

MINUTE EXTRACT

Cabinet Meeting – 22 February 2018

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 2018/19 Budget and Council Tax. The report also outlined the Medium Term Financial Plan (MTFP) position to 2022.

The MTFP report for 2018/19 to 2021/22 was attached and contained the following detail:

- Background and Context
- National Changes
- Financial Position at 31 December 2017
- 2018/19 Council Tax levels including Adult Social Care Levy
- Medium Term Financial Plan 2018-22
- One off Pressures & Final MTFP
- Capital Programme
- Business Rate Relief Scheme
- Pay Policy and Members Allowances
- Members Allowances
- Precept Levels
- Treasury Management Strategy

Attached to the report as appendices were the following:

- Capital Programme December 2017
- Capital Programme 2012-2020
- Pay Policy Statement
- Council Tax Statutory Requirements
- Treasury Management Strategy

The report outlined the Council Tax proposals and budget for 2018/19 and the indicative MTFP for the next three years.

The report updated the position from that reported to Cabinet and Council in February 2017 and in particular reflected the implications arising from the Spring and Autumn Budgets and the Local Government Finance Settlement for 2018/19.

The Provisional and Final Financial Settlements had provided indicative funding allocations for the next two years, as the final two years of the four year settlement agreed with the Ministry of Housing, Communities and Local Government (MHCLG). They confirmed further funding reductions which would make the difficult financial position faced by the Council even more challenging. The report also outlined future changes to Local Government

Finance, most noticeably the proposals to move to retention of a greater proportion of business rates by Local Authorities and to introduce changes to the funding formulae. These were potentially major changes which were likely to have an impact on council funding. This meant that the position for 2020/21 onwards, outlined in the report, needed to be treated with some caution.

The Council had a strong track record of prudent financial management and delivering savings early. This had enabled the use of reserves to support a planned and managed approach to addressing the financial challenges and this would continue.

RECOMMENDED to Council:-

1. That 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;
- c. that the controlled reserves and provisions are adequate for their purpose.

General Fund Budget

2. A 2018/19 Council Tax requirement for Stockton-on-Tees Borough Council of £85,292,114 be approved.
3. A 2018/19 Council Tax requirement for Stockton-on-Tees Borough Council inclusive of Parish Precepts (£831,506) of £86,123,620 be approved.
4. The 2018/19 budget and indicative 2018/22 MTFP as outlined in paragraphs 77-80 and the use of borrowing to fund the one-off pressures set out in paragraph 76 be approved.

Business Rate Relief System

5. The changes introduced in the 2017 Spring and Autumn budgets be noted.

Taxation

SBC

6. The Council Tax for Stockton-on-Tees Borough Council prior to Parish, Fire and Police Precepts be increased by 5.9%, which includes the Government Levy of 3% in respect of Social Care, i.e. to £1,543.88 at Band D (£1,029.26 at Band A) be approved.

Fire, Police & Parish

7. The Police precept of £12,515,270 which equates to a Council Tax of £226.54 at Band D (£151.03 at Band A) be noted.

8. The Fire precept of £4,153,341 which equates to a Council Tax of £75.18 at Band D (£50.12 at Band A) be noted.

9. The Parish precepts as set out in paragraph 100 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.

Members Allowances

12. Members allowances be frozen for 2018/19.

Council Tax - Statutory Requirements

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

Treasury Management/Prudential Code

14. The Treasury Management Strategy, Minimum Revenue Provision Statement, Investment Strategy, Treasury Management Practices and Prudential Indicators for 2018/19 – 2019/20 as set out in Appendix E to the report be approved.

Cabinet RESOLVED that:-

15. The Officer Appointments to Outside bodies and governing bodies at Appendix C(1) be noted and approved.