



To: Executive Councillor for Strategy / Leader:
Councillor Tim Bick

Report by: Director of Resources

Relevant scrutiny committee: Strategy & Resources 30 September 2013

Wards affected: All Wards

MID-YEAR FINANCIAL REVIEW (MFR) SEPTEMBER 2013

Key Decision

1. Executive Summary

- 1.1 This report presents and recommends the budget strategy for the 2014/15 budget cycle and specific implications, as outlined in the Mid-year Financial Review (MFR) September 2013 document, which is attached and to be agreed.
- 1.2 This report also recommends the approval of new capital items and changes to phasing and funding proposals of the Council's Revenue and Capital Projects Plan.
- 1.3 At this stage in the 2014/15 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2013 was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This then provides the basis for updating the 2013/14 revised and 2014/15 budgets. All references in the recommendations to Appendices, pages and sections relate to the MFR Version 1 – Strategy & Resources.
- 1.4 The recommended budget strategy is based on the outcome of the review undertaken together with 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 MFR.

2. Recommendations

The Executive Councillor is asked to recommended to Council:

General Fund Revenue

- 2.1 To agree the budget strategy, process and timetable for the 2014/15 budget cycle as outlined in Section 7 [pages 27 to 32 refer] and Appendix A of the MFR document.
- 2.2 To agree the revised General Fund revenue, funding and reserves projections as shown in Appendix D, and the associated decisions in Section 7 [pages 27 to 32 refer], of the MFR document.

Capital

- 2.3 To agree changes to the Capital & Revenue Projects Plan as set out in Section 6 [pages 24 to 26 refer] and proposed amendments to the plan as set out in Appendix G(a).
- 2.4 To agree the revised Capital & Revenue Projects Hold List, Plan and Funding as shown in Appendices G(b), G(c) and G(d), respectively, of the MFR document.

Other

- 2.5 To approve the setting up of a new earmarked reserve “Keep Cambridge Moving” as detailed in Section 5 [pages 22 to 23 refer].

3. Background

Mid-year Financial Review

- 3.1 The purpose of this report is to outline the overall financial position of the Council and to consider the prospects for the 2014/15 budget process within the context of projections over the medium-term. The detailed analysis undertaken to fulfil this is presented in the Mid-year Financial Review (MFR) September 2013 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 2017/18, 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 MFR 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 2014/15 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:

MFR Working Papers on the 2013/14 and 2014/15 files

6. Appendices

MFR September 2013 – 2013/14 to 2017/18 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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