

MEDIUM TERM FINANCIAL STRATEGY**FUNDING PRIORITY SERVICES**

- √ Align spending with the Council's corporate priorities and the key priorities in the Community Strategy.
- √ Passport education funding increases in accordance with the Education Act 2002
- √ Looking to ensure sufficient resources are invested in Children's Social Services while exploring options for further pooling of Health and Social Services budgets.
- √ Continue to modernise Council services by assigning resources for customer care the Customer Service Centre and ICT initiatives.
- √ A high priority is given to investment to community safety and 'clean and green' the borough.

INCOME GENERATION

- √ Maintain an affordable council tax level.
- √ Increase income and reduce the Council's debt, halving it by 2006.
- √ Increase fees and charges by at least inflation each year.
- √ Increase housing rents by the government guideline and progress towards the formula rent target over 10 years.
- √ Maximise external income.

MAINTAINING ADEQUATE LEVELS OF RESERVES AND BALANCES

- √ Increase working balances to a target of £10 million.
- √ Adopt the Prudential Borrowing Indicators recommended by the Chief Finance Officer
- √ Eliminate the Pension Fund deficit over the average working life of contributors.

FUNDING FUTURE CAPITAL AND REVENUE INVESTMENT NEEDS

- √ To adopt the principle set out in the Capital Investment Strategy
- √ Ensure that Council Assembly has before it at its budget and tax-meeting a proposed capital programme for the following financial year, including estimates of expenditure and funding sources.

PROCESS AND GOVERNANCE

- √ Ensure financial realism underpins all Council decisions.
- √ Strategic Directors are required to manage their services within the budget given.
- √ 50% of any year-end departmental surplus may be carried forward to be used on one-off projects in the following year.
- √ Year-end overspends, with approval, are carried forward as a first call on that departments following years budget.
- √ Ensure the Council's budget properly reflects the Council's risk management strategy.

EFFICIENCY

- √ Annual efficiency gains and savings are expected from all services in line with the national efficiency agenda, driven by Gershon. The Council should aim to achieve efficiency savings of 2.5% of service expenditure per annum, to be released for strategic priorities and to improve performance.
- √ Through the Council's corporate efficiency programme savings to be achieved from procurement, organisational performance review and business process reengineering.
- √ To achieve savings from the Customer Service Centre from 2007/8.