

Stockton on Tees Borough Council – Decisions taken by the Cabinet on Monday 10 February 2025

Agenda Item No	Topic	Decision
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Part A – Items considered in public

<p>A3</p>	<p>Medium Term Financial Plan Update and Strategy</p>	<p align="center"><u>STOCKTON-ON-TEES BOROUGH COUNCIL</u></p> <p align="center"><u>CABINET / COUNCIL DECISION</u></p> <p align="center"><u>PROFORMA</u></p> <p>Cabinet Meeting10 February 2025</p> <p>1. <u>Title of Item/Report</u></p> <p>Medium Term Financial Plan Update and Strategy</p> <p>2. <u>Record of the Decision</u></p> <p>Consideration was given to a report on the Medium Term Financial Plan Update and Strategy.</p> <p>This was the final report in setting the Council’s 2025/26 Budget and Council Tax and outlining the Medium Term Financial Plan (MTFP) position to 2028. The report also included an update on the financial performance for 2024/25.</p> <p>The report outlined the budget for 2025/26 and indicative MTFP for future years. The provisional finance settlement was received on 18th December 2024, and this indicated the funding for 2025/26, with the final allocations to be confirmed in February. In order to prepare a Medium Term Financial Plan, assumptions had been made in respect of future years, however, this funding was extremely uncertain and subject to future Government spending reviews.</p> <p>The Provisional Financial Settlement had provided funding allocations for</p>
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		<p>2025/26 only. The Government had indicated that there would be reforms to Local Government Finance from 2026/27 onwards and would take forward the fair funding review, also considering the reset of Business Rates. Government had indicated there would be a multi-year settlement from 2026/27 onwards.</p> <p>The MTFP report for 2025/26 to 2027/28 was attached to the report.</p> <p>The report also provided an update on the financial position for 2024/25. As reported previously, inflationary pressures were having a significant impact upon the financial position in 2024/25. The Council continued to see increased costs in maintaining vital services.</p> <p>The Report outlined the Council Tax proposals and Budget for 2025/26 and the indicative MTFP for the next two years.</p> <p>It provides an update on the position from that reported to Cabinet and Council in February 2024 and reflected implications arising from the Local Government Finance Settlement for 2025/26.</p> <p>The Provisional Financial Settlement had provided funding allocations for 2025/26 only. The Government had indicated that there would be reforms to Local Government Finance from 2026/27 onwards and would take forward the fair funding review, also considering the reset of Business Rates. Government had indicated there would be a multi-year settlement from 2026/27 onwards, therefore the funding shown in 2026/27 onwards in the MTFP was subject to change.</p> <p>The Council had a long history of providing value for money and delivering</p>

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		<p>strong financial management. This had again been reinforced by the External Auditor in the Independent Auditors Annual Report on the 2022/23 accounts, which was issued in May 2024. The auditors had issued an unqualified audit opinion on the 2022/23 financial statements and did not identify any significant weaknesses or recommendations in relation to value for money arrangements.</p> <p>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:</p> <ul style="list-style-type: none"> • The robustness of the estimates made for the purposes of the Council Tax requirement calculations • The adequacy of the proposed financial reserves <p>The Council was required to have due regard to this report when making decisions on the budget.</p> <p>RECOMMENDED to Council:-</p> <ol style="list-style-type: none"> 1. That in accordance with the Local Government Act 2003, Members note that the Section 151 Officer confirms that the following recommendations: <ol style="list-style-type: none"> 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.

