
Report to

Scrutiny Board 1
Cabinet and Council

18 October 2006
31 October 2006

Report of

Director of Finance and ICT

Title

The Medium Term Financial Strategy 2006-2010

1 Purpose of the Report

- 1.1 This report presents a Medium Term Financial Strategy for 2006-2010 for adoption by the City Council. The Strategy is attached in full.

2 Recommendations

- 2.1 Scrutiny Board 1 is asked to consider this report and forward its comments to Cabinet.
- 2.2 Cabinet is recommended to note the comments of Scrutiny Board 1, agree or amend the Medium Term Financial Strategy appended to this report, and to recommend that Council approve the Strategy as the basis of the City Council's medium term financial planning process.

3 Information/Background

- 3.1 Coventry City Council has operated medium term financial planning for many years and Council formally approved the current medium term financial strategy in December 2005. This report recommends that the attached updated strategy be adopted to support the medium term policy and financial planning process that is at the heart of setting our revenue and capital budgets.
- 3.2 The Strategy has two main objectives;
- To enable our financial plans to support the delivery of the objectives laid out in the corporate plan.
 - To set a sound financial planning framework to underpin the effective financial management of the Council.
- 3.3 This revised version of the strategy is more concise than previous versions approved and excludes some of the more detailed technical aspects. Instead the Strategy concentrates on the strategic direction of our financial planning framework, the highlights of which are shown in section 5 of this report.
- 3.4 Under the City Council's Constitution, it is full Council that is responsible for approving the authority's policy framework and budget. The definition of "policy framework" includes any plan or strategy for the control of the authority's capital expenditure. Since this area is

covered within the Medium Term Financial Strategy, it therefore needs to be formally approved by full Council.

4 **Proposal and Other Option(s) to be considered**

4.1 The Strategy is intended to improve the financial planning process, to enable the Council to achieve the best fit of resources to policies and to maximise the transparency of our financial plans. The completion of and adherence to the Strategy will help the Council continue to improve its services and the quality of life in the City while offering the people of Coventry the best possible value for money.

4.2 By approving this revision, members will be replacing the Strategy that currently exists.

5 **Other specific implications**

5.1 Finance

5.1.1 A broad overview of the Strategy would conclude that there is continual pressure on our budgets caused by ever increasing policy expectations and service pressures at both a local and national level without any clear indication of the resources to support these expectations and pressures. In order to produce a balanced medium term financial programme the Council will need to continue to identify savings on an ongoing basis. This will be achieved through robust scrutiny of our budgetary position, resource switching between areas of expenditure and through securing greater value for money in the way we deliver services.

5.1.2 Other broad principles that underpin the Strategy include

- Budget setting that is driven by our Corporate objectives
- Planned Council Tax increases in the range of 2% to 5% over the medium term
- Increased efficiency and reduced costs so that we can continue to set a Council Tax rise below the metropolitan district council average.
- Maintaining reserves at a minimum level consistent with implementing specific policy outcomes and protecting against known or anticipated liabilities.
- Moving towards a golden rule of not using one-off resources to support ongoing expenditure.
- Delivering financial programmes in a corporate way at officer level through the Management Board.
- Operating a formal objective framework for establishing our Capital Programme to help move towards presenting a balanced position into the medium term.

5.2 Human Resources

The decisions taken in the policy and financial planning process may affect some jobs. Any changes to jobs arising from implementation will be managed through the City Council's Human Resources policies and procedures.

5.3 Trade Union consultation

Briefings will be provided for the trades unions on the budget setting process.

5.4

	Implications (See below)	No Implications
Neighbourhood Management	✓	
Best Value	✓	

	Implications (See below)	No Implications
Children and Young People	✓	
Comparable Benchmark Data	✓	
Corporate Parenting	✓	
Coventry Community Plan	✓	
Crime and Disorder	✓	
Equal Opportunities	✓	
Finance	✓	
Health and Safety	✓	
Human Resources	✓	
Human Rights Act	✓	
Impact on Partner Organisations	✓	
Information and Communications Technology	✓	
Legal Implications	✓	
Property Implications	✓	
Race Equality Scheme	✓	
Risk Management	✓	
Sustainable Development	✓	
Trade Union Consultation	✓	
Voluntary Sector – The Coventry Compact	✓	

6 Monitoring

6.1 Management Board will review and recommend revisions to the Strategy each year to ensure that it remains relevant.

7 Timescale and expected outcomes

7.1 It is intended that the Strategy's key principles will be implemented within the current cycle of the policy and financial planning process. The Budget Requirement and Capital Programme report that will come to Council in February 2007 will embody these principles and will potentially impact upon all the aspects of the Council's operations in 5.4.

