

Item

## General Fund Budget-Setting Report 2023/24

To: The Executive

9 February 2023

**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

Appendix G to the Budget setting Report contains exempt information during which the public is likely to be excluded from the meeting subject to determination by the Executive / Full Council following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

### 1. Executive Summary

#### Overview of Budget Setting Report (BSR)

- 1.1 At this stage in the 2023/24 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 General Fund (GF) 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 9 February 2023 and then to Council, for consideration at its meeting on 23 February 2023.
- 1.3 The BSR sets out GF net service expenditure of £25.509m for 2023/24, analysed over portfolios. It is balanced by a contribution to the GF reserve of £8.332m, made

possible by a better-than-expected provisional local government finance settlement and a business rates surplus on the Collection Fund.

- 1.4 The recommendations that follow refer to the strategy outlined in the BSR and all references to Appendices, pages and sections relate to the final BSR 2023/24 (Version 3 – The Executive). The draft BSR was approved for consultation by the Executive at its meeting on 9 December 2022 and scrutinised at Strategy & Resources Scrutiny Committee on 30 January 2023. The draft BSR has subsequently been finalised to reflect the provisional local government finance settlement, considerations arising from the public consultation and updated estimates as appropriate.

## 2. Recommendations

The Executive is recommended to:

### **General Fund Revenue Budgets: [Section 4, page 13]**

- a) Recommend to Council for approval:
- Revenue Pressures and Bids shown in Appendix C(b) and Savings shown in Appendix C(c).
  - Non-Cash Limit items as shown in Appendix C(d).
  - Bids to be funded from External Funding sources as shown in Appendix C(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 2023/24 as set out in Appendix A (b) (*to follow for Council*) and Section 2, page 2

*Note that the Cambridgeshire Police and Crime Panel will meet on 1 February 2023 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire and Peterborough Combined Authority met on 25 January 2023, Cambridgeshire & Peterborough Fire Authority will meet on 10 February 2023 and Cambridgeshire County Council will meet on 7 or 10 February 2023 to consider the amounts in precepts to be issued to the City Council for the year 2023/24.*

### **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 5, page 17]**

**Capital Plan:**

- e) Recommend to Council proposals outlined in Appendix D(a) for inclusion in the Capital Plan.
- f) Subject to (e) above, recommend to Council the revised Capital Plan for the General Fund as set out in Appendix D(c) and the Funding as set out in Section 5, page 17.

**General Fund Reserves:**

- g) Note the impact of revenue budget approvals and the resulting contribution to reserves [Section 6, page 21].
- h) Recommend to Council the creation of an Energy Cost Earmarked Reserve as set out in Section 6, page 21.
- i) Note the resulting level of reserves [Section 6, page 21].

**Section 25 Report:**

- j) Note the Chief Finance Officer's Section 25 Report included in Section 8 of the BSR [page 32].

**Review of Charges**

- k) Note the schedule of proposed fees and charges for 2023/24 in Appendix F.

### **3. Background**

- 3.1 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 approval by Full Council in February 2023. The council approved the constitutional changes necessary to implement this process at its meeting on 20 October 2022.
- 3.2 On that date, Council also gave initial consideration to the budget prospects for the General Fund for 2023/24 and future years in the Medium-Term Financial Strategy (MTFS) 2022.

- 3.3 The draft BSR to Strategy & Resources Scrutiny Committee on 30 January 2023 included a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.4 The final BSR, attached at Appendix A to this covering report, includes details of the government's provisional finance settlement for 2023/24. The announcement of the final settlement is likely to be made shortly after the conclusion of the consultation period in early February 2023.
- 3.5 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 2023/24 financial year.
- 4.2 The scheme was reviewed in 2022 and approved by Council on 20 October 2022. The scheme continues to allow 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 2023/24.

### **(b) Staffing Implications**

Staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2023/24.

### **(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 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:

- 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 2023/24.

### **(f) Community Safety Implications**

Any Community Safety Implications will be outlined in the BSR 2023/24.

## **6. Consultation and communication considerations**

A summary of the responses to the public consultation survey is attached at **Appendix B**. 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.

## **7. Background papers**

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

- Budget Setting Report 2022/23
- Medium-Term Financial Strategy (MTFS) October 2022
- Individual Equality Impact Assessments

## 8. Appendices

The following items are included in this report:

- Appendix A - Budget-Setting Report 2023/24 Version 3.0, February 2023 (covering 2023/24 to 2027/28)
- Appendix B - Summary of responses to public consultation on Cambridge City Council draft budget 2023/24

## 9. Inspection of papers

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

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|------------------------|--|
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