

STOCKPORT COUNCIL

REPORT TO CABINET MEETING – SUMMARY SHEET

Subject: Medium Term Financial Plan (MTFP)

Part A: MTFP Financial Landscapes and Forecasts 2019/20 to 2022/23

Part B: MTFP Cabinet Response: Our Medium Term Strategy and Budget Choices 2019/20

Report to Cabinet Meeting

Date: 18 December 2018

Report of: (a)

Part A – Borough Treasurer

Part B – Leader of the Council (Policy, Finance & Devolution); and Cabinet Councillor for Reform and Governance

Key Decision: (b)

Forward Plan General Exception Special Urgency (Mark with a Y if applicable)

Summary:

The Medium Term Financial Plan (MTFP) update is in two parts:

- MTFP Financial Landscapes and Forecasts 2019/20 to 2022/23 (update following 2018 Autumn Budget)
- MTFP Cabinet Response: Our Medium Term Strategy and Budget Choices 2019/20

Part A: MTFP Financial Landscapes and Forecasts 2019/20 to 2022/23

The first part of this report outlines the update to the Council's Medium Term Financial Plan forecasts and assumptions taking account of local and national changes including the Government's 2018 Autumn Budget announcements since the Summer Review.

This report revisits the initial assumptions made following the summer review and considers the ongoing uncertainty around the reform of the Local Government Financing Regime, pay inflation negotiations and the complexity of the transformational change needed to move the Council to a self-sufficient funding model by 2019/20.

This report needs to be read in conjunction with other reports elsewhere on this agenda including:

- Council Tax and Business Rates Discounts Annual Review;
- Stockport Billing Area – 2019/20 Council Tax Taxbase and Non Domestic Rates Forecast; and
- MTFP Cabinet Response: Our Medium Term Strategy and Budget Choices 2019/20.

Part B: MTFP Cabinet Response: Our Medium Term Strategy and Budget Choices 2019/20

The update on the Medium Term Financial Plan presented as the first part of this item outlines a continuing challenging horizon ahead for Stockport. In response to this the Cabinet published their medium term strategy which would provide the framework for the Cabinet's aspirations, and the tough decisions ahead, to ensure our Council is best able to meet the priorities and needs of our communities. This report is the latest update to the Cabinet's approach. Building on the medium term strategy presented at the October Cabinet meeting, this paper provides the latest update on the proposals for 2019/20, our budget choices for consideration and information on further engagement that has occurred since October Cabinet. As well as an update, this report also brings forward an initial series of final proposals for consideration at this meeting.

Comments/Views of the Cabinet Councillor: (c)

Whilst the recent Autumn Budget announcements may offer short term relief the Council continues to face significant financial challenge over the medium term period. We firmly believe that our medium term strategy will enable us to address this challenge by shaping our services to ensure the Council and the Borough are fit for the future.

Over the coming years we will see a shift in the relationship and role for local government in the delivery of services for local people and businesses. Through our Stockport Local model, which runs through our medium term strategy we will work with communities to prepare for this. Whilst there will be difficult decisions to be made throughout the course of this strategy, we want to shape these collaboratively with our communities and are committed to broad engagement with local people, businesses, partners and elected members on the proposals set out in this report.

More immediately we have continued to progress work on our 2019/20 savings proposals linked to the five thematic areas of focus. We have and continue to consult broadly on these proposals, listening to feedback and seeking to understand the implication of these on local people, businesses and partners. An update on these proposals are now returning to Cabinet for our consideration.

Recommendation(s) of Cabinet Councillor: (d)

Part A

Cabinet is recommended to:

- Note the details of the report including the announcements made in the Government's 2018 Autumn Budget;
- Note the delay to the announcement of the 2019/20 Provisional Local Government Finance Settlement and the impact changes in the Council's settlement funding will have on the revised MTFP;
- Note, and comment upon as appropriate, the financial forecasts for 2019/20 to 2022/23, and the key issues to be addressed in formulating a response to the financial challenges facing the Council;
- Note the budget reduction requirement for 2020/221 of £11.831m rising to £33.399m in 2022/23;

- Note the unallocated one-off resources identified and consider the options for the use of this resource as detailed in the report; and
- Take the final steps necessary to propose a balanced budget for 2019/20 to the Budget Council meeting on 21 February 2019.

Part B

The Cabinet is recommended to:

- Note the update on the Medium Term Strategy and to return with further detail on the remaining proposals for 2019/20 at the February Cabinet meeting;
- To approve for implementation the final proposals appended to this report, namely:
 - 2. Value for Money Procurement
 - 6. Support and Governance – HR and OD and Communications
 - 8. Modernising Citizen Journeys
 - 9. Balancing the Cost of Services

Relevant Scrutiny Committee (if decision called in): **(e)**

Corporate, Resource Management & Governance Scrutiny Committee

Background Papers (if report for publication): **(f)**

Contact person for accessing background papers and discussing the report

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'Urgent Business': **(g)**

Yes/ **No** (Please circle)

Certification (if applicable)

This report should be considered as 'urgent business' and the decision exempted from 'call-in' for the following reason(s):

The written consent of Councillor _____ and the Chief Executive/Monitoring Officer/ Borough Treasurer for the decision to be treated as 'urgent business' was obtained on /will be obtained before the decision is implemented.