BEDFORD BOROUGH COUNCIL

MEDIUM TERM FINANCIAL STRATEGY

2014 - 2019

Councillor Michael Headley
Portfolio Holder for Finance
and Asset Management

Trevor Roff
Director of Finance and
Corporate Services

CONTENTS

INTRODUCTION

1. The Medium Term Financial Strategy (MTFS) is the Council's key financial planning and policy document. It sets out the:

   - Policy Context of the Strategy;
   - Linkage of Medium Term Finance Strategy to the Sustainable Communities Strategy and Corporate Plan;
   - National and Local Priorities;
   - Revenue Budget;
   - Capital Budget;
   - Financial Outlook – Revenue;
   - Financial Outlook – Capital;
   - Efficiency Requirements;
   - Risk.

2. The MTFS has to be considered as part of a corporate wide process and it links into the wider decision making of the Council.

POLICY CONTEXT OF THE MEDIUM TERM FINANCIAL STRATEGY

3. The MTFS is the Council's overarching Financial Strategy and Policy document. The purpose of the MTFS is to give financial expression to the Council's plans for the next five years, in the context of the Council's longer term plans as set out in the Community Plan.

4. The MTFS sets out the Council's funding plan, for achieving its goals and priorities, balancing available financing and spending ambitions. It highlights the financial projections for financing, spending (revenue and capital), and reserves. It also highlights the underlying financial strategy, the financial assumptions, and the inherent financial risks. Importantly, it links decisions on resource allocation to decisions on policy priorities.

5. In addition, the Council has approved corporate policies which, in addition to the MTFS, act as a cornerstone of its Financial Management. These include:

   - Capital Investment Strategy;
   - Corporate Asset Plan;
   - Value for Money Strategy;
   - Procurement Strategy;
   - Human Resource Strategy;
   - Risk Management Strategy;
   - Information Technology Strategy;
   - Key Financial Decisions Framework.

6. Looking ahead, the Council's financial planning process will continue to develop. It will promote the best use of limited financial resources, and facilitate the alignment of those resources to the Council's priorities. Base budgets will be analysed with increasing sophistication and spending that does not contribute to Council priorities will come under increasing scrutiny.

LINKAGE OF THE MEDIUM TERM FINANCIAL STRATEGY TO THE SUSTAINABLE COMMUNITIES STRATEGY & CORPORATE PLAN

7. The Council is committed to working with its communities and partners to improve local quality of life and, working together with its partners as part of the Bedford Borough Partnership, the Council and Partnership published its Sustainable Community Strategy – Moving Forward Together. This sets out the vision to make the Borough a better place to live, work and visit.

8. The Council's purpose and key priorities are expressed in its approved Corporate Plan (derived from the Sustainable Communities Strategy). Importantly, the allocation of resources over the medium term is intended to reflect the established priorities.

9. The Council's determination to meet the twin challenges of making the Borough a better place to live, work and visit and of creating a first-class Council, has led to the establishment of eight priority areas for the Council over the next three years. These are:

   - Economic Development Regeneration and Enterprise;
   - Environment & Climate Change;
   - Adult Health & Wellbeing;
   - Children and Young People;
   - Safer Communities;
   - Social Inclusion, Community Cohesion and Culture;
   - Housing and Transport;
   - Organisational and Operational Effectiveness.

10. In developing and promoting the Corporate Plan and the MTFS, it is important to give full regard to the following:

    - National and local priorities;
    - stakeholder and partner views;
    - external drivers, including funding variations and requirements to improve efficiency;
    - capital investment plans and their revenue implications;
    - risk assessments and financial contingency planning;
    - sensitivity analysis;
    - expected developments in services.

11. Bedford is a designated growth area and could experience a high level of population growth that would impact on all of the Council's services. The Council needs to manage this growth, while continuing to improve, in order to meet its ambition to become an excellent authority and to excel at delivering high quality cost effective services across the Borough. The MTFS must recognise these challenges and, in doing so, takes its lead from Council's strategic goals and priorities outlined in the approved Corporate Plan.

