

## CABINET MEETING

<b>Date of Meeting</b>	Tuesday, 15 November 2016
<b>Report Subject</b>	2017/18 Council Fund Budget – Stages 1 and 2
<b>Cabinet Member</b>	Leader of the Council and Cabinet Member for Finance
<b>Report Author</b>	Chief Executive and Corporate Finance Manager
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

The Council has recently refreshed its three year Medium Term Financial Strategy (MTFS) which now covers the period 2016/17 – 2018/19.

The MTFS has a three part strategy for planning annual budgets within its three year term:-

- Service Reform (Part 1)
- Corporate Financial Stewardship (Part 2)
- Working with Welsh Government (Part 3)

The annual budget for 2017/18 is being developed in two stages:

- Stage One: considered by Cabinet in September and covers Part 1 of our strategy – service reform based on the service portfolio plans : and
- Stage Two: Parts 2 and 3 of our strategy - corporate financial stewardship and working with Welsh Government.

The Cabinet developed a set of service portfolio business plans for the period 2015/16 to 2017/18. The efficiency proposals which come from those plans for 2017/18, the third and final year of the MTFS term, were reported in full to the Overview and Scrutiny Committees throughout the June/July meeting cycle for review and comment. The committees were invited to review the proposals, their workability and their risks.

The Overview and Scrutiny Committees, overall, were supportive of the efficiency proposals and endorsed them as being both acceptable and workable.

Further refinements have since been made to the service portfolio business planning efficiencies with the final set of proposals, totalling £5.743m, being recommended to Cabinet for presentation to Council for final approval on 15 November.

As the second part of the budget strategy, work has been undertaken to offset or reduce cost pressures through corporate financial stewardship. The outcome of the work undertaken to date is that efficiencies of £4.649m are being proposed for referral to the Corporate Resources Overview and Scrutiny Committee for review and comment in readiness for final consideration in December. Cabinet and County Council will again meet on 6 December.

Since the last report new and emerging pressures of £0.597m have been identified. These need to be built into the budget planning.

The Provisional Welsh Local Government Settlement was received on the 19 October. The Welsh Government has been persuaded by the local Government campaign to hold local government revenue at last year's level. This has a significant positive impact on the forecast for 2017/18.

## RECOMMENDATIONS

1	To receive and review the comments of the Corporate Resources Overview and Scrutiny Committee on the Stage 1 budget proposals.
2	To formally recommend the Stage 1 budget proposals to Council for adoption on 15 November.
3	To refer the strategy for Stage 2 of the budget to Corporate Resources Overview and Scrutiny Committee for review prior to presentation to Cabinet and Council on 6 December.

## REPORT DETAILS

<b>1.00</b>	<b>Financial Strategy and Forecast</b>
1.01	<p>The Council has recently refreshed its three year Medium Term Financial Strategy (MTFS) which now covers the period 2016/17 – 2018/19 The new summary is available in hard copy on request and can be accessed by following the hyperlink: <a href="http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/2016-19-summary-document/Medium-Term-Financial-Strategy-Summary-2016-2019.pdf">http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/2016-19-summary-document/Medium-Term-Financial-Strategy-Summary-2016-2019.pdf</a></p> <p>In April this year the Cabinet re-adopted the three part approach for financial planning set out within the MTFS.</p>
1.02	This three part strategy forms the basis for planning the annual budget for 2017/18 and the financial years immediately thereafter:-