7.2

	Yes	No
Key Decision		
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	✓	18th October
Council Consideration (if yes, date of Council meeting)	✓	31st October

List of background papers

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Papers open to Public Inspection

Description of paper

Location

None

Coventry City Council

MEDIUM TERM

FINANCIAL

STRATEGY

2006 - 2010

September 2006

Coventry City Council's Medium Term Financial Strategy 2006 - 2010

1 Introduction and Objectives

- 1.1 This strategy supports the medium term policy and financial planning process that is at the heart of setting our revenue and capital budgets.
- 1.2 There are two main objectives for the Strategy
 - To enable our financial plans to support the delivery of the objectives laid out in the corporate plan.
 - To set a sound financial planning framework to underpin the effective financial management of the Council.
- 1.3 Appendices 1 and 2 of the Strategy shows our initial medium term projections for revenue and capital at the start of the 2006 policy and financial planning process.

2 **The Local and National Policy Context**

- 2.1 Within the Audit Commission' Comprehensive Performance Assessment framework, Coventry has achieved significant improvement over recent years across a wide range of services, resulting in our being classified as a 3 Star Council which is Improving Well. We are committed to consolidating the improvements that have occurred and to achieving further advancements in the quality of our services and how these are perceived.
- 2.2 To underpin these improvements we have sought to develop and refine our approach to Financial Management in order to support our modernising agenda and maximise value for money. Appendix 3 of this strategy briefly outlines our over-arching approach to Financial Planning. Crucially, this approach incorporates the principle that revenue and capital decisions will be considered together.
- 2.3 Within the context of wanting to improve further as a Council, we recognise that there is an inevitable tension between local and national government finances. There is an expectation from national government that we will achieve continuous improvement in quality at the same time as year on year increases in efficiency. Also, where national government issues us with additional responsibilities this transfer of responsibility is not always matched with the funds that we perceive are required to fulfill them. In short, there is an expectation that we will achieve more with proportionately fewer resources. Clearly, our Financial Strategy needs to reflect this.
- 2.4 There is a tension between national government stripping out the direct functions of local government whilst promoting a regional agenda. This regionalism already affects a number of the funding schemes that we are involved in (eg through the Local Transport Plan).
- 2.5 Other areas where the dynamics of funding are continually changing include
- Significant increase in complex grant arrangements as government pilots new initiatives e.g. Standards Funds, Big Lottery.
 - Experiments in new forms of governance at local level e.g. New Deal for Communities (NDC), Local Strategic Partnerships (LSPs) – each with complex financial arrangements.
 - Increased use of partnership approaches e.g. Private Finance Initiative (PFI), Academies and Local Area Agreements.
 - The promotion of Joint Commissioning with the Primary Care Trust.
- All of these developments affect the way in which we manage our finances and demand flexibility in the way we work.
- 2.6 Coventry was a pilot authority for the Local Area Agreement initiative. We are now in a phase of exploring opportunities for using the LAA more constructively to target resources to priorities across services in different sectors across the City.
- 2.7 Significantly, what has traditionally been the biggest single item of spend (Schools budgets) were taken out of Councils control in April 2006. Notwithstanding this, Schools continue to wish to work in partnership with each other and with the City Council and the

revised financial arrangements do not remove the significant financial impact that schools' funding has on the dynamic of the Council's financial position.

- 2.8 There is a particular shortage of capital for Local Authorities. In many areas the public infrastructure is decaying and/or needs regenerating. Public funds are stretched to deliver these needs without new approaches being adopted. The Prudential Code provides some flexibility by relaxing controls on borrowing but at a significant revenue cost. Increasingly, large capital projects depend on specific external grant and/or complex partnership arrangements e.g. Caludon PFI, Herbert Art Gallery and Museum.
- 2.9 Every local authority is faced with a set of local circumstances and a local policy context. Council members will set the Council's policy direction to reflect these local circumstances and this policy direction will influence the allocation of resources.
- 2.10 The Council has a robust performance management framework underpinned by its Corporate Plan, Cabinet Member Strategic Plans and Operational Plans. The Council is further developing its approach to business planning to ensure that the various facets of operational and financial planning are well coordinated.
- 2.11 There is widespread internal communication and consultation on all Council plans and strategies and they must all go through the Cabinet approval process. The Local Development Framework will provide the context to the physical planning of all developments within the city, including those by the City Council. Consideration of property issues (where relevant) is a requirement of all reports to Cabinet Members. The Capital Working Group provides a forum for the discussion of service and corporate plans and strategies.

