

## STOCKPORT COUNCIL

### REPORT TO CABINET MEETING – SUMMARY SHEET

**Subject:** 2024/25 Budget Reports:

PART A: Cabinet Response: Responding to Our Medium Term Financial Plan

PART B: Medium Term Financial Plan – Financial Landscape and Forecasts  
2024/25 to 2027/28

PART C: 2024/25 Cabinet Revenue Budget

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**Report to: Cabinet Meeting**

**Date: 30 January 2024**

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**Report of: (a)**

**PART A** Report of the Leader of the Council and the Cabinet Member for Finance and Resources

**PART B** Report of the Deputy Chief Executive and Section 151 Officer

**PART C** Report of the Council Leader and the Cabinet Member for Finance and Resources

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**Key Decision: (b)**

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

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**Summary:**

The Medium Term Financial Plan update is in three parts:

- PART A - Cabinet Response: Responding to Our Medium Term Financial Plan
- PART B – Medium Term Financial Plan – Financial Landscape and Forecasts 2024/25 to 2027/28
- PART C: 2024/25 Cabinet Revenue Budget

**PART A: Cabinet Response: Responding to Our Medium Term Financial Plan**

This report outlines the Cabinet's response to addressing the uncertainty, volatility and risk outlined within the review of the MTFP. The report outlines the suite of budget considerations available to the Cabinet. It also includes savings proposals that were presented to Cabinet in September which have since undergone further development and engagement, including through three scrutiny committee cycles.

The Cabinet remains focused on delivering impactful and outcomes-focused transformational change for residents, communities and businesses across Stockport. These ambitions are referred to within this report and outlined within the draft Council Plan presented elsewhere on this agenda.

A resilient and robust budget is key to delivering the Ambitious Stockport vision. However, the changes needed to deliver to respond to the MTFP can only be achieved by looking at ways of working differently. As such the proposals presented within this report include fundamentally changing how the Council deliver services to residents, partners and internally.

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and engagement, including through three scrutiny committee cycles.

The Cabinet remains focused on delivering impactful and outcomes-focused transformational change for residents, communities and businesses across Stockport. These ambitions are referred to within this report and outlined within the draft Council Plan presented elsewhere on this Cabinet Meeting agenda.

A resilient and robust budget is key to delivering the Ambitious Stockport vision. However, the changes needed to deliver to respond to the MTFP can only be achieved by looking at ways of working differently. As such the proposals presented within this report include changes to how the Council deliver services.

### ***PART B: Medium Term Financial Plan – Financial Landscape and Forecasts 2024/25 to 2027/28***

This report updates the Council's 2024/25 to 2027/28 Medium Term Financial Plan (MTFP) forecasts and assumptions as part of setting a robust and resilient budget and financial plan recognising the significant financial challenges facing the Council. The report builds on the MTFP Update report present to Cabinet in September and Corporate, Resource Management and Governance Scrutiny Committee in October considering any further national and local changes impacting on the 2024/25 Budget and MTFP.

The council's financial position over the medium term is increasingly challenging. Local Government funding is not keeping pace with increasing service costs due to price inflation and demand for services particularly for those supporting vulnerable residents. Whilst the Council remains confident about setting a robust and resilient budget for 2024/25, the savings requirement in 2025/26 and future years is significant.

The report presents the Council's MTFP for four financial years 2024/25 to 2027/28. The Cabinet is recommended to take note of the detail included in the report and take the necessary steps to propose a final balanced 2024/25 Cabinet Revenue Budget

### ***PART C: 2024/25 Cabinet Revenue Budget***

The purpose of the report is to present the proposed 2024/25 Cabinet Revenue Budget. The report highlights our strategic approach to responding to the medium-term financial forecasts, and our overarching priorities and desired outcomes upon which the Cabinet has based its budget proposals, and which form the basis of Borough Plan and updated Council Plan included elsewhere on this agenda.

Recognising the unprecedented uncertainty and financial pressures facing Local Government, we continue to commit to developing opportunities that continue to support and enhance the lives of our residents and growth of Stockport businesses. However, we recognise that this sits within a context of national and global uncertainty making a stable and resilient budget over the medium-term period essential.

