



To:  
The Executive

Leader:  
Councillor Sian Reid  
Director of Resources

Report by:

Relevant scrutiny committee:

The Executive

24 September 2010

## **MEDIUM TERM STRATEGY 2010**

### **Not A Key Decision**

## **1. Executive summary**

- 1.1 This report presents the budget strategy for the 2011/12 cycle and specific implications, as outlined in the Medium Term Strategy (MTS) document, which is to be agreed. An Executive Summary is incorporated in the MTS document.
- 1.2 Managers have identified issues and pressures and this information has been used to inform the MTS.

## **2. Recommendations**

The Executive is asked to recommend to Council :

### **Revenue – General Fund**

- 2.1 To approve an additional contribution into the Climate Change Fund in 2010/11 of £250,000, to be funded from General Fund reserves [paragraph 2.13 refers].
- 2.2 To agree the budget strategy and process for the 2011/12 budget cycle as outlined in section 15 [paragraphs 15.1 to 15.51 refer] and Appendix A of the MTS document.
- 2.2 In particular:-
  - a) that the net General Fund budget (after use of reserves) be limited to £19,523,750 at this stage [paragraph 15.24 refers];
  - b) that the adjusted gross expenditure, for the purpose of calculating committee cash limits, should exclude major in-term contractual / agreement obligations (Pools Service, Housing Repairs and ICT contracts); [paragraph 15.22 refers].
- 2.3 To agree the revised General Fund revenue, funding and reserves projections as shown in Appendix K, and the associated decisions in section 8, of the MTS document.

- 2.4 To authorise the Director of Finance to calculate final cash limits for committees based on the decisions taken in this report, based on the method shown in Table 28 and Appendix R.

### **Revenue - HRA**

- 2.5 To express support for the HRA budget process and strategy as outlined in Section 15 [paragraphs 15.42 and 15.48] and Appendix M.

### **Capital**

- 2.6 To agree inclusion in the Capital Plan of new items identified below, note additional funding to revised schemes approved by Executive Councillors, and approve the reschedule of works based on the latest timetables, namely:

- (a) Upper River Cam Biodiversity Public Art Project – a bid of £28,815 to S106 contributions for public art.
- (b) Wulfstan Way Local Centre Environmental Improvements – additional funding, £44,000 from S106 contributions and £29,000 from the Environmental Safety Fund.
- (c) Replacement Air Monitoring Equipment – a bid of £120,000, £99,000 funded from R&R and £21,000 by grant.
- (d) SC441 Sheep's Green Canoe Clubhouse Extension – additional £35,000 funding from S106 contributions.
- (e) SC452 Climbing Wall at Kelsey Kerridge Sports Centre – additional £30,000 funding from S106 contributions.
- (f) SC404 Play Boat – additional £15,000 funded from S106 contributions to meet the cost of additional materials and design alterations.
- (g) SC221 Lion Yard Contribution to Works – reschedule the provision of £638,000 from 2010/11 to 2011/12 and £942,000 from 2010/11 to 2012/13.
- (h) PR024 Commercial Properties Asset Replacement Programme – reschedule the provision of £256,000 from 2010/11 to 2011/12.
- (i) SC361 Disabled Access & Facilities – Guildhall – reschedule £80,000 from 2010/11 to 2011/12.
- (j) SC192 Land to the North of Kings Hedges Road – reschedule £70,000 from 2010/11 to 2011/12.
- (k) SC447 Low Carbon Communities – scheme withdrawn as anticipated external funding not secured.
- (l) PR001 Housing Capital Investment Programme - reschedule the programme with additional £353,000 funding.
- (m) PR017 Vehicle Replacement Programme – extend the programme to 2014/15 funded by additional £750,000 R&R.

- (n) PR019 Car Parks Infrastructure and Equipment Replacement Programme – reschedule and extend the programme to 2014/15 funded by additional £1,099,000 R&R.
  - (o) PR020 ICT Infrastructure Programme – extend the programme to 2014/15 funded by additional £550,000 R&R.
  - (p) PR023 Admin Buildings Asset Replacement Programme – reschedule and extend the programme to 2014/15 funded by additional £110,000 R&R.
  - (q) PR023 Admin Buildings Asset Replacement Programme – reschedule the programme to 2013/14 with additional £10,000 R&R.
- 2.7 To agree the revised Capital Plan as shown in Appendix P [paragraphs 14.8, 14.10 and 14.11 also refers], the Hold list as shown in Appendix O [paragraph 14.9 refers] and the funding as shown in Appendix Q [paragraphs 14.1 to 14.7 also refer] of the MTS document.

### **Treasury Management**

- 2.8 To confirm the current Counterparty List [Appendix D refers].
- 2.9 To receive the Mid-Year Treasury Management Report 2010/11 [Appendix E refers].

## **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 2011/12 budget process within the context of projection over the medium-term. The detailed analysis required to fulfil this is incorporated in the Medium Term Strategy (MTS) document.
- 3.2 The document includes an overview of the Housing Revenue as well as considering the General Fund, and outlines the position with regard to the Council's Capital Plan.
- 3.3 Revenue forecasts are based on a 5 year projection through to the year 2014/15, 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 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 It also includes coverage of remaining areas of uncertainty together with sensitivity analysis of key functions and a high-level risk analysis.
- 3.6 Included are recommendations for approval of revenue and capital costs as identified.

- 3.7 The analysis leads to a proposed integrated financial strategy for the 2011/12 process.

## **4. Implications**

- 4.1 These are incorporated in the document and will be taken account of in the 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 2010/11 and 2011/12 files

## **6. Appendices**

MTS 2010/11 to 2014/15 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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