3 **Financial Context**

Government Grant

- 3.1 Over 55% of funding for our net budget is provided through Revenue Support Grant (RSG) from Central Government. The 2-year settlement covering 2006/07 and 2007/08 allows us to make our financial projections over this period with some certainty. This position has changed significantly following the removal of funding for schools from the RSG – in 2005/06 Government grant was 74% of net budget.
- 3.2 Looking beyond this, the Lyons Inquiry into local government funding and the planned revaluation of domestic property for Council Tax purposes will potentially have a significant impact upon the Council's financial position. However, with no firm indication of what will come out of these exercises it is impossible to confidently predict their results.
- 3.3 This uncertainty makes medium term financial planning somewhat difficult. The financial projections in this Strategy are framed by a view that our most optimistic forecast will be for no real increase in our overall level of resources.
- 3.4 We do know that economic forecasts suggest a tightening of national and local government funds in the anticipated spending review of 2007 and that there is also likely to be competition for government funding, especially from the Health sector. Also, in establishing the level of funding available to local government, Central Government is making assumptions that we will identify and capture efficiency savings in order to recycle resources to fund essential services.
- 3.5 Like other public sector services we face a situation where demands on our services outstrip the available supply. This is particularly true in adult social care, where demographic pressures are likely to continue to increase demands over the medium term. Elsewhere, changes in legislation or new government initiatives can increase pressure on existing budgets without explicit associated funding being identified to pay for the changes. In addition, perceptions that our current level of service is not sufficient to meet existing policy commitments can lead to local pressure to improve or increase the level of service we provide. What this means is that even without any explicit policy developments there is continual pressure on existing budgets from a variety of sources.

Council Tax

- 3.6 The remainder of the funding for our net budget (45%) comes from the Council Tax and fees and charges. Although the setting of Council Tax levels is notionally a local decision, there is a national constraint in that Government has in effect imposed a capping limit of around 5% in recent years. It is a reasonable expectation that this will continue over the medium term such that 5% represents the upper limit that could be considered for Coventry's Council Tax rises. Council members and local tax-payers will generally have a preference for Council Tax increases to be kept within reasonable limits. The pressure that competes with this aspiration is the need to maintain the real value of income secured through this route. In addition, in determining the level of Revenue Support Grant that they pay us, the Government assumes that we will increase our Council Tax levels by broadly the rate of inflation. For these reasons it is expected that Council Tax levels will increase at a notional minimum rate of around 2%. In effect therefore, members will be advised to make decisions on the Council Tax increase between the range of 2% to 5%.

- 3.7 One further consideration is the City's level of Band D Council Tax – the measure that the Government usually uses to compare Councils nationally – relative to other local authorities. Coventry has historically been in the least well performing quartile for metropolitan district authorities' Council Tax levels and currently has the 7th highest Band D Council Tax out of 36. Our aspiration is to increase our efficiency and reduce our costs so that we can continue to set a Council Tax rise below the metropolitan district average. We anticipate that this will move us out of the bottom quartile within 2 years and help us to become an average Band D Council Tax authority over the medium term. It should be noted that 70% of the City's dwellings are in bands A and B such that the majority of Coventry's Council Tax payers will pay less than the Band D charge.

