

Item

## General Fund Budget-Setting Report 2024/25

To: The Executive (revised for Council)

5 February 2024

**Report by:**

Caroline Ryba, Chief Finance Officer

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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 (BSR)

- 1.1 At this stage in the 2024/25 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 5 February 2024 and then to Council, for consideration at its meeting on 15 February 2024.
- 1.3 The BSR sets out GF net service expenditure of £27.559m for 2024/25, analysed over portfolios. It is balanced by a contribution from the GF reserve of £18.834m, including £20.750m reallocation to earmarked reserves, a contribution towards funding on going services of £1.897m and movements on the business rates growth balance.
- 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 2024/25

(Version 2 – Council). The budget consultation was approved by the Executive at its meeting on 20 November 2023. Budget proposals were scrutinised at Strategy & Resources Scrutiny Committee on 15 January 2024. The BSR has now been finalised to reflect the provisional local government finance settlement, considerations arising from the public consultation and updated estimates as appropriate.

- 1.5 Version 1 of the BSR has been updated in line with the supplementary information provided at The Executive meeting on 5 February. Further changes are expected following the final local government finance settlement. An update will be provided before the Council meeting on 15 February.**

## **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 D(b) and savings shown in Appendix D(c).
- b) Recommend to Council formally confirming delegation to the Chief Finance Officer 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 2024/25 as set out in Appendix A (b) and Section 2, page 10.

*Note that the Cambridgeshire Police and Crime Panel will meet on 31 January 2024 to consider the precept proposed by the Police and Crime Commissioner, Cambridgeshire and Peterborough Combined Authority met on 31 January 2024, Cambridgeshire & Peterborough Fire Authority will meet on 10 February 2024 and Cambridgeshire County Council will meet on 13 or 16 February 2024 to consider the amounts in precepts to be issued to the City Council for the year 2024/25.*

### **Other Revenue:**

- d) Recommend to Council delegation to the Chief Finance Officer 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 E(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 E(c) and the funding as set out in Section 5, page 20.

**General Fund Reserves:**

- g) Note the impact of revenue budget approvals and the resulting contribution to reserves [Section 4, page 15].
- h) Recommend to Council the creation of a Civic Quarter Development Reserve with the remit set out in Section 6, page 24.
- i) The allocation of £20m of general reserves to that reserve.
- j) The allocation of £750k of general reserves to the Climate Change Fund, as set out in Section 6, page 23.
- k) Note the resulting level of reserves [Section 6, page 25].

**Section 25 Report:**

- l) Note the Chief Finance Officer's Section 25 Report, covering the robustness of estimates and adequacy of reserves, included in Section 8 of the BSR [page 32].

**Other:**

- m) Recommend that Council reconfirm that the incomes below will be disregarded (if above £10 statutory disregard) when calculating entitlement to housing benefit and/or council tax reduction. These schemes are often called local or modified schemes.
- War disablement pension
  - War widow, widower or surviving civil partner pension
  - Armed Forces Independence Payment

The estimated cost to the council for payments of housing benefit made under the local scheme is £1,777.50 and for council tax reduction less than £50.

- n) Note the Equality Impact Assessment in Appendix F covering all GF budget proposals.
- o) Note the schedule of proposed fees and charges for 2024/25 in Appendix G.

### 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, with a final budget, including the impacts of the local government finance settlement and updated council tax and business rates calculations, prepared for approval by Council in February 2023. Following implementation for the 2023/24 budget, this process was reconsidered and amended with a view to extending the public consultation period from four to eight weeks. As a result, the following process has been followed for the 2024/25 budget:
- The MTFs, incorporating consideration of the six month (Q2) outturn forecasts, was approved in November 2023 and formed the basis for the public consultation. At that time, Council gave initial consideration to the budget prospects for the General Fund for 2024/25 and future years.
  - Budget proposals, presented with a summary of the budget context, were scrutinised by Strategy and Resources Scrutiny Committee on 15 January 2024.
  - The BSR has now been prepared, incorporating the provisional local government finance settlement, considerations arising from the public consultation, council tax and business rates calculations and updated estimates as appropriate.
- 3.2 The final BSR, attached at **Appendix A** to this covering report, includes details of the government's provisional finance settlement for 2024/25. The announcement of the final settlement is likely to be made shortly after the conclusion of the consultation period in early February 2024.
- 3.3 Further work may be required on detailed budgets, so delegation to the Chief Finance Officer 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).

### 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 2024/25.

## **(b) Staffing Implications**

Any staffing implications of budget proposals are also summarised in the General Fund Budget Setting Report 2024/25.

## **(c) Equality and Poverty Implications**

A consolidated equality impact assessment for the budget proposals is included in the BSR Appendix F. 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 are outlined in the BSR 2024/25.

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

Any community safety implications are outlined in the BSR 2024/25.

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

A summary of the responses to the public consultation survey is included in the BSR Appendix B. The consultation was presented through the council's consultation platform, CitizenLab, and ran for seven weeks 6 days from 21 November 2023 to 14 January 2024. It was publicised through the Cambridge Matters resident magazine, the council's website and social media channels. 263 responses were received.

## **7. Background papers**

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

- Budget Setting Report 2023/24
- Medium-Term Financial Strategy (MTFS) November 2023
- Individual Equality Impact Assessments

## 8. Appendices

The following items are included in this report:

- **Appendix A** - Budget-Setting Report 2024/45 Version 2.0, February 2024 (covering 2025/25 to 2028/29)

## 9. Inspection of papers

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

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