

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting4th September 2014

1. Title of Item/Report

Medium Term Financial Plan Update - June 2014

2. Record of the Decision

Consideration was given to a report that updated Members on the financial position of the Council as at 30 June 2014.

Members were provided with a summary of each service area MTFP position and the outturn position for each Big Ticket area was detailed within the report.

With regard to Central Government Consultations a Finance Technical Consultation was announced in July 2014, with a response date of 25 September. The documents were under review with regard to their potential impact on Stockton. One element of the proposal related to the issue of the Carbon Reduction Commitment Scheme. Up until the end of 2013/14 the Council were required to participate due to the carbon emissions meeting the relevant threshold. This costs the Council approximately £100,000 (excluding schools). From 2014/15, Stockton would no longer meet the criteria and therefore dropped out of this Scheme and this should save the Council £100,000 per year. The proposal in the consultation however, was that those organisations who had dropped out of the Scheme would effectively have funding reduced to offset these savings, negating any benefit of being removed from the Scheme. This would be highlighted in the Council's response to the consultation.

The Department for Education had announced their response to their earlier consultation on the Education Services Grant. The Department would reduce the value of the grant by approximately 25% from 2015/16. This would compound the loss of grant caused by reductions due to academy transfers. A sum of £900,000 was previously identified in the MTFP to address the impact of academy conversions, but there would be a further loss of grant from 2015/16. Services funded from the Education Services Grant were being reviewed in the context of the reduction in grant funding.

Recent announcements with regard to the Better Care Fund and Care Act may have a financial impact. The Council was initially informed that Stockton would receive funding of £1.0m in 2015/16 for implementation of the Care Act. The latest announcements suggested that this figure may be reduced. The Council also still awaited notification of how the ongoing additional cost would be funded. These issues would be assessed in detail as more information becomes available.

The LGA and CIPFA launched an Independent Commission on Local Government Finance in February 2014. The Council prepared a response to a call for evidence from the Commission and a copy was attached to the report. The Council also supported ANEC in developing a response and the draft ANEC response was attached to the report. SIGOMA had also drafted a response and this was attached to the report for information.

The updated capital programme was summarised within the report and further detail attached to the report.

RESOLVED that:-

1. The updated Medium Term Financial Plan (MTFP), Capital Programme and current level of General Fund balances be noted.
2. The Council's response to the LGA/CIPFA Call for Evidence on Local Government Finance and the draft responses from ANEC and SIGOMA be noted.
3. Copies of the final responses be issued to all Council Members and to local Members of Parliament.

3. Reasons for the Decision

To update Members on the Medium Term Financial Plan.

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 Friday, 12th September 2014

Proper Officer
08 September 2014