

Item

Medium-Term Financial Strategy (MTFS) October 2018

To:

Councillor Richard Robertson, Executive Councillor for Finance & Resources

Report by:

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Wards affected:

All

Key Decision

1. Executive Summary

- 1.1 This report presents and recommends the budget strategy for the 2019/20 budget cycle and specific implications, as outlined in the Medium-Term Financial Strategy (MTFS) October 2018 document, which is attached and to be agreed.
- 1.2 This report also recommends the approval of new capital items and funding proposals for the Council's Capital Plan, the results of which are shown in the MTFS.
- 1.3 At this stage in the 2019/20 budget process the range of assumptions on which the Budget-Setting Report (BSR) published in February 2018 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 2019/20 to 2023/24. All references in the recommendations to Appendices, pages and sections relate to the MTFS Version 1.

- 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 MTFS.

2. Recommendations

The Executive Councillor is asked to recommend to Council:

General Fund Revenue

- 2.1 To agree the budget strategy and timetable as outlined in Section 1 [pages 1 to 3 refer] of the MTFS document.
- 2.2 To agree the incorporation of changed assumptions and indicative net unavoidable budget pressures identified in Section 4 [pages 15 to 18 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 [pages 19 to 20 refer] of the MTFS document.

Capital

- 2.3 To note the changes to the Capital Plan as set out in Section 6 [pages 21 to 27 refer] and Appendix A [pages 35 to 40 refer] of the MTFS document and agree the new proposals:



Ref.	Description / £'000s	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Proposals							-
SC676	Jesus Green public conveniences	25	-	-	-	-	-	25
SC680	CCTV equipment upgrade	30	-	-	-	-	-	30
SC633	Grass reinforcement at Parker's Piece	140	-	-	-	-	-	140
SC678	Crematorium - additional car park	25	325	-	-	-	-	350
SC679	Crematorium - cafe facilities	20	310	-	-	-	-	330
Misc	Local bond investment	5,000	-	-	-	-	-	5,000
	Total Proposals	5,240	635	-	-	-	-	5,875



Earmarked Reserve

- 2.4 A new Fund was approved at Council on 19 July 2018 for a Cambridge Live Development Plan and this report includes a recommendation to approve the following remit:

Earmarked Fund - Cambridge Live Development Fund	
Approved Timescale:	1 April 2018 to 31 March 2020
Lead Officer:	D Kaye
Remit : To support the transformation and ongoing development of Cambridge Live over the next two years subject to a maximum spend of £500,000 with full delegation for management of the Fund assigned to the Chief Executive.	

Reserves

- 2.5 To agree changes to General Fund Reserve levels, with the Prudent Minimum Balance being set at £5.504m and the target level at £6.605m as detailed in Section 7 [pages 28 to 31 refer] and Appendix B [pages 41 to 42 refer].

3. Background

Medium-Term Financial 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 2019/20 budget process within the context of projections over the medium-term. The detailed analysis undertaken to fulfil this is presented in the MTFS October 2018 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 2023/24, 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 capital costs, as identified, are included.
- 3.6 The analysis undertaken leads to a recommended integrated financial strategy for the 2019/20 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. Consultation and communication considerations

Budget Consultation is outlined in the MTFS document [pages 2 to 3 refer].

6. Background papers

Background papers used in the preparation of this report:

MTFS Working Papers on the 2018/19 and 2019/20 files

7. Appendices

MTFS October 2018: 2018/19 to 2023/24 Document

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Caroline Ryba, telephone: 01223 - 458134, email:

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