

REPORT OF THE
Cabinet
Medium Term Financial and Efficiency Strategy
2012/13 To 2014/15

PART I

185. EXECUTIVE SUMMARY

On 25 July 2011, the Cabinet considered a report of the County Treasurer setting out the revenue budget strategy, financial forecasts and capital investment strategy for the next three financial years. The full report submitted to the Cabinet is attached at appendix A.

186. CONTEXTUAL INFORMATION

1. At the Cabinet meeting the County Treasurer gave a presentation summarising the key highlights of the strategy and key assumptions. In considering the strategy, the Cabinet also took into account points raised by the Policy and Resources Select Committee on 21 July 2011. These points included:

- Uncertainties about Health Sector funding
- Increasing fees and income levels in service areas where appropriate
- Areas of high risk
- Annual salary awards for more junior staff
- Predicted inflation rates

2. Appendix 1 to the report sets out the medium term financial strategy which describes how savings of a further 8% are required in 2012/13. The County Council is well on its way to securing the £55 million it needs to save to meet its budget gap for the current financial year. The report also explains that three further workstreams have been put into place to deliver further efficiency savings including:

- Corporate Services Review (CSR)
- Shared Services
- Modernisation and Reconfiguration of Adult Social Care Provision

3. The report also sets out in annex 7 emerging key theme areas for capital investment over the medium to long term planning horizon. The requirements for capital investment are significant, not only in respect of the maintenance of existing infrastructure but in relation to new investment in emerging key areas. Consideration of major capital investment decisions will take place in February 2012, taking into account available capital resources and individual business cases.

RECOMMENDATIONS

That the County Council:

- a) Note the key assumptions that underpin the financial forecasts for the next three years and the risks attaching to such.
- b) Approve the medium term financial and efficiency strategy for 2012/13 to 2014/15, as set out in Appendix 1.
- c) Note the emerging key theme areas for capital investment in Annex 7.

