

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting1st December 2011

1. Title of Item/Report

Medium Term Financial Plan Update and Strategy

2. Record of the Decision

Cabinet considered a report that provided an update on the Council's Medium Term Financial Plan (MTFP) position for 2012 to 2016.

Members were provided with a table detailing the current MTFP position of each service and were provided with details of areas of anticipated overspend and predicted pressures.

It was noted that the General Fund Balances had improved and were £1.7m above the required 3%. Members noted the main reasons for this.

Cabinet was reminded of the approved MTFP which had shown estimated budget gaps. Members noted that the Plan had been reviewed and were provided with details of a number of changes that needed to be incorporated into the current plan. An updated MTFP position was provided taking account of the changes.

The overall impact of the changes was to reduce the budget gap to approximately £5.8m in 2014/15 rising to £8.2m by 2015/16

Members were reminded that in 2011/12 Council Tax was frozen and the equivalent increase was funded through Government Grant. This funding would be available for 2012/13 too, equivalent to a 2.5% increase. Critically this would be for one year only and if Stockton accepted this funding there would be significant pressure on the MTFP. Members were provided with details of this. Given the level of additional pressure the freeze would cause the 3.5% incorporated in the MTFP would be maintained for planning purposes.

Members noted issues relating to identified and potential savings coming from the EIT reviews and the position with regard to reserves and one off resources.

An updated MTFP position was provided taking account of these savings and members noted the estimated budget gap.

Cabinet noted future uncertainties and the potential budget position and recognised the problems these uncertainties caused in terms of developing plans to address the budget gap. Given these uncertainties it was suggested that detailed planning be delayed and addressed as part of the 2013/14 budget cycle.

Members received information relating to the Capital budget and Capital Programme.

RESOLVED that

1. the current financial position be noted
2. the approach to the development of the 2012-16 MTFP, as detailed in the report to Cabinet, be noted.

3. Reasons for the Decision

To update Members on the current financial position.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Harrington declared a personal non prejudicial interest in the item entitled Medium Term Financial Plan Update and Strategy as he was a member of a Trade Union referred to in the report.

6. Details of any Dispensations

Not applicable

7. Date and Time by which Call In must be executed

Midnight on Monday 12 December 2011.

Proper Officer
06 July 2011