



Cabinet

23 June 2015

Report title	Financial Plan	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Andrew Johnson Resources	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Mark Taylor, Director of Finance	
Originating service	Strategic Finance	
Accountable employee(s)	Claire Nye	Chief Accountant
	Tel	01902 550478
	Email	claire.nye@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	19 May 2015
	Executive Team	3 June 2015

Recommendation for noting:

Cabinet is asked to note:

1. The contents of the refreshed Financial Plan.
2. That authority to approve the final version of Financial Plan has previously been delegated by Cabinet on 25 February 2015 to the Cabinet Member for Resources, in consultation with the Director of Finance.

1.0 Purpose

- 1.1 To present the Council's refreshed Financial Plan, which is attached at Appendix A, to Cabinet prior to its final approval by the Cabinet Member for Resources in consultation with the Director of Finance.

2.0 Summary

- 2.1 On 17 December 2013, the Council published its current Financial Plan.
- 2.2 The Financial Plan has been refreshed and is now presented to Cabinet for information, prior to its approval by the Cabinet Member for Resources in consultation with the Director of Finance.

3.0 Background

- 3.1 On 17 December 2013, the Council published its current Financial Plan. This focussed on the scale of the challenge facing the Council over the five year period from 2014/15 to 2018/19, as a result of severe cuts to the levels of grant funding received from central Government.
- 3.2 The current Plan contextualises these cuts in the face of increasing demand for local government services and the impact of inflationary pressures on current expenditure plans.
- 3.3 The refreshed Financial Plan, attached at Appendix A, focusses on the Council's positive response since the current Plan was published, the substantial progress made to date in achieving the required level of savings and the remaining work to be completed to reduce the Council's budget. It also reflects the latest assumptions around future funding stream estimates and cost of service estimates, as reported to Cabinet on 25 February 2015.
- 3.4 On 25 February 2015, Cabinet approved that authority to approve the refreshed Financial Plan be delegated to the Cabinet Member for Resources in consultation with the Director of Finance. This arrangement was put in place to provide some flexibility around final approval of the Plan for publication. The refreshed version of the Plan is therefore presented to Cabinet for information prior to the exercise of these delegated powers after which the Financial Plan will be made public.

4.0 Financial Plan Contents

4.1 The aim of Wolverhampton City Council's Financial Plan is to explain to its citizens, businesses and visitors the latest financial forecasts for the medium term, how the Authority is responding decisively and constructively to severe cuts in its grant funding and its determination to continue to invest in the services which stakeholders have identified as being a priority. The document will also be used to support the Council's on-going transformation and 2016/17 budget engagement processes.

4.2 The refreshed Financial Plan contains ten sections, the main contents of which are summarised below:-

- **Foreword** - Commentaries by the Leader of the Council and Managing Director.
- **Executive Summary** - Summarises the main themes arising from the Council's General Services Revenue, Capital and Housing budgets.
- **Financial Plan Context and Development** - Contextualises the Plan against current economic conditions, government cuts and controls, together with underlying social and demographic factors.
- **General Services Budget** - Focuses on the latest approved annual General Fund revenue budget, how the Council pays for the services that it provides and what it plans to spend it on in 2015/16.
- **General Services Medium Term Projections** – Summarises the Council's medium term financial forecasts, future budget strategy, savings secured to date and the forecast budget deficit for 2018/19.
- **Capital Investment Strategy** - Sets out the Council's investment plans for the period 2015/16 to 2019/20 together with recent key achievements and future aspirations.
- **Treasury Management Strategy** - Highlights the framework and controls for managing the Council's borrowings and investments.
- **Housing Budget** - Discusses the day to day financial management of the housing budget together with the Council's housing capital spending plans for the next 30 years.
- **Strategy Summary** - Summarises how the Financial Plan helps to shape and decide the Council's medium term investment and service provision plans.
- **Technical Terms Explained** – Contains a glossary of terms to help the reader to better understand the narrative and charts within the document.

4.2 In summary, the Financial Plan not only reflects the Council's corporate priorities, it also plays a critical role in shaping the Council's vision and provides a framework around which decisions about medium term service provision can be made. To ensure that it remains relevant and timely it will continue to be updated and published on a regular basis.

5.0 Financial Implications

The costs associated with producing the Financial Plan have been minimised by making it available for download via the Council's website, printing only a limited number of copies and by refreshing the current document to minimise re-drafting costs [RT/08062015/K].

6.0 Legal Implications

6.1 The compilation of the Financial Plan and its publication are not covered by statutory provision. Hence, there are no direct legal implications arising from the recommendations in this report.

7.0 Equalities Implications

7.1 Once approved, the Financial Plan will be published and made available as a public document in a manner that is compliant with the Council's Communications Strategy. If specifically required by a member of the public, the document will be produced in a different format to comply with equalities' statute and recognised best practice.

8.0 Human Resources Implications

8.1 There are no human resources implications.

9.0 Environmental Implications

9.1 There are no environmental implications

10.0 Corporate Landlord Implications

10.1 There are no corporate landlord implications.

11.0 Schedule of Background Papers

Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19, Cabinet 23 October 2013.

Budget 2015/16 and Medium Term Financial Strategy 2015/16 to 2018/19, Cabinet 25 February 2015.