



EXECUTIVE SCRUTINY BOARD

7th January 2020

ITEM 4

Report sponsor: Paul Simpson, Strategic
Director of Corporate Resources
Report author: Simon Riley, Director of
Financial Services

Budget Proposals 2020/21

Purpose

- 1.1 Council Cabinet published budget proposals for 2020/21 on Wednesday 13th November as part of a report on the 'Medium Term Financial Plan 2020/21-2022/23 Public consultation', which ran from 14th November 2019 to 2nd January 2020.
- 1.2 The Medium Term Financial Plan (MTFP) assumes delivery of £4.793m of budget savings and additional income in 2020/21, and an increase in Council Tax of 3.99% (this includes 2% specifically for social care).
- 1.3 The MTFP incorporates £13.035m of pressures in 2020/21, to address demand and cost pressures and to invest in Council priorities.
- 1.4 Scrutiny of the MTFP, and specifically the pressures and savings proposals included within it, is an integral part of the Boards functions. The Board will then make any appropriate recommendations to Council Cabinet.

Recommendations

- 2.1 To consider and comment on the budget proposals.
- 2.2 To make any appropriate recommendations to Council Cabinet for inclusion in the budget setting report, due to be considered by Council Cabinet on 12 February and subsequently by Council on 27th February 2020.

Reason

- 3.1 To provide scrutiny members with an opportunity to scrutinise the budget proposals and strategy as part of the consultation process.

Supporting information

- 4.1 The MTFP Cabinet report detailed in Appendix 1 and the public consultation document detailed in Appendix 2 provides an overview of proposals to balance the council's revenue budget for 2020/21 – 2022/23, and the proposed Capital Programme for the same period.
- 4.2 A summary of Business Cases and Equality Impact Assessments (EIAs) has been included in Appendix 3. Individual Business Cases and where appropriate some EIAs have been produced for the saving and income generation proposals and can be found in Appendices 4 and 5. Other EIAs, will follow as they are completed, prior to the Council setting its budget in February 2020.
- 4.3 The budget issued for consultation in November, included a series of funding forecasts based on the Chancellor's Spending Review on the 4th September 2019. Due to the December 2019 election, the provisional local government finance settlement had not been issued at the time of writing this report. This creates a level of uncertainty for 2020/21. In addition, changes in the Local Government finance framework (fair funding and business rate retention) have been postponed until 2021/22. The risks of potential funding changes have been partially mitigated by an increase in the level of reserves detailed in the budget report.
- 4.4 Budget Scrutiny should focus on:
- public value and demonstrating a good use of resources
 - the impact of proposed budget changes on service delivery and cross cutting outcomes
 - high risk and high cost areas of spend
 - how long-term trends, demand pressures and challenges define the council's financial strategy
- 4.5 The budget proposals may also change as a result of the consultation process.

Public/stakeholder engagement

- 5.1 The annual Budget Scrutiny meeting ensures Scrutiny is provided with a formal opportunity to contribute to the budget consultation process.

Other options

- 6.1 While alternative approaches have been considered, Council Cabinet are recommending proposals they consider to be deliverable and provide a financially balanced position.

Financial and value for money issues

- 7.1 The Council is legally required to set a balanced budget for the next financial year, by 11th March 2020. Following the period of consultation, Council Cabinet will recommend a budget to Full Council on 27th February 2020.
- 7.2 This report presents a balanced budget for 2020/21, with a budget gap of £2.852m for 2021/22 onwards (this represents 1% of the net budget requirement)

Legal implications

- 8.1 Part 4 of the Council's Constitution (Rules of Procedure) set out a series of Budget and Policy Framework Procedure Rules which require the Council Cabinet's initial budget proposals to be referred to the relevant overview and scrutiny board for further consideration and, if appropriate, recommendations.
- 8.2 Any recommendations arising from this report will be assessed for their legality on an individual basis.

Other significant implications

- 9.1 The new savings proposals for 2020/21, include a potential reduction in staffing numbers of 12.43 FTE, the impact of which is being fully considered as part of the overall budget process.
- 9.2 Equality Impact Assessments (where appropriate) have been prepared for the savings proposals as detailed in Appendix 5. These will be updated following the completion of the consultation period and will involve our equality hubs as usual.
- 9.3 Further implications in relation to risk management, health and safety, and, environmental sustainability will be considered on a case by case basis as part of the overall budget process.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu – Head of Legal Services	17/12/2019
Finance	Simon Riley – Director of Financial Services	17/12/2019
Service Director(s)	Simon Riley – Director of Financial Services	17/12/2019
Report sponsor	Paul Simpson – Strategic Director of Corporate Resources	23/12/2019
Other(s)	Ann Webster – Lead on Equality and Diversity	18/12/2019
	Liz Moore	23/12/2019