REVENUE BUDGET

(a) Revenue Budget Strategy

12. The Council's financial strategy for 2013/2014 to 2017/2018, as set out in this Strategy, is to contribute to the Council's overall vision and priorities by:

- Securing stable and sustainable budgets, within financial resources defined by target increases in Council Tax;
- Ensuring that limited resources are focussed towards the Council's highest priorities;
- Recognise risks and ensure an adequate level of financial protection against risk by maintaining a prudent level of financial reserves;
- Securing an understanding of sources of potential finance;
- Building financial capacity for fundamental change;
- Being Flexible to allow shifts in spending if circumstances change;
- Ensuring that the Council is not overburdened with financial commitments.

13. The Council's MTFS is reviewed annually on a rolling five year basis and, through the revenue budget determination process, seeks to link decisions on resource allocation with decisions on policy priorities.

14. The clear message is that budget setting and medium term financial planning will be tough over the duration of the MTFS and the following financial objectives will, therefore, help guide budget proposals:

- A sustainable medium term financial plan that allows the achievement of the Council's key objectives;
- Realistic levels of year on year spending which are supportable via annual income streams and do not require the use of general reserves to support recurring expenditure;
- General reserves should be maintained at all times at or above the agreed minimum level;
- Constraining annual Council Tax increases to an acceptable level;
- The pursuance of "invest to save" opportunities with a financial return on the investment in transforming activities over an acceptable payback period;
- A commitment to explore income generation opportunities and to maximise income from fees and charges;
- A commitment to maximise efficiency savings.

15. Full regard will be given to Revenue Budget forecasts (annually updated in this Strategy) and any increase in the ongoing annual Revenue Budget (by way of use of the contingency provision or virement) will be subject to the expenditure being either legally unavoidable or considered affordable after taking into account:

- any forecast savings targets;
- Implications on Council Taxpayers in future years.

16. In the light of any forecasts savings targets, every effort will be made to increase annual income sources and reduce annual expenditure without materially reducing front line services provided by the Council.

17. Notwithstanding 16 above, if the Council is facing a position whereby the ensuing years forecast expenditure is more than the forecast total income to be received, it can elect to consult Council Taxpayers on either the option to reduce service levels or increase Council Tax and the Council will have regard to the consultation outcome before it reaches its final decision.

(b) <u>Revenue Budget Policy</u>

18. To ensure a continuously stable financial base for the provision of Council services and functions, the Council will ensure that annual ongoing General Fund revenue expenditure can be covered by annual income sources in each and every financial year.

19. In setting out the above policy the Council recognises that any significant use of reserves to fund ongoing expenditure commitments is unsustainable in the medium term.

20. It will be the aim of the Council to keep within any Government guidelines for Council Tax changes unless consultation with Council Taxpayers results in support for an increase above the guidelines and providing the Council deems this to be appropriate, having regard to Government guidelines. The commitment will be to constrain increases and, if possible, to reduce the burden of Council Tax for residents in real terms.

21. A prudent level of revenue contingency will be maintained to enable unforeseen and "one off" needs (i.e. having no long term ongoing revenue commitment) to be considered for funding

22. Under Section 25 of the Local Government Act 2003, before approving the ensuing year's Capital and Revenue Budget, the Council is required to receive and take into account a report of the relevant statutory officer (Director of Finance and Corporate Services) on the robustness of the estimates leading to the Council's Council Tax requirement and the adequacy of financial reserves. Council needs to consider:

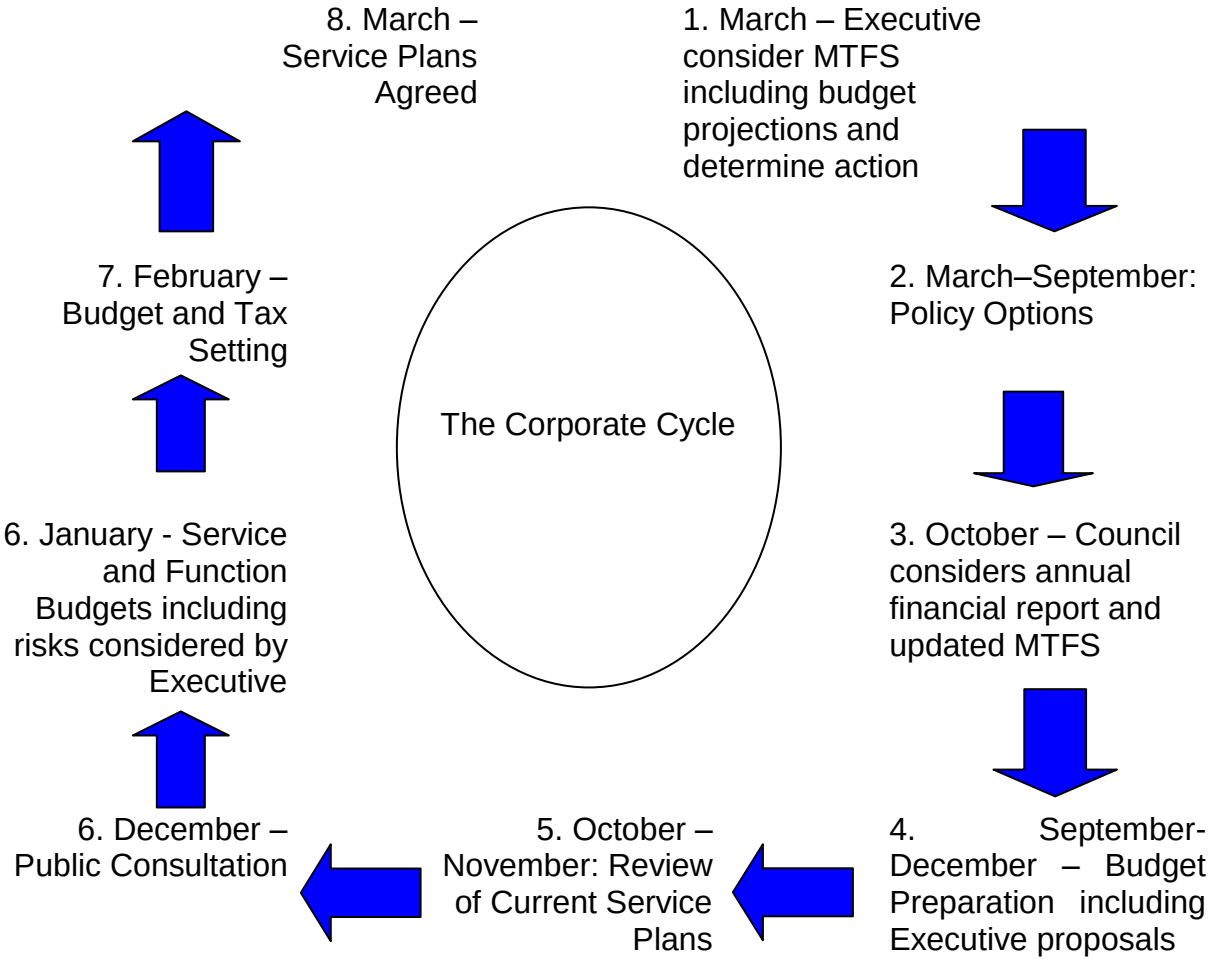
    - affordability (having regard to Council Tax implications);
    - prudence (having regard to Council policies/strategies);
    - sustainability (having regard to forecast annual expenditure and income).

    In addition it must also take into account <u>risks</u> and impact on <u>reserves</u>.

23. The Council's five year financial strategy reflects the anticipated reduction in Government Grant over the medium term and, as such, highlights that over the five year period resources are not going to be able to sustain the current level of spend. Consequently the Council has put in place a programme of service and efficiency reviews that will look to reduce costs and better focus resources on the Council's priorities.

(c) Revenue Budget Planning

24. With regard to integration to the wider policy making process, the annual cycle for the revenue budget is shown below:



25. In determining Council Tax increases, due regard will be given to Government guidelines issued and proposed increases will not exceed this guidance.

26. The determination of the revenue budget and capital programme will also have regard to the Corporate policies relating to Human Resources and Information Technology and, in particular:

(i) Human Resources Strategy

The Executive, when considering the staffing budget, will have regard to the needs and priorities of the Council and will seek to ensure a focussed competent, skilled and well trained workforce necessary to deliver and support key services within a stable environment.

Processes to ensure optimum resource deployment will be encouraged to maximise efficient service delivery.

