



**Author/Lead Officer of Report:** Marianne Betts,  
Director of Finance & Commercial Services

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**Report of:** *Executive Director of Resources*

**Report to:** *Deputy Leader*

**Date of Decision:** *2 August 2018*

**Subject:** *Medium Term Financial Strategy*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Finance & Resources		
Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Committee		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given?		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
N/A		

**Purpose of Report:**

The report details the Medium Term Financial Strategy (MTFS) the Council is proposing to adopt over the next five financial years (2018-2023).

The MTFS takes into account the actual budgetary position of the Council as at the end of 2017/18 and the forecast in the Council's Budget Book for 2018/19. The MTFS also provides some headline details of issues, risks and opportunities that may cause variances to the intended strategy.

**Recommendations:**

It is recommended that the Deputy Leader, consulting with Cabinet:

- notes the political foreword from the Deputy Leader / Lead Councillor for Finance & Resources.
- approves the Medium Term Financial Strategy (5 year plan), including the proposed financial approaches and assumptions adopted therein, and noting that the potential solutions to balance means increasing risk to Sheffield City Council.
- notes the forecast position, context, risks and opportunities that may impact the proposals within the medium term.

**Background Papers:**

*(Insert details of any background papers used in the compilation of the report.)*

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: David Philips, Head of Strategic Finance
		Legal: Sarah Bennett, Service Manager (Commercial)
		Equalities: James Henderson, Director of Policy, Performance & Communications
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b>	<i>Eugene Walker</i>
3	<b>Cabinet Member consulted:</b>	<i>Cllr Olivia Blake</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any	

	additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> Marianne Betts	<b>Job Title:</b> Director of Finance & Commercial Services
	<b>Date:</b> 2 August 2018	

## **1. PROPOSAL**

- 1.1 Local Authorities generally compile plans that take a view of their financial position over the medium term, typically three to five years. The Medium Term Financial Strategy (MTFS) is Sheffield City Council's articulation of that medium term view, covering 2018-2023, and this document sits amongst a suite of complementary financial documents such as the Medium Term Financial Analysis, and our statutorily required Budget Book and Statement of Accounts.

The MTFS has been drafted in the context of known national policies, economic drivers and by taking comparison with other comparable Local Authorities. In addition it considers the local context in Sheffield itself.

The MTFS sets out the intended financial approach of the Council for the next five years (2018-2023). The report covers the Council's gross revenue budget of £1.3bn, but focusses on the intended financial approach to be adopted across the £402m of this gross budget, on which the Council has some discretion over its deployment.

## **2. HOW DOES THIS DECISION CONTRIBUTE ?**

- 2.1 The Council's MTFS sets out how it will structure its financial approach to continue to deliver quality essential services by focusing on:
- A stronger economy that makes the city fairer with better employment opportunities, better incomes, more businesses, a transformed city centre and good quality affordable homes, plus increases in council tax and business rates
  - High quality preventative services - adult social care services working with the NHS and partners, focusing on prevention to improve quality of outcomes for people
  - Good financial management - continuing to prudently manage the council's finances, protecting services and making bold investments to drive change in Sheffield.

## **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 No public consultation is required to be undertaken for this overarching strategy, which does not in itself allocate budgets but details an outline approach to be adopted. Individual consultations for service areas, that may vary, will be taken up in accordance with Statute and Council policies. This will include annual statutory consultations on the allocation of Council budgets, across the five year period.

## **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **4.1 Equality of Opportunity Implications**

- 4.1.1 There are likely to be equality of opportunity implications, principal of which is that as the Council continues to face austerity, we are seeking to develop and change services and this may result in reduction of jobs available. Each service change will follow due process, and details of the equality of opportunity impact shall be detailed in each separate decision related to that service. Consequently no separate EIA is required to support this document.

Full details of the equality implications can be found in the Council's Budget Book 2018/19. We anticipate the implications therein will be applicable to the MTFS as the documents are complementary to each other.

### **4.2 Financial and Commercial Implications**

- 4.2.1 The MTFS sets out the financial and commercial approach of the Council for the next five years (2018-2023). The report covers the Council's gross revenue budget of £1.3bn, but in particular focusses on the intended financial approach to be adopted across the £402m of this gross budget, on which the Council has some discretion over its deployment.

Any material variances (above £3m in value per annum) anticipated for existing budgets are also detailed.

There are no direct procurement requirements as a consequence of this MTFS, nor does the MTFS seek any pre approvals for procurements in service areas, these shall be taken up individually, under separate decisions and each follow due process.

### **4.3 Legal Implications**

- 4.3.1 There are no direct legal implications for the MTFS, nor required changes to governance. Neither does the MTFS provide for legal implications in service areas, these shall be taken up individually as required, supporting separate decisions and each follow due process.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

For further details please see the contents of the MTFS.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 To provide a strategic framework for the development of budget proposals and the business planning process for 2019/20 and beyond.