



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Council

12 July 2022

Wards affected:

All wards

Medium Term Financial Strategy 2022/23-2025/26

Report of Head of Finance (Section 151 Officer)

1. Purpose of report

- 1.1 To seek Council's approval for the 2022/23-2025/26 Medium Term Financial Strategy (MTFS) attached to this report. This comprises the current year 2022/23 and a three-year outlook.
- 1.2 The MTFS has been prepared taking into account the Corporate Plan and should be read in conjunction with the Capital Programme, General Fund and HRA budgets, which were presented separately in February 2022.

2. Recommendation

- 2.1 That the Council approves the updated Medium Term Financial Strategy (MTFS) update for 2022/23-2025/26

3. Background to the report

- 3.1 The purpose of the MTFS is to:
 - Structure and manage the Council's finances to support and deliver the council's objectives.
 - Inform decision on expenditure and savings to sustain Council services.
 - Engage officers and members in "owning" the process by which Council finances are managed.

Summary MTFS information

- 3.2 The MTFS update (Full details are in the attached MTFS document at Appendix A) covers the assumption used and risks considered. A summary of

the overall MTFS excluding Special Expenses is given in the table below for three MTFS scenarios, which cover the:

- Expected Case – which is the most likely, but still challenges and risks, with a key assumption being the business rates reset will be in 2024/25
- Best Case – This has beneficial but unconfirmed or less likely assumption, with a key assumption being the business rates reset will be in 2025/26
- Worst Case – Take a more pessimistic view, with less income opportunity, and with a key assumption being the business rates reset will be in 2023/24

EXPECTED	2022/23 Current Year £	2023/24 Forecast £	2024/25 Forecast £	2025/26 Forecast £
Budget requirement	13,434,982	11,185,617	11,588,779	12,014,466
Income (NNDR, Ctax, etc)	10,843,687	10,706,829	9,918,210	9,492,748
Difference	-2,591,295	-478,788	-1,670,569	-2,521,718
Covered by:				
Reserve movements	2,591,295	478,788	1,670,569	700,718
Savings required				1,821,000
	2,591,295	478,788	1,670,569	2,521,718

BEST	2022/23	2023/24	2024/25	2025/26
Budget requirement	12,914,644	10,579,133	10,444,041	11,147,686
Income (NNDR, Ctax, etc)	10,843,687	10,817,370	11,425,679	10,563,994
Difference	2,070,957	-238,237	-981,637	583,693
Covered by:				
Reserve movements	2,070,958	-238,237	-981,637	583,693
Savings required	0	0	0	0
	2,070,958	-238,237	-981,637	583,693

WORST	2022/23	2023/24	2024/25	2025/26
Budget requirement	13,735,794	12,700,031	12,254,484	10,116,588
Income (NNDR, Ctax, etc)	10,843,687	9,952,214	9,134,468	9,181,801
Difference	2,892,107	2,747,818	3,120,016	934,787
Covered by:				
Reserve movements	2,892,107	1,857,318	581,016	451,287
Savings required		890,500	2,539,000	483,500
	2,892,107	2,747,818	3,120,016	934,787

4. Exemptions in accordance with the Access to Information procedure rules

4.1 Report is to be taken in open session.

5. Financial implications [AW]

5.1 In the body of the report

6. Legal implications [MR]

6.1 The MTFS provides the foundations to allow the Council to meet its statutory obligations in accordance with Section 32 of the Local Government Finance Act 1992 and section 25 of the Local Government Act 2003. The Council has a statutory requirement to set a budget for each financial year and approve the MTFS, including a three-year capital programme.

7. Corporate Plan implications

7.1 A robust MTFS is required to ensure that resources are effectively allocated to ensure delivery of all the aims, outcomes and targets included in the Council's Corporate Plan.

8. Consultation

8.1 All members of the Strategic Leadership Team have been consulted in preparing this Strategy.

9. Risk implications

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with these report / decisions were identified from this assessment:

Management of significant (Net Red) risks		
Risk description	Mitigating actions	Owner
That the Council has insufficient resources to meet its aspirations and cannot set a balanced budget	A budget strategy is produced to ensure that the objectives of the budget exercise are known throughout the organisation. The budget is scrutinised on an ongoing basis to ensure that assumptions are robust and reflective of financial performance. Sufficient levels of reserves and balances have been maintained to ensure financial resilience	A Wilson

10. Knowing your community – equality and rural implications

- 10.1 The budget process will impact on all areas of the Borough and all groups within the population.

11. Climate implications

- 11.1 The stewardship of the financial resources of the council underpins all policy actions to address the council's objectives in ensuring it manages its resources to ensure climate considerations are achieved in accordance with the corporate plan.

12. Corporate implications

- 12.1 By submitting this report, the report author has taken the following into account:
- Community safety implications
 - Environmental implications
 - ICT implications
 - Asset management implications
 - Procurement implications
 - Human resources implications
 - Planning implications
 - Data protection implications
 - Voluntary sector

Background papers: Corporate Plan, Capital Programme, General Fund and HRA budgets and Treasury report

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