



To: Executive Councillor for Finance and Resources

Report by: Head of Finance

Relevant scrutiny committee: Strategy & Resources 12 October 2015

Wards affected: All Wards

Mid-year Financial Review (MFR) October 2015

Key Decision

1. Executive Summary

- 1.1 This report presents and recommends the budget strategy for the 2016/17 budget cycle and specific implications, as outlined in the Mid-year Financial Review (MFR) October 2015 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 Capital Plan, the results of which are shown in the MFR.
- 1.3 At this stage in the 2016/17 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2015 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 budgets for 2016/17 to 2020/21. All references in the recommendations to Appendices, pages and sections relate to the MFR Version 2.
- 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 recommend to Council:

General Fund Revenue

- 2.1 To agree the budget strategy, process and timetable for the 2016/17 budget cycle as outlined in Section 1 [pages 1 to 2 refer] and Appendix A of the MFR document.
- 2.2 To agree incorporation of the budget savings and pressures identified in Section 4 [pages 11 to 13 refer]. This provides an indication of the net savings requirements, by year for the next 5 years, and revised General Fund revenue, funding and reserves projections as shown in Section 5 [page 14 refers] of the MFR document.

Capital

- 2.3 To note the changes to the Capital Plan as set out in Section 6 [pages 15 to 19 refer] of the MFR document and agree the new proposals:

Ref.	Description	2015/16 £000	2016/17 £000	Total £000
SC605	Replacement Building Access Control System	50	50	100
PR037a	Local Centres Improvement Programme - Cherry Hinton High Street	15	185	200
SC607	Fleet Maintenance and Management Service at Waterbeach	34	11	45
	Total Proposals	99	246	345

Reserves

- 2.4 To agree changes to General Fund Reserve levels, with the Prudent Minimum Balance being set at £5.13m and the target level at £6.16m as detailed in Section 7 [pages 20 to 21 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 2016/17 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) October 2015 document appended to this report.
- 3.2 The document considers the General Fund revenue position and the Council's overall Capital Plan.
- 3.3 Revenue forecasts are presented for the 5-year projection period through to the year 2020/21, demonstrating the sustainability of the Council's financial planning with reference to the level of reserves held throughout this period.
- 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 Recommendations for approval of specific revenue and capital costs, as identified, are included.
- 3.6 The analysis undertaken leads to a recommended integrated financial strategy for the 2016/17 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 2015/16 and 2016/17 files

6. Appendices

MFR October 2015: 2015/16 to 2020/21 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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