

MINUTE EXTRACT

Cabinet Meeting17 February 2022

1. Title of Item/Report

Medium Term Financial Plan Update and Strategy

2. Record of the Decision

Cabinet's views were sought on the final report in setting the Council's 2022/23 Budget and Council Tax and outlining the Medium Term Financial Plan (MTFP) position to 2026. The report also included an update on the financial performance for 2021/22.

The financial position over the medium term continued to be extremely uncertain in the context of a one-year financial settlement for local government and would be affected by a potential Funding Review and future proposals around Business Rates Reset and Retention.

In the time since the report had been prepared, officers had been requested to give further consideration to the effects on the proposed Medium Term Financial Plan should Council Tax be increased by 2.9% as opposed to 3.9%, which would mean reduced income of approximately £1m per year (£4m across the Medium Term Plan).

Cabinet noted the projected budget gap, added to which was proposed one-off spending totalling £3.72M.

Cabinet was therefore advised that the revised proposal to accommodate a 2.9% increase as opposed to a 3.9% increase was as follows:

- a). Incorporate the contribution to the transformation reserve into the MTFP but phased over the next 4 years to recognise that this will not all be required immediately but be aligned to any further transformation and change programmes required.
- b). Fund one off pressures of £2.22m (excluding transformation reserve)
- c). Fund the 22/23 budget gap fully
- d). Utilise the balance of one off resources available to significantly reduce the 2023/24 budget gap.

The effects of which would result in a balanced budget for 2022/23, with a projected gap across the MTFP rising from £0.8m in 2023/24 to £2.6m compared to a balanced position in 2023/24 rising to a pressure of £0.8m in 2025/26 if Council Tax had been set at 3.9%.

Given this position across the medium term and in light of funding uncertainties, Members noted that preparations may be required to develop a savings

programme for future years. The position would be reassessed once there was clarity of future funding for local government-

Cabinet determined to vary recommendations 2, 3 and 6 in the original report to recommend to Council an increase in council tax of 2.9% as opposed to 3.9% and agreed revised recommendations as follows

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

General Fund Budget

2. Approve a 2022/23 Council Tax requirement for Stockton-on-Tees Borough Council of £101,697,237.
3. Approve a 2022/23 Council Tax requirement for Stockton-on-Tees Borough Council inclusive of Parish Precepts (£925,550) of £102,622,787.
4. Approve the 2022/23 budget and indicative 2022/26 MTFP as outlined in paragraphs 32 - 37, the level of General Fund Balances set out in paragraphs 14-17 of the updated draft council report.
5. Approve prudential borrowing of £6m to fund transformational schemes to meet the growing demands in Children's Social Care and Special Educational Needs

Taxation

SBC

6. Approve the Council Tax for Stockton-on-Tees Borough Council prior to Parish, Fire and Police Precepts be increased by 2.9%, which includes the Government Levy of 2% in respect of Social Care i.e. to £1,764.71 at Band D (£1,176.47 at Band A).

Fire, Police & Parish

7. The Council note the Police precept of £15,889,851 which equates to a Council Tax of £275.73 at Band D (£183.82 at Band A).
8. The Council note the Fire precept of £4,717,453 which equates to a Council Tax of £81.86 at Band D (£54.57 at Band A).
9. The Council note the Parish precepts as set out in paragraph 62 of the budget report.

Capital

10. Approve the Capital Programme attached at Appendix A & B of the report.

Organisational and HR

11. Council approve the Pay Policy Statement including the pay and grading structure at Appendix C and C(1).
12. In accordance with the Localism Act 2011 and in accordance with Secretary of State guidance regarding severance payments for senior local government employees, Council approves the total cost of £333,000 in respect of redundancy costs and payment to the Teesside Pension Scheme in relation to the redundancy of the Director of Community Services and Transport as part of the senior management restructure.

Members Allowances

13. Approve that Members allowances are frozen for 2022/23. This will mean that these allowances have been frozen since 2013/14.

Council Tax - Statutory Requirements

14. Members approve the statutory requirements for Council Tax as shown in Appendix D.
15. The Council must set its Local Council Tax Reduction scheme annually by 11 March of the preceding financial year. The scheme was set at Council on Wednesday 24 November 2021; since that date the Department for Work and Pensions has confirmed the updated benefit figures effective from April 2022. Cabinet therefore recommends to Council that the scheme approved on 24 November 2021 is retained but with the income table at Schedule 1 within the policy document adjusted to reflect the updated figures.
16. The Director of Finance, Development and Business Services be given delegated authority, in consultation with the Leader, to make further adjustments should the government issue revised publications with regards to these matters after 23rd February to ensure that the intended alignment is maintained.

Appointment of Auditors

17. The Council approves acceptance of the Public Sector Audit Appointments invitation to join the sector led option for the appointment of external auditors for five years from 1 April 2023.

Capital Strategy

18. Approve the Capital Strategy as set out at Appendix F to the report, including the Flexible Use of Capital Receipts Policy and the MRP Strategy.

Treasury Management/Prudential Code

19. Approve the Treasury Management Strategy as set out in Appendix G to the report.

Investment Strategy

20. Approve the Investment Strategy as set out at Appendix H to the report.

CABINET DECISIONS

21. Cabinet approved and noted the Officer Appointments to outside bodies and governing bodies at Appendix C(1).