

NOTE OF THE TREASURER

MEDIUM TERM FINANCIAL PLAN

1 Purpose of Note

The Fire Authority agreed that the Medium Term Financial Plan (MTFP) should be updated during November 2006, prior to its agreement by the Authority in February 2007. This paper is intended to demonstrate the close links between the budget work currently underway and the updates required to the Plan.

2 Recommendations

This paper is for noting.

3 Background

The Fire Authority produced its first major MTFP based on the Auditor's recommended best practice in June 2006. Ideally, this should be updated each year and, if possible, to coincide with the three-year budget and IRMP (Integrated Risk Management Planning). Set out below are the sections of the Plan together with the scope for updating.

4 Updating the Plan

1. **Introduction** This will be linked to outcome of the Performance Framework 2006/07, which may delay publication to March.
2. **Summary** This follows from the rest of the update.
3. **National Context** This will emphasise the potential issues arising from moving to the new three-year national settlement in 2008/09, Regional Controls, Firelink etc



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| 4. Overview of Resources | <p>This will set out the impact of the grant settlement, precept and service strategies considered and agreed after consultation.</p> <p>Three-year expenditure plans can be revised and the precept change for 2007/08 analysed.</p> <p>The first full year of budgeting by departments can be appraised.</p> <p>The approach to Risk and Reserves can be updated.</p> |
| 5. Value for Money Strategy | <p>Progress against efficiency targets can be assessed and the methods for delivering Value for Money reviewed.</p> |
| 6. Capital Investment Plan | <p>This can be refined as a result of the development of the ten-year strategy for assets. This will enable the funding plans, particularly the use of the Capital Reserve, to be developed.</p> |
| 7. Treasury Strategy | <p>This can be updated, particularly now that new cash-flow patterns are emerging following self-precepting. This includes the scope for longer-term investment of surplus funds.</p> |
| 8. Budget Risk Assessment | <p>This can be updated from the work done on linking budgets for reserves and the risk register. In particular, the scope to mitigate risk will be reviewed.</p> |
| 9. Prudential Indicators (Appendix) | <p>This is updated automatically as part of the Budget Process (a legal requirement).</p> |

For further information about this report please contact Keith Dixon, Treasurer, 01743 260202.

