

<b>Notice of:</b>	<b>EXECUTIVE</b>
<b>Decision Number</b>	EX39/2016
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	12 September 2016

## **MEDIUM-TERM FINANCIAL SUSTAINABILITY STRATEGY 2016/17 TO 2021/22**

### **1.0 Purpose of the report:**

- 1.1 To consider the attached report which constitutes the Council's Medium-Term Financial Sustainability Strategy (MTFSS) for the 6-year period, 2016/17 to 2021/22.

### **2.0 Recommendation(s):**

- 2.1 To approve the Medium-Term Financial Sustainability Strategy 2016/17 to 2021/22.

- 2.2 To share this Medium-Term Financial Sustainability Strategy with the Secretary of State for Communities and Local Government by 14 October 2016 as the Council's 'Efficiency Plan' required to secure the benefits of the greater certainty that a 4-year Revenue Support Grant Settlement brings to medium-term financial planning.

- 2.3 To initiate a period of consultation on the efficiency plan with residents, local neighbours, public sector partners and devolution stakeholders.

- 2.4 To invite independent assurance on the robustness and validity of this Strategy and Medium-Term Financial Plan via CIPFA's new Financial Resilience Advisory Report peer review service or equivalent.

- 2.5 To agree to receive updates of the Strategy and/or Plan on a rolling annual basis or as changing circumstances dictate.

### **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.

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.

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

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

To agree a different Medium Term Financial Strategy although there are significant risks in the delivery of the Council priorities in approving a different strategy.

#### **4.0 Council Priority:**

4.1 The relevant Council Priority is: "Creating stronger communities and increasing resilience"

#### **5.0 Background Information**

5.1 The attached report at Appendix 4a constitutes the Council's Medium-Term Financial Sustainability Strategy (MTFSS) for the 6-year period, 2016/17 to 2021/22.

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 2015/16. 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 6 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 ratings<sup>1</sup>, 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 forecast<sup>2</sup> to be an ongoing harsh economic climate for local government.

5.6 Does the information submitted include any exempt information? No

5.7 **List of Appendices:**

Council's Medium-Term Financial Sustainability Strategy

Appendix 1: Medium-Term Financial Plan

Appendix 2a: Strategic Financial Risk Register

Appendix 2b: Assessment of Significant Financial Risks to Substantiate Target Level of Unearmarked Working Balances

Appendix 3: Local Authority Financial Assurance Processes

(All circulated to members under separate cover)

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

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<sup>1</sup> *Polling on resident satisfaction with councils*, Local Government Association July 2016

<sup>2</sup> *Chancellor of the Exchequer's Budget*, 16<sup>th</sup> March 2016

**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.

**14.0 Key decision information:**

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 20/2016

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

## **TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

### **16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 2 September 2016 Date approved: N/A

### **17.0 Declarations of interest (if applicable):**

17.1 None

### **18.0 Executive decision:**

18.1 The Executive agreed the recommendations as outlined above namely:

1. To approve the Medium-Term Financial Sustainability Strategy 2016/17 to 2021/22.
2. To share this Medium-Term Financial Sustainability Strategy with the Secretary of State for Communities and Local Government by 14 October 2016 as the Council's 'Efficiency Plan' required to secure the benefits of the greater certainty that a 4-year Revenue Support Grant Settlement brings to medium-term financial planning.
3. To initiate a period of consultation on the efficiency plan with residents, local neighbours, public sector partners and devolution stakeholders.
4. To invite independent assurance on the robustness and validity of this Strategy and Medium-Term Financial Plan via CIPFA's new Financial Resilience Advisory Report peer review service or equivalent.
5. To agree to receive updates of the Strategy and/or Plan on a rolling annual basis or as changing circumstances dictate.

### **18.2 Date of Decision:**

12 September 2016

## **19.0 Reason(s) for decision:**

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.

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.

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

### **19.1 Date Decision published:**

13 September 2016

## **20.0 Executive Members present:**

### **20.1 Councillor Cain, in the Chair**

Councillors Cross, Jackson, Kirkland, Smith, I Taylor and Mrs Wright

Apologies were received from Councillor Blackburn who was engaged elsewhere on Council business.

## **21.0 Call-in:**

### **21.1**

## **22.0 Notes :**

### **22.1 The following non-Executive members were in attendance: Councillors D Coleman and Singleton.**