The City Council's Financial Position

- 3.8 Based on these over-arching funding expectations, the City Council's medium term financial positions for revenue and capital are outlined in the attached in Appendices 1 and 2. They are broadly based on the Budget Report taken to Council in February 2006 updated to reflect subsequent changes in circumstances or new decisions that impact upon the medium term financial profile of the Council.
- 3.9 The revenue position in Appendix 1 uses a financial planning assumption of Council Tax rises of 2.5% and reserve contributions of £4m in 2007/08, £2m in 2008/09 and zero in 2009/10. It identifies the sources of further savings and resources that are required over the next three years.
- 3.10 Appendix 1 also includes anticipated underlying budgetary variations identified through monitoring of the current year's revenue programme to date. This is a different approach to previous years partly reflecting improved budgetary processes that have given us more information at an earlier stage of the year.
- 3.11 Although a significant amount of work has also been undertaken to identify new savings, none of these have yet been specifically included in the financial forecasts. Instead they will be considered within the formal budget setting process in a way that seeks to maximise member policy choices. The savings will help deliver the overarching savings line in Appendix 1 that references the Council's Gershon efficiency targets (see para 5.5) and we are already moving therefore towards achievement of these targets. The approaches taken to do this are further outlined in section 5 and within the Value for Money Strategy. The size of the financial task in trying to balance the revenue programme should be viewed in this context.
- 3.12 The medium term capital position shown in Appendix 2 assumes current projections of resources and both the approved and provisionally approved programme (including changes agreed during 2006/07). We have identified that further resources or reprioritisation of spend is required over the medium term.
- 3.13 It is important to remember that these financial models have been produced within a dynamic financial environment and that they will change significantly over the coming months. Our approach to balancing these programmes and to giving members the flexibility they need to implement policy priorities is outlined in sections 4 and 5 below.

4 **Key Principles For Managing the Revenue and Capital Programmes**

- 4.1 The Council has set its key objectives in response to our Corporate Plan, Cabinet Member Strategic Plans and Operational Plans. These are all influenced to differing degrees by local priorities, input from public consultation, Government policies, performance information and external inspections. The allocation of revenue and capital resources must respond to meet these objectives through the annual budget setting process and it is essential that our spending decisions arise directly from and be driven by policy priorities.
- 4.2 The Council's budget planning will be open to public consultation to include voluntary and community groups, trades unions, schools, the business community and key interest groups such as older people and younger people. This process is intended to show that the Council is making fair and transparent decisions that are understood by all interested parties in the local community. In this respect, the Council is committed to a process that improves trust between different groups within the community as a central part of ensuring strong community cohesion.
- 4.3 The Management Board is the key executive body in the process of advising members on establishing our revenue and capital programmes. Through this forum, we will ensure that a corporate approach is taken to all revenue resource switching and capital investment decisions.
- 4.4 Revenue and capital bids for corporate resources are considered within the same broad planning process and capital investment decisions will be taken with full regard to the revenue spending consequences both in terms of service delivery and the cost of capital investment.
- 4.5 The Government provides us with revenue funding for an amount of borrowing that is referred to as the Single Capital Pot. We will give due regard to national priorities that these resources are targeted towards whilst recognising that some local flexibility may be applied in ensuring that local policy objectives are also met from these resources.
- 4.6 Capital investment decisions will give due regard to the Council's Property Strategy and up to date asset management information. Decisions will aligned to the Council's Corporate Objectives via a robust prioritisation process.

5 **Approaches to Balancing Future Years' Programmes**

- 5.1 It is clear from the national and local context and from the current financial position that the Medium Term Financial Strategy is key to matching scarce resources to priorities. There is a need to set a balanced revenue budget for all years in the 3 year plan. This will need to incorporate key new policy issues that support the Councils objectives that are not yet apparent in the financial projections shown in Appendices 1 and 2. We need to be clear though that each additional £1 of spend incorporated will require a saving of £1 to be identified elsewhere.

Identification of Savings

- 5.2 In order to balance the likely financial constraint that will be imposed upon us by Government and a clear local preference to keep Council Tax at an acceptable level, there need to be robust actions to enable the Council to deliver a lower cost base than currently exists in some services. The over-arching message is that the Council will need to continue to identify savings on an ongoing basis.
- 5.3 This Strategy sets out an approach to the achievement of savings through 3 fundamental mechanisms.

- Robust scrutiny of ongoing budgetary control - Recent financial outturn positions have shown an underlying level of under-spending in City Council budgets. Whilst there are many one-off circumstances that can create this position, there remains a strong likelihood that existing ongoing budgets may be higher than necessary to deliver the current required level of service in some discrete areas. Our budgetary control processes facilitate regular and thorough analysis of budgetary performance and this will be used to identify and capture any excess budgetary provision that has arisen through the development of services.
- Service Reviews and Other Action to Deliver Savings – Our traditional approach to the identification of savings has encouraged management teams and Management Board members to analyse their services to seek more cost effective ways of delivering them. Savings identified through this route have traditionally been delivered through a combination of
 - Genuine efficiency savings in operations or management structures
 - Resource switching involving the transfer of resources from budgets of a lower priority to those with a higher priority with the likelihood of some degree of service reduction being involved
 - Savings that arise through the development of services similar in nature to those described above,

It is intended that we will continue to encourage managers to identify savings at a local level through these routes as well as any new or additional sources of income that are available to us.

