

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting19th February 2015

1. Title of Item/Report

Medium Term Financial Plan Update and Strategy

2. Record of the Decision

Consideration was given to a report on the Medium Term Financial Plan Update and Strategy.

This was the final report in setting the Council's 2015/16 budget and Council Tax and outlining the Medium Term Financial Plan (MTFP) position to 2019.

The MTFP report for 2015/16 to 2018/19 was attached to the report. The report outlined the Council Tax proposals and budget for 2015/16 and the indicative MTFP for the next three years.

The report updated the position from that reported to Cabinet and Council in February 2014 and in particular reflected implications arising from the Autumn Statement and the Local Government Finance Settlement for 2015/16.

The approach to the financial position was revised in February 2013 to effectively freeze all service budgets. The approach recognised likely growth in Big Ticket spend areas with the strategy being that reviews would aim to stem their growth pressures. The report revised Big Ticket growth and savings estimates and updated Members on the progress of the Big Ticket reviews.

The report contained sections on:-

- Background & Context (including national position)
- Financial position at 31 December 2014
- Big Ticket Update
- Council Tax
- Updated Medium Term Financial Plan
- One-off Resources
- Capital Programme
 - Business Rate Relief Scheme

- Pay Policy Statement
- Precept Levels
- Treasury Management Strategy

A table within the report outlined the managed surplus position of each service. Given the approach for Big Ticket areas, they were not included in these figures and were covered separately in the report.

The overall position for the Big Ticket areas for 2014/15, based on the position at the end of December, was summarised within the report, together with an updated position for future years.

The MTFP assumed a 1.9% increase. If Members opted to freeze Council Tax for 2015/16, the impact was outlined within the report.

The impact on the Medium Term Financial Plan of a decision to freeze Council Tax was approximately £500,000 in 2015/16. If the freeze grant did not continue from 2016/17 onwards, the pressure would increase to £1.3m per year.

Given the level of financial pressure facing the Council and in particular, the level of uncertainty around all future Government Funding and future Council Tax restrictions, any increase in budget pressures through accepting the freeze would make a difficult financial position even more challenging. It was therefore recommended that Council increase Council Tax by 1.9%. This would mean a 32p per week increase in Band A (48p at Band D).

The revised MTFP position based on the information within the report was summarised within the report.

The position incorporating the Big Ticket areas was detailed within the report.

In line with the agreed approach to the MTFP, it was proposed that the 2015/16 budget gap be funded from the £7.5m from 2014/15 to ensure a balanced position, with the remainder retained to manage the transition in delivering further savings in the context of the uncertainty regarding future funding allocations prior to the General Election.

The overall position on available capital and one-off resources was summarised within the report.

A table within the report demonstrated that after replenishing working

balances, there would be £9.8m in one off resources to be considered as part of the 2015/16 budget.

RECOMMENDED to Council that:-

1. In accordance with the Local Government Act 2003, Members note that the Section 151 Officer confirms that the following recommendations:-

- a) represent a robust budget which has been prepared in line with best practice,
- b) provide adequate working balances at 3% of general fund, and
- c) that the controlled reserves and provisions are adequate for their purpose.

General Fund Budget

2. The reduction in Government funding between 2010/11 and 2015/16 of £52m (approximately 43% in cash terms, 59% in real terms) be noted.

3. A 2015/16 Council Tax requirement for Stockton-on-Tees Borough Council of £69,851,478 be approved.

4. A 2015/16 Council Tax requirement for Stockton-on-Tees Borough Council inclusive of Parish Precepts (£649,128) of £70,500,606 be approved.

5. The 2015/16 budget and indicative 2015/19 MTFP as outlined in paragraphs 5.26 – 5.30 and the use of balances and reserves as outlined in paragraph 6.8 and 6.9 be approved.

Taxation

SBC

6. The Council Tax for Stockton-on-Tees Borough Council prior to Parish, Fire and Police Precepts be increased by 1.9%, i.e. to £1,337.60 at Band D (£891.73 at Band A) be approved.

Fire, Police & Parish

7. The Police precept of £10,771,185 which equates to a Council Tax of £206.26 at Band D (£137.51 at Band A) be noted.

8. The Fire precept of £3,674,304 which equates to a Council Tax of

£70.36 at Band D (£46.91 at Band A) be noted.

9. The Parish precepts as set out in paragraph 10.4 of the budget report be noted.

Capital

10. The Capital Programme attached at Appendix A & B be approved.

Organisational and HR

11. The Pay Policy Statement attached at Appendix C to the report be approved.

Council Tax - Statutory Requirements

12. The statutory requirements for Council Tax as shown in Appendix D be approved.

Treasury Management/Prudential Code

13. The Treasury Management Strategy, Minimum Revenue Provision Statement, Investment Strategy and Prudential Indicators for 2015/16 – 2017/18 as set out in Appendix E to the report be approved.

3. Reasons for the Decision

To update Members on the Council's financial position.

4. Alternative Options Considered and Rejected

None.

5. Declared (Cabinet Member) Conflicts of Interest

Each of the Cabinet Members present declared a disclosable pecuniary interest in respect of agenda item 4 - Medium Term Financial Plan Update and Strategy due to having beneficial interests in property in the borough/ being Council Tax Payers.

Councillor Nelson declared a personal non prejudicial interest in respect of agenda item 4 – Medium Term Financial Plan as he was a member of Tristar Board.

6. Details of any Dispensations

The Council's Monitoring Officer had granted a dispensation to all members of the Cabinet allowing them to participate in discussions and voting relating to the setting of the Council's Council Tax/Budget.

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

N/A

Proper Officer
23 February 2015