Background papers:	None
List of appendices:	Appendix 1 – Report considered by Council Cabinet on 13 November 2019 (Medium Term Financial Plan 2020/21 – 2022/23 – Update)
	Appendix 2 – Budget Consultation Document
	Appendix 3 – Summary of Business Cases and Equality Impact Assessments
	Appendix 4 – Individual Savings Business Cases by directorate and reference
	Appendix 5 – Individual Equality Impact Assessments by directorate and reference



COUNCIL CABINET
13 November 2019

Report sponsor: Paul Simpson, Strategic
Director of Corporate Resources and Deputy
CEO
Report author: Simon Riley, Director of
Financial Services

ITEM 15

Medium Term Financial Plan 2020/21 - 2022/23 – Update

Purpose

- 1.1 This report outlines proposals for the Council's new three year Medium Term Financial Plan (MTFP) including detailed plans for a balanced budget for 2020/21. It also sets out additional savings identified as part of our financial plans across the next three years - 2020/21 to 2022/23 - and seeks approval to start appropriate consultation to deliver these savings.

Recommendations

2.1 To note:

- The current medium term financial position as outlined in section 4.6 and detailed in Appendix 1 including the balanced position for 2020/21
- The Directorate commentary, along with details of the proposed new savings and pressures at Directorate level outlined from 4.8 to 4.10 with further detail at Appendix 2
- The current list of savings options outlined in Appendix 2 with an estimated reduction in posts by 48.23 full time equivalent (FTE) posts
- The current estimated service pressures outlined in Appendix 3
- The reserves position outlined in section 4.11 and Appendix 4
- The indicative capital programme as outlined in section 4.14 and Appendix 5
- Proposals to increase Council Tax by 3.99% for 2020/21 (including the 2% social care precept) outlined in section 4.15
- The Change Derby programme focus areas outlined in Section 4.16.

- 2.2 To approve the start of appropriate consultation with citizens and other stakeholders, including collective consultation if appropriate, to deliver these savings and the preparation of equality impact assessments flowing from any decision to implement some or all of these savings.

Reasons

- 3.1 To consult on budget proposals for the next three years to deliver a legal balanced budget for 2020/21 and to align the planned budget with the strategic priorities included in our Council Plan.
- 3.2 The Council is required to set a balanced revenue and capital budget for 2020/21 by 11th March 2020. This report proposes a balanced budget for 2020/21.
- 3.3 The Council, under the Prudential Code, established by the Local Government Act 2003, must demonstrate the affordability of our revenue budget for the next financial year and two subsequent years, after taking into account our plans for capital expenditure. The proposed Capital Programme meets these criteria.
- 3.4 To consult widely on the Budget proposals prior to the setting of the 2020/21 Budget and Council Tax.

Supporting Information

4. Introduction

4.1 Key areas of the report are as follows:

- i. The current local government financial picture nationally outlined in section 4.2 and 4.3;
- ii. The current MTFP financial position outlined in section 4.6;
- iii. Directorate savings and pressures outlined in section 4.8 to 4.10;
- iv. Projected reserves and commitments outlined in Section 4.11
- v. The proposed Capital Programme outlined in section 4.14;
- vi. Indicative Council Tax levels for 2020/21 outlined in Section 4.15
- vii. Change Derby Priorities outline in section 4.16
- viii. The proposed consultation process with the public and stakeholders outlined in section 4.17.

There is an ambitious programme of change and investment to ensure that resources are targeted at priority outcomes. Additional funding from Central Government for 2020/21 has made a substantial contribution towards addressing the short term cost pressures, although significant uncertainty remains beyond 2020/21. However, the Council can now plan for the future within a more stable financial framework.

4.2 Context

- 4.2.1 Included within the MTFP are informed estimates of the local impact of the recent Government funding announcements, which are due to be confirmed in the provisional Local Government Finance Settlement. However, the date for this is likely to be later than normal due to the recently announced Parliamentary election and/or the Parliamentary timetable.

- 4.2.2 The MTFP has been refreshed to include updated projections in respect of cost and demand pressures since the Council meeting in February. These include demand for Children's Social Care, waste pressures and the impact of national and local changes in the cost of delivering services (e.g. Living Wage, pensions etc.). These totalled more than £12m and have also been factored into the base budget.
- 4.2.3 It includes further savings and income generation proposals to balance the budget. These, combined with the previously approved savings for 2020/21 to 2022/23, total £8.827m over the next three years. Further efficiencies and income generation opportunities are anticipated from the Change Derby programme over the medium term, and these future savings will contribute to bridging the remaining forecast gaps in 2021/22 and 2022/23.
- 4.2.4 The MTFP also includes an updated Capital Programme of £200.526m over the next three years. The Capital Programme has been reviewed to rebalance funding sources and to re-profile spend in line with updated delivery timetables. Council funding has been assessed against the Prudential Code, which evaluates sustainability, affordability and prudence of the proposals and the updated revenue consequences of the programme are contained within the MTFP.

