

Item

Strategy & Resources 7 February 2022 - Finance and Resources Portfolio: Budget-Setting Report (BSR) 2022/23

To:

Councillor Mike Davey, Executive Councillor for Finance and Resources Portfolio

Report by:

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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 2022/23 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 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 7 February 2022 and then to Council, for consideration at its meeting on 24 February 2022.
- 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 2022/23 (Version 1 – Strategy & Resources) as reported to and seeking recommendations at Strategy & Resources Scrutiny Committee on 7 February 2022.

2. Recommendations

The Executive Councillor is recommended to:

General Fund Revenue Budgets: [Section 5, page 26 refers]

- a) Agree any recommendations for submission to the Executive in respect of:
- Revenue Pressures and Bids shown in Appendix B(b) and Savings shown in Appendix B(c).
 - Non-Cash Limit items as shown in Appendix B(d).
 - Bids to be funded from External Funding sources as shown in Appendix B(e).
- 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 is set out in Appendix A(a).
- c) Recommend to Council the level of Council Tax for 2022/23 as set out in Appendix A (b) (*to follow for Council*) and Section 4 [page 17 refers].

Note that the Cambridgeshire Police and Crime Panel will meet by 2 February 2022 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire & Peterborough Fire Authority will meet on 10 February 2022 and Cambridgeshire County Council will meet on 8 or 11 February 2022 to consider the amounts in precepts to be issued to the City Council for the year 2022/23.

Other Revenue:

- d) Recommend to Council delegation to the Head of Finance authority to finalise changes relating to any further 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).

Capital: [Section 6, page 29 refers]

Capital Plan:

- e) Agree any recommendations for submission to the Executive in respect of the proposals outlined in Appendix C(a) for inclusion in the Capital Plan.
- f) Recommend to Council deletion from the Capital Plan of the Cambridge Junction capital scheme, as set out in Section 6 [page 29 refers]

- g) Subject to (e) above, recommend to Council the revised Capital Plan for the General Fund as set out in Appendix C(c) and the Funding as set out in Section 6, page 29.

General Fund Reserves:

- h) Note the impact of revenue budget approvals and the resulting contribution from reserves to support service delivery [Section 8, page 44 refers].
- i) Approve the allocation of funding on a contingency basis to the collaborative 'Changing Futures' programme project [Section 8, page 44 refers].
- j) Note the resulting level of reserves [Section 8, page 44 refers].

Section 25 Report:

- k) Note the Chief Finance Officer's Section 25 Report included in Section 10 of the BSR [page 65 refers].

Review of Charges

- l) Note the schedule of proposed fees and charges for 2022/23 in Appendix F.

3. Background

- 3.1 The Corporate Plan sets out what the Council will do, while the BSR sets out how that activity will be funded. It is the Council's top level planning document from which service-level operational plans and individual personal objectives are derived.
- 3.1 The new Corporate Plan 2022-27 is included as a separate report on this agenda. The plan has been restructured to reflect the priorities of the Executive and has also been updated to reflect new activities that will be priorities in future years.
- 3.2 At its meeting on 21 October 2021, Council gave initial consideration to the budget prospects for the General Fund for 2022/23 and future years in the Medium-Term Financial Strategy (MTFS) 2021.
- 3.3 The overall BSR to Strategy & Resources Scrutiny Committee on 7 February 2022 includes a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.4 The report to The Executive on 7 February 2022 may include details of the Government's Final Settlement for 2022/23. The announcement is likely to be made shortly after the conclusion of the consultation period in late January/early February 2022.
- 3.5 The budget has been based on the current Covid position. If the situation worsens in 2022/23 and beyond then there will be implications for the budget that has been

presented. This will be kept under constant review and members informed of any action necessary for the Council's finances as the year progresses.

- 3.6 Further work may be required on detailed budgets, so delegation to the Head of Finance is sought from Council for authority to finalise any 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. Council Tax Reduction Scheme

- 4.1 The Council Tax Reduction local scheme meets the Council's commitment to protect as many people as possible from any decrease in the level of support and the scheme will continue for the 2022/23 financial year.
- 4.2 The scheme already allows for uplifting of incomes and allowances in line with Housing Benefit regulations and the Consumer Price Index in the preceding September each year.
- 4.3 Preceptors are informed of any changes to the scheme each year

5. 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 2022/23.

(b) Staffing Implications

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2022/23.

(c) Equality and Poverty Implications

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR Appendix E. Individual Equality Impact Assessments have been conducted to support this.

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

(d) Net Zero Carbon, Climate Change and Environmental Implications

Where relevant, officers have considered the climate change impact of budget proposals which are annotated as follows and is detailed in the Climate Change Rating Tool in Appendix B(a):

- Positive High / Positive Medium / Positive Low: to indicate that the proposal has a high, medium or low positive impact on climate change.
- Nil: to indicate that the proposal has no climate change impact.
- Negative High / Negative Medium / Negative Low: to indicate that the proposal has a high, medium or low negative impact on climate change.

(e) Procurement Implications

Any procurement implications will be outlined in the BSR 2022/23.

(f) Community Safety Implications

Any Community Safety Implications will be outlined in the BSR 2022/23.

6. 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:

<https://www.cambridge.gov.uk/consultations>

7. Background papers

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

- Budget Setting Report 2021/22
- Medium-Term Financial Strategy (MTFS) October 2021
- Individual Equality Impact Assessments

8. Appendices

The following item is included in this report:

- Budget-Setting Report 2022/23 Version 1.0, February 2022 (covering 2021/22 to 2026/27)

9. Inspection of papers

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

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