

Scrutiny of the General Fund (GF) Draft Budget 2023/24

To:

Strategy and Resources Scrutiny Committee 30 January 2023

Report by:

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Wards affected:

All

Key Decision

1. Executive Summary

This report presents the GF draft budget for 2023/24 and a summary of the responses to the associated public consultation. The draft budget is balanced using £2.9m of reserves and reduces the overall five-year savings requirement by £0.4m.

A briefing note covering the provisional local government finance settlement, council tax and business rates calculations and other proposed updates to the draft budget is included at Appendix B.

Following scrutiny, a final GF budget setting report (BSR) will be produced for presentation to The Executive on 9 February 2023, for recommendation to Council on 23 February 2023. Comments from the Scrutiny Committee will be reported to the Executive and Full Council.

2. Recommendations

The Executive Councillor is recommended to:

- (a) Agree the proposed updates to the draft budget set out in Appendix B
- (b) Note and consider the outcomes of the public consultation presented in Appendix C

3. Background

Early in 2022, the council commissioned a review of its budget setting process, which recommended that a draft budget be approved for public consultation in late November or early December. Following consideration of the consultation responses and scrutiny of the draft budget, a final budget, including the impacts of the local government finance settlement and updated council tax and business rates calculations, would then be prepared for the Executive on 9 February to recommend to Full Council on 23 February 2023. The council approved the constitutional changes necessary to implement this process at its meeting on 20 October 2022.

The draft BSR, including an equality impact assessment, is attached at **Appendix A**. All proposals have been assigned a climate change rating and a poverty rating to aid understanding of the environmental and socio-economic impacts of the proposals in these areas.

The draft BSR builds on the Medium Term Financial Strategy (MTFS) approved in October 2022, which identified a five-year net new savings requirement of £11.5m. The draft BSR provides updates to the financial context in which the council is working, and changes announced in the Autumn Statement as they relate to the council. This includes a change in the council tax core threshold from 1.99% to 2.99%. As a result, the council tax income in the draft budget is based on annual 2.99% increases to council tax rates throughout the five-year period.

Overall, the changes to council tax income and the detailed proposals presented in the draft budget reduce the savings requirement from £11.5m to £11.1m and require a contribution from reserves of £2.9m to balance the 2023/24 GF budget.

Appendix B summarises the impacts of the provisional local government finance settlement and council tax calculations. It includes a savings proposal from the senior management restructure and two proposed amendments to the capital plan.

The provisional local government settlement provides nearly £2.0m more funding than expected in the draft BSR, which has been used to reduce the reserves used to support service budgets in 2023/24 to £587k. The net savings requirement, or the budget gap at 2027/28, is reduced by £174k to £10,945k.

A summary of the responses to the public consultation survey is attached at **Appendix C**. The consultation was presented through the council's consultation platform, CitizenLab, and ran for four weeks from 12 December 2022 to 10 January 2023. It was publicised through the Cambridge Matters resident magazine, and the council's social media channels. 248 responses were received. In addition, the union UNISON submitted a written response.

4. Implications

a) Financial Implications

The financial implications are set out in the Appendices to this report. Whilst the draft BSR sets out overall savings in 2023/24 and over the five-year period, any reductions in these net savings will increase the significant financial challenges facing the council in future years.

b) Staffing Implications

The draft BSR contains proposals, some of which have implications for staffing. These implications are identified within the proposals concerned.

c) Equality and Poverty Implications

An equality impact assessment is included as an appendix within the draft BSR. In addition, all budget proposals have been assigned a poverty rating.

d) Net Zero Carbon, Climate Change and Environmental Implications

All budget proposals have been assigned a climate change rating.

e) Procurement Implications

Any procurement implications arising from proposals within the draft BSR will be addressed as part of the implementation of these proposals and in line with contract procedure rules.

f) Community Safety Implications

Where applicable, community safety implications have been identified within the draft budget proposals.

5. Consultation and communication considerations

This report addresses both consultation and communication of the draft budget. There has been a period of public consultation on the draft budget which was communicated through the council's communication channels including the resident magazine and social media.

The main components of the draft budget have also been communicated, by press release.

6. Background papers

Background papers used in the preparation of this report:

MTFS 2022

[FULL REPORT AND APPENDICES S R FINAL 10-10-22.pdf](#)
(cambridge.gov.uk)

7. Appendices

Appendix A – Draft Budget Setting Report 2023/24

Appendix B – Proposed updates to the draft budget 2023/24

Appendix C – Summary of responses to public consultation on Cambridge City Council draft budget 2023/24

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Caroline Ryba, Head of Finance, tel: 01223 458134, email: caroline.ryba@cambridge.gov.uk