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

The Council's financial position over the medium term is increasingly challenging. Local Government funding is not keeping pace with increasing service costs due to the increasing need for support from residents and businesses. This is particularly acute in relation to services supporting our most vulnerable residents where we have faced in-year budgetary pressures. Whilst we are confident about the robustness of our proposed balanced budget in 2024/25, we recognise the saving requirement in 2025/26 and future years is significant.

The overall amount of funding for Local Government remains insufficient to fund essential services. We ask Government to recognise these pressures and find a sufficient and sustainable funding model for the sector before any future consideration of fair funding

allocation reforms. The insufficiency of council funding comes at a time when there is an increasing need for support from Stockport residents and businesses. The increased cost of living continues to create challenging circumstances for our local communities.

The MTFP Update and our Cabinet response framed by our Council Plan highlights the careful choices and decisions that we have to make together over the coming months. We firmly believe that investing in longer term transformation is vitally important for our organisation and communities but to ensure we remain financially resilient we will need to make thoughtful, careful, and robust decisions over the coming months. We recognise that we will have to make challenging decisions together to achieve this. We will work closely with our partners and other stakeholders including our communities to understand the impact of our change proposals and how best our Council can support all our residents, businesses, and voluntary sector organisations as we face the financial challenges ahead.

We recognise that the Council needs a robust and resilient budget and MTFP that provides a stable financial platform. We feel we have achieved this with our proposed 2024/25 Revenue Budget.

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

#### **PART A**

Cabinet is recommended to:

1. Note the development of proposals and the feedback received from the engagement and consultation to date.
2. Approve the proposals for inclusion within the Budget papers for Budget Council.

#### **PART B**

Cabinet is recommended to:

- Note the details of the 2024/25 Provisional Local Government Finance Settlement;
- Note, and comment upon as appropriate, the financial forecasts and assumptions for 2024/25 to 2027/28;
- Note and approve the indicative budget adjustments since the MTFP Update presented to the Cabinet meeting on 19 September resulting in savings requirement of £5.655m in 2024/25;
- Approve the allocation of £16.543m of the corporate contingency budgets to Cash Limit budgets as part of the budget setting process;
- Note the Section 151 Officer's recommendation to hold the Council's General Fund Balance at its current level £15.183m in 2024/25 aligned to his risk assessment of the budget and the adequacy of reserves and balances to support the Council's 2024/25 Budget; and
- Take the necessary steps to propose a final balanced 2024/25 Budget including any proposed Council Tax increase to be recommended for approval at the Council meeting on 22 February 2024.

#### **PART C:**

Cabinet is recommended to ask the Council Meeting to:

- Approve the Budget for 2024/25 described in the report and set out in Appendix 2 and 3;
- Approve the Cabinet's use of any available one-off resources to support the positive investment detailed in Section 6 subject to the Council's 2023/24 outturn position and the 2024/25 Final Settlement;

- Note the risk assessment of the 2024/25 Budget at Appendix 5 and the report of the Deputy Chief Executive and Section 151 Officer on the adequacy of proposed financial reserves and robustness of the estimates also included at Appendix 5;
- Approve the required Council General Fund Balance to reflect the Deputy Chief Executive and Section 151 Officer's assessment of risks;
- Note, comment upon, and approve the financial forecasts and assumptions for 2024/25 to 2027/28 at Appendix 6, and the key issues to be addressed in formulating a response to the future financial challenges facing the Council; and
- Pass the appropriate Council Tax resolutions which produce a Council Tax increase of 4.99% in 2024/25 (2.99% General increase, 2% Adult Social Care Precept increase) as illustrated in Appendix 7.

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**Relevant Scrutiny Committee** (if decision called in): **(e)**  
Corporate, Resource Management & Governance

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

Contact person for accessing \_\_\_\_\_ **Officer:** Gill Lawton / Jonathan Davies  
background papers and discussing the report **Tel:** 0161 474 3014 / 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.