

STOCKPORT COUNCIL

REPORT TO CABINET– SUMMARY SHEET

Subject: 2021/22 Reserves Policy

Report to: Cabinet

Date: 21 September 2021

Report of: (a) Deputy Chief Executive (Section 151 Officer) and Cabinet Member for Resources, Commissioning and Governance

Key Decision: (b) N

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

Summary:

The purpose of the report is to provide an update of the annual review of the Council's Reserves Policy following the reporting of the Council's 2020/21 outturn position

The report needs to be read in conjunction with the Medium Term Financial Plan Update and Cabinet Response – Responding to Our Medium Term Financial Plan reports presented elsewhere on this agenda.

Comments/Views of the Cabinet Member: (c)

The annual review of the Council's Reserves Policy is important to ensure that the Council's available resources held in earmarked reserves are aligned to its corporate and strategic priorities. The Council continues to face significant financial challenge over the medium term period and as the financial scarring impact of the pandemic continues. Resources available within the Council's earmarked reserves must be used effectively to help the Council meet this financial challenge and to have certainty in the level of resources it has available if needed to mitigate any cost pressures in the short term whilst permanent funding options are identified. Having a Reserves Policy in place supports the Council to do this and ensure its financial resilience over the medium term period is robust.

The annual review has considered the role the Council's earmarked reserves will play in the ongoing financial response and recovery from the pandemic. Whilst recognising the need to have the assurance that resources can be made available (uncommitted) if needed (in the absence of further Government support funding), it also recognises the opportunity cost this presents to the Council. Significant use of these resources would hamper the achievement of the Council's growth and reform ambitions and have a severe impact on the Council's future financial resilience and robustness over the medium term period. Having a Reserves Policy in place helps to frame decisions on the use of resources held in reserves to both support the Council's ambitions and priorities, whilst providing a stable financial platform to address the financial challenge over the medium term period.

The report was presented to the Corporate, Resource Management & Governance Scrutiny Committee meeting on 7 September for noting and comment to ensure good governance and scrutiny.

Recommendation(s) of Cabinet Member: (d)

Cabinet are recommended to:

- Note the annual review of Council's 2021/22 Reserves Policy including the level and rationale for the reserves held;
- Approve the creation and reclassification of earmarked reserves held in line with the recommended amounts; and
- Approve the proposed 2021/22 Reserves Policy.

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

Corporate, Resource Management & Governance

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

Contact person for accessing
background papers and discussing the report

Officer: Jonathan Davies
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'Urgent Business': (g)

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.
