



Title: Medium Term Financial Strategy (MTFS) Update

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1. Introduction

1.1. At the Extraordinary Council meeting on 6 July 2017, the Council discussed the Medium-Term Financial Strategy (MTFS) that covers the period 2017/18 to 2019/20. The discussion focussed on the ability to achieve a net reduction in expenditure of £1.4m to ensure a balanced budget. This reduction in expenditure is in response to:

- Reduction in support grants from government;
- Changes to the recycling credit scheme with Leicestershire County Council;
- Demographic changes in the population of Oadby & Wigston Borough;
- Increased demands for services and customer expectations; and
- Inflation and other economic factors.

1.2. The meeting (and report) reflected the findings of the Local Government Association (LGA) Peer Challenge conducted in March 2017, specifically:

- Delivering the MTFS providing savings options for Members;
- Implementing ICT and Asset management Strategies; and
- Finalising the management structure.

1.3. At that meeting, the Council agreed that the Senior Management Team (SMT) are allowed to produce a robust programme of projects and schemes to be brought forward as part of the budget plans for 2018/19, and that these achieve the planned net reduction in spending of £700,000 by 2019/20 as set out in the Council's MTFS.

As we are entering the formal budget setting process, this report is designed to update the Members on the process including the key milestones.

2. Recommendation(s)

That the Committee notes the schedule of programmes identified to mitigate budget deficits, and the Council's timetable to achieve this.

3. Information

3.1. As at the meeting in July, it was explained that since Council agreed the budget for 2017/18 in February 2017, the Council's SMT has been working with service managers across the Council to develop proposals for net savings (that is, either reductions in spending or increases in income) that reflect the Council's financial plans as set out in the four-year efficiency plan and the MTFS. The next section of this report sets out SMT's proposals; at this stage Council is not being asked to agree any of these, but rather to provide guidance and direction to shape the more detailed working up of options which must take place later this year in order to allow specific target

reductions in net expenditure to be included in the draft 2018/19 budget and the next iteration of the MTFS.

3.2. The report sets out potential options (which are listed below). It was noted that some would require consultation and a mobilisation period before planned reductions in net expenditure can be delivered. Equally, some of the proposals would have a longer lead time than others, so the challenge for the Council will be to finalise a robust programme of projects and schemes and achieve them in a timeframe that achieves the net reduction in spending of £700,000 by 2019/20.

3.3. The list of potential options were:

- a. Materials Recycling Facility (MRF)
- b. Wholly Owned Housing Company
- c. Brocks Hill
- d. Public Toilets
- e. Green Waste
- f. Refuse and Recycling Collections
- g. Car Parking
- h. Administrative Offices
- i. Discretionary Services
- j. Vacant Chief Executive Position

The timetable for developing these budget options was then approved at the Policy, Finance and Development Committee on 25 July 2017.

With respect to Items B and C, these have already been actioned and approved by members. Item A is to be discussed as an item at this Policy, Finance and Development Committee, with Items D, E, F, G all being submitted to Council in December.

It was agreed that Item H is a longer term project and will form part of the wider transformation programme, with any impacts of this work on the MTFS being reported periodically.

Item I is due to be reported back in early 2018 (although Economic Development reported in September, and a five member panel is reviewing options in relation to Item J).

3.4. The financial impact on the saving identified by the enforced closure of the Materials Recycling facility is approximately £20,000 (as outlined by the specific report on this meeting's agenda at item number 19).

The financial impact of the decision to work alongside SLM in the delivery of services through Brocks Hill is anticipated to generate savings of circa £100k per annum.

There has also been work surrounding the council-wide cleaning contract, via Pinnacle, and this has realised full-year savings of £25k.

4. Budget Setting Timetable

4.1 The details below show the Council's budget setting timetable (with key milestones):

October 2017

- Budget-setting meetings – Heads of Service and SMT meet with Finance.

- Uncontrollable budgets updated (utilities, recharges etc...)

November 2017

- Capital Bids Reviewed
- First Draft General Fund and Capital Budgets prepared
- Review meetings with Committee Chairs

December 2017

- Draft budget and scenarios presented to Council (including updates on work schemes identified in paragraph 3.3)
- Draft Local Government Settlement Announced (late December)

January 2017

- Budgets approved by Service Delivery and Policy, Finance and Development Committees

February 2017

- Council Approves Council Tax Levels

- 4.2. This list is not exhaustive, and there will be opportunities for further discussions with regards to Budget Setting throughout the process.

Background Documents:

Report Entitled Timetable Budget Options 2018-19 and 2019-21 (PFD, 25 July 2017)
Medium-Term Financial Strategy (MTFS) (2017/18 to 2019/20)
Local Government Association (LGA) Peer Challenge Report (June 2017)

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Implications Medium Term Financial Strategy (MTFS) Update	
Financial	The financial implications are as set out in the body of the report and option papers.
Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	
Legal	The legal implications are as set out in the body of the report and option papers.
Dave Gill (Deputy Monitoring Officer)	
Corporate Risk(s) (CR)	<input checked="" type="checkbox"/> Decreasing Financial Resources (CR1) <input checked="" type="checkbox"/> Key Supplier/Partnership Failure (CR2) <input checked="" type="checkbox"/> Political Dynamics (CR3) <input checked="" type="checkbox"/> Reputation Damage (CR4) <input checked="" type="checkbox"/> Effective Utilisation of Assets/Buildings (CR5) <input checked="" type="checkbox"/> Organisational/Transformational Change (CR8) <input checked="" type="checkbox"/> Economy/Regeneration (CR9)
Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	
Corporate Priorities (CP)	<input checked="" type="checkbox"/> An Inclusive and Engaged Borough (CP1) <input checked="" type="checkbox"/> Effective Service Provision (CP2) <input checked="" type="checkbox"/> Balanced Economic Development (CP3) <input checked="" type="checkbox"/> Green & Safe Places (CP4) <input checked="" type="checkbox"/> Wellbeing for All (CP5)
Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	
Vision & Values (V)	<input checked="" type="checkbox"/> "A Strong Borough Together" (Vision) <input checked="" type="checkbox"/> Accountability (V1) <input checked="" type="checkbox"/> Respect (V2) <input checked="" type="checkbox"/> Teamwork (V3) <input checked="" type="checkbox"/> Innovation (V4) <input checked="" type="checkbox"/> Customer Focus (V5)
Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	
Equalities & Equality Assessment(s) (EA)	<p>There are no equalities implications.</p> <input checked="" type="checkbox"/> Not Applicable
Stephen Hinds (Director of Finance & Transformation / Section 151 Officer)	