

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting27th November 2013

1. Title of Item/Report

Medium Term Financial Plan/Big Ticket update - September 2013

2. Record of the Decision

Consideration was given to a report on Medium Term Financial Plan Update - September 2013

The report was the first to be presented to Members in respect of the 2014/15 budget and Medium Term Financial Plan (MTFP). The final report would be presented to Cabinet and Council in February 2014. The report also provided an update on the 2013/14 financial position and outlined progress on the Big Ticket Reviews.

The Medium Term Financial Plan (MTFP) report to Council on 27 February 2013 set a balanced budget for 2013/14 and agreed an approach to addressing the budget gap in future years. A table within the report showed the budget gap.

With regard to the financial position as at 30 September 2013 and the General Fund a table within the report provided an update of the medium term financial plan for each service. Members were reminded of the savings proposals presented by Cabinet to Council in June 2013 and in advance of these proposals officers had been continuing to monitor closely expenditure in all areas.

The report detailed the progress with regard to the Big Ticket Reviews and in summary the overall call on the £1.8m growth provision for this year was expected to be £1.1m. Work was ongoing to assess the full year effect of the new clients within these areas, the savings delivered and savings planned. The level of growth provision and savings associated with the reviews would then be re-assessed over the MTFP and this would be incorporated into the budget report in February 2014.

With regard to the update of the MTFP 2014/15 to 2017/18 there had been further announcements resulting in further reductions in Government Funding to Councils. The announcements were in the form of the Spending Round in June and also a technical consultation paper

issued in July. The technical consultation document in particular identified significant financial implications and these were summarised within the report.

The level of funding reductions for 2016/17 and 2017/18 would not be known until after the general election in 2015. In line with the prudent approach, and in line with the current MTFP, a reduction of 12% cash allocation per year had been estimated and this was reflected in the updated position. The projected position based on the assumptions was detailed within the report.

The position assumed a Council Tax increase of 1.9%. The DCLG had indicated that there would be a grant payable to Councils who freeze Council Tax in 2014/15 and this would be paid for 2 years at the equivalent of 1%. If Members decided to implement the freeze and accept the grant, this would mean an additional pressure of £650,000 in 2014/15 rising to £1.4m by 2017/18 and this was outlined within the report.

The Capital budget for 2012/18 was shown as an attachment to the report and summarised within a table in the report. The report also detailed the main changes to the programme.

As part of the budget process, reserves and balances would be reviewed and Members would be asked to consider the 'one off' monies available and how they would be utilised. In preparation for the budget, the position was being reviewed and the position was outlined within the report.

The Chancellors Autumn Statement was planned for 5 December with the Local Government Finance Settlement, which was expected to reflect any changes following the consultation exercise, soon after. The assumptions in the MTFP would be updated accordingly.

The final budget report would be reported to Cabinet on 20 February 2014 and presented to Council on 26 February 2014. Member briefing sessions would be arranged in advance of the presentation of the report.

RESOLVED that:-

1. The MTFP and the current level of general fund balances be noted.
2. The financial position for the 2014/15 to 2017/18 be noted.
3. The level of reserves and balances and potential utilisation be noted.

4. The progress on the Big Ticket Reviews be noted.

3. Reasons for the Decision
To update Members on the MTFP.

4. Alternative Options Considered and Rejected
None

5. Declared (Cabinet Member) Conflicts of Interest
None

6. Details of any Dispensations
N/A

7. Date and Time by which Call In must be executed
Midnight on Thursday, 5th December 2013

Proper Officer
29 November 2013