

REPORT TITLE: **General Fund Budget Report 2025/26**

To: The Executive

10 February 2025

Report by:

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Wards affected:

All

1.	Recommendations
1.1	<p>The Executive is recommended to:</p> <p>General Fund Revenue Budgets:</p> <ul style="list-style-type: none"> a) Recommend to Council for approval the revenue pressures and bids shown in Appendix D(a) and the revenue savings and increased income shown in Appendix D(b). b) Recommend that Council confirms delegation to the Chief Finance Officer of the calculation and determination of the council tax taxbase which is set out at Appendix A(a). c) Recommend that Council approves the increase to the city council share of council tax for 2025/26 at 2.99%, and the updated council tax levels as set out on page 17 of the attached Budget Setting Report 2025/26. <p><i>Note that the council's preceptors (Cambridgeshire Police & Crime Commissioner, Cambridgeshire & Peterborough Fire Authority, Cambridgeshire County Council and Cambridgeshire & Peterborough Combined Authority) will meet to confirm their precepts on or before 13 February 2025, following which the formal council tax calculation will be carried out for approval by Council.</i></p> <ul style="list-style-type: none"> d) Recommend that Council delegates authority to the Chief Finance Officer to reallocate budgets between services in relation to 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).

General Fund Capital Plan:

- e) Recommend that Council approves the capital proposals set out at Appendix E(a), the revised capital plan set out at Appendix E(c), and the revised capital funding approach set out on page 28 of the attached Budget Setting Report 2025/26.
- f) Recommend that Council approves the Capital Strategy 2025/26 attached at Appendix H.

General Fund Reserves:

- g) Recommend that Council note the impact of budget proposals upon General Fund unallocated reserves, as set out on page 34 of the attached Budget Setting Report 2025/26.
- h) Recommend that Council note the key risks to the council's financial sustainability highlighted in the table on pages 30-31 of the attached Budget Setting Report 2025/26.
- i) Recommend that Council approve in principle a contribution to the Civic Quarter Development Reserve equivalent to the net underspend against budget for the 2024/25 financial year (currently forecast at £4.0 million).
- j) Recommend that Council approve the transfers to earmarked reserves totalling £6.602 million in 2025/26 as set out on pages 32-33 of the attached Budget Setting Report 2025/26.

Section 25 Report:

- k) Recommend that Council note the Chief Finance Officer's Section 25 Report, covering the robustness of estimates and adequacy of reserves, included at section 7 of the attached Budget Setting Report 2025/26.

Treasury Management Strategy:

- l) Recommend that Council approves the Treasury Management Strategy 2025/26 attached at Appendix G, including the prudential and treasury management indicators set out at Annexe C.
- m) Recommends that Council approves a change to the maturity structure prudential indicator, such that all new borrowing will have a maturity of at least 5 years (rather than the previous 10 years), as explained at paragraph 3.8 of Appendix G.

Other:

- n) Recommend that Full Council reconfirm that the incomes below will be disregarded (if above the £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

	<ul style="list-style-type: none"> • War widow, widower or surviving civil partner pension • Armed Forces Independence Payment <p><i>Note that 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.</i></p> <p>o) Recommend that Council note the Equality Impact Assessment in Appendix F covering all General Fund budget proposals.</p> <p>p) Recommend that Council note the schedule of proposed fees and charges for 2025/26 in Appendix I(i) and Confidential Appendix I(ii)</p>
2.	Purpose and reason for the report
2.1	The Budget Setting Report (BSR) is presented to this meeting of the Executive following scrutiny by the Strategy and Resources Scrutiny Committee of the draft budget proposals for 2025/26. The basis for the budget was set out in the Medium Term Financial Strategy approved by Full Council in October 2024. Comments made by the Strategy and Resources Scrutiny Committee will be reported to the Executive. The Executive will then make their recommendations to Full Council for adoption of the 2025/26 budget, as set out above.
2.2	The final Budget Setting Report, attached to this covering report, includes details of the government’s provisional finance settlement for 2025/26. The announcement of the final settlement is likely to be made in early February.
2.3	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).
2.3	There is an exempt appendix (Appendix I(ii)) attached to this report that is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest test has been applied to the information contained within this exempt

	appendix and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.
3.	Alternative options considered
3.1	To not provide a balanced budget would be contrary to the council's legal responsibilities.
4.	Corporate plan
4.1	The budget has been set with due consideration to the Council's Corporate Plan. Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council
5.	Consultation, engagement and communication
5.1	A summary of the responses to the public consultation survey is included at Appendix B. The consultation was presented through the council's consultation platform, CitizenLab and ran for 6 weeks from 23 October 2024. The consultation was publicised through a number of digital and offline channels, including coverage in local papers, outward facing artwork at Mandela House, promotion on the council's website, and social media including paid-for posts. We received 1,095 responses to the survey.
6.	Anticipated outcomes, benefits or impact
6.1	All budget proposals have a number of anticipated outcomes that can be beneficial to the local community or may adversely affect them. The impact of any decision is contained with the BSR and the relevant equality impact assessments.
6.2	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.
6.3	A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

7.	Implications
7.1	Relevant risks
	The significant risks impacting upon the council's financial sustainability are set out at section 6 of the attached Budget Setting Report.
	Financial Implications
7.2	Financial implications of budget proposals are summarised in the General Fund Budget Setting Report 2025/26.
	Legal Implications
7.3	Financial implications of budget proposals, where relevant, are summarised in the General Fund Budget Setting Report 2025/26.
	Equalities and socio-economic Implications
7.4	A consolidated Equality Impact Assessment for the budget proposals is included at 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.
	Net Zero Carbon, Climate Change and Environmental implications
7.5	<p>Where relevant, officers have considered the climate change impact of budget proposals which are annotated as follows:</p> <ul style="list-style-type: none"> ● 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.

	Procurement Implications
7.6	Any procurement implications are outlined in the attached Budget Setting Report 2025/26.
	Community Safety Implications
7.7	Any community safety implications are outlined in the attached Budget Setting Report 2025/26.
8.	Background documents Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985
8.1	Budget Setting Report 2024/25 Medium-Term Financial Strategy (MTFS) September 2024 Individual Equality Impact Assessments
9.	Appendices
9.1	Budget Setting Report 2025/26 Appendices to the Budget Setting Report 2025/26: Appendix A(a) – Calculation of council tax base 2025/26 Appendix B – Budget consultation survey responses Appendix C – Expenditure and funding projection Appendix D(a) – GF proposals – Pressures and bids Appendix D(b) – GF proposals – Savings Appendix E(a) – GF proposals – Capital Appendix E(b) – Approvals since MTFS Appendix E(c) – Capital plan Appendix F – Equality Impact Assessment Appendix G – Treasury Management Strategy 2025/26 Appendix H – Capital Strategy 2025/26 Appendix I(i) – Review of charges CONFIDENTIAL Appendix I(ii) – Review of charges

9.2	To inspect the background papers or if you have a query on the report please contact Jody Etherington Chief Finance Officer tel:01223-458130 email: jody.etherington@cambridge.gov.uk