

Councillors met on 22 February 2023 and agreed the budget for the coming year and the indicative Medium Term Financial plan for the following two years up until 2025/26.

Setting the budget continues to be increasingly difficult in the context of significant budget pressures including rising inflation costs particularly in relation to energy and fuel, significant growth and costs around Children's Social Care and a one year financial settlement from the Government which brings significant uncertainty.

When setting the budget the Council has explored and implemented mitigating actions to reduce costs and maximise income. These include reducing costs for delivering some services, maximising grants and increasing fees and charges as well as use of money from reserves.

Given the financial pressures facing the Council over the medium term, the agreed increase in Council Tax is 2.9%

plus the Government's Adult's Social Care Levy at 2%, making a total increase of 4.9%. This allows us to set a balanced budget for 2023/24 but leaves a predicted budget gap for future years.

We have a strong track record of sound financial management and adopting a managed approach to plan ahead, even during these challenging periods of such uncertainty. Alongside the anticipated budget gap in future years there are several future financial risks including further inflationary rises. In order to address these financial pressures we are planning a programme of transformation, which will look at delivering high quality council services within the funding available. This means we can protect front-line services wherever possible and target services to the areas and people most in need while continuing to invest in the long term future of our Borough in our schools, roads, housing and town centres.

## Stockton-on-Tees Borough Council's Spending Plans Compared With Last Year

| 2022/23                 | 2022/23         | 2022/23               |  | 2023/24                 | 2023/24         | 2023/24               |
|-------------------------|-----------------|-----------------------|--|-------------------------|-----------------|-----------------------|
| Gross Expenditure £'000 | Income £'000    | Net Expenditure £'000 |  | Gross Expenditure £'000 | Income £'000    | Net Expenditure £'000 |
| 100,961                 | -21,703         | 79,258                | <b>Adults &amp; Health</b>                         | 111,069                 | -24,262         | 86,807                |
| 144,778                 | -99,245         | 45,533                | <b>Children's Services and Schools Funding</b>     | 151,375                 | -99,910         | 51,465                |
| 72,003                  | -20,027         | 51,976                | <b>Community Services, Environment and Culture</b> | 71,179                  | -17,028         | 54,151                |
| 16,126                  | -3,067          | 13,059                | <b>Corporate Items</b>                             | 15,709                  | -5,069          | 10,640                |
| 15,570                  | -3,972          | 11,598                | <b>Corporate Services</b>                          | 13,289                  | -1,408          | 11,881                |
| 71,793                  | -56,410         | 15,383                | <b>Finance, Development and Regeneration</b>       | 74,495                  | -55,648         | 18,847                |
| <b>421,231</b>          | <b>-204,424</b> | <b>216,807</b>        | <b>Subtotal</b>                                    | <b>437,115</b>          | <b>-203,324</b> | <b>233,790</b>        |
| 22                      |                 | 22                    | <b>Port Health Levy</b>                            | 22                      |                 | 22                    |
| 194                     |                 | 194                   | <b>Environment Agency Levy</b>                     | 202                     |                 | 202                   |
| <b>421,447</b>          | <b>-204,424</b> | <b>217,023</b>        | <b>Total</b>                                       | <b>437,339</b>          | <b>-203,324</b> | <b>234,015</b>        |
|                         |                 | <b>-63,464</b>        | <b>Government Funding</b>                          |                         |                 | <b>-70,879</b>        |
|                         |                 | <b>-48,312</b>        | <b>Business Rates 50% Retained Share</b>           |                         |                 | <b>-52,111</b>        |
|                         |                 | <b>-3,550</b>         | <b>Use Of / Transfer To Council Balances</b>       |                         |                 | <b>-2,418</b>         |
|                         |                 | <b>101,697</b>        | <b>Council Tax Requirement</b>                     |                         |                 | <b>108,607</b>        |

## Adult Social Care Levy Statement

The Secretary of State made an offer to adult social care authorities. ("Adult social care authorities" are local authorities which have functions under Part 1 of the Care Act 2014, namely county councils in England, district councils for an area in England for which there is no county council, London borough councils, the Common Council of the City of London and the Council of the Isles of Scilly.) The offer was the option of an adult social care authority being able to charge an additional "precept" on its council tax without holding a referendum, to assist the authority in meeting its expenditure on adult social care from the financial year 2016-17. It was originally made in respect of the financial years up to and including 2019-20. If the Secretary of State chooses to renew this offer in respect of a particular financial year, this is subject to the approval of the House of Commons.

Stockton-on-Tees Borough Council's funds are spent on providing services for residents and visitors to the Borough in accordance with the Council Plan (available on the Council website [www.stockton.gov.uk](http://www.stockton.gov.uk))