	<ul style="list-style-type: none"> <li>• Service Reform (Part 1)</li> <li>• Corporate Financial Stewardship (Part 2)</li> <li>• Working with Welsh Government (Part 3)</li> </ul>																																				
1.03	<p>The annual budget is being developed in two stages:</p> <ul style="list-style-type: none"> <li>• Stage One: considered by Cabinet in September and covers Part 1 of our strategy – service reform based on the service portfolio plans: and</li> <li>• Stage Two: Parts 2 and 3 of our strategy – corporate financial stewardship and working with Welsh Government.</li> </ul>																																				
1.04	<p><b>The Financial Forecast</b></p> <p>The original forecast for the 2017/18 financial year, the third and final year of this edition of MTFs, set a likely 'gap' of £13.7m. This forecast was updated and reported to the Overview and Scrutiny Committees in July 2016 as set out in Table 1 below.</p>																																				
1.05	<p><b>Table 1: Financial Forecast 2017/18-2018/19</b></p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> </tr> <tr> <th><b>Expenditure</b></th> <th><b>£m</b></th> <th><b>£m</b></th> </tr> </thead> <tbody> <tr> <td>National Pressures</td> <td>0.7</td> <td>0.3</td> </tr> <tr> <td>Local Pressures</td> <td>6.2</td> <td>1.6</td> </tr> <tr> <td>Inflation</td> <td>3.1</td> <td>3.2</td> </tr> <tr> <td>Workforce Pressures</td> <td>4.1</td> <td>0.7</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <th><b>Income</b></th> <td></td> <td></td> </tr> <tr> <td>Reduction in Revenue Support Grant</td> <td>2.8</td> <td>2.7</td> </tr> <tr> <td>Council Tax increase</td> <td>(2.5)</td> <td>(2.3)</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>Projected Gap</td> <td>14.40</td> <td>6.20</td> </tr> </tbody> </table> <p><b>Footnotes to Table 1:</b></p> <ol style="list-style-type: none"> <li>1. Revenue Support Grant for 2017/18 and 2018/19 is modelled on an illustrative reduction of 1.5%</li> <li>2. National and local pressures are working estimates based on latest information. The latest revision includes initial estimates of the sizeable increase in care sector costs, and insurance costs</li> <li>3. Pay inflation is assumed at 1% for 2017/18 and 2018/19</li> <li>4. Limited provision is made for price inflation</li> <li>5. Workforce pressures include the ongoing impact of Single Status, Auto-enrolment, the Apprentice Tax Levy and the outcome of the Clwyd Pension Fund Actuarial Review</li> <li>6. Council Tax is illustrated at a 3% annual increase for 2017/18 and 2018/19</li> </ol>		2017/18	2018/19	<b>Expenditure</b>	<b>£m</b>	<b>£m</b>	National Pressures	0.7	0.3	Local Pressures	6.2	1.6	Inflation	3.1	3.2	Workforce Pressures	4.1	0.7				<b>Income</b>			Reduction in Revenue Support Grant	2.8	2.7	Council Tax increase	(2.5)	(2.3)				Projected Gap	14.40	6.20
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1.06	<p><b>MEETING THE FINANCIAL CHALLENGE</b></p> <p><b>Stage 1 - Part 1 Service Reform and Service Portfolio Business Plans</b></p>																																				

