



To:  
The Executive

The Leader:  
Councillor Tim Bick  
Director of Resources

Report by:

Relevant scrutiny committee: The Executive

17 September 2012

## **MEDIUM TERM STRATEGY SEPTEMBER 2012**

### **Key Decision**

#### **1. Executive summary**

- 1.1 This report presents and recommends the budget strategy for the 2013/14 budget cycle and specific implications, as outlined in the Medium Term Strategy (MTS) September 2012 document, which is to be agreed.
- 1.2 The recommended budget strategy is based on detailed financial modelling and projections of the Council's expenditure and resources, in the light of local policies and priorities, national policy and economic context. Service managers have identified financial and budget issues and pressures and this information has been used to inform the MTS.

#### **2. Recommendations**

The Executive is asked to recommended to Council :

##### **General Fund Revenue**

- 2.1 To agree the budget strategy, process and timetable for the 2013/14 budget cycle as outlined in Section 8 [pages 112 to 119 refer] and Appendix A of the MTS document.
- 2.2 To agree the revised General Fund revenue, funding and reserves projections as shown in Appendix E, and the associated decisions in Section 8 [pages 112 to 119 refer], of the MTS document.

- 2.3 To authorise the Director of Resources to calculate and communicate final cash limits or savings targets based on the decisions taken in relation to this report, based on the method shown in Appendix H.

### **Capital**

- 2.4 To agree the revised Capital & Revenue Projects Plan, the Hold list and the Funding as shown in Appendix G of the MTS document.
- 2.5 To agree inclusion in the Capital & Revenue Projects Plan of new additional items, listed below, and as set out in Section 8 [pages 119 to 121 refer].
- (a) Stourbridge Common Riverbanks – initial works to stabilise and improve the areas of riverbank for which the Council has responsibility - £100,000, funded from Reserves in 2013/14.
  - (b) City Centre Cycle Parking - to provide additional cycle parking to meet identified need across the City. Total £500,000 comprising £50,000 funded from Reserves in 2012/13 and £450,000 from New Homes Bonus in 2013/14.
  - (c) Cambridge Future Cities Feasibility Report - £50,000 in 2012/13 to be funded from the Technology Investment Fund pending receipt of £50,000 grant funding, following submission of the feasibility report.
- 2.6 To approve the delegation of authority to the Chief Executive, in consultation with the Executive Councillor for Customer Services and Resources, Chair and relevant Spokes of the scrutiny committee to agree the Future Cities bid for submission [Section 4 page 51 refers].

### **Treasury Management**

- 2.7 To approve changes to the Council's Treasury Management Indicators [Section 7, page 103 refers].
- 2.8 To approve changes to the Treasury Management and Investment Strategy to permit the deposit of funds into 95 day and 100 day Notice Accounts offered by financial institutions on the Council's approved counterparty list [Section 7, pages 107 to 108 and Appendix I(a) refer].

### **3. Background**

#### **Medium Term Strategy**

- 3.1 The purpose of this report is to outline the overall financial position of the Council and to consider the prospects for the 2013/14 budget process within the context of projections over the medium-term. The detailed analysis undertaken to fulfil this is presented in the Medium Term Strategy (MTS) September 2012 document appended to this report.
- 3.2 The document considers the General Fund revenue position and the Council's overall Capital & Revenue Projects Plan, which includes an outline of the capital programme and funding for the Housing Revenue Account.
- 3.3 Revenue forecasts are presented for the 5-year projection period through to the year 2016/17, demonstrating the sustainability of the Council's financial planning with reference to the level of reserves held throughout this period. Underpinning this is a full 25-year financial model, and associated risk analysis.
- 3.4 The report considers the effects of external factors affecting budget preparation, including the overall economic climate, and external funding levels which can reasonably be expected; as well as the existing commitments of the Council.
- 3.5 The MTS also highlights areas of uncertainty, provides a sensitivity analysis of key budget components and presents a high-level risk analysis.
- 3.6 Included are recommendations for approval of specific revenue and capital costs as identified.
- 3.7 The analysis undertaken leads to a recommended integrated financial strategy for the 2013/14 detailed budget-setting process.

### **4. Implications**

- 4.1 These are incorporated in the document and will be taken account of in the subsequent budget reports to all Executive Councillors / Scrutiny Committees.

## **5. Background papers**

These background papers were used in the preparation of this report:

Budget Working Papers on the 2012/13 and 2013/14 files

## **6. Appendices**

MTS September 2012 - 2012/13 to 2016/17 Document

## **7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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