(ii) Information Technology Strategy

In order to support the Council's Information Technology requirements, the Council's IT Strategy provides for the funding of new/replacement IT equipment through:

- operating leases (where available and cost effective);
- Equipment, Plant and Vehicle Renewal Reserve for hardware;
- Software Reserve for software;

Annual repayment to the two Reserves will be made in order to provide the Council with financial stability in its budget planning in the medium to long term.

(d) Revenue Budget Monitoring

27. There is a need for effective budget monitoring to be undertaken in line with the Council's Financial Procedure Rules as this will enable the Executive to put plans in place to address forecast budget issues.

28. The Executive will, therefore, receive regularly reports in respect of budget trends and, as part of these monitoring reports, will identify potential variations to the approved budget and consider appropriate action. Where possible, performance data will be developed and reported as part of the process of linking budget allocations to performance attainment.

(e) Value for Money

29. Each Service and Function Budget submitted to the Executive/Council as part of the annual budgetary process will have regard to the requirements to secure economy, effectiveness and efficiency as detailed in the Council's approved Value for Money Strategy.

(f) Financial Procedure Rules

30. The Mayor/Executive and Council shall adhere to all Budgeting (including Budget Preparation, Monitoring and Control) requirements as set out in the approved Financial Procedure Rules of the Council. Officers shall adhere to the detailed financial procedures set out by the Director of Finance and Corporate Services (as the statutory Chief Finance Officer) as required by Financial Procedures.

(g) One-Off Savings, Fortuitous Income and Fixed Term Funding

31. Given the Council from time to time achieves one-off revenue savings or receives fortuitous income these monies will ordinarily accrue to the general contingency and could be used to meet:

- any unavoidable one-off expenditure;
- one-off expenditure consistent with Corporate Priorities.

(h) Growth Prospects

32. The Local Government Finance Act 2012, and associated subsequent regulations, introduced extensive changes to local government finance from April 2013, including provisions for local authorities to retain a portion (50%) of the revenue that is collected from the Non-Domestic Rates payable in respect of properties situated in their area. The Business Rates Retention Scheme is based upon a policy initiative to promote economic growth through aligning financial and business growth benefit for Councils and, given the economic outlook and the increased reliance on locally raised taxation, the Council's financial planning needs to address the benefits and risks of this new funding structure. The Council will, therefore, actively pursue growth opportunities through growth plans in order to maximise revenue from this source but also give due regard to the potential for and impact of reduced yield arising, for example, from rating appeals (i.e. reductions in rateable value).

(i) Reserves

33. The Executive will, as part of the annual budgetary process, or at such other times where it is necessary, identify one-off unavoidable expenditure and one-off expenditure for identified requirements. Such funding will be held in earmarked reserves until spent but will be subject to annual review by the Executive as part of the annual budget process to determine whether the monies still need to be held and that the balances held comply with professional guidance.

34. The Executive will, as part of the provisional outturn each year, review the level of general reserve based on a risk assessment. The General Reserve balance should not be adjusted without a full risk assessment.

35. Thus, the policy on reserves is to:

- establish earmarked reserves for specific commitments and make them subject to review as outlined above;
- only adjust the General Reserve based on a full risk assessment.
- enable Directorates to carry forward legitimate under spends for project based work and planned expenditure commitments subject to:
    - An overall underspend within the Council (with any overspends taking first call on any underspends);
    - An overall underspend within the Directorate (with any overspends taking first call on any underspends);
    - A brief explanation by the service demonstrating the reasons for the underspend and the continuing service requirement;
    - Approval by the Director of Finance & Corporate Services

If these parameters are exceeded the Executive will be advised so that the opportunity costs compared to the benefits can be assessed.

36. There is a commitment to ensure that the level of the General Reserve is maintained at a prudent level, having regard to a risk based approach.

37. The likely General Reserve balance as at 31 March 2012~~2~~3 is estimated at £8.205 million. The assumptions in the MTFS are that the existing general balances will be maintained and that the Council does not overspend its budget. The MTFS does not, therefore, include any further contributions or drawings over the duration.

(j) Ongoing Contingency Budget

38. The Council's five year strategy initially includes a Contingency Budget of £2 million. Strong financial management, the level of Reserves and Contingency, taken together, mitigate adverse financial outcomes.

39. Given the budgetary experience of the new Unitary Bedford so far, and taking into account the inevitable flux around this and the level of Reserves, the MTFS includes a Contingency budget of £2.0 million in each year. There are no immediate plans to reduce this in the current financial climate and having regard to the challenges facing the Council in the MTFS period.