- Securing Greater Value For Money – The City Council's VFM Team established in 2006 is charged with implementing and embedding approaches to improved value for money across the City Council. The Value For Money Strategy adopted by the Council in July 2006 sets out the approach to this task in more detail, including the

identification of long-term savings achieved through VFM Reviews of specific services. The intention is that these savings will deliver significant long-term benefits to the City Council.

- 5.4 The latter two approaches need to ensure that all spending and not just spend at the margins is considered on an annual basis. The work of the VFM Team in particular gives an opportunity to achieve this.
- 5.5 Importantly, the work of the VFM Team will help to achieve the targets set by Government in relation to the Gershon Review of public sector efficiency. These targets – essentially amounting to the achievement of year on year efficiency savings of 2.5% of budget – have been built into Government assumptions of our spending needs. Therefore, it is essential that this Medium Term Financial Strategy includes the intention to meet these savings targets, reported through the Government's Annual Efficiency Statement process.

Partnership, Procurement and External Income

- 5.6 The City Council has a history of innovation to harness external funds to deliver priorities and an excellent track record of partnership working. A significant proportion of the City Council's services are now partly or wholly delivered through partner organisations or with specific external funding streams. The most striking recent example of this type of relationship is the establishment of the Ricoh Arena. There are numerous other individual projects and ongoing services that also fall into this bracket including Section 31 agreements, our Waste Disposal partnership and CVOne – our City Centre Management company partner. We will continue to search out new options for partnership working to ensure service excellence and the achievement of value for money.
- 5.7 Our policy is to seek additional resources wherever they are appropriate, available and consistent with our overall plans. The full impact of bidding for external resources should be considered including the resource impact of producing the bid and managing the resulting regime and any matched funding or leverage requirements. Bids for attracting such resources must be supported by robust exit strategies that pay regard to the ending of external funding. We will seek to change our existing service provision to meet needs that have been met by temporary external grant funding if this is justified by our policy priorities.
- 5.8 We will seek to maximise partner contributions towards projects and services (e.g. developer contributions within Section 106 agreements) as appropriate within the context of the individual area under consideration. We will observe the ring-fenced grants that are made to support specific revenue expenditure programmes.
- 5.9 We will seek to maintain fees and charges at existing levels by increasing them each year in line with prevailing inflation indices. Where there are service requirements or a considered need to make changes in our fees and charges that differ from this approach these will be managed through the budget setting process.
- 5.10 A guiding principle of the City Council's Procurement Strategy is that the delivery of best value is more important than who provides the service. There is an opportunity to engage in the "make or buy" debate both within the VFM Service reviews (5.3 above) or at the outset of each capital project upon which we embark. For each project, consideration will be given to the most appropriate role for the Council (implementer, partner, facilitator) and the most appropriate procurement method (eg procuring works or assets outright or

through a partnering arrangement, leasing assets or using contract hire, grant aiding other bodies; forming a joint venture companies or using PFI and PPP approaches).

Reserves

- 5.11 We will seek to optimise the use of our reserve balances in delivering the City Council's priorities, using a corporate decision making process to increase the opportunities to maintain an appropriate balance between short term expenditure and long term investment. The initial emphasis for applying these resources will be to deliver the Council's Corporate Plan.
- 5.12 Specifically, our approach will be informed by
- An intention to hold reserves corporately with a clearly identifiable purpose designed to support the delivery of the council's objectives.
 - The need to maintain a minimum level of reserves as insurance against an overall level of risk or liability faced by an organisation of the City Council's size. We will maintain an un-earmarked reserve of approximately 1% of the net revenue budget to cover unforeseen financial problems.
 - The requirement to hold some reserves to protect against specific known or potential liabilities, but kept to a minimum consistent with adequate coverage of those liabilities.
- 5.13 Management Board will consider the application of budgeted amounts that are unspent at the year-end on an annual basis and advise Cabinet accordingly, consistent with the guiding principles above. Management Board will also be provided with a regular report on reserve balances to ensure that the levels of reserves held are consistent with the financial risks faced by the City Council.
- 5.14 We will seek to move towards a local "golden rule" of not using one-off resources to support ongoing expenditure. This policy will be applied flexibly, subject to the financial demands of specific circumstances.
- 5.15 Schools are required to detail how they plan to use reserves in the following year's budget as part of the formal financial reporting process to DfES. The Fair Funding Scheme of Delegation gives the City Council authority to clawback any remaining uncommitted balances over 5% of the schools budget share. The level, and intended use, of schools reserves is also challenged as part of the formal annual School Performance Review process.

