

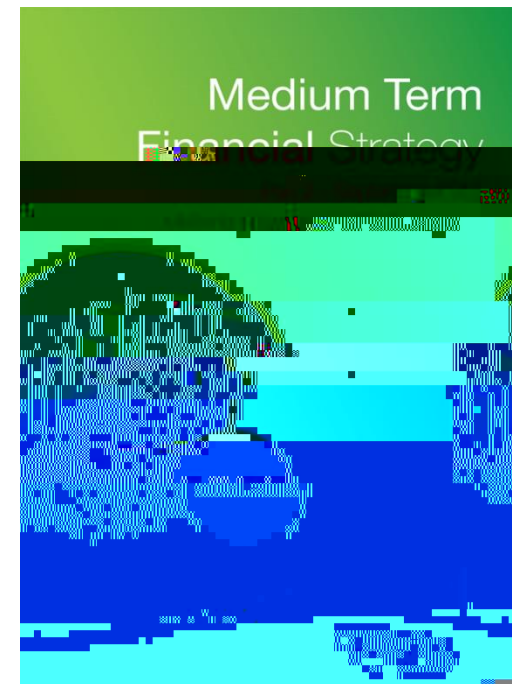


Medium Term Financial Strategy

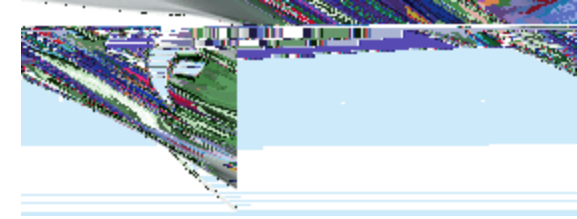
Meeting the Financial Challenge

Cabinet

September 2015



Our journey thus far



- » Part I of the Medium Term Financial Strategy *Forecasting the Challenge* was published earlier in the summer
- » Part II *Meeting the Financial Challenge* presents solutions to meet an estimated budget gap of £52.8M over 3 years
- » The solutions are based on careful planning bringing together the organisational change and service business reforms of recent years
- » The Strategy sets the context for the 2016/17 budget

What do the next three years look like?



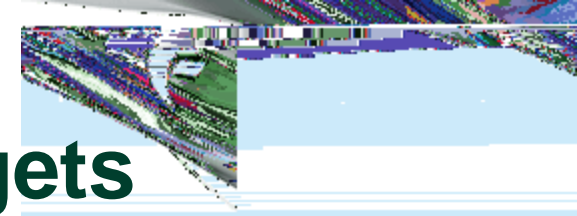
	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m
<u>Expenditure</u>				
National Pressures	0.9	0.4	0.3	1.6
Local Pressures	6.2	2.5	1.2	9.9
Inflation	4.1	4.1	4.3	12.5
Workforce Pressures	2.5	9.4	3.7	15.6
<u>Income</u>				
Reduction in Revenue Support Grant (3.5%)	6.6	6.5	6.3	19.4

An efficient and innovative Council



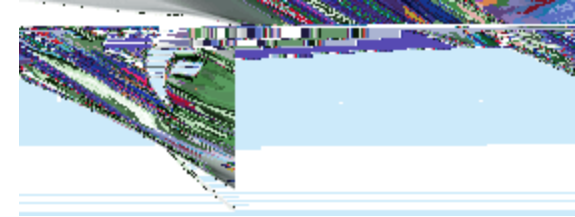
- » The Council is already cost efficient; there is limited scope for more large-scale efficiencies
- » We have taken out around £35M of cost in the last 4 years
- »
management, administration, workforce size, accommodation and organisational overheads
- » We are innovating in service transformation, new and alternative models of working, and community asset transfer

Council Annual Efficiency Targets 2008/09-2015/16



Year	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Budget	226.419	233.335	240.408	239.896	241.203	258.825	253.718	249.979
Target £	5.654	3.803	6.151	8.920	4.716	5.331	11.950	12.874
Target %	2.50	1.63	2.56	3.72	1.95	2.		

A low funded Council



- » Flintshire is one of the lowest funded councils in Wales and one of the higher performing
- » Councils are too heavily reliant on Government grant
- » The Funding Formula was designed for distributing funds and meeting additional needs; it was not designed for distributing cuts in grant of this scale
- » The Council might not be financially sustainable in the medium term under the current funding model

Our three part strategy

- » The Council and Welsh Government working together
- » Part 1: Service Reform and Business Planning
- » Part 2: Corporate Financial Stewardship
- » Part 3: Working with Welsh Government
- » The Strategy will only work if all three parts work in tandem





Business Plan Efficiency Targets 2015/16-2017/18

Portfolio	2015/16 £m	2016/17 £m	2017/18 £m
Planning and Environment	0.941	0.422	0.255
Streetscene and Transportation	2.570	2.590	3.405
Social Care	2.068	0.788	1.984
Education and Youth	1.459	0.382	1.520
Community and Enterprise	1.565	1.209	0.787
People and Resources	0.385	0.385	0.730
Governance	0.248	0.315	0.725
Organisational Change	1.306	1.272	0.902
Business plan Efficiency Totals	10.541	7.363	10.308

Corporate Finance Efficiency Proposals

2015/16



Subject	Proposal	Efficiency/Growth £m
Inflation Management	Part absorption of inflation risk	1.0
Corporate Overheads	Selective reduction in provisions	1.0
Schools Funding Formula	Controlled school	0.5



Funding Pressures for Support and Relief

Theme	Proposal	Funding £m
Welfare State	Full cost funding of the Council Tax Benefits Scheme	0.625
Employer	Funding of nationally agreed pay awards	1.690
Social Care Funding	Funding Health and Social Care as a single system with parity	1.871
Education	Funding nationally agreed employment costs for schools	