40. The contingency is to cover:

- any net reductions in income sources during the year compared to the levels estimated;
- any unavoidable expenditure falling on the Council during the year which is not known at this time;
- any "one-off" expenditure needs which arise during the year and are considered critical to achieving the Corporate Plan requirements.

CAPITAL BUDGET

(a) Capital Investment Strategy

41. The Council's Capital Programme is determined, prioritised, delivered and monitored in accordance with the Council's approved Capital Investment Strategy. This Strategy is subject to annual review by the Executive.

42. The Capital Investment Strategy outlines the Council's approach to capital investment ensuring that it is directed to the Council's corporate priorities. It provides the framework for the Council to maximise the finance available for investment together with the allocation of capital reserves.

43. The Strategy, therefore, provides a mechanism for the Council, the Executive and its officers to manage, measure and monitor the Council's Capital Investment Programme including an annual review of investment needs targeted to key investment priorities.

44. Capital Scheme Bids will be evaluated and prioritised in accordance with the approved Capital Investment Strategy and based on the themes of the Sustainable Communities Strategy and Corporate Plan.

(b) <u>Capital Finance Policy</u>

45. The Council has a number of methods of ensuring the most effective use of available capital finance. These include:

(i) The Council will each year consider the proposed Capital Programme having regard the CIPFA prudential indicators. Council will consider the extent of borrowing based on these indicators.

(ii) The Council will seek to maximise resources for capital investment from all potential sources as outlined in the approved Capital Investment Strategy.

(iii) A capital contingency reserve will be held from available capital funding to cover:

- any variation in costs of approved schemes over that budgeted as a result of the tender or contract implementation phases;
- the ability to finance urgent schemes which from time to time arise and which have not been included as part of the planned programme option consideration but nevertheless fit in with the Council's corporate priorities;
- funding to help to finance any approved amendment to the uncommitted capital programme on annual review of priorities.

Any calls against the capital contingency to meet the above requirements will be dependant on full consideration of prudential issues set out under point (v) below and be subject to approval in accordance with the limits shown in the Financial Procedure Rules.

(iv) Any savings made on capital schemes will potentially reduce the need for external borrowing.

(v) A prudential financial framework will be maintained so that, once priorities have been determined, no capital scheme can be authorised (and no commitment made) until:

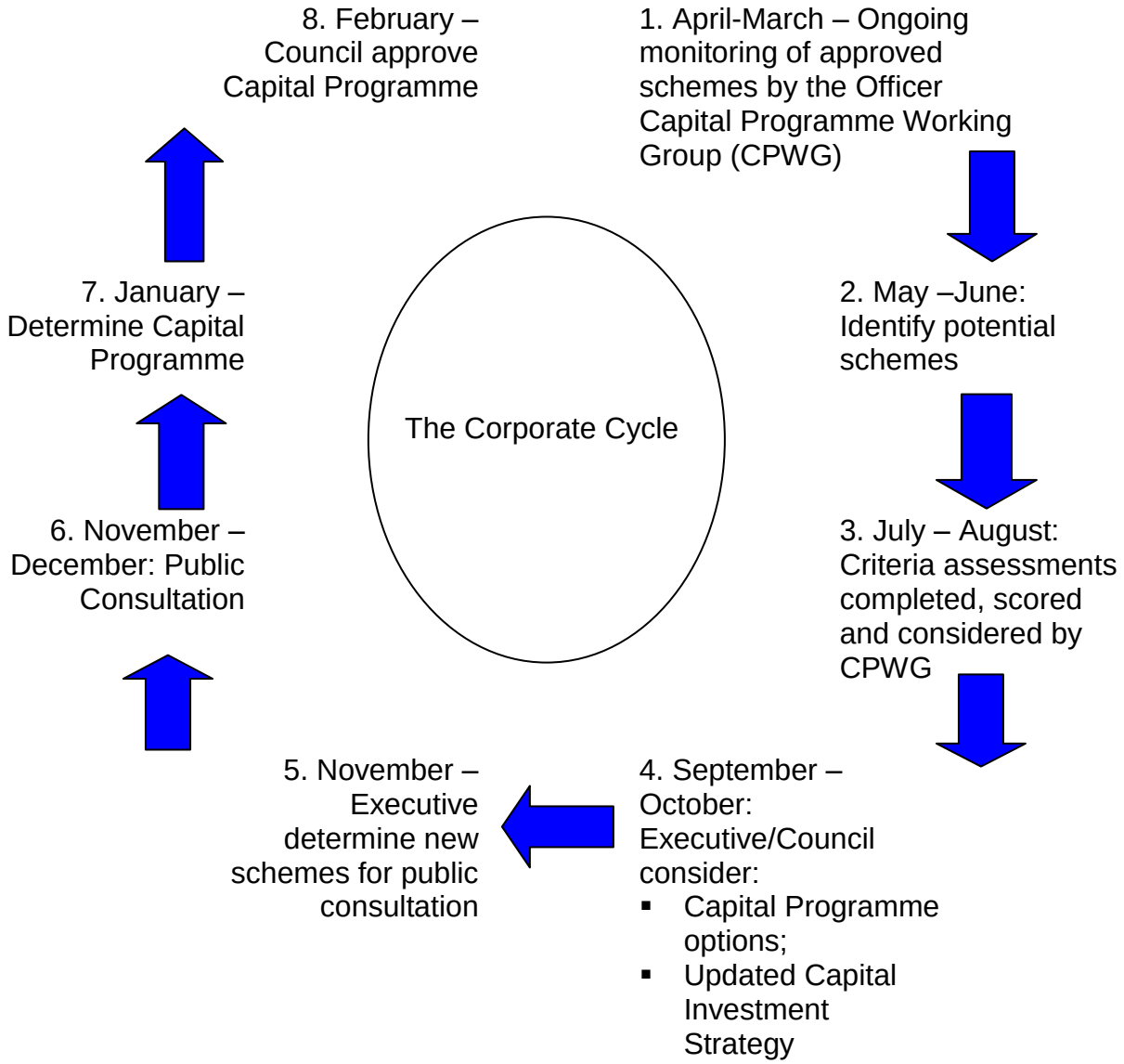
(a) capital finance is in place to cover the full capital costs; and

(b) it has been determined by Council that the ongoing revenue cost consequences are <u>affordable</u> in the light of forward three year Revenue Budget forecasts and related Council Tax consequences.

46. An annual review of the capital programme will be undertaken and, in doing so, full regard will be given to the Prudential Indicators before any proposals/decisions are made in respect of a revised programme. There is a need to be cautious in terms of future borrowing requirements given the capital financing costs and future decisions will need to balance the need for, and cost of, investment or failure to invest. Continued endeavours will be made to support revenue contributions to capital outlay to ensure that funding is available for essential ongoing investment needs.

(c) Capital Budget Planning

47. With regard to integration to the wider policy making process the annual cycle, for the capital budget is shown below:



FINANCIAL OUTLOOK AND PROJECTIONS

48. The financial strategy and resource requirement underpinning the MTFS is set out in **Appendix A1**. The table below summarises the forecast budget shortfall over the next four years:

	2014/2015 £000s	**2015/2016 £000s**	201**6**/201**7** **£000s**
(Increase)/Decrease in Resources	5,078	3,526	1,307
Net Budget Pressures	6,622	5,082	4,630
Budget Deficit	**11,700**	**8,608**	**5,937**

49. The following represent the key assumptions included in the MTFS:

- Council Tax yield will increase due to an increase in the Tax base, and Band D Council Tax level is anticipated to increase by 1.5% in 2014/2015 and for each of the subsequent four years. Allowance has been made in the MTFS for the cessation of the Freeze Grants received by the Council to compensate for income foregone during 2011/2012 (protected until 2015/2016), 2012/2013 (one year protection) and 2013/2014 (with a two year protection).

- Revenue Support Grant will reduce over the spending review period in line with the Local Government Finance Settlement and assumptions in respect of reduced local government expenditure. Forecasts for the longer term can only be speculative but the key message from the Autumn Statement, announced on 5 December 2012, was the continued efforts to achieve the objectives set out in the Government Deficit Reduction Plan, including the commitment to reduce public spending through a reduced welfare bill and reduced government departmental spending (including local government). The fiscal assumption is that overall public expenditure in 2015/2016, 2016/2017 and 2017/2018 will, therefore, continue to decrease at the same rate as during the spending review period to 2014.

