

Report to:	TOURISM, ECONOMY AND RESOURCES SCRUTINY COMMITTEE
Relevant Officer:	Steve Thompson, Director of Resources
Date of Meeting:	15 September 2016

MEDIUM-TERM FINANCIAL SUSTAINABILITY STRATEGY 2016/2017 TO 2021/2022

1.0 Purpose of the report:

- 1.1 To consider the Medium-Term Financial Sustainability Strategy for the six-year period, 2016/2017 to 2021/2022.

2.0 Recommendation(s):

- 2.1 To consider the Medium-Term Financial Sustainability Strategy 2016/2017 - 2021/2022 and to identify issues for scrutiny as appropriate.

3.0 Reasons for recommendation(s):

- 3.1 Local Government is entering a further period of uncharted territory. In the face of continuing cuts it is battling to adapt and in some cases completely revolutionise the services that it provides. This strategy lays out the principles that will underpin the Council's financial direction to 2022, by which time there does seem to be some light at the end of the tunnel. However, along that journey further services will have been cut and jobs lost, which will not go unnoticed by the residents of Blackpool, the businesses that operate here and the visitors who come to stay.

- 3.2 To achieve the corporate objectives of the Council every opportunity and idea must be explored. Every effort will need to be made to work with the public, partners, voluntary sector and the private sector to minimise the impact of the cuts on the people who need and depend upon our services. Seeking external funding and maximising income opportunities will also be vital.

- 3.3 It is an unsettling time for many people including staff, but the commitment to delivering the best possible services to Blackpool residents remains undiminished.

- 3.4a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.4b Is the recommendation in accordance with the Council's approved budget? Yes
- 3.5 Other alternative options to be considered:
Not applicable.
- 4.0 Council Priority:**
- 4.1 The relevant Council Priority is 'The economy: Maximising growth and opportunity across Blackpool.'
- 5.0 Background Information**
- 5.1 The attached report at Appendix 9a constitutes the Council's Medium-Term Financial Sustainability Strategy (MTFSS) for the six year period, 2016/2017 to 2021/2022.
- 5.2 Since 2010 central government funding for local government has been progressively reduced in real terms as part of the Government's plan to lower the fiscal deficit and this policy will continue until at least the end of the current decade.
- 5.3 Blackpool Council is committed to protecting vital services, but to remain financially sustainable has had to respond with recurrent savings of £93.4m from its revenue expenditure up to the end of 2015/2016. During the term of this Strategy a further £60.1m of savings is forecast to be needed.
- 5.4 Each successive year the scope remaining for savings from efficiency measures becomes less. Indeed savings achieved to date represent over six times the cost of the Council's combined back office services. Delivering savings of this magnitude has had an unavoidable impact on service levels, resident satisfaction ratings¹, jobs and morale, but by 2022 more radical, fundamental, transformational and sustainable solutions will be necessary.
- 5.5 Against this backdrop the proposed Strategy summarises the comprehensive review and assessment that has been undertaken of how the Council can finance its future service delivery and the level of savings needed if these activities are to be facilitated and maintained. It also considers the risks anticipated throughout what is forecast² to be an ongoing harsh economic climate for local government.
- 5.6 Does the information submitted include any exempt information? No

¹ *Polling on resident satisfaction with councils*, Local Government Association July 2016

² *Chancellor of the Exchequer's Budget*, 16 March 2016

5.7 List of Appendices:

Appendix 9(a): Council's Medium-Term Financial Sustainability Strategy

Appendix 9(b): Medium-Term Financial Plan

Appendix 9(c): Strategic Financial Risk Register

Appendix 9(d): Assessment of Significant Financial Risks to Substantiate Target Level of Unearmarked Working Balances

Appendix 9(e): Local Authority Financial Assurance Processes

6.0 Legal considerations:

6.1 As outlined in the Medium-Term Financial Sustainability Strategy.

7.0 Human Resources considerations:

7.1 As outlined in the Medium-Term Financial Sustainability Strategy.

8.0 Equalities considerations:

8.1 An Equalities Impact Analysis will be completed for consideration with the Revenue Budget 2017/2018.

9.0 Financial considerations:

9.1 Please see the Medium-Term Financial Sustainability Strategy.

10.0 Risk management considerations:

10.1 Please see the Medium-Term Financial Sustainability Strategy attached report.

11.0 Ethical considerations:

11.1 As outlined in the Medium-Term Financial Sustainability Strategy.

12.0 Internal/ External Consultation undertaken:

12.1 None

13.0 Background papers:

13.1 None.