

STRATEGY & RESOURCES SCRUTINY COMMITTEE

20 November 2023

5.30pm – 7:05pm

Present: Robertson (Chair), Baigent, Bennett, Bick, Gawthrope Wood, Holloway, Sheil and Young.

RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE & RESOURCES COUNCILLOR S. SMITH)

General Fund (GF) Medium Term Financial Strategy (MTFS)

This report presents and recommends the budget strategy for the 2024/25 budget cycle as outlined in the MTFS October 2023 document, which is attached and to be agreed (Appendix 1). Also presented at Appendix 2 is the proposed budget consultation for 2024/25.

This report also recommends the approval of new and amended revenue and capital items as shown in the MTFS.

At this stage in the 2024/254 budget process the range of assumptions on which the Budget Setting Report (BSR) published in February 2023 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 the budget for 2024/25 and to provide indicative budgets to 2033/34. All references to the recommendations to Appendices, pages and sections relate to MTFS Version 1.0

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.

Accordingly, Council is recommended to:

General Fund Revenue

Agree the incorporation of changed assumptions as presented in Section 3 [pages 12 and 13], which provide an indication of the net savings requirement, by year for the next five years [page 16], and revised

projections for General Fund (GF) revenue and funding as shown in Appendix A [page 34] and reserves, Section 6 [page 26].

Agree the 2023/24 revenue budget proposal as set out in Section 4 [page 15], for a £651k increase in pay budgets to reflect the recently agreed pay settlement for 2023/24.

Capital

Note the changes to the capital plan, as set out in Section 5 [pages 22 to 25]. and Appendix B [pages 35 to 44] of the MTFs document. 2.4 To agree a capital spending proposal, rephasing and scheme deletions/reductions as set out below.

Ref.	Description - £'000s	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	Proposals							
SC853	East Barnwell redevelopment	49	1,447	1,996	677	-	-	4,169
	Rephasing							
SC732	Park Street car park development	(69,203)	(7,173)	-	-	-	-	(76,376)
		11,295	65,081					76,376
PR055	Operational Hub	(9,308)	-	-	-	-	-	(9,308)
		705	8,063	-	-	-	-	9,308
	Deletion/reduction							
SC771	Data and analytics	(70)	-	-	-	-	-	(70)
SC770	ICT project delivery	(40)	-	-	-	-	-	(40)
SC804	ICT and digital capabilities	(145)	-	-	-	-	-	(145)
SC659	Online customer portal	(19)	-	-	-	-	-	(19)
	Total	(66,736)	67,418	1,996	677	-	-	3,355

Reserves

Agree changes to GF reserve levels, the prudent minimum balance being set at £5.934 million and the target level at £7.121 million as detailed in Section 6 [page 27].

Approve the contribution of £700k of general reserves and £274k of funding released from capital schemes to the Our Cambridge Transformation earmarked reserve as set out in Section 4 [pages 19 to 21].

Approve the council's reserve policy as set out in Appendix E [page 47].