- Interest rate forecasts remain uncertain and have been assumed to continue at low levels for the duration of the MTFS. Investment income has been determined having regard to the level of expected balances, including capital receipts and expenditure, together with reserves and provisions held by the Council.

50. The following represent the most significant risks in terms of the spending assumptions:

- Inflation for the period up to and including 2018/2019 is based on the Treasury's CPI levels to reflect the anticipated risk.

- There is the potential for significant abortive costs in relation to contractors experiencing financial difficulty. The MTFS does not overtly reflect this, nevertheless the maintenance of prudent level of Reserves and prudent level of contingency combine to mitigate this identified risk.

51. In addition, the MTFS identifies a need to plan additional provision for:

- The impact of the Welfare Benefit Reforms and, in particular, the impact of the loss of transitional grant received in 2013/2014 to support the Council Tax Reduction Scheme;
- The impact of further schools converting to Academy status with the commensurate reduction in funding and the consequent need to remodel service provision;
- An increasing caseload of children taken into care, consistent with the national picture;
- The need to respond to the OFSTED inspection of arrangements for the protection of children, including the implementation of an effective Early Intervention Strategy with actions aimed at diverting work away from social care and to deliver earlier/better outcomes to children and families.
- The triennial review of the Pension Fund and resulting implications;
- The proposed changes in legislation relating to pensionable pay and national insurance contributions;
- Protecting the environment via the Carbon Management challenge;
- Increasing waste disposal costs;
- The potential economic growth bearing in mind that the Business Rates Retention Scheme, introduced from 1 April 2013, is based upon a policy initiative to promote growth through aligning financial and business growth benefit for Councils.
- The levy payable on any local Business Rate growth achieved above the determined baseline level;
- In terms of demographics, the provision of Social care needs to reflect changes in client numbers, in particular, for increasing numbers of older people and adults with learning disabilities (including those transitioning from children to adults);
- The impact of the economic situation, including the reduced levels of planning application fees;
- Additional concessionary fare costs in the longer term due to projected increases in demand;
- The increase in energy costs over and above inflation;
- The revenue impact of the latest approved Capital Investment Programme needs and priorities;
- The potential income generated through the New Homes Bonus initiative which is based on an increase in Council's taxbase year on year. It is also important to recognise that an increasing taxbase will also increase the need to spend over time;
- The ongoing impact of the Council's Modernisation Programme aimed at transforming service quality, improving organisational productivity and improving customer services.

52. The MTFS also needs to recognise other future changes to service provision which, in some cases, are not possible to either quantify and, in other cases, it is assumed that responsibility with transfer to Local Government on a fully funded basis. This includes the continued implementation of the statutory requirement to provide childcare to all disadvantaged two year olds from 2013/2014.

FINANCIAL FORECAST – SENSITIVITY ANALYSIS

53. The financial forecast set out in this document reflects what can be reasonably assessed as the likely outcome based on the information knowledge available at the time of analysis. It is important, however, to consider the sensitivity of the financial forecast with the potential identification of different financial scenarios (in order to assess the impact of variations).

54. The table below demonstrates the changing budget requirement for the Council, dependent upon the movement of various factors that have a potential influence on the outcome. The table seeks to identify a reasonable range of sensitivity for what are considered the main risk areas of the financial forecast. It must, of course, be recognised that any or all of the assumptions set out could in fact be better or worse than anticipated and it is useful, therefore, to consider the impact of various changes that could happen in order to provide a range of possibilities over the life of the financial forecast.

Medium Term Financial Forecast Sensitivity Analysis		**Effect on Required Efficiencies/Savings over 5 year period**			
		Range of sensitivity	**Best case £000's**	**Worst case £000's**	**Range £000's**
Council Tax Band D increase		Between +1% p.a. to -1% p.a.	-3,495	3,495	6,989
Inflation		Between +.25% p.a. to -.25% p.a.	-1,746	1,746	3,492
Taxbase		Between +.25% p.a. to -.25% p.a.	-880	880	1,760
Demographics/Transitions		Between +10% p.a. to -10% p.a. of overall costs	-408	408	816
Investment interest		Between +.25% p.a. to -.25% p.a.	-618	618	1,236
Modernisation Proposals		Between +5% p.a. to -5% p.a.	-414	414	822
			-7,561	**7,561**	**15,122**

55. The current forecast indicates that further savings and efficiencies totalling £28.674 million will be required over the 5 year forecast period. The sensitivity analysis indicates that, based upon degrees of reasonable sensitivity, this total could be better or worse by £7.561 million.