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		<p align="center">General Fund Budget</p> <p>2. Approve a 2025/26 Council Tax requirement for Stockton-on-Tees Borough Council of £124,538,859.</p> <p>3. Approve a 2025/26 Council Tax requirement for Stockton-on-Tees Borough Council inclusive of Parish Precepts £x – this information will follow for Council</p> <p>4. Approve the 2025/26 budget and indicative 2026/28 MTFP as outlined in paragraphs 20-46, the level of General Fund Balances and the release of reserves to balance the 2024/25 in year financial position as set out in paragraphs 14-19.</p> <p>5. To revise the existing £6m prudential borrowing approval for investment in Children’s Services residential homes and Spark of Genius, and replace with a Council wide investment fund of £20m from prudential borrowing for self-funding capital investments linked to transformation of Services. This could include investments relating to climate change. Individual schemes will need to be approved by Cabinet.</p> <p>6. Agree the use of £950,000 of Prudential Borrowing to fund the investment required at Preston Park covered within the Levelling Up Fund Preston Park Museum and Grounds Enhancements report to Cabinet on 16th January 2025.</p>

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		<p>Taxation</p> <p>SBC</p> <p>7. Approve the Council Tax for Stockton-on-Tees Borough Council prior to Parish, Fire and Police Precepts be increased by 4.95%, which includes the Government Levy of 2% in respect of Social Care, i.e. to £2,038.98 at Band D (£1,359.32 at Band A).</p> <p>Fire, Police & Parish</p> <p>8. The Council note the Police & Crime Commissioner is proposing a precept of £19,406,631 which equates to a Council Tax of £317.73 at Band D (£211.82 at Band A)</p> <p>9. The Council note the Fire Authority is proposing a precept of £5,769,522 which equates to a Council Tax of £94.46 at Band D (£62.97 at Band A).</p> <p>10. The Council note the Parish precepts as set out in paragraph 69 of the budget report - to follow for council</p> <p>Capital</p> <p>11. Approve the Capital Programme attached at Appendix A & B.</p> <p>Organisational and HR</p>

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		<p>12. Council approve the Pay Policy Statement including the pay and grading structure at Appendix C and C(1).</p> <p>Members Allowances</p> <p>13. Approve that Members allowances are frozen for 2025/26. This will mean that these allowances have been frozen since 2013/14.</p> <p>Council Tax - Statutory Requirements</p> <p>14. Members approve the statutory requirements for Council Tax as shown in Appendix D. to follow for Council</p> <p>15. 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 2025/26 incorporating the updates for the prescribed requirements in regulations and to reflect updated income figures in the table at Schedule 1. The scheme is available here www.stockton.gov.uk/CTR.</p> <p>16. That the Director of Finance, Transformation and Performance 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 19th February, to ensure that Government's intentions for additional support is maintained.</p> <p>Capital Strategy</p>

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		<p>17. Approve the Capital Strategy as set out at Appendix E to the report, including the Flexible Use of Capital Receipts Policy, the MRP Strategy and the Capital Programme Management Arrangements.</p> <p>Treasury Management/Prudential Code</p> <p>18. Approve the Treasury Management Strategy as set out in Appendix F to the report.</p> <p>Investment Strategy</p> <p>19. Approve the Investment Strategy as set out at Appendix G to the report.</p> <p>Cabinet RESOLVED that:-</p> <p>20. The Officer Appointments to outside bodies and governing bodies at Appendix C(1) be approved and noted.</p> <p>3. <u>Reasons for the Decision</u></p> <p>The report outlines recommendations to Cabinet in respect of Cabinet and Council decisions in relation to:</p> <ul style="list-style-type: none"> - 2025/26 budget, MTFP and Capital Programme - Council Tax - Organisational and HR, Capital Strategy, Treasury Management Strategy, Investment Strategy,

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		<p align="center">– officer appointments to outside bodies, and member allowances.</p> <p>4. <u>Alternative Options Considered and Rejected</u></p> <p>None</p> <p>5. <u>Declared (Cabinet Member) Conflicts of Interest</u></p> <p>The meeting was advised that each Cabinet Member had been granted a dispensation for a 4-year period in respect of all decisions relating to the setting of the Council Tax and precepts and Members Allowances and did not need to individually declare those interests.</p> <p>6. <u>Details of any Dispensations</u></p> <p>None</p> <p>7. <u>Date and Time by which Call In must be executed</u></p> <p>Midnight Monday 17 February 2025 for recommendation 20 only.</p>
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A2		