

## Medium-Term Financial Strategy 2022/23 – 2025/26

<p>The fundamental aim of the Council’s Medium-Term Financial Strategy is to provide a framework for the effective and efficient use of Council resources whilst taking appropriate action to mitigate financial risk. This will enable the Council to maintain a sound financial position against a backdrop of economic uncertainty, rising demand and a changing regulatory and funding landscape. This will in turn support delivery of the Council’s vision to be a community leader, providing high quality services, enhancing the environment and advocating for our community’s interests, as set out in the Runnymede Corporate Business Plan.</p>	
<p>The Strategy is built on a number of key principles with supporting actions for each area.</p>	
<p><b>Revenue Budget – The Council recognises that it must optimise its limited resources to provide value for money services in the face of increasing financial pressures.</b></p>	
1	<p>A process for the identification of savings and efficiencies will be set up to capture ideas from across the organisation. From this, a set of targets will be defined, with progress on delivery monitored via the Overview and Scrutiny Select Committee. Greater focus will be given to the timely delivery of the savings programme.</p>
2	<p>A series of service reviews will commence, across specific service areas as directed by the Chief Executive, in consultation with the Leader and Deputy Leader of the Council. The focus of the reviews will be efficient service delivery rather than cost, but due regard to the cost of the service will be included as part of the review. The results of, and recommendations from, the reviews will feed into the Communications and Service Transformation Working Party and onward to Corporate Management Committee for approval where required.</p>
3	<p>Service resilience and effective delivery will continue to be explored through partnership working with other Councils, for example, in areas such as Building Control and CCTV. Service delivery models will be expected to include robust costing models and an understanding of the requirement for future investment in the service and how that will be met under the business model.</p>
4	<p>Early discussion with the Bid Writer and Grants Officer must take place ahead of new revenue (and capital) schemes, in order to explore external funding opportunities and reduce pressure from revenue growth, while ensuring funding conditions do not place an unreasonable burden on the Council.</p>
5	<p>A review of long-term vacant posts will be carried out to understand the reasons behind the vacancy and the cost of any alternative arrangements that have been put in place, e.g., agency staff/consultancy. Budgets will be re-aligned to a refreshed establishment list to ensure services are not carrying posts that are no longer required for delivery of the service.</p>
6	<p>An Asset Management Strategy will be produced, covering the management of all corporate property assets, with individual Asset Management Plans prepared for all investment property, setting out proposals for the future use of each asset. The Strategy will support the optimisation of income from the Council’s assets alongside an improved understanding of the costs of management and maintenance. A set of performance indicators will be developed for the Council’s property portfolio with regular reporting to, and scrutiny by, Members. Consideration will be given to divestment of low-performing assets or to rebalance the portfolio across sectors.</p>
<p><b>Reserves - The Council will maintain a reasonable level of usable reserves to enable it to weather the volatility of its income and expenditure streams, and to support its capital spending plans.</b></p>	
7	<p>The Council will seek to maintain its general fund reserve above an increased minimum threshold, whilst recognising that the level of balances will fluctuate over</p>

	time as spending plan are adjusted to meet short-term budgetary pressures. The revised threshold should be set at an appropriate level commensurate with the financial risks facing the Council and will be reviewed as part of the budget-setting process.
8	Earmarked reserves will be regularly reviewed to ensure they are at, or are building towards, an appropriate level, with funds released to the general fund if no longer required.
<b>Capital Programme - The Council will only undertake capital investment to support asset maintenance, invest-to-save schemes or strategic intent, such as the delivery of housing or regeneration schemes. Capital spending, however funded, will be affordable, prudent and sustainable.</b>	
9	The Council will explore ways of delivering its major capital spending priorities in ways that reduce the burden on the Council's resources. This may be by phasing delivery of large programmes over a period or looking at new funding models and partnerships with the public and private sector. The Council needs to balance delivery of such schemes for its residents, with the affordability of capital spend and the affect on its revenue income streams. This will be particularly relevant should the Council's access to borrowing be restricted (e.g., under the Levelling Up and Regeneration Bill, once enacted) as it will need to find ways of progressing its strategic priorities without increasing borrowing levels.
10	The planned Asset Management Strategy will identify underperforming assets, or those where an opportunity arises, for divestment or re-purposing, following review and decision by the relevant Committee. The future of the Capital Programme is heavily dependent on the production of new capital receipts; again this is increasingly important where future borrowing may be restricted or where there is limited ability for the general fund to support capital spending either directly or through bearing the cost of carrying debt.
11	No new capital projects are to be included in the capital programme without the necessary resources to meet the full capital costs, and any associated revenue implications, being in place. Business cases should reflect all financial implications and risks and be reported alongside the request for inclusion in the Programme. If it is too early in the process to provide this level of detail, a provision may be made within the budget but will be subject to reporting of the full business case to the appropriate Committee before proceeding with the project.
<b>Governance and Performance</b>	
12	The Corporate Leadership Team will be supplemented by the addition of a second Assistant Chief Executive post to allow for greater strategic leadership capacity and to support the implementation of the Council's priorities.
13	A process will be set up to monitor and report the delivery of actions in the Council's Corporate Business Plan, building on work already carried out by the Council's Project Management Office (PMO).
14	<p>The following officer working groups will be set up to support strands of the Corporate Business Plan and the work of the Member Working Parties:</p> <ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Health &amp; Wellbeing</li> <li>• Economic Development</li> <li>• Empowering Communities</li> <li>• Organisational Development</li> <li>• Service Review &amp; Transformation</li> </ul> <p>In addition, there will be a refresh of the Council's Commercial income group which will cover the wider work of the Assets and Regeneration team and report directly to the Corporate Leadership Team. As mentioned under action point 6, a suite of performance indicators will be developed and reported as part of the Asset Management Strategy.</p>

	The Council's project management principles and reporting methodology currently used to report on the performance of major projects and corporate KPIs (Key Performance Indicators) will be used by the working groups to report back to Member Working Parties, further embedding project management principles across the Council.
15	The Council is reviewing its approach to risk management and a revised Risk Policy and updated Risk Register will be reported to Standards and Audit Committee in line with recommendations from internal audit, the Council's self-assessment against Cipfa's Financial Management Code, and the Annual Governance Statement (AGS) 2022/23. Progress on all actions arising from the Financial Management Code review and the AGS will be reported to the Standards and Audit Committee.
16	A governance process for the collection, reporting and allocation of Community Infrastructure Levy will be designed to ensure this funding stream has proper oversight. The governance proposal will come forward for Members' approval ensuring that this funding is used to support the delivery of essential infrastructure, meets local need and conforms to regulatory requirements.
17	The Council will continue to meet with Government officers to help inform and shape the new measures being proposed under the Levelling Up and Regeneration Bill in respect of financial risk management.
18	The Council will continue to seek value for money when procuring contracts for works, services and goods. This will include identification of collaborative procurement opportunities with other Boroughs and Districts to increase buying power and savings opportunities.