

Report to: Budget Panel

Date of meeting: 20th July 2010

Report of: Head of Strategic Finance

Title: Medium Term Financial Strategy (MTFS) and Service Prioritisation

1.0 **SUMMARY**

1.1 The attached report at Appendix A presents to Budget Panel a review of the Medium Term Financial Strategy and proposals for preparing the 2011/2012 Revenue Estimates.

2.0 **RECOMMENDATIONS**

2.1 Budget Panel is requested to consider the attached report and in particular to:

- note the main features of the Government Emergency Budget (Appendix 1 refers)
- note the actions taken in response to Government reductions announced for 2010/2011 (as per section 2 of Appendix A).
- note the potential budget shortfall on the 2010/2011 revenue estimates but that the need for corrective action should be considered after the first quarter's budget monitoring statement has been analysed.
- approve that for the purposes of Budget Planning for 2011/2012, there should be a review of the Council's income charging policies and that a service prioritisation process (as detailed at section 5 of Appendix A) should be developed.
- note that the results of both reviews will be reported during late September/ early October to Budget Panel and Cabinet.

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3.0 **DETAILED PROPOSAL**

3.1 The details of this report have been attached at **Appendix A.**

4.0 **IMPLICATIONS**

4.1 **Financial**

4.1.1 The Head of Strategic Finance comments that this reports provides initial information regarding the 2010/2011 Budget and likely public expenditure reductions required for 2011/2012. Further reports to Budget Panel will outline progress made in meeting the financial constraints imposed by Central Government.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Legal and Property Services comments that there are no legal implications arising directly out of this report.

4.3 **Potential Risks**

4.3.1	Potential Risk	Likelihood	Impact	Overall Score
	<i>An overspend of revenue budgets in 2010/2011 occurs</i>	2	4	8
	<i>The Council does not make realistic Plans to meet government imposed Expenditure reductions</i>	2	4	8

Background Papers: None

File Reference: None