

## Medium term Financial Plan

### Background

1. Council is required by its Financial Regulations to adopt a Medium term Financial Plan.
2. Council has previously indicated its acceptance of the principle of setting a higher than average operational reserve, to reflect the difficulty operating environment and the unquantifiable risks that council is attempting to manage.
3. Assumptions have been built into the plan; that the precept requirement will rise by 2% per annum, to reflect inflation, and that expenditure costs will increase by a nominal 5%. These are very much estimates, and will need to be understood in the context of your agreement to conduct a savings and growth review at the end of the second quarter of financial year 2017-18.

### RECOMMENDATIONS

1. That council note the proposed Medium Term Financial Plan