

Item

Strategy & Resources 11 February 2019 - Finance and Resources Portfolio: Budget-Setting Report (BSR) 2019/20

To:

Councillor Richard Robertson, Executive Councillor for Finance and Resources Portfolio

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 2019/20 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 will be made to The Executive on 11 February 2019 and then to Council, for consideration at its meeting on 21 February 2019.
- 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 2019/20 (Version 1 – Strategy & Resources) as reported to and seeking recommendations at Strategy & Resources Scrutiny Committee on 11 February 2019.

2. Recommendations

The Executive Councillor is recommended to:

General Fund Revenue Budgets: [Section 5, page 30 refers]

- a) Agree any recommendations for submission to the Executive in respect of:
- Revenue Pressures shown in Appendix C (a) and Savings shown in Appendix C (b).
 - There are no bids to be funded from External or Earmarked Funds (which would be included as 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 2019/20 as set out in Appendix A (b) (*to follow for Council*) and Section 4 [page 27 refers].

Note that the Cambridgeshire Police and Crime Panel will meet by 30 January 2019 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 7 February 2019 and Cambridgeshire County Council will meet on 5 or 8 February 2019 to consider the amounts in precepts to be issued to the City Council for the year 2019/20.

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 an additional contribution of £250k to the Cambridge Live Development Plan Earmarked Reserve to include transition funding, proposal NCL4325.

Capital: [Section 7, page 35 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 39.

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 18 October 2018, Council gave initial consideration to the budget prospects for the General Fund for 2019/20 and future years in the Medium-Term Financial Strategy (MTFS) 2018.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 11 February 2019 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 11 February 2019 may include details of the Government's Final Settlement for 2019/20. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2019.
- 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 2019/20.

(b) Staffing Implications

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2019/20.

(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) 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 2019/20.

(f) Community Safety Implications

Any Community Safety Implications will be outlined in the BSR 2019/20.

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/Consultations

6. Background papers

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

- Budget Setting Report 2019/20
- Medium-Term Financial Strategy (MTFS) October 2018
- Individual Equality Impact Assessments

7. Appendices

The following item is included in this report:

- Budget-Setting Report 2019/20 Version 1, February 2019 (covering 2018/19 to 2023/24)

8. Inspection of papers

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

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