EFFICIENCY REQUIREMENTS

56. The emphasis on efficiency targets, and the indications are that future spend pressures will significantly exceed the forecast growth in resources (with a significant potential impact on the delivery of services), requires the Council to demonstrate that they continue to deliver ongoing efficiencies in relation to the provision of services. The financial planning process will, therefore, facilitate the identification and delivery of efficiency savings with emphasis on challenging service delivery, comparing performance, outcomes and delivery options, ensuring competitiveness and consulting fully on emerging proposals and service options.

57. In response to the reduction in Government Grant, set against anticipated spending demands, and the ongoing commitment to efficient and cost effective service delivery, the Council has put in place a programme of targeted service and efficiency reviews as part of a transformation agenda and with a view to a developing more tightly defined Priority Led Budgeting regime. These reviews will have to, at a minimum, identify efficiencies/savings equivalent to the funding gap identified in the MTFS.

58. There is a requirement, in response to the financial landscape, to continue the endeavours to make the Council more efficient and to put it on a strong position to meet the inevitable pressures that will be faced by local government. There is a commitment, as part of the service reviews, to look closely at services and to continue to deliver efficiency in corporate and transactional services.

59. The programme of service and efficiency reviews will have regard to the categorisation of the Revenue Budget as follows:

- The minimum level of statutory services which form a priority call on ongoing income sources;
- key core service and functions which form a priority call on ongoing income sources over the period of the Corporate Plan;
- other discretionary services which are subject to annual review of affordability (i.e. not critical to the Corporate Plan);
- priority service enhancements funded over a fixed term period (in line with the Corporate Plan) and financed from Council revenue reserves.

60. The categorisation and budget requirement of each service and function is subject to annual review in the light of the changing financial position of the Council and any performance issues, together with any new statutory service or other unavoidable expenditure requirements.

61. As part of this process, all bids for additional resources must be accompanied by a quality business case and proposals will be subjected to more rigorous challenge through the strong corporate ‘management line’ within Services, as well as peer review by other Services.

RISK

62. As far as possible, changes in the Council's financing and spending from year to year should be predictable and manageable so that key services can be protected. That can never be entirely the case, hence the need for the Council to recognise and manage financial risks, including the identification of the significant risks in terms of the spending assumptions (see section 48 above). Sound financial planning processes are critical in predicting and managing the limited resources available.

63. The purpose of this strategy is to provide the key financial planning tool of the Council. Without forward financial planning difficulties will arise in respect of:

- not meeting the Council's own policy on Council Tax increases;
- not meeting any Government targets on Council Tax increases so as to avoid a Council Tax Referendum;
- not having sufficient Capital Resource to fund the approved Capital Programme.

64. It is important that, in considering Revenue and Capital Budgets, factors which could make the projections worse are identified. The Council will, therefore, as part of its Decision Making Protocol, consider the risk implications of all proposals. By adopting the actions in this Strategy, the risks outlined above should be mitigated.

SUMMARY AND CONCLUSION

65. This Strategy sets out how the Council will resource its Revenue Budget and Capital Programme over the Medium Term having regard to the policy objectives of keeping Council Tax increases within Government guidelines. The financial outlook is summarised in **Appendix A1**.

66. The MTFS represents the Council's overarching Financial Strategy and Policy document and gives financial expression to the Council's plans for the next five years, in the context of the Council's longer term plans set out in its Community Plan. It, therefore, sets out the Council's funding plan, for achieving its goals and priorities, balancing available financing and spending ambitions and, in doing so, highlights the underlying financial strategy, the financial assumptions, and the inherent financial risks. Importantly, it links decisions on resource allocation to decisions on policy priorities.

67. The Strategy will also be kept under review and will, as a minimum, be reviewed twice a year as follows:

- in Autumn prior to considering the annual financial report to Council;
- in Spring as part of the forward financial projections.