

STOCKPORT COUNCIL

REPORT TO CABINET MEETING – SUMMARY SHEET

Subject: Part A: Medium Term Financial Plan (MTFP) Update
Part B: Cabinet Response: Responding to Our Medium-Term Financial Plan

Report to: Cabinet Meeting

Date: 21 September 2021

Report of: (a)

Part A Report of the Deputy Chief Executive, 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 (MTFP) 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, highlighting the continuing financial scarring impacts as a result of the pandemic and the adjustments needed to the approved MTFP forecasts and assumptions in order to present the most accurate forecast of the Council's financial position and saving requirement over the medium term period. It is recommended that the updating of the MTFP continues to be iterative and the underpinning MTFP forecasts and assumptions retested throughout the year and reported to Cabinet and Scrutiny Committees as part of the Council's 2022/23 budget setting process.

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

Part B outlines the Cabinet's response to addressing the financial challenges the Council faces over the medium term period.

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 significant complexity facing the Council's financial position. It outlines the approach the Cabinet is proposing to take to meet the budget gap identified within the MTFP update and introduces a series of proposals which seek to deliver a financially resilient position.

Comments/Views of the Cabinet Member: (c)

The MTFP Update sets out the financial challenges facing the Council over the medium term period. The financial landscape is incredibly uncertain, volatile and complex and the scale of pressure on council budgets is acute. With pressures across public services and our supply chains as well as increasing need within our communities. Recent announcements most notably on social care financing, whilst cautiously welcomed, don't go far enough in addressing the immediate significant demands experienced.

The Cabinet, along with all Councillors, will need to make difficult choices against our budget that could have significant challenges for our communities. We can't lose sight of our wider ambitions and priorities set out in our Borough Plan, Council Plan and the boroughwide One Stockport ambition. However, to do this though we need to ensure the Council continues to have a robust and resilient financial platform over the medium term period. As such our strategy of response will include our Transformation Programme alongside the Council's robust financial management, local taxation and the use of earmarked reserves.

We will work closely with our partners, local communities, partners and elected members to both understand the impact of our proposals but also to shape, together, new ways of working.

Recommendation(s) of Cabinet Member: (d)**Part A**

Cabinet is recommended to:

1. Note the outcomes of the MTFP Update including the continuing financial scarring impacts of the pandemic and the highlighted changes to the MTFP forecasts and assumptions approved in February;
2. Approve the forecast and assumption adjustments as a result of the MTFP Update outlined in the report;
3. Note that the Council's savings requirement has reduced to £20.170m in 2022/23 rising to £34.185m in 2023/24 as a result of the adjustment highlighted and subject to further review and updates during the financial year;
4. 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 2022/23 budget setting process;
5. Approve the recommended cap of £20m on the use of reserves to support the Council's continuing response and recovery from the financial scarring impacts of the pandemic over the medium term period; and
6. Approve the recommended use of one-off resources identified during the financial year to support the Council's 2022/23 Budget and MTFP.

Part B

Cabinet is recommended to:

1. Note the approach and endorse the next steps including agreeing to share with scrutiny, for comment, the proposals which support a resilient and sustainable MTFP; and
2. Support the ongoing development of our Council transformation programme;

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

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.