The Capital Programme proposals include additional resources of £9.2m over two years for investment in the City's highways infrastructure (the backlog investment in Highways is currently estimated to be £22m).

- 4.2.5 The MTFP includes a proposal for consultation of a 3.99% increase in the City's share of the Council Tax for 2020/21. This incorporates a core increase of 1.99% and a further 2% for the social care levy. This levy may be available for future years but is not currently factored in for the second and third years of the MTFP. As such, indicative Council Tax increases for 2021/22 and 2022/23 of 1.99% have been forecast.
- 4.2.6 The cumulative MTFP proposals being consulted on (including those agreed by Council in the February Budget Report) would result in an estimated headcount reduction of 48.23 FTE. The proposed reduction in FTE includes deletion of some vacant posts.
- 4.2.7 This draft MTFP, now proposed for consultation, addresses the major budget pressures faced by the Council in recent years. MTFP also strengthens medium term financial resilience through increases in reserves.

It is expected that the Change Derby Programme (detailed later in the report) will deliver net cost reductions, with a continuing focus on designing services around customers, maximising digital opportunities, securing efficiencies through lean reviews and outcome based commissioning. Alongside this, a commercial ethos will be further embedded to maximise income generation opportunities, enhance capacity and control costs.

- 4.2.8 The proposals in respect of General Fund Services and the Capital Programme are set out. Proposals on the Housing Revenue Account (HRA) and Dedicated

Schools Grant (DSG) will be in separate Cabinet reports and subsequent approval by Full Council at the end of February.

- 4.2.9 Following the consultation period, Cabinet will consider the responses and any updates to the MTFP resulting from changes in Government funding (following the Local Government Finance Settlement). Cabinet will then recommend a budget to Full Council at the end of February. That report will incorporate the Chief Finance Officer's (CFO's) Section 25 assessment on the robustness of the estimates and adequacy of reserves.

4.3. The Current Local Government Financial Position - National & Local

4.3.1 National

- 4.3.1.1 The Chancellor outlined his budget for 2020/21 on 4 September 2019. The announcements detailed a 4.3% real term increase for 2020/21 for Local Government. The level of additional funding was surprising, but very welcome, after many years of reduction, especially in respect of the additional funding and Council Tax flexibility for social care. The Government announced that the spending review delivered the largest real growth in day-to-day departmental spending for 15 years. However, the additional funding helps to address future years pressures but only rolls back approximately a quarter of the funding reductions of the last decade.

- 4.3.1.2 The announcement set out departmental spending plans for 2020/21 to deliver on national priorities of health, education and social care. There was also a renewed emphasis on targeted grants that could skew future years' allocations.

It was confirmed that this would be a one year settlement. With the intention for a full multi-year spending review to follow in 2020. They also announced the postponement of changes in the Local Government finance framework (fair funding and business rate retention) to 2021/22 was also announced. These changes are expected to result in major redistributions of council funding. Our current assumptions are for a neutral position in respect of these changes, but our strengthened reserves position should provide something of a short term safety net to deal with any shocks.

- 4.3.1.3 The Chancellor announced an additional £1bn in 2020/21 for social care pressures alongside the flexibility to increase Council Tax by an additional 2% via a Social Care precept, which is nationally forecast to generate an additional £0.5bn. The Government also committed to protect all social care grants from 2019/20 in addition to this extra funding. Together, these help to meet the increased demand and costs that the Council has recently experienced within children's social care.
- 4.3.1.4 Whilst the additional funding promised for 2020/21 in the Spending Review is welcome, figures from the Office for Budget Responsibility (OBR) indicate that any available headroom within the Government's financing is now allocated. As such, it is unlikely there will be significant increases in Government funding in future years where the focus is likely to be on redistribution between councils and a continued focus on councils maximising their Council Tax increases.

