

CORPORATE RESOURCES OVERVIEW AND SCRUTINY

Date of Meeting	Thursday, 19 April 2018
Report Subject	Medium Term Financial Strategy – Forecast 2019/20
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

The purpose of this report is to provide Members with an update on the Medium Term Financial Strategy (MTFS) - Forecast 2019/20.

The Cabinet report attached gives the first detailed overview of the financial forecast for 2019/20 with further work on forecasting up to 2021/22 to follow. This will provide members with the opportunity to consider the financial position and potential solutions at an early stage.

Further detailed work is being undertaken to confirm the forecasts with method statements to underpin the estimates. However, the high level projection, based on known issues and excluding national funding scenarios, shows a potential budget gap of £10.6m for 2019/20. The Social Care pressures and investments have been included at the higher end of the range pending more detailed work. If these costs were set at the lower of the range, the potential gap would reduce by £1.5m to £9.1m.

Resources from Aggregate External Finance and Council Tax are assumed at the same level as 2018/19 at this stage for illustrative purposes.

RECOMMENDATIONS

1	That the committee considers and comments on the Medium Term Financial Strategy (MTFS) - Forecast 2019/20 Report. Any specific matters for attention will be noted and reported verbally to the Cabinet when it considers the report.
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REPORT DETAILS

1.00	MEDIUM TERM FINANCIAL STRATEGY – FORECAST 2019/20
1.01	The Medium Term Financial Strategy (MTFS) - Forecast 2019/20 Report will be presented to Cabinet on Tuesday 24 April 2018. A copy of the report is attached as Appendix A.
1.02	The report gives the first detailed overview of the financial forecast for 2019/20 with further work on forecasting up to 2021/22 to follow. This will provide members with the opportunity to consider the financial position and potential solutions at an early stage.
1.03	Further detailed work is being undertaken to confirm the forecasts with method statements to underpin the estimates. However, the high level projection, based on known issues and excluding national funding scenarios, shows a potential budget gap of £10.6m for 2019/20. The Social Care pressures and investments have been included at the higher end of the range pending more detailed work. If these costs were set at the lower of the range, the potential gap would reduce by £1.5m to £9.1m.
1.04	Resources from Aggregate External Finance and Council Tax are assumed at the same level as 2018/19 at this stage for illustrative purposes.
2.00	RESOURCE IMPLICATIONS
2.01	As set out in Appendix A; Medium Term Financial Strategy (MTFS) - Forecast 2019/20.
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.
4.00	RISK MANAGEMENT
4.01	As set out in Appendix A; Medium Term Financial Strategy (MTFS) Forecast 2019/20.
5.00	APPENDICES
5.01	Appendix A; Medium Term Financial Strategy (MTFS) Forecast 2019/20.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None required.</p> <p>Contact Officer: Gary Ferguson, Corporate Finance Manager Telephone: 01352 70 E-mail: gary.fergulson@flintshire.gov.uk</p>

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>