Capital Strategy and Capital Programme Management

- 5.16 The size of the Programme is heavily dependent on the amount of external resource that can be attracted – which are often scheme specific – and the levels of Capital receipts that can be generated. These (especially the external funds) can be difficult to predict over the period of the MTFS.
- 5.17 Given the resource constraints upon us it is essential that our approach to capital planning incorporates appropriate attention to future spending needs and likely resource (funding) flows. Such an approach is essential if we are to continue to develop future investment in the City's public infrastructure in a robust and sustainable manner.

- 5.18 We will use a formal objective framework for assessing potential capital schemes for inclusion in the Capital Programme where these schemes are competing for resources where there is local discretion over their application.
- 5.19 The City Council will set a 3 year Capital Programme, updated each year, identifying which capital schemes can be funded, and those schemes which although high priority are being held on a reserve list.
- 5.20 The Council's Management Board have created a corporate Capital Working Group structure supported by a multi-disciplinary group of senior strategic officers, to lead on the Council's management of capital issues. Recommendations made through this structure are developed for consideration by Management Board and Members.
- 5.21 The Council has a policy of structured land and property disposal that has generated significant resources in recent years and we will continue to dispose of surplus land and operational property and use the receipts to help manage the Corporate Capital Programme. The policy will be applied in a way that is sensitive to the need to comply with DfES requirements for the sale of school sites and the need to support regeneration projects within which disposal sites are identified.
- 5.22 We will also seek to generate receipts from the sale of our least well performing commercial assets to help support the Corporate Capital Programme. In making disposal decisions we will balance the implications of the commercial rental income foregone against the amount and timing of the potential receipt to be generated.
- 5.23 We will continue to seek any other avenues that offer potential sources of capital funding. These will include Prudential Borrowing, the Private Finance Initiative and Public Private Partnerships. The choice of these options will be subject to transparent public decision-making processes. The circumstances in which such decisions may be made will include those where there is an undeniable supporting business case for investment and instances where the combination of strong policy commitment, lack of alternative funding sources and carefully considered analysis of long-term financial implications.

Appendix 1

Medium Term Revenue Projection

	2007/08 £m	2008/09 £m	2009/10 £m
Base Revenue Expenditure Including Underlying Budgetary Variations	252	259	270
CCC 2.5% Gershon Efficiency Target - to be achieved through Value for Money and Service Reviews and Other Action to Deliver Savings (see para 5.3)	(6)	(13)	(19)
Balance in Hand/(Other Savings and Income Sources - see paras 3.6, 5.3, 5.9-13)	(3)	1	1
Medium Term Revenue Expenditure	243	247	252
Medium Term Revenue Resources	(243)	(247)	(252)

Appendix 2

	2007/08 £m	2008/09 £m	2009/10 £m
- Approved Programme	82	18	2
- Provisional Programme	37	24	24
Capital Resources or Rescheduling or Reprioritisation to be Identified (see 5.16-5.23)	(15)	(4)	(10)
Medium Term Capital Expenditure	104	38	16
Medium Term Capital Resources	(104)	(38)	(16)

Appendix 3

The City Council's Approach to Financial Planning

The City Council's approach to Financial Planning will have the following characteristics

- The Medium Term Financial Strategy will be widely understood and owned by members and managers.
- An understanding of Finance will be owned and built into all areas of Council activity.
- Our medium term financial plans will be informed by assessment of the risks facing the City Council when it sets its budgets.
- A detailed annual exercise will be undertaken to set budgets, identifying any necessary changes to base budgets and agreeing new areas of spend and savings with resource allocation decisions informed by policy priorities.
- Revenue and capital decisions will be considered together within our budget setting process.
- We will operate a clear framework of accountability and delegation. All budgets will have a designated budget holder. Monthly revenue budgetary control reports will be made to Directorate Management Teams and consolidated in reports to Management Board. Quarterly revenue and capital positions will be reported to Cabinet and Scrutiny.
- We will operate a Project Management approach for large schemes including a specific focus on cost control.