

1 INTRODUCTION

- 1.1 The purpose of the Council's Financial Strategy for the period 2010/11 to 2012/13 is to support the Corporate Planning Framework and the revised Corporate Plan 2008-2011, 'Changing Gear'.
- 1.2 The objective of producing a medium term financial strategy (MTFS) is to ensure that the Council is able to take a longer term and more strategic view when taking decisions that have a financial impact in either the current or future years. The strategy provides a three year financial forecast for the Council's General Fund and Capital Programme which will cover part of the period of the refreshed Corporate Plan.
- 1.3 This Strategy has been prepared taking account of any new initiatives being proposed by central government and the Council's key service priorities as currently detailed within the Corporate Plan and outlined below:
- Active and Sustainable Communities
 - Natural Environment and Built Heritage
 - First Class Resource Management
- 1.4 As part of a strategic overview four workstreams have been identified, each with a financial savings target. The workstreams are as follows:
- Workstream 1: Review of Service and Management Structures
 - Workstream 2: Prioritisation of services and identification of service savings
 - Workstream 3: Review of Shared Services and Outsourcing opportunities
 - Workstream 4: Contract procurement.
- 1.5 The timetable for this work allows the outcomes to inform the overall budget planning for the medium term.
- 1.6 The changing environment of local government continues to create long term planning difficulties. Despite the government moving towards three year grant settlement announcements to provide greater certainty around resources available for local government, spending pressures continue to change and local authorities have to respond to both local and national pressures. However, at the time of preparing this document (October 2009) there are no published plans for the resources that will be available in years two and three of this plan. Some of the current issues are discussed in detail later on in this document; however, it is often very difficult to assess, particularly in financial terms, how those changes will impact upon the Council.
- 1.6 The assumptions made in determining the level of central government financial support to local authorities and North Norfolk in particular are informed by the overall national financial position and close reading of the financial press and other professional publications.
- 1.7 As part of the annual budget process the financial strategy document is the first of a number of pieces of work which culminate in setting the annual budget for the following year in February, i.e. setting the 2010/11 budget in February 2010.

1.8 The format of the document is as follows:

- **Context**
This introductory section details the wider background within which the Financial Forecast has been prepared, and the assumptions that have been made in the formulation of the plan and the projection of future resources.
- **General Fund Revenue Financial Forecast – 2010/11 to 2012/13**
This forecast anticipates levels of income and expenditure over the next three years. The forecast makes assumptions on the amount of income from council tax and central government (taking account of the restrictions noted above), as well as projecting future levels of expenditure after taking account of inflation, known commitments and spending pressures. This exercise will identify whether a budget gap exists and what measures are available to the authority in meeting or reducing this gap.
- **Fees and Charges Proposals**
This section sets out the proposed fees and charges where applicable for 2010/11.
- **Review of Capital Programme and Capital Resources Projection**
The General Fund Capital Programme has been reviewed and a position statement included within the strategy document.
- **Resources Statement**
This section of the report summarises the Revenue and Capital reserve position for the Council over the next three years.