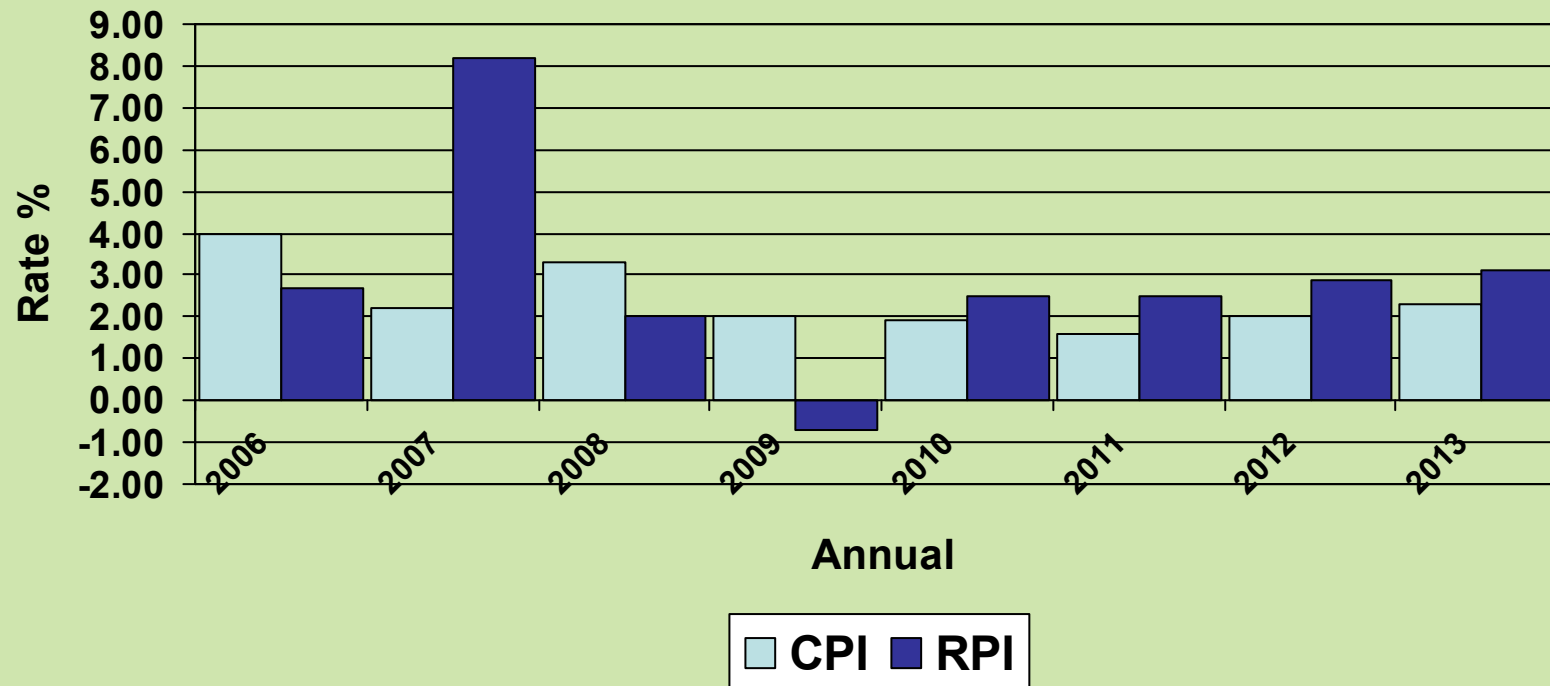
GDP



Economy



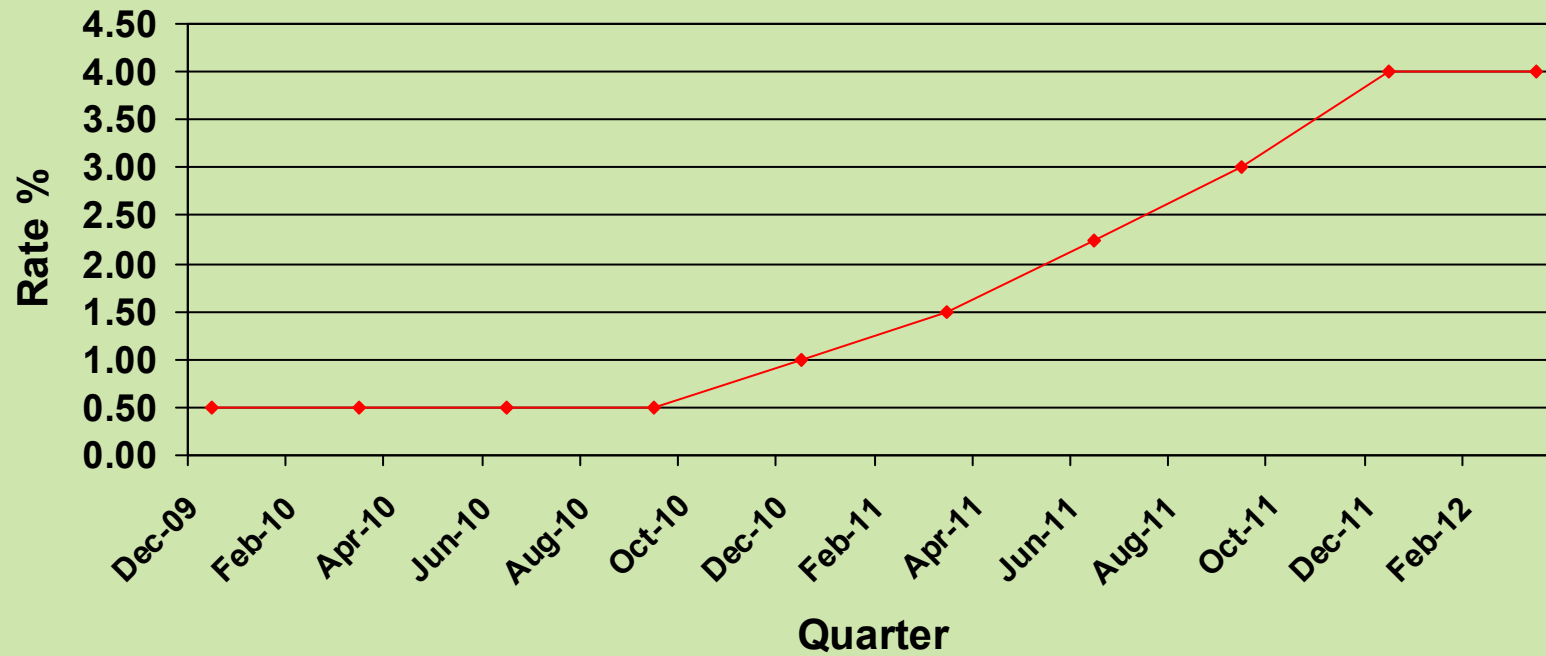
Inflation



Economy



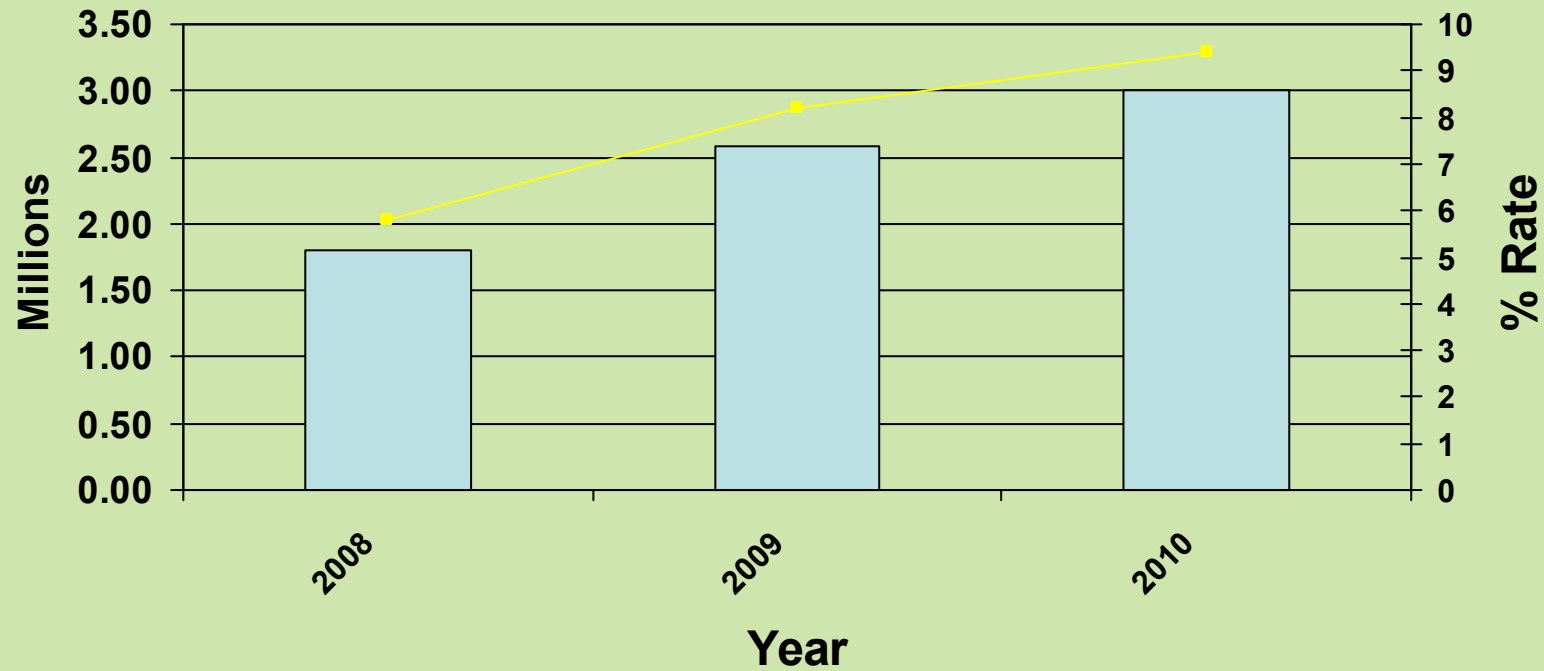
Base Rate



Economy



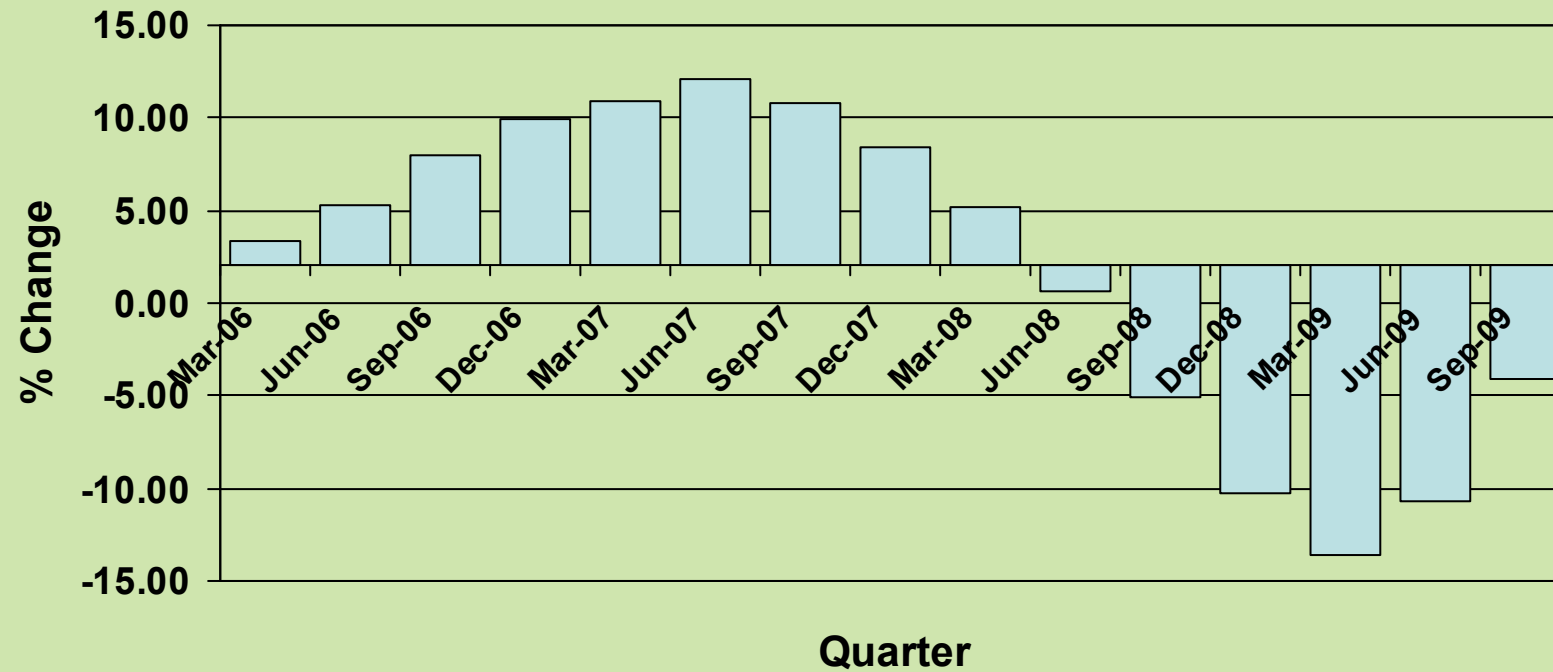
Unemployment



Economy



House Prices





Legacy Authority Impact

- General Fund Balances
- Earmarked reserves
- Capital
- Contingent liabilities



Budget Objectives

1. Sustainable plan which allow Council objectives to be met
2. Realistic spending year on year not dependent on reserves
3. Reserves maintained at agreed level
4. Council Tax increases constrained
5. Investing for transformation
6. Commitment to efficiency



MTFP 2010/11 to 2014/15

