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**To: Cabinet**

**Date: 26th November 2015**

**Subject: Medium Term Financial Strategy 2016-19**

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**1 Purpose of the Note**

- 1.1 To inform Cabinet of the outcome of the Finance and Corporate Services Scrutiny Board consideration of the Medium Term Financial Strategy 2016-19 at their meeting on 11 November 2015.
- 1.2 To update members of the impact on the report of the change of Cabinet date.

**2 Recommendations**

- 2.1 That Cabinet consider incorporating the findings and recommendations of the Reserves and Underspends Working Group into the Medium Term Financial Strategy to address part of the budget shortfall for 2016/17.
- 2.2 That Cabinet notes that the change of date of Cabinet has not led to any changes to the report.

**3 Information/Background**

- 3.1 Scrutiny Board was informed that an informal member Reserves and Underspends Working Group had met outside the Scrutiny process and that the Group's findings and recommendations were being incorporated into the forthcoming Pre-Budget Report. Discussion centred around the impact of this on the Medium Term Financial Strategy and Recommendation 2.1 was agreed as a result.
- 3.2 Subsequent to the meeting the Cabinet date was amended from 24<sup>th</sup> November to 26<sup>th</sup> November. Due to the report having been considered already by Scrutiny Board 1 the report has not been amended retrospectively. This means that the report continues to show the previous Cabinet date.
- 3.3 In addition, the Government's Spending Review announcement (due on 25<sup>th</sup> November) is now expected to have been received before Cabinet meets. The previous position was that the Cabinet would consider the MTFs before the announcement. This does not affect the Medium Term Financial Strategy, which includes the key assumption that "The Council will plan for Government grant settlements based on estimates informed by the outcome of the Government's July 2015 Spending Review and the local government sector's interpretations of the impact of this". The Council's understanding of this announcement therefore does not impact on the MTFs but will be incorporated into the final Budget Report in February.

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