

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting15th September 2022

1. Title of Item/Report

Financial Update and Medium Term Financial Plan 2022-23 Quarter 1

2. Record of the Decision

Consideration was given to a report that summarised the Council's financial performance and position at the end of the first quarter of the 2022/23 financial year.

The financial position for the Council's for the first quarter of the financial year (to 30th June 2022) highlighted a projected overall overspend of £4.3m. Details were included in the body of the report with the main reasons being energy costs, the pay offer and continuing pressures in Children's Services.

Members were reminded that the outturn report presented in July 2022 outlined there were additional surplus balances carried forward of £1,413,000. The impact of the overspend would mean that there would be no longer resources available, instead, the balances would be around £2,900,000 below the recommended level at the end of the financial year and should this be the case they would need to be replenished in 2023/24.

The position would continue to be closely monitored and managed throughout the remainder of the financial year, however if the pressures materialise as expected, the Council would need to identify savings in year to avoid utilising general fund balances. Work was underway exploring options such as holding vacant posts, considering any non-essential spending and a further report would be presented to Cabinet.

The Report highlighted the significant financial challenges presented by the current inflationary environment in both the current year and into the medium term. Whilst the Council was still awaiting details of the financial settlement for next year it was inevitable that there would be significant pressures. Again work was underway assessing the position and options for resolving the pressures on future years and this would also be considered in future reports.

The report also presented an update on the Capital Programme.

RESOLVED that:-

1. The update to the Medium Term Financial Plan and the current level of General Fund balances be noted.

2. The revised Capital Programme at Appendix A of the report be noted.

3. Reasons for the Decision

To update Members on the Council's financial performance and 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

None.

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

Midnight Monday 26 September 2022

Proper Officer
20 September 2022