

STOCKPORT COUNCIL

REPORT TO CABINET MEETING – SUMMARY SHEET

Subject: Medium Term Financial Plan (MTFP)

Part A: Medium Term Financial Plan Update

Part B: Cabinet Response: Responding to Our Medium Term Financial Plan

Report to: Cabinet Meeting

Date: 6 October 2020

Report of: (a)

Part A Report of the Corporate Director – Corporate and Support Services

Part B Report of the Council Leader and the Cabinet Member for Commissioning, Resources and Governance

Key Decision: (b)

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

Summary:

The Medium Term Financial Plan update is in two parts:

- Part A - Medium Term Financial Plan Update
- Part B – Cabinet Response: Responding to Our Medium Term Financial Plan

Part A: Medium Term Financial Plan Update

Part A outlines the outcomes of the Medium Term Financial Plan (MTFP) Update Review. Given the uncertainty, volatility and risk of the current financial landscape which has been exacerbated by the COVID-19 pandemic, the review retests the MTFP forecasts and assumptions approved by the Council in February to ensure they continue to be based on the latest available information. The report highlights the expected financial impact of the COVID-19 pandemic on the Council in 2020/21 and highlights the ongoing financial legacy of the pandemic over the medium term period due to the financial scarring impacts identified. It is recommended that the updating of the MTFP continues to be iterative and the underpinning MTFP forecasts and assumptions are retested throughout the year and reported to Cabinet and Scrutiny Committees as part of the Council's 2021/22 budget setting process.

Part B: Cabinet Response: Responding to Our Medium Term Financial Plan

Part B outlines the Cabinet's response to addressing the unprecedented levels of uncertainty, volatility and risk added to by the COVID-19 financial impact to manage our budget for 2021/22 and our MTFP.

The Cabinet's ambition remains on delivering impactful and outcomes-focused transformational change for communities and businesses across Stockport. This will involve bold and ambitious decisions about how the Council works in the future. However, in order to do that the Council needs a robust and resilient budget and MTFP to enable us to face and respond to the unprecedented uncertainty, volatility and risk ahead.

The report provides an overview of the approach the Cabinet will be taking over the coming weeks and months to review the budget in light of the financial impact identified in the Part A report. This will involve, alongside developing a longer term transformation programme, identifying a series of MTFP proposals which will deliver a balanced and resilient 2021/22

Comments/Views of the Cabinet Member: (c)

Due to the unprecedented impact of COVID-19, the MTFP Update Review sets out the financial challenges facing the Council over the medium term period. This will mean there will be difficult choices to make against our budget that could have significant challenges for our communities. As part of this our COVID-19 strategy of response will include our transformation programme, our MTFP Strategy, local taxation and the use of earmarked reserves. We continue to be committed to the transformation ambitions we have set out previously, this will involve bold and ambitious change – building on the inspiring collaboration we have seen across our communities and across sectors. For us to do this though we need to respond to the immediate financial challenge facing the Council and the need to ensure the Council's 2021/22 Budget and MTFP remain robust and resilient.

We will work closely with our partners and other stakeholders including our communities to understand the impact that any service changes may have.

Recommendation(s) of Cabinet Member: (d)

Part A

Cabinet is recommended to:

1. Note the outcomes of the MTFP Update Review particularly the identified COVID19 financial scarring impacts and changes to the MTFP forecasts and assumption approved in February;
2. Note that the Council's savings requirement has increased to £23.341m in 2021/22 rising to £34.825m in 2022/23 subject to further review and updates during the financial year.
3. Note that the earmarked reserves identified as part of the Councils COVID19 strategy of response.
4. Approve the recommendation to cap the use of earmarked reserves to support the Council's COVID19 strategy of response at £20m over the medium term period 2021/22 to 2022/23;
5. Note that the MTFP does not include any forecasts or assumptions for the financial impact of a further wave of COVID19 and/or further national/local lockdown/restrictions; and
6. Note that due to the significant uncertainty, volatility and risk of the financial landscape the assessment of the MTFP forecasts and assumptions will continue to be iterative with further updates to the MTFP reported to Cabinet as part of the 2021/22 budget setting process.

Part B

Cabinet is recommended to:

1. Note the approach and endorse the proposed developments and next steps including agreeing to share with scrutiny for comment further detail on our MTFP programme;
2. Support the ongoing development of our emerging Council narrative and transformation programme;

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.