

REPORT OF THE
Cabinet
PART I

1. LOOKING AHEAD - MEDIUM TERM FINANCIAL STRATEGY

- 1.1. At its meeting on 18 June 2018, Cabinet considered a report of the Director of Corporate Resources setting out the medium term financial strategy.
- 1.2. The report considered by Cabinet set out the medium term prospects for the County Council's finances to 2021/22 and provided an update on the budget development process for 2019/20. It extends the financial planning period to 2021/22 and considers the financial strategy that may be developed, recognising the uncertainty that exists beyond the period covered by the current spending review which runs to 2019/20.
- 1.3. The report considered by Cabinet is attached, in full, as Annex 1 to this Council report.
- 1.4. In addition to a number of recommendations to Council, set out below, Cabinet resolved to:
 - i. Note and agree the potential for formal decision making on the next transformation programme to take the County Council to 2021 being made during the autumn 2019.
 - ii. Note and agree to proceed on the basis of a forecast financial gap for the two year period to 2021/22 of £80m.
 - iii. Approve the provisional departmental targets outlined in paragraph 7.7 of the report.
 - iv. Approve the timetable for the Transformation to 2021 Programme as detailed in paragraph 7.13 of the report.

The full report to (Cabinet) can be found at the following link:

- [Cabinet 18 June 2018](#)

RECOMMENDATIONS

That:

- a. The allocation of recurring funding totalling £19.7m from 2019/20 onwards to be met from a further round of corporate efficiencies, achieved from a review of treasury management activity, inflation allowances, contingencies and reserves, is approved to provide for the following:
 - £5m for the revenue consequences of the Digital Programme and the expanding use of technology that underpins the delivery of transformation.
 - £1.2m to re-align the Strategic Procurement income allowing corporate prioritisation of this resource to take place.

- £13.5m for the forecast growth in Children Looked After numbers.
- b. An initial allocation of £200m is added to the capital programme for Adults' Services Bed Based Programme to be funded from prudential borrowing.
- c. A sum of £1.8m is added to the capital programme in 2018/19 and £0.5m in 2019/20 to be funded from departmental reserves to proceed with the next phase of the Country Parks Transformation Programme and specific proposals for the Empire Room at Royal Victoria Country Park, the farm attractions at Staunton and Manor Farm and for Queen Elizabeth Country Park.
- d. £4m is added to the capital programme to fund the replacement of the current social care IT system to be met from existing funding set aside for this purpose.
- e. A sum of £9.53m is added to the capital programme to progress the completion of phase 1 of the Eclipse Busway from Fareham to Gosport and that funding of up to £2.5m is approved to underwrite the scheme in the event that further grant funding cannot be secured.