Funding

- Formula Grant
- Area Based Grant
- Council Tax

Spending

- Base Budget
- Inflation
- Corporate Measures
- Unavoidable Service Pressures
- Growth
- Efficiencies



Funding

- Formula Grant
 - CSR2007
 - Local Government Finance Settlement
 - ‘New’ Government
- ABG
 - £12.8m in current year
 - Future prospects?
- Council Tax
 - Level of increase
 - Harmonisation



Council Tax

	2010/11	2011/12	2012/13	2013/14	2014/15
<u>Increase%</u>					
North	3.0	3.0			
South	2.0	0.1			
	2.5	1.6	1.0	1.0	1.0
<u>Rate £</u>					
North	1,302	1,341			
South	1,340	1,341			
	1,319	1,341	1,354	1,368	1,382



Base Budget

- Address the base budget
- Primarily Adult Social Care
- Focus away from Transition costs to appropriate level of reserves



Inflation

	2010/11	2011/12
	%	%
Prices	1.8	2.0
Contracts	1.8	2.0
Pay	0.5	1.0
Income	1.8	2.0



Corporate Measures

- Reinstatement of reserves
- Invest to Save
- Capital Financing

Unavoidable Service Pressures



- Increased benefits caseload
- Harmonisation
- Looked after Children
- Adult Social Care residential places contract
- Landfill Tax



Growth

- Demographic
- New statutory provision
- Choice

Efficiencies



	£m
Red	5.812
Amber	6.474
Green	3.204

Medium Financial Term Plan

	10/11	11/12	12/13	13/14	14/15
	£m	£m	£m	£m	£m
Funding	175.4	178.3	180.4	182.5	184.7
Spending					
Base	171.6	175.4	178.3	180.4	182.5
Inflation	2.4	2.4	2.4	2.5	2.5
Growth	6.7	1.8	1.7	1.3	2.0
Pressures	11.0	2.0	1.9	1.4	1.3
	191.7	181.6	184.3	185.6	188.3
Efficiencies	-16.3	-3.3	-3.9	-3.1	-3.6
Net Expenditure	175.4	178.3	180.4	182.5	184.7



Beyond 2010/11

- Continued demographic pressure
- Pensions
- Area Based Grant
- Specific Grants



Capital Programme

- Limited resources in the short term
- Borrowing/unapplied capital receipts
- Funding £22m in 2010/11
- Prospects good for the longer term

HRA



- Strong business model in place



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Conclusions/Issues

- Level of Council Tax
- 'Red' Efficiencies v Growth
- Realistic funding assumptions over medium term



Questions?