	<p>The Cabinet developed a set of service portfolio business plans for the period 2015/16 to 2017/18 and the efficiencies proposals for 2017/18 (the third and final year) which come from those plans were reported in full to the Overview and Scrutiny Committees throughout the June/July meeting cycle. The Committees were invited to review the proposals and their acceptability, their workability and their risks.</p>																									
1.07	<p>The Overview and Scrutiny Committees were, overall, supportive of the efficiency proposals and endorsed them as being acceptable and workable.</p>																									
1.08	<p>The Overview and Scrutiny Committees also received presentations on the assessment of efficiency and resilience status of the services within their respective portfolios. These assessments illustrate the limited options which remain for achieving further efficiencies of any scale without having major impacts on services and causing them to spiral to unacceptable levels of provision and run the risks of service failure.</p>																									
1.09	<p>The estimate of the total value of the full set of original efficiency options for 2017/18 was £7.932m. This was revised down to £5.921m following the removal or changes to options which were not considered to be acceptable or workable. These were recommended by Cabinet in September for adoption by Council.</p>																									
1.10	<p>These proposals were given final consideration by a special Corporate Resources Overview and Scrutiny Committee on 28 September which was open to all members. This information is available by following the hyperlink: <a href="http://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=141&amp;MId=3963&amp;LLL=0">http://committeemeetings.flintshire.gov.uk/ieListDocuments.aspx?CId=141&amp;MId=3963&amp;LLL=0</a></p> <p>Members broadly accepted the proposals and requested further information on the impacts of some of the proposals. It was agreed that further information would be provided to members on those areas where there might be an impact on the public.</p>																									
1.11	<p>Since September, further refinements have been made to the proposals and the final set of proposals totalling £5.743m are summarised in Table 2 below.</p>																									
1.12	<p><b>Table 2: Service Portfolio Business Plan Proposals 2017/18</b></p> <table border="1"> <thead> <tr> <th></th> <th>2016/17</th> <th>2017/18</th> </tr> <tr> <th>Portfolio</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Planning &amp; Environment</td> <td>0.413</td> <td>0.205</td> </tr> <tr> <td>Street-scene &amp; Transportation</td> <td>2.158</td> <td>1.350</td> </tr> <tr> <td>Social Care</td> <td>0.838</td> <td>0.690</td> </tr> <tr> <td>Education &amp; Youth</td> <td>0.710</td> <td>0.873</td> </tr> <tr> <td>Organisational Change</td> <td>1.272</td> <td>0.943</td> </tr> <tr> <td>Community &amp; Enterprise *</td> <td>1.509</td> <td>0.629</td> </tr> </tbody> </table>			2016/17	2017/18	Portfolio	£m	£m	Planning & Environment	0.413	0.205	Street-scene & Transportation	2.158	1.350	Social Care	0.838	0.690	Education & Youth	0.710	0.873	Organisational Change	1.272	0.943	Community & Enterprise *	1.509	0.629
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	Corporate Services	0.855	0.903
	Central & Corporate Finance	3.527	0.150
	<b>Total</b>	<b>11.282</b>	<b>5.743</b>
	The changes made since September are detailed below and are all within the Community and Enterprise Portfolio:		
1.13	<u>Council Tax Premium</u>  An efficiency of £0.500m was included within the Community and Enterprise proposals following the Council decision to introduce a premium of 50% (bringing Council Tax on these properties to 150%) on long term empty properties and second homes. Regulations on how this premium should be treated were issued in October and this guidance states that the premium should now be built into the Council Tax base calculation which is notified to Welsh Government each year (see separate report on this agenda).		
1.14	Therefore, it is necessary to remove this proposal from the Community and Enterprise Portfolio and include as part of the calculation of the Council Tax base as part of the Corporate Financing part of the budget strategy (see paragraph 1.22)		
1.15	<u>Council Tax Reduction Scheme (CTRS)</u>  A review of current and projected levels of claimants has meant that a reduction of £0.200m can now be assumed within the Council Tax Reduction Scheme.		
1.16	<u>Housing Benefit – Workforce Restructure</u>  Following further review of service needs in this area there is a reduction of £0.060m to the previously reported figure. This gives a revised efficiency of £0.040m.		
1.17	<u>Single Person Discount Review</u>  A further one-off efficiency of £0.132m has been identified following a further review of residents in receipt of single person as part of the annual Council Tax charge.		
1.18	<u>Galw Gofl (Regional Call Centre)</u>  An additional efficiency of £0.020m has now been included to reflect a reduction in the fees payable for this service.		
1.19	<u>Flintshire Connects</u>  A further efficiency of £0.030m has now been included to reflect a reduction in office costs at Flintshire Connect sites.		

1.20	Following completion of this final review work, Cabinet are requested to formally recommend the Service Portfolio Business Plan efficiency proposals of £5.743m to Council for approval and adoption.
1.21	<b>Stage 2 - Part 2 Corporate Financial Stewardship</b>  As the second part of the budget strategy, detailed work has been undertaken to offset or reduce cost pressures through corporate financial stewardship. The outcome of the work completed to date is detailed below:
1.22	<u>Council Tax Base</u>  As detailed in paragraph 1.14 the introduction of a premium for long term empty properties and second homes is now required to be included in the calculation of the Council Tax base.
1.23	The change to the projected increase in the overall number of properties has resulted in an increase in the base of 1.25%. This will produce additional income of £0.345m.
1.24	<u>Independent Living Fund (ILF)</u>  An amount of £0.412m had previously been included as a pressure to reflect the negative impact of this specific grant transferring into the main revenue support grant. It has since been confirmed that the specific grant will continue at the same level for a further year. This means that the pressure can now be removed, although the risk will remain for future years until confirmation of longer term funding is received.
1.25	<u>Transition to Adulthood</u>  A detailed review of social care client needs moving into adulthood from Children's Services has identified a reduction in the previous estimate of £0.162m.
1.26	<u>Flint Extra Care Scheme</u>  The 2017/18 forecast currently includes a six month pressure for the running costs of the above scheme. The opening of the new facility is now set to be in early 2018 and the pressure has been reduced by £0.170m to reflect the revised timeframe and impact on the 2017/18 budget. However, there will be a need to increase the amount required in the 2018/19 base budget to reflect full annual operating costs.
1.27	<u>Schools Investment</u>  A review of the level of school investment, including the levels of reserves held in the primary and secondary sector has been undertaken. The outcome of this work is that an uplift of 1.34% has currently been included for the overall schools budget. This is £0.400m lower than the previous forecast for the primary sector.

