

## 8b REFERRAL FROM CABINET 21 SEPTEMBER 2021 – MEDIUM TERM FINANCIAL STRATEGY

### **RECOMMENDED TO CABINET**

That Full Council adopt the Medium Term Financial Strategy 2022-27 as attached at Appendix B in the supplementary agenda to this item.

**REASON FOR RECOMMENDATION:** Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2022/2023 to 2026/2027, culminating in the setting of the Council Tax precept for 2022/23 in February 2022. This will (alongside the Council Plan) support the Council in setting a budget that is affordable and aligned to Council priorities.

The Executive Member for Finance & IT, Councillor Ian Albert, presented the report entitled Medium Term Financial Strategy along with following appendices:

- Appendix A – MTFS 2022-2027
- Appendix B – MTFS 2022-2027 (updated)

The Executive Member for Finance & IT additionally presented item 6c. Referral from FAR - Medium Term Financial Strategy. His presentation highlighted points including:

- Budget allocations in his strategy were driven by the Council's priorities and were devised in relation to the Council Plan
- The revised design of the strategy made it more readable and accessible and an enhanced form of the visual layout would make the document easily understandable to the public via the website
- The strategy made provision for the continuing impact of COVID-19 and recovery through 2022/23 and 2023/24 though the necessity and length of these provisions would be kept under review
- The strategy estimates provision for a savings total of £1.8 million by the five year mark and set out how to identify and deliver savings to the Council including the role of the budget challenge process and the place of public consultation in financial strategy was also considered by the strategy
- In the context of continual 1-year funding settlements from central government it was difficult for any administration to develop a long term financial strategy
- A more long term and detailed funding settlement and an idea of how new funding formulae work would make the process of long term planning easier.
- He endorsed the strategy and commented that it was a prudent, priority driven document which would help the administration deliver on its plans.

Leader of the Council, Councillor Elizabeth Dennis-Harburg, advised that the strategy was readable and accessible as far as could be achieved with a financial document of this length and that it sat as a daughter document of the Council Plan demonstrating the relationship between policy supported by budget; she also noted that one year funding settlements were a continued difficulty for local governments.

On the vote it was:

**RESOLVED:** That Cabinet recommend to Full Council the adoption of the Medium Term Financial Strategy 2022-27 as attached at Appendix B in the supplementary agenda to this item.

**REASON FOR DECISION:** Adoption of a MTFS and communication of its contents will assist in the process of forward planning the use of Council resources and in budget setting for 2022/2023 to 2026/2027, culminating in the setting of the Council Tax precept for 2022/23 in February 2022. This will (alongside the Council Plan) support the Council in setting a budget that is affordable and aligned to Council priorities.

*NB: The report considered by Cabinet can be viewed at Item 12 here:*

<https://srvmodgov01.north-herts.gov.uk/ieListDocuments.aspx?CId=133&MId=2596&>