

FC30. Financial Strategy

Council considered a report from the Director of Transformation, Communities and Corporate Services presenting the Council with an updated Financial Strategy which incorporated the Council's approach to tackling the financial challenges.

The budget report presented to Council in March 2022 highlighted a projected gap of £52m for the next four years, however due to financial pressures increasing, this financial gap is likely to increase significantly.

Financial sustainability is crucial and allows the Council to deliver on its priorities, keep services and invest where necessary. The key to financial sustainability is having a clear plan on how to meet the challenges ahead.

The Financial Strategy, attached as Appendix 1 to the report, sets out how the Council aims to address this.

The Strategy sets out two main themes to work towards balancing the budget, each with associated workstreams and the suggested savings which could be achieved. Updated information on service concession was also provided.

A Council Tax Strategy was also set out with a plan to increase Council Tax to the Scottish average over a five-year period.

The Council is committed to taking a transformation approach where possible, streamlining and generating efficiencies across all Services. The Strategy sets out three routes to financial savings by Services:

- Council of the Future - Transformation projects
- Council of the Future Improvement activity which will include transformation enabler projects, efficiency and continuous improvement initiatives which will be reported through Service Plans
- Service reductions

Services have identified significant savings but the Strategy identifies that there is still a gap of £43.1m and officers will continue to develop solutions for bridging this gap.

To ensure the Council is working towards a financially sustainable position will require a strong collaborative approach from both member and officers. In order that an open forum for discussion on the challenges, opportunities and actions can be taken to reach a more financially sustainable position, it is proposed that a Financial Strategy Group be established.

Councillor Meiklejohn, seconded by Councillor Bouse, moved that Council:-

- (1) approves the Financial Strategy, recognising that the figures therein are indicative and will be updated as required;
- (2) agrees in principle the Council Tax Strategy and notes that formal Council Tax approval will be required as part of the Revenue Budget setting process;
- (3) agrees the approach set out to work towards bridging the financial gap, as outlined in the Financial Strategy and section 5.2 of the report, and
- (4) agrees the establishment of a Financial Strategy Group.

As an amendment, Councillor Kerr, seconded by Councillor Bundy, moved the terms of the motion subject to the deletion of clause (2) until the budget meeting.

For the motion (12) – Depute Provost Balfour, and Councillors Binnie, Bouse, Collie, Deakin, Devine, Forrest, Garner, Meiklejohn, Murtagh, Robertson and Sinclair.

For the amendment (18) – Provost Bissett, and Councillors Aitchison, Anslow, Brown, Buchanan, Bundy, Flynn, Hannah, Kelly, Kerr, McCabe, Nimmo, Paterson, Patrick, Redmond, Ritchie, Spears and Stainbank.

Decision

Council agreed the:-

- (1) Financial Strategy, recognising that the figures therein were indicative and would be updated as required;**
- (2) approach set out to work towards bridging the financial gap, as outlined in the Financial Strategy and section 5.2 of the report, and**
- (3) establishment of a Financial Strategy Group.**