1.28	<p><u>Apprentice Tax Levy</u></p> <p>Welsh Government are yet to confirm arrangements for the new levy which is due to be implemented at UK level from 1<sup>st</sup> April 2017, and will be devolved in Wales. Further detailed modelling of the potential impact of the levy shows that the levy of the Council, based on its workforce size, will be £0.699m - £0.229m higher than the original forecast of £0.470m. In view of the Council's commitment to apprenticeships it is reasonable to press for full or part cost recovery through any distribution methodology set up by Welsh Government. For 2017/18 it is recommended that the levy is paid from reserves. A future funding strategy will be needed from 2018/19. For 2018/19 temporary funding from reserves will have a positive impact on the budget forecast of £0.470m.</p>																											
1.29	<p><u>Central Loans and Investment Account (CLIA)</u></p> <p>A review has been undertaken of the Council's Minimum Revenue Provision (MRP) and work has been commissioned from an independent advisor to consider different options for accounting for this annual charge. A comprehensive report detailing all of the considerations is included on this Cabinet agenda. The report recommends a revision to previous policy. This will provide an initial benefit to the 2016/17 budget of £2.924m, and a net impact on the 2017/18 forecast of £2.520m.</p>																											
1.30	<p>A review of projected interest rates and timing of borrowing has also been completed. This has resulted in a reduction of £0.170m on the previously included forecast although. This will of course be subject to the risk of market fluctuation.</p>																											
1.31	<p>It is recommended that the efficiency options summarised below totalling £4.649m are recommended to Council and referred to Corporate Resource Overview and Scrutiny Committee for review.</p>																											
1.32	<p><b>Table 3. Corporate Financial Stewardship</b></p> <table border="1" data-bbox="300 1413 1391 1872"> <thead> <tr> <th data-bbox="308 1424 1150 1480">Description</th> <th data-bbox="1158 1424 1225 1480"></th> <th data-bbox="1233 1424 1383 1480">£m</th> </tr> </thead> <tbody> <tr> <td data-bbox="308 1491 1150 1536">Council Tax Base Increase</td> <td data-bbox="1158 1491 1225 1536"></td> <td data-bbox="1233 1491 1383 1536">0.345</td> </tr> <tr> <td data-bbox="308 1536 1150 1581">Independent Living Fund (ILF)</td> <td data-bbox="1158 1536 1225 1581"></td> <td data-bbox="1233 1536 1383 1581">0.412</td> </tr> <tr> <td data-bbox="308 1581 1150 1626">Transition to Adulthood</td> <td data-bbox="1158 1581 1225 1626"></td> <td data-bbox="1233 1581 1383 1626">0.162</td> </tr> <tr> <td data-bbox="308 1626 1150 1671">Flint Extra Care Scheme</td> <td data-bbox="1158 1626 1225 1671"></td> <td data-bbox="1233 1626 1383 1671">0.170</td> </tr> <tr> <td data-bbox="308 1671 1150 1715">Schools Investment</td> <td data-bbox="1158 1671 1225 1715"></td> <td data-bbox="1233 1671 1383 1715">0.400</td> </tr> <tr> <td data-bbox="308 1715 1150 1760">Apprentice Tax Levy</td> <td data-bbox="1158 1715 1225 1760"></td> <td data-bbox="1233 1715 1383 1760">0.470</td> </tr> <tr> <td data-bbox="308 1760 1150 1816">Central Loans and Investment Account (CLIA)</td> <td data-bbox="1158 1760 1225 1816"></td> <td data-bbox="1233 1760 1383 1816">2.690</td> </tr> <tr> <td data-bbox="308 1827 1150 1872"><b>Total</b></td> <td data-bbox="1158 1827 1225 1872"></td> <td data-bbox="1233 1827 1383 1872"><b>4.649</b></td> </tr> </tbody> </table>	Description		£m	Council Tax Base Increase		0.345	Independent Living Fund (ILF)		0.412	Transition to Adulthood		0.162	Flint Extra Care Scheme		0.170	Schools Investment		0.400	Apprentice Tax Levy		0.470	Central Loans and Investment Account (CLIA)		2.690	<b>Total</b>		<b>4.649</b>
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1.33	<p><b>New and Emerging Pressures</b></p> <p>Since the September report some new and changing cost pressures have been finalised and are to be included in the budget proposals for 2017/18:</p>																											

