

**MINUTE EXTRACT**

Cabinet Meeting ..... 13 February 2023

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 2023/24 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 2022/23.

The proposals in the Report would mean that the Council would have a balanced budget in 2023/24. 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 inflation. Projections indicated a budget gap in 2025, although given the uncertainties this position could become even more challenging.

In order to prepare for the future, address the budget gap and build further financial resilience, the Council would embark on a transformation programme to review services to deliver savings whilst aiming to maintain or improve service delivery.

The MTFP report for 2023/24 to 2025/26 was attached to the covering report.

The report also provided an update on the financial position for 2022/23. As reported previously, inflationary pressures were having a significant impact upon the financial position in 2022/23. The Council would continue to see increased costs in maintaining vital services.

The Report outlined the Council Tax proposals and Budget for 2023/24 and the indicative MTFP for the next two years.

It provided an update on the position from that reported to Cabinet and Council in February 2022 and in particular reflected implications arising from the Autumn Statement 2022 and the Local Government Finance Settlement for 2023/24.

The Provisional Financial Settlement had provided funding allocations for

2023/24 only. The Autumn Statement and policy statement provided national funding totals for some of the funding streams for 2024/25, but it was not known how this translated into individual local authority level funding settlements for this year, leaving 2024/25 uncertain. The period for 25/26 and beyond was even more unknown, with no information announced on this period, it therefore needed to be treated with some caution.

The Council had a long history of providing value for money and delivering strong financial management. This had again been reinforced by the External Auditor in the Audit Completion Report which was considered by the Audit and Governance Committee on 28 November 2022. The external auditor would produce the Annual Auditors Report for 2022/23 following the resolution of two issues external to the Council. These were a national issue regarding infrastructure assets and a delay to the audit of Teesside Pension Fund. Once these two issues were resolved, the Annual Auditors Report would be considered by the Audit and Governance Committee, then subsequently presented to Cabinet. As part of this approach, there was a strong track record of delivering savings and efficiencies and the Council remained well prepared for the challenges ahead.

Section 25 of the Local Government Finance Act 2003 required that when a local authority was agreeing its annual budget and setting its Council Tax, the Chief Finance Officer (Section 151 Officer) must report to it on the following matters:

- The robustness of the estimates made for the purposes of the Council Tax requirement calculations
- The adequacy of the proposed financial reserves

The Council was required to have due regard to this report when making decisions on the budget.

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 2023/24 Council Tax requirement for Stockton-on-Tees Borough Council of £108,606,509 be approved.
3. A 2023/24 Council Tax requirement for Stockton-on-Tees Borough Council inclusive of Parish Precepts (£965,245) of £109,571,754 be approved.
4. The 2023/24 budget and indicative 2023/26 MTFP as outlined in paragraphs 27 - 54, the level of General Fund Balances and the release of reserves to balance the 2022/23 in year financial position as set out in paragraphs 21-26 be approved.

## Taxation

### SBC

5. The Council Tax for Stockton-on-Tees Borough Council prior to Parish, Fire and Police Precepts be increased by 4.9%, which includes the Government Levy of 2% in respect of Social Care i.e. to £1,851.18 at Band D (£1,234.12 at Band A) be approved.

### Fire, Police & Parish

6. The Council note the Police & Crime Commissioner is proposing a precept of £17,056,780 which equates to a Council Tax of £290.73 at Band D (£193.82 at Band A).
7. The Council note the Fire Authority is proposing a precept of £5,095,972 which equates to a Council Tax of £86.86 at Band D (£57.91 at Band A).
8. The Council note the Parish precepts as set out in paragraph 79 of the budget report.

## Capital

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

## Organisational and HR

10. The Pay Policy Statement including the pay and grading structure at Appendix C and C(1) be approved.

## Members Allowances

11. Members allowances be frozen for 2023/24. This will mean that these allowances have been frozen since 2013/14.

#### Attendance at Court

12. The updated job titles for posts who may lay complaint, appear at court, prosecute and defend in all matters relating to the collection and enforcement of Council Tax, Business Rates (NNDR) and the Business Improvement District levy be approved and noted.

#### Council Tax - Statutory Requirements

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

14. The Council must set its Local Council Tax Reduction scheme annually by 11 March of the preceding financial year. Cabinet therefore recommends to Council that the current Local Council Tax Reduction Scheme is retained for the financial year 2023/24 incorporating the updates for the prescribed requirements in regulations and with an updated income table at Schedule 1 to reflect increased income levels as a result of updated benefit figures.

15. That the Director of Finance, Development and Regeneration and Deputy Chief Executive be given delegated authority, in consultation with the Leader, to make further adjustments to the income table and/or disregard additional funds should the government issue revised publications with regards to these matters after 22nd February to ensure that Government's intentions for additional support is maintained.

#### Capital Strategy

16. The Capital Strategy as set out at Appendix E to the report, including the Flexible Use of Capital Receipts Policy and the MRP Strategy be approved.

#### Treasury Management/Prudential Code

17. The Treasury Management Strategy as set out in Appendix F to the report be approved.

18. The Treasury Management Policy and Treasury Management Practices as set out in Appendix G to the report be approved.

#### Investment Strategy

19. The Investment Strategy as set out at Appendix H to the report be approved.

RESOLVED that:-

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