

STOCKPORT COUNCIL

REPORT TO CABINET– SUMMARY SHEET

Subject: 2023-24 Reserves Policy

Report to Cabinet

Date: 19/09/2023

Report of: (a) Cabinet Member for Finance & Resources

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 the outcome of the annual review of the Council's Reserves Policy following the reporting of the Council's 2022/23 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.

Reserves play an essential role in the good financial management of the Council. Whilst reserves do not provide a permanent source of funding, they provide the Council with short-term budget resilience to mitigate the impact of unexpected financial pressures and funding changes. They also provide funding to invest in transformational change projects to deliver required budget efficiencies. For this reason, it is important that the Council's reserves are aligned to the Council's corporate and strategic objectives over the medium term period.

The Council continues to face significant financial challenge over the medium term period. Resources available within the Council's earmarked reserves must be used effectively to help the Council meet 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.

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 5 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 2023/24 Reserves Policy including the level and rationale for the reserves held;

- Approve the adjustments and reclassification of earmarked reserves held in line with the recommended amounts; and
- Approve the proposed 2023/24 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
Tel: Tel: 218 1025

'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.
