

Item

Strategy & Resources 10 October 2022: General Fund (GF) Medium Term Financial Strategy (MTFS)

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 Medium Term Financial Strategy

- 1.1 This report presents and recommends the budget strategy for the 2023/24 budget cycle and specific implications, as outlined in the MTFS October 2022 document, which is attached and to be agreed.
- 1.2 This report recommends the approval of new revenue and capital items as shown in the MTFS.
- 1.3 At this stage in the 2023/24 budget process the range of assumptions on which the Budget Setting Report (BSR) published in February 2022 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 further. This then provides the basis for updating the budget for 2023/24 and to provide indicative budgets to 2032/33. All references to the recommendations to Appendices, pages and sections relate to MTFS Version 1.0

- 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 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 process and timetable as outlined in Section 8 [page 25] of the MTFS document.
- 2.2 To agree the incorporation of changed assumptions as presented in Section 3 [pages 10 and 11], which provide an indication of the net savings requirement, by year for the next five years [page 13], and revised projections for General Fund (GF) revenue and funding as shown in Appendix A [page 26] and reserves, Section 6 [page 18].
- 2.3 To agree the 2022/23 revenue budget proposal as set out in Section 4 [page 12], for a £1,122k increase in pay budgets to reflect the current pay offer

Capital

- 2.4 To note the changes to the capital plan and funding as set out in Section 5 [pages 15 to 17] and Appendix B [pages 27 to 30] of the MTFS document.
- 2.5 To agree capital spending proposals as set out below.

Ref.	Description - £'000s	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	Proposals							
SC826	WREN solar project	-	1,170	130	-	-	-	1,300
SC654	Redevelopment of Silver Street Toilets	141	-	-	-	-	-	141
	Total proposals	141	1,170	130	0	0	0	1,441

Reserves

- 2.6 To agree changes to GF reserve levels, the prudent minimum balance being set at £6.854m and the target level at £8.225m as detailed in Section 6 [page 18].
- 2.7 To agree that the remaining balance of £213k on the Cambridge Live Development Fund is transferred to the GF reserve and the fund is closed [page 20]

3. Background

- 3.1 The purpose of this report is to outline the overall financial position of the council and to consider the prospects for the 2023/24 budget process within the context of projections over the medium term as presented in the MTFS October 2022 document appended to this report.
- 3.2 The document considers the GF revenue position and the council's overall capital plan.
- 3.3 Revenue forecasts are presented for the ten-year projection period through to the year 2032/33, demonstrating the sustainability of the council's financial planning with reference to the level of reserves held through 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 revenue and capital costs, as identified, are included.
- 3.6 The analysis undertaken leads to a recommended integrated financial strategy for the 2023/24 detailed budget setting process.

4. Implications

- 4.1 These are incorporated within the document and will be taken account of in the subsequent budget reports.

5. Consultation and communication considerations

- 5.1 Budget consultation is outlined in the MTFS document [page 25].

6. Background papers

- 6.1 Background papers used in the preparation of this report:

- MTFS working papers on the 2022/23 and 2023/24 files

7. Appendices

The following item is included in this report:

- MTFS October 2022

8. Inspection of papers

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

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