

Council of the Future

Thinking Differently – The Financial Challenge

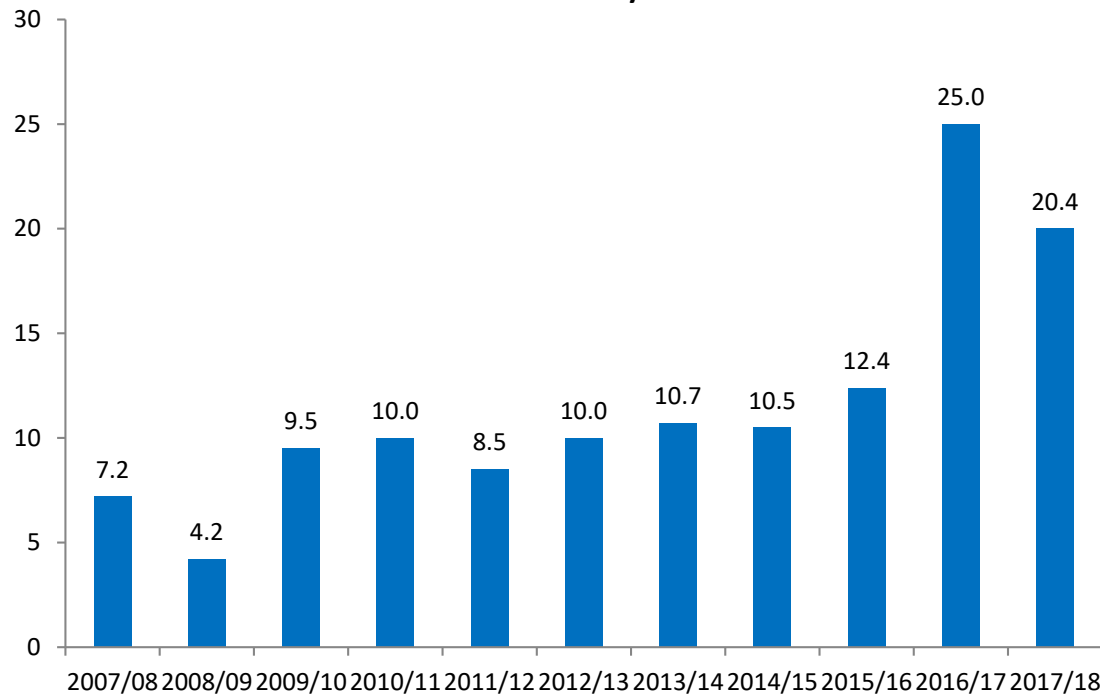
14th NOVEMBER 2017

make it happen

council of the future

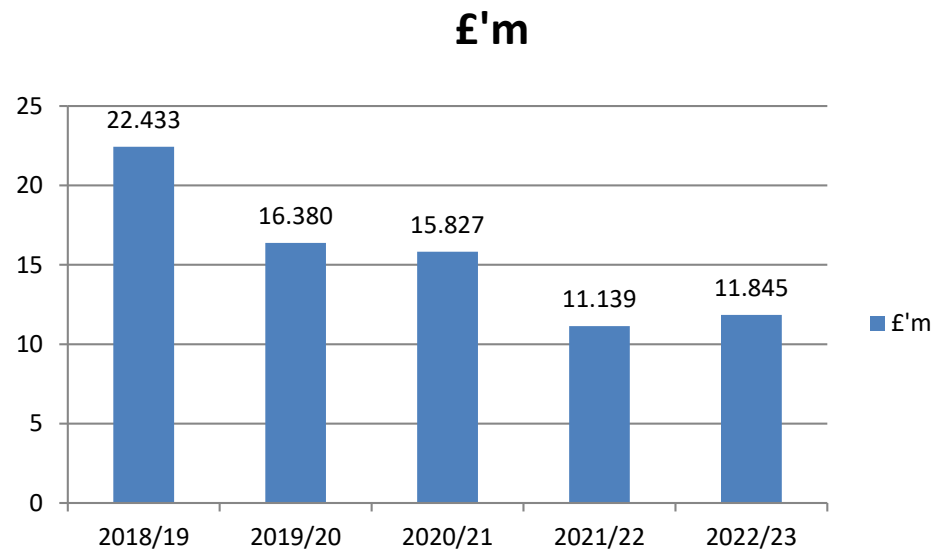
Previous budget gaps

£128.4m savings
over 11 years



Medium Term Financial Strategy

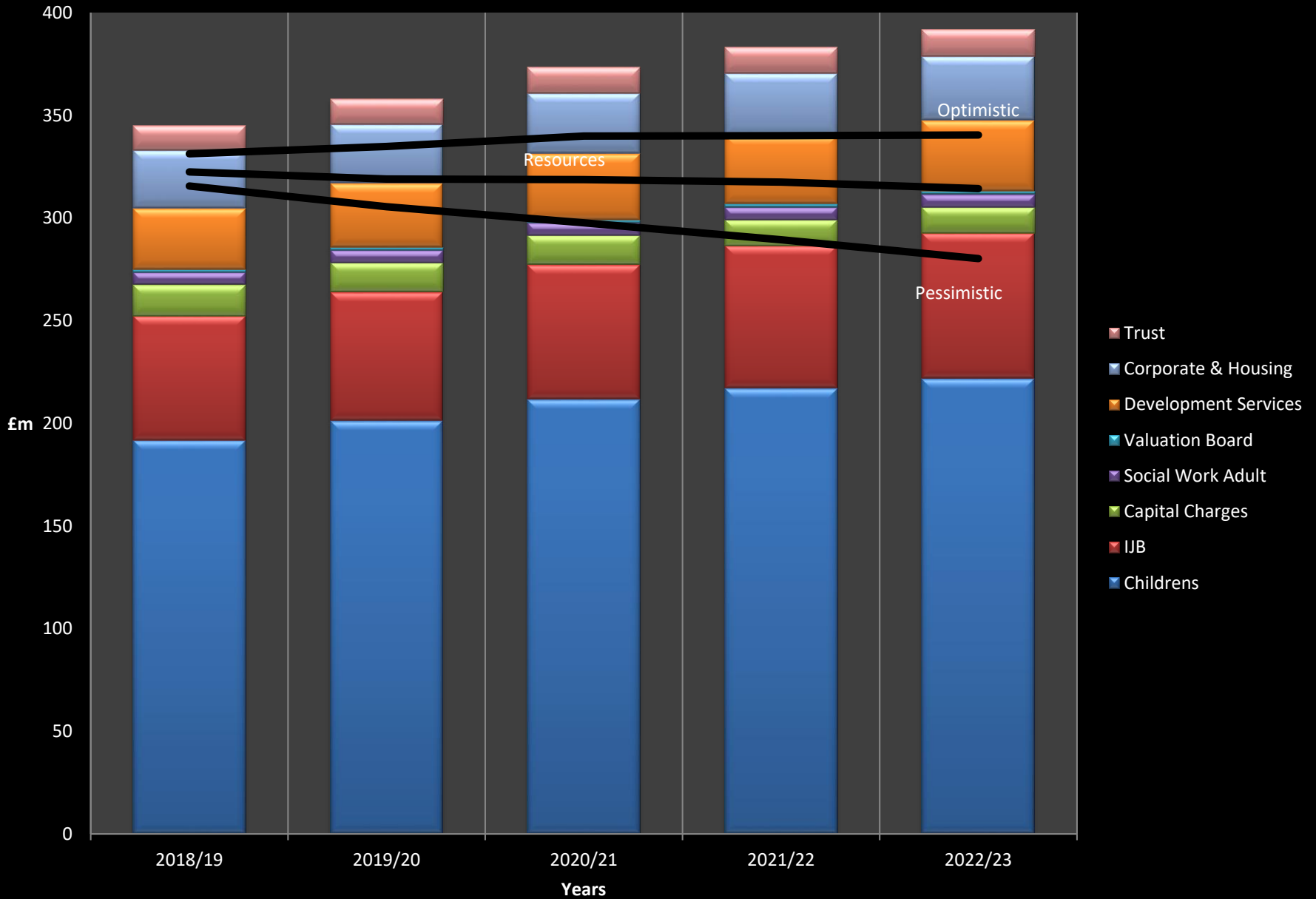
Projected budget gaps



But, further pressures emerged

- The removal, of the public sector pay cap. Staff remuneration is the Council's largest cost category.
- The Barclay review on non domestic rates and the Scottish Government's response. Were the rates relief on Falkirk Community Trust properties to be removed there would be an additional rates cost of £1.2m.
- The £130m provided to local government in a very late enhancement to the 2017/2018 revenue support grant settlement was expected to be base-lined, but the Scottish Government has now advised that this will not be the case. Falkirk's share of this was £3.8m.

FALKIRK COUNCIL "GRAPH OF DOOM"



Where are we now?

- Medium Term Financial Plan
- Corporate Plan – 8 Priorities
- Council of the Future initiative
- Savings Options for 18/19 and 19/20
- Staff impact c.250 + FTE
- Further c.£10m to be identified

How to bridge the gap sustainably

- We need to be smaller – less buildings, less staff
- We need to be innovative – looking at new ways of delivering services
- We need to be realistic – there are clearly limits to what we can afford so we will need to stop doing some things
- We need to consider how to control future cost pressures and stop service growth managing demand
- We need to align our capital investment with our priorities

What happens next?

- Public Feedback on options
- More Options Identified
- Trust and IJB submit Business Plans
- Chancellor's Budget 22/11
- Council Meeting(s) December
- Scottish Government Budget 14/12
- Council agrees Balanced Budget February 2018
- Strategy for Years 3-5

The Challenge

- In 5 years time we will have 75% of the financial resources we have today.
- With focus on Teachers & Care that means some of us will have budgets which are 50% or less compared to today.
- We need to get transformation right.