

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....9th December 2021

1. Title of Item/Report

Financial Update and Medium Term Financial Plan

2. Record of the Decision

Cabinet noted the financial position in the current year (2021/22), along with outline plans for the 2022/23 Budget and the Medium Term Financial Plan (MTFP) based on information provided in the recent Budget and Spending Review 2021.

Members were advised that the financial position for subsequent years remained extremely uncertain as it was currently unclear whether there would be a one year or multi-year Local Government Finance Settlement. It was also unclear when the Fair Funding Review would conclude and whether there would be proposed changes around Business Rates Retention and Re-set.

The ongoing impact of the Pandemic was recognised in the Local Government Finance Settlement for 2021/22, with the allocation of a Covid Support Grant of £5.623m, together with an extension of the Sales, Fees and Charges Income Compensation Scheme for a further quarter (to June 2021). Details were provided of the projected outturn position for each Directorate as at 30th September 2021, along with an explanation of the variances identified.

Cabinet also noted changes to current expenditure plans which need to be factored into the MTFP and received a summary of the budget position which indicated that there was a projected budget gap over the medium term. There were further risks with the plan given the level of funding uncertainty from 2023/24 onwards. The current plan assumed a Council Tax increase of 2.9% in 2022/23 (1.9% core council tax and 1% Adult Social Care levy carried forward from 2021/22).

In calculating the funding available to local government to deliver services, the Government had assumed that all councils would increase core council tax by 2% and apply an additional 1% as Adult Social Care Precept. This was effectively 1% per year more than was currently included in the plan.

Details of the updated Capital Programme were also noted, which included details of new schemes as well as schemes with necessary revisions exceeding £100k.

RESOLVED that:-

1. The updated financial position for 2021/22 be noted.
2. The revised Capital Programme attached at Appendix A to the report, be noted.
3. The emerging issues for the MTFP be noted.

3. Reasons for the Decision

To update Members on financial performance in 2021/22 and to outline proposals for the 2022/23 Budget and MTFP on information from the Government Budget and Spending Review.

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 - Friday 17th December 2021

Proper Officer

13 December 2021