

## STOCKPORT COUNCIL

### REPORT TO CABINET MEETING – SUMMARY SHEET

**Subject:** 2019/20 Cabinet Revenue Budget and Capital Programme

**Report to Cabinet Meeting**

**Date:** 5 February 2019

**Report of:** (a) Leader of the Council and Cabinet Member (Reform and Governance)

**Key Decision:** (b) Y

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

#### **Summary:**

The purpose of the report is to finalise the Cabinet's Revenue Budget and Capital Programme. It also outlines the Council's financial outlook and challenges across the medium term period 2019/20 to 2022/23.

The report highlights the overarching priorities and desired outcomes upon which the Cabinet has based its budget proposals, and which form the basis of the updated Council Plan included elsewhere on this agenda.

This report needs to be considered in conjunction with the Borough Treasurer's MTFP Update report on the Council's Medium Term Financial Plan (MTFP) for 2019/20 to 2022/23 following the Provisional Local Government Finance Settlement (PLGFS) announced by Government (included elsewhere on this agenda). The Borough Treasurer's MTFP Update report clearly sets out the budget challenges facing the Council highlighting the risks which could have a significant impact on the Council's financial position in the medium term.

This report also takes account of other reports included on this agenda as follows:

- The Corporate Performance and Resources Final Update report for 2018/19 including an update of the Council's Capital Programme taking account of the Quarter 3 2018/19 Capital Programme monitoring and the Cabinet's medium term capital investment plans;
- The Council's 2018/19 Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy;
- The Council's Capital Strategy; and
- The Cabinet's Our Medium Term Strategy and Budget Choices 2019/20 report.

#### **Comments/Views of the Cabinet Member: (c)**

The Cabinet is concerned about the increasing uncertainty and complexity of Local Government funding. The likelihood of the outcome of the Government's 2019 Spending review and consultations on Fairer Funding and Business Rates Retention not being known until late 2019 provides little time for budget and medium term planning. Furthermore the continuation of one-off funding allocations to support significant cost pressures in Children's and Adults social care services by Government, can only be considered in our medium term financial planning as temporary measures and only go part of the way to addressing the problems the Council is facing. On this basis we will continue to lobby Government, alongside other Authorities, for a more sustainable funding model for these service areas.

The Cabinet has raised before its view on the Government's continuing Policy to address Local Government funding pressures through Council Tax. This is a regressive form of taxation that results in an increasing shift of the burden of funding of services onto Council Tax Taxpayers and is not a sustainable model for future funding. The Cabinet is clear that increases in demand and residents expectations of the Council and the services it provides cannot continue to be funded by annual increases in Council Tax expected by Government. However, whilst the Cabinet is always mindful of the impact Council Tax increases have on Stockport residents, we must also consider this alongside the need to ensure the Council's MTFP remains robust and sustainable.

Taking this into consideration we have decided to reduce the previously proposed Council Tax increase to 2.75% (1.75% General and 1% Adult Social Care Precept). The Cabinet recognises that in doing this we are forgoing Council Tax income which would have supported the Council's MTFP and reduce the Council saving requirement in future financial years. However, the Cabinet feels that given the Borough Treasurer's recommendations in the MTFP Update report (elsewhere on this agenda), this achieves the right balance between minimizing the impact of Council Tax increases on Stockport residents with the need to ensure the Council's MTFP is and remain robust.

Alongside the consideration of local taxation, the Cabinet has developed a series of saving proposals involving changes to services which will contribute towards the Council's savings requirement. These saving proposals are aligned to our MTFP Strategy and identified themes.

- Getting more out of our spending;
- Improving citizen experience;
- Making sure we have the right property in the right places;
- Collaborative service delivery; and
- An organisation fit for the future.

The Cabinet will continue to focus on the Council's savings requirement over the medium term period through reducing costs whilst focusing on the priorities set out in our Council Plan, and achieving the desired outcomes for Stockport residents. As the Cabinet progresses into developing the next phase of delivering change, we will continue to use our MTFP Strategy as a lens through which future services are shaped.

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### **Recommendation(s) of Cabinet Member: (d)**

The Cabinet is recommended to ask the Council Meeting to:

- Agree the Budget for 2019/20 described in the report and set out in Appendix 2 and 3;
  - Note the risk assessment of the Budget at Appendix 5 and the report of the Borough Treasurer on the adequacy of proposed financial reserves and robustness of the estimates included at Appendix 5;
  - Note and comment upon the financial forecasts for 2019/20 to 2022/23 (Appendix 6), and the key issues to be addressed in formulating a response to the future financial challenges facing the Council;
  - Approve the 2019/20 to 2021/22 Capital Programme and the funding arrangements as described in the report and set out at Appendix 7;
  - Approve the prudential indicators set out in Appendix 8; and
  - Pass the appropriate Council Tax resolutions which produce a Council Tax increase of 2.75% (1.75% General increase and 1% Adult Social Care Precept increase) as illustrated in Appendix 9.
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**Relevant Scrutiny Committee** (if decision called in): **(e)**  
Not applicable

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

Contact person for accessing  
background papers and discussing the report

**Officer:** Jonathan Davies  
**Tel:** 0161 218 1025

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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.

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