

STRATEGY & RESOURCES SCRUTINY COMMITTEE

11 October 2021

5.00 – 7.13pm

Present: Robertson (Chair), Bick, Dalzell, H.Davies, Healy, S.Smith

RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE AND RESOURCES COUNCILLOR DAVEY)

MEDIUM TERM FINANCIAL STRATEGY (MTFS) OCTOBER 2021

This report presented and recommended the budget strategy for the 2022/23 budget cycle and specific implications, as outlined in the Medium-Term Financial Strategy (MTFS) October 2021 document, which was attached and to be agreed.

This report also recommended the approval of new capital items and funding proposals for the Council's Capital Plan, the results of which were shown in the MTFS.

At this stage in the 2022/23 budget process showed the range of assumptions on which the Budget-Setting Report (BSR) published in February 2021 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 2022/23 to provide indicative budgets to 2031/32. All references in the recommendations to Appendices, pages and sections relate to the MTFS.

The recommended budget strategy was 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 had identified financial and budget issues and pressures and this information had been used to inform the MTFS.

It was noted that the budgetary implications of the Depot Relocation reported elsewhere on the agenda and agreed by the Executive Councillor would be incorporated into an updated version of the MTFS reported to Full Council.

The Strategy and Resources Scrutiny Committee considered and approved the recommendations by 4 votes to 0:

Accordingly, Council is recommended to:

- i. To agree the budget strategy and timetable as outlined in Section 1 [pages 5 to 7 refer] of the MTFS document.
- ii. To agree the incorporation of changed assumptions and specific, identifiable pressures, as presented in Sections 3 and 4 respectively [pages 19 to 30 of the MTFS document refer]. This provides an indication of the net savings requirement, by year for the next five years, and revised projections for General Fund (GF) revenue and funding as shown in Section 6 [page 36 refers] and reserves [Section 7 pages 37 to 41 refer] of the MTFS document.
- iii. To agree the revenue budget proposals as set out in Section 4 [pages 19 and 20 of the MTFS document refer].

Description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Additional communications posts and digital consultation platform (license fee) - recurring	45	125	125	125	125
Additional costs of redevelopment of commercial units at Colville Road Phase 3		120	120		
Set up costs of a new housing company and Registered Provider	73				
Feasibility study to expand Cambridge City Housing Company	70				
Total	188	245	125	125	125

- iv. To note the changes to the capital plan and funding as set out in Section 5 [pages 31 to 35 refer] and Appendix A [pages 49 to 52] of the MTFS document.
- v. To agree changes to the budget for the Meadows Community Hub and Buchan Street retail outlet scheme as set out below.

Ref.	Description / £'000s	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	Proposals							
SC694	Meadows Community Hub and Buchan Street retail outlet	(1,224)	2,551	158	-	-	-	1,485
	Total proposals	(1,224)	2,551	158	0	0	0	1,485

- vi. To agree the replacement of third-party contributions of £210k for the community extension to Cherry Hinton library with council funding.

vii. To agree the following in relation to the depot relocation programme, included in Appendix F of the MTF5 Version 2.0 (for Council on 21 October 2021):

- Approve capital funding of £10m for the depot relocation
- Remove the Lion Yard shopping centre investment scheme from the capital plan, reallocating the funding from that scheme to the depot relocation programme
- Allocate £1m of funding from the General Fund (GF) Development Reserve to the depot relocation programme
- Allocate an additional £3m of capital receipts or borrowing to fund the balance of the scheme
- That the capital plan and funding as set out in Section 5 [pages 31 to 35 refer] and Appendix A [pages 49 to 52] should be updated to reflect the changes arising from approval of the depot relocation programme

viii. To agree the transfer of £3.1m and £0.8m of GF reserves into earmarked reserves to support the delivery of the Our Cambridge transformation and recovery programme and to provide a contingency fund for the programme [page 41 of the MTF5 document refers]. Furthermore, to agree authorisation to draw down funding from these reserves to be as described.

ix. To agree changes to GF reserve levels, the prudent minimum balance being set at £6.64m and the target level at £7.98m as detailed in Section 7 [page 39 of the MTF5 document refers] and Appendix B [pages 53 and 54 of the MTF5 document refer].