1.34	<p><u>Non – Domestic Rates Revaluation</u></p> <p>The Valuation Office Agency (VOA) has recently published the national results of a National Domestic Rates revaluation of rateable values for business properties which takes effect from 1<sup>st</sup> April 2017. This has resulted in additional costs of £0.127m for Council properties.</p>
1.35	<p><u>Welsh Language Standards</u></p> <p>In order to comply with the new Welsh Language Standards an additional cost requirement of £0.035m is required.</p>
1.36	<p><u>Members Allowances</u></p> <p>The recommended annual increase from Independent Remuneration Panel for member allowances requires additional budgetary provision of £0.007m.</p>
1.37	<p><u>Landfill Sites - Gas Engine Income</u></p> <p>Due to the reducing level of methane gas at the former landfill sites at Standard and Brookhill, the level of electricity generated has reduced further and income targets can no longer be achieved. This has caused an additional pressure of £0.150m.</p>
1.38	<p><u>Workforce costs– unachieved efficiency</u></p> <p>An efficiency of £0.500m was included in the 2016/17 budget to reflect a managed further round of voluntary redundancies and other workforce costs. As reported in the budget monitoring report an amount of £0.222m has been achieved. The remaining £0.278m can no longer be achieved with all the service business plans having maximised their workforce reduction cost targets.</p>
1.39	<p>The pressures identified above will increase the projected gap by £0.597m.</p>
1.40	<p><b>Further ongoing considerations – Corporate Financial Stewardship</b></p> <p>Work is ongoing on the following. This work, when complete, will need to form part of the final balancing considerations for the annual budget.</p>
1.41	<p><u>Actuarial Review</u></p> <p>As part of the triennial review of the Clwyd Pension Scheme work is ongoing with the actuary to agree the employer pension contributions over the next three years. This work is nearing a conclusion. An increase in employer contributions costs of £1.3m has already been provided within the MTFS. The outcome will be reported later in the budget setting cycle.</p>
1.42	<p><u>Auto Enrolment</u></p> <p>The Council's staging date for auto enrolment to the Pension Fund has been set as October 2017. A cost pressure of £0.558m is currently included in the forecast. This is based on an assumption that 60% of eligible employees will remain in the scheme. There is an option to take a more risk based</p>



	<p>approach to this estimate and assume a lower level of take up and this will be subject to further consideration. The outcome will be reported later in the budget setting cycle.</p>
1.43	<p><u>Income Strategy</u></p> <p>Work is also continuing on developing a corporate income policy covering all potential fees and charges, and the levels at which they are set. External expertise has been commissioned to guide this work with access to extensive information on charging policy and practice in other local authorities across the UK. The outcome will be reported later in the budget setting cycle.</p>
1.44	<p><u>Local Taxation levels</u></p> <p>The forecast already assumes a Council Tax increase of 3% for 2017/18. The final level of Council Tax increase will be a member decision and will need to be considered in the context of the wider financial position at that time, including any changes proposed by other bodies such as the North Wales Fire and Rescue Authority whose levy is funded from Council Tax.</p>
1.45	<p><u>Use of Reserves</u></p> <p>There is the option for the prudent use of reserves to assist in the budget for 2017/18. The use of any reserves will only provide a one year solution.</p>
1.46	<p><b>Part 3 – Working with Welsh Government</b></p> <p>The Council continues to be actively involved in national discussions over the Welsh Government Budget for 2017/18 with the key issues under debate including:-</p> <ul style="list-style-type: none"> <li>• the need for medium term financial planning at national level;</li> <li>• sufficient and sustainable levels of Revenue Support Grant (RSG) and the option for the Welsh Government to set a zero-reduction or ‘flat-line’ RSG for 2017/18 at 2016/17 levels;</li> <li>• reform of specific grants and retention of sufficient current grant funding levels to maintain services;</li> <li>• relaxing charging levels for services including domiciliary care;</li> <li>• meeting cost pressures of national legislative and public demand in key services such as social care;</li> <li>• recognition of the workforce cost impacts of the Living Wage in both directly provided services and commissioned services; and</li> <li>• local retention of Non Domestic Rate Relief (NNDR) growth by the collecting authority. (Growth is defined as the annual inflation in the NNDR yield for existing businesses plus additional contributions from new or expanding businesses within a County.</li> </ul> <p>The areas under debate are a mixture of short-term or (immediate) issues and longer term issues. An update follows.</p>

