

# **Member Briefing**

## Medium Term Financial Strategy

9th October 2006



W I N T E R   C O L O U R S

# **A G E N D A**

- Setting the scene
- Approved Financial strategy 2007/08 to 2009/10

## Setting the Scene

### New Grant System

- Schools removed (impact on balance of funding)
- New “simplified” grant system but lacks transparency
- Review of formula
- Multi year settlements

## Setting the Scene (2)

### Balance of funding

	Old £m	%	New £m	%
Spend	546		268	
Funding				
Govt. Grant	354	<b>65</b>	76	<b>28</b>
Council tax	192	<b>35</b>	192	<b>72</b>
	546	100	268	100

## **Medium Term Financial Strategy**

- Poor Government funding
  - but
- Intention to restrict council tax increases
  - and
- Invest in priority services
  - will require**
- Significant efficiency savings
  - and
- Reductions in “lower priority services”

## **Resources**

### **2007/08 to 2009/10**

- Government grant increases 1% or less anticipated but subject to Government Comprehensive Spending Review
- Council tax increases under 5%
- Maximise fees and charges when appropriate

# **Service Pressures**

## **2007/08 to 2009/10**

### **Children and Young People**

- School days
- Foster care

### **Adult Social Care**

- Domiciliary and Community Care
- Learning disabilities

### **Highways and Transportation**

- Excess inflation



# **Service Pressures**

## **2007/08 to 2009/10**

### **Waste**

- Recycling credits and landfill tax
- Haulage
- Alternative treatments

### **Community Services**

- Minerals and local plan
- Library income

### **Other**

- Energy

# **Investment Priorities**

## **2007/08 to 2009/10**

- Children and Young People - Melton area review
- Adult Social Care - Learning disabilities
- Highways - LTP including major schemes
- Waste – Implementation of Strategy
- Community Services - Library improvements
- Corporate – Community Forums

# Efficiency and other Savings

2007/08 to 2009/10

- Significant cash efficiencies meet majority of saving requirement. Average of £4.5m totalling £13.5m over three years
- Targeted service savings. Average of £2m p.a. for three years.
- Capital Programme savings of at least £8m over next three years but still around £200m of investment over 3 years.

## In Summary

- Poor Government funding but
- Continue to invest in priority services (£25m+ over 3 years)
- Continue to deliver efficiency savings (since 2004 delivered on average £4m a year)
- Targeted service savings

# **Medium Term Financial Strategy**

## **Next Steps**

- Scrutiny of the Strategy
- Public Consultation
- Budget Setting