

Item

## Budget-Setting Report (BSR) 2018/19

**To:**

The Executive

**Committee:**

25 January 2018, The Executive

**Report by:**

Caroline Ryba, Head of Finance

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**Wards affected:**

(All) Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

## Key Decision

### 1. Executive Summary

#### Overview of Budget-Setting Report

- 1.1 At this stage in the 2018/19 budget process the range of assumptions on which the Medium-Term Financial Strategy (MTFS) 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 the budget considerations.
- 1.2 The Budget-Setting Report (BSR), which is attached, includes the detailed revenue bids and savings and capital proposals and sets out the key parameters for the detailed recommendations and budget finalisation being considered at this meeting. This report reflects recommendations that are being made to The Executive on 25 January 2018 and then to Council, for consideration at its meeting on 22 February 2018.
- 1.3 The recommendations that follow refer to the strategy outlined in the BSR and all references to Appendices, pages and sections relate to the Budget-Setting Report 2018/19 (Version 1 – Strategy & Resources) as also reported to and seeking recommendations at Strategy & Resources Scrutiny Committee on 22 January 2018.

## 2. Recommendations

The Executive is recommended to:

### **General Fund Revenue Budgets: [Section 5, page 31 refers]**

- a) Agree any recommendations for submission to Council in respect of:
  - Revenue Pressures shown in Appendix C (a) and Savings shown in Appendix C (b).
  - Bids to be funded from External or Earmarked Funds as shown in Appendix C (c).
  - Non-Cash Limit items as shown in Appendix C (d).
- b) Recommend to Council formally confirming delegation to the Chief Financial Officer (Head of Finance) of the calculation and determination of the Council Tax taxbase (including submission of the National Non-Domestic Rates Forecast Form, NNDR1, for each financial year) which will be set out in Appendix A (a).
- c) Recommend to Council the level of Council Tax for 2018/19 as set out in Section 4 [page 28 refers].

*Note that the Cambridgeshire Police and Crime Panel will meet on 31 January 2018 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 8 February 2018 and Cambridgeshire County Council will meet on 9 February 2018 to consider the amounts in precepts to be issued to the City Council for the year 2018/19.*

### **Other Revenue:**

- d) Recommend to Council delegation to the Head of Finance authority to finalise changes relating to any corporate and/or departmental restructuring and any reallocation of support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).
- e) Recommend to Council approval of setting up an earmarked fund - the "GF development fund" [with the remit as page 27 refers]. The council will provide loans to Cambridge Investment Partnership (CIP), of which it is a member, to support the development of the former council depot on Mill Road. The proposals and resulting interest income are covered in more detail in Section 5. It is proposed to retain income from this and other CIP developments in an earmarked reserve reflecting uncertainty in both timings and quantum, and to provide a contingency fund reflecting the potential risks in this scheme and future schemes under development.

**Capital: [Section 7, page 37 refers]**

**Capital Plan:**

- f) Recommend to Council the proposals outlined in Appendix E (a) for inclusion in the Capital Plan, including any additional use of revenue resources required.
- g) Recommend to Council the revised Capital Plan for the General Fund as set out in Appendix E (d), the Funding as set out in Section 7, page 40 and note the Projects Under Development list set out in Appendix E (e).

**General Fund Reserves:**

- h) Note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to support the budget proposals as set out in the table [Section 8, page 45 refers].

### **3. Background**

- 3.1 At its meeting on 19 October 2017, Council gave initial consideration to the budget prospects for the General Fund for 2018/19 and future years in the Medium-Term Financial Strategy (MTFS) 2017.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 22 January 2018 and to the Executive includes a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.3 The report to The Executive on 25 January 2018 may include an update of details of the Government's Final Settlement for 2018/19, if this is available. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2018.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

### **4. Implications**

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have financial, staffing, equality and poverty, environmental, procurement or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

## **(a) Financial Implications**

Financial implications of budget proposals are summarised in the General Fund Budget Setting Report 2018/19.

## **(b) Staffing Implications**

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2018/19.

## **(c) Equality and Poverty Implications**

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, reporting separately on this agenda. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

A local poverty rating (using the classifications outlined in the BSR (Appendix B of the BSR) has been included in each budget proposal to assist with assessment.

## **(d) Environmental Implications**

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

## **(e) Procurement Implications**

Any procurement implications will be outlined in the BSR 2018/19.

## **(f) Community Safety Implications**

Any Community Safety Implications will be outlined in the BSR 2018/19.

## **5. Consultation and communication considerations**

Budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at: [cambridge.gov.uk/current-consultations](http://cambridge.gov.uk/current-consultations)

## 6. Background papers

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

- Budget Setting Report 2018/19
- Medium-Term Financial Strategy (MTFS) October 2017
- Individual Equality Impact Assessments

## 7. Appendices

The following item is included in this report:

- Executive amendment to section 25 report: Section 10 of the BSR pg 51.
- Budget-Setting Report 2018/19 Version 1, February 2018 (covering 2017/18 to 2022/23)

## 8. Inspection of papers

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

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