1.47	<p><u>Welsh Local Government Provisional Settlement 2017/18</u></p> <p>The Provisional Settlement was received on 19 October and there is a separate report on this agenda setting out all of the details and the impact on our overall budget position.</p>																			
1.48	<p>In headline terms the settlement was broadly 'flatline' when taking account of adjustments which has a positive impact on the forecast reduction of 1.5% of £2.8m.</p>																			
1.49	<p>The settlement from Welsh Government was welcomed and is in line with the lobbying expectations of both the Council and the Welsh Local Government Association.</p>																			
1.50	<p>The Settlement amount included an additional amount of £25m across Wales in recognition of increasing pressures in social care.</p>																			
1.51	<p><u>Domiciliary Care - Charging Levels</u></p> <p>There has been no confirmation from Welsh Government of policy intentions for raising the charging cap from the current amount of £60 per week. An announcement is expected shortly with an expectation that the cap may be raised to in the region of £80 per week. For Flintshire this would generate additional income in the region of £0.500m.</p>																			
1.52	<p>A full report on all of the Stage 2 proposals will be considered at a special meeting of Corporate Resources Overview and Scrutiny Committee on 30 November which is open to all members. Cabinet will receive the feedback on 6 December and report to Council on the afternoon of the same date.</p>																			
1.53	<p>The table below reflects the revised forecast taking into account the updates included in the report:</p> <p><b>Table 4. Revision of the Forecast</b></p> <table border="1"> <thead> <tr> <th>Description</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Projected Budget "gap"</td> <td>14.4</td> </tr> <tr> <td><b>Less:</b></td> <td></td> </tr> <tr> <td>    Portfolio Business Plans</td> <td>(5.7)</td> </tr> <tr> <td>    Corporate Financial Stewardship</td> <td>(4.6)</td> </tr> <tr> <td>    Provisional Settlement</td> <td>(2.8)</td> </tr> <tr> <td><b>Add:</b></td> <td></td> </tr> <tr> <td>    New and Emerging Pressures</td> <td>0.6</td> </tr> <tr> <td><b>Remaining Budget "Gap"</b></td> <td><b>1.9</b></td> </tr> </tbody> </table>		Description	£m	Projected Budget "gap"	14.4	<b>Less:</b>		Portfolio Business Plans	(5.7)	Corporate Financial Stewardship	(4.6)	Provisional Settlement	(2.8)	<b>Add:</b>		New and Emerging Pressures	0.6	<b>Remaining Budget "Gap"</b>	<b>1.9</b>
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	Corporate Resources	Review of corporate financial
	Overview & Scrutiny	stewardship proposals
	Council 6 December	Approval of corporate financial stewardship proposals
	Cabinet / Council Feb 2017	Final Approval of Budget 2017/18
	March 2017	Formal council tax setting
1.55	<p><b>The Future</b></p> <p>The Council has published a summary of an updated Medium term Financial Strategy (MTFS) for the current three year term. The Welsh Government has not been in a position to provide an indicative 3 year Provisional Settlement at such an early stage of its new term and in advance of the new Chancellor's first budget statement. Detailed work on a new version of the MTFS cannot be completed until there is more national information and guidance. In the meantime the forecast for 2018/19 onwards is being updated, with initial work on the scope which remains for local efficiencies and budget options.</p>	

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out in the report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Consultation with Group Leaders, Overview and Scrutiny Committees, senior officers and service teams, and external partners have been held to date in the development of the business plans, budget proposals and resilience assessments.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	All parts of the financial forecast, and all budget solutions, are risk assessed stage by stage. An overall risk assessment and risk management statement will be produced both for the revised MTFS and the draft annual budget for 2017/18. Services have already been assessed against efficiency, value for money and resilience with the assessment being reported to the Overview and Scrutiny Committees throughout July 2016.

<b>5.00</b>	<b>APPENDICES</b>
5.01	See hyper-links within the report

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Colin Everett, Chief Executive and Gary Ferguson, Corporate Finance Manager</p> <p><b>Telephone:</b> 01352 702121</p> <p><b>E-mail:</b> <a href="mailto:Chief.executive@flintshire.gov.uk">Chief.executive@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Medium Term Financial Strategy (MTFS):</b> 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><b>Revenue Support Grant:</b> 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><b>Specific Grants:</b> An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p><b>Central Loan and Investment Account (CLIA):</b> brings together the revenue costs of all Council's borrowing and investment activity. Contains; interest on debt, MRP (see below), Treasury Management costs (staff, advisors, software etc., charges for debt rescheduling undertaken in earlier years and income generated from investments. Also referred to as Capital Financing Charges.</p> <p><b>Minimum Revenue Provision (MRP):</b> method for charging (debt-funded) capital expenditure to the revenue account in local authority accounts. Full Council sets an MRP policy annually selecting from a range of options contained with Welsh Regulations set by Welsh Government.</p> <p><b>Welsh Local Government Association:</b> the representative body for unitary councils, fire and rescue authorities and national parks authorities in Wales.</p>