4.3.2 The Local Position

- 4.3.2.1 The Medium Term Financial Strategy (MTFS) is shaped by the national context and the need to respond to increasing service demands from our local communities. It is also influenced by the desire to deliver ambitious improvements and investment within the City and for our communities, to stimulate growth and inward investment and build stronger and more empowered communities.
- 4.3.2.2 There have been significant increases in demand for Children's Social Care including a spike in demand (driven by several factors) during 2018/19. The majority of upper tier councils have experienced similar trends. We are starting to see the impact of our demand management activity; in Quarter 2 of 2019/20 the number of looked after children has decreased and new foster carers are being recruited (although others are standing down), reducing costs of expensive out of city placements. The forecast increase in Government funding in 2020/21 and the prioritisation of resources into this priority area allows this service to both be adequately funded to meet current demand and to reconfigure preventative and intervention services to ensure that the right outcomes for young people are achieved.
- 4.3.2.3 The need to invest in the physical infrastructure of the City through regeneration and our own assets is recognised. The draft MTFP proposed for consultation allows continued investment in a significant capital investment programme to deliver these changes and positive impact on Derby residents and businesses and to support modern and efficient service delivery.
- 4.3.2.4 We, like many regional cities, have a relatively limited ability to raise resources through local taxation when compared to other councils. This is because Council Tax income is limited by the high proportion of low value dwellings, over 51 per cent of which fall into band A, which is the lowest band. This has impacted in previous years when permitted increases in Council Tax have not been enough to mitigate decreases in core Government funding. The other impact of having a low tax base is that it's imperative for councils to increase Council Tax by the maximum allowed to secure the funding into the Council Tax base for future years.

The proposed 3.99% increase in Council Tax would result in over 85% of Derby City tax payers paying less than £1 a week more in 2020/21 than last year for significant investment in services and the capital programme with limited changes in service levels. 39.8% of households within the lower bands also receive Council Tax Support.

4.4 MTFP Update

- 4.4.1 There's been a marked improvement of £11.275m since the MTFP was last reported to Cabinet on 17th July 2019. This arises from the increased funding announced in the Spending Review on 4th September and savings proposals to deliver a balanced budget in 2020/21 and reduce the gaps for 2021/22 and 2022/23.

- 4.4.2 The funding announcements were for 2020/21 only, but included significant additional resources for children's and adult social care of £1 billion nationally and the ability to apply an additional 2% social care levy on top of the 1.99% standard Council Tax increase.

Included within the MTFP are informed estimates of the local impact of these announcements, which are due to be confirmed in the provisional Local Government Finance Settlement later this year. However, this date may be changed due to the recently announced Parliamentary election and/or the Parliamentary timetable.

Subsequently, major changes in local government funding are planned for 2021/22 (fair funding and business rate retention), which could materially impact on the distribution of central government funding of local authorities. As such, these funding forecasts within the MTFP for 2021/22 and 2022/23 should be viewed as provisional.

- 4.4.3 The table below shows our forecasted MTFP position for 2020/21 to 2022/23 included within this report compared to that presented to Cabinet on 17th July 2019:

13th November Cabinet Report	2020/21 £m	2021/22 £m	2022/23 £m
Net Budget Requirement	238.577	247.209	252.741
Total Resources Available (Funding)	238.577	244.357	249.858
Budget Gap	-	2.852	2.883

compared to the last MTFP forecast:

17th July Cabinet Report	2020/21 £m	2021/22 £m	2022/23 £m
Net Budget Requirement	235.187	239.737	243.308
Total Resources Available (Funding)	224.583	225.558	229.150
Budget Gap	10.604	14.179	14.158

Over the MTFP period, an additional £20.7m is being invested into services from Government funding and maximising the flexibility to levy Council Tax at the maximum permitted level. The net budget requirement increased from £243.3m to £252.7m by the end of the three year MTFP forecast.

- 4.4.4 A residual budget gap of £2.852m remains at this stage of budget preparation in 2021/22 rising slightly in 2022/23. Additional savings, income generation and demand management options are being reviewed as part of the Change Derby Programme, which is expected to support the delivery of balanced budgets in the remaining two years of the MTFP. These will be reported as appropriate and based on robust and detailed business cases.

- 4.4.5 In preparing the MTFP a number of increased pressures contained within a current £5.5m overspend reported at Quarter 2 of 2019/20 has been built into the base budget. The key pressure was in respect of additional children social care pressures above those incorporated in the MTFP approved by Council in February 2019. In addition, revised pressures in respect of waste, living wage costs, pension costs and an updated position on the Collection Fund have been incorporated into the MTFP forecast for 2020/21 onwards.
- 4.4.6 Cabinet is proposing an additional £3.014m of savings and income proposals for the MTFP period on top of the £5.813m approved by Council in February 2019. This summarised in the table below:

Savings and Pressures	2020/21 £m	2021/22 £m	2022/23 £m
Savings/Income Generation			
MTFP Feb 2019 Council	(3.719)	(1.436)	(0.658)
Current MTFP	(4.793)	(2.275)	(1.759)
Difference	(1.074)	(0.839)	(1.101)
Pressures			
MTFP Feb 2019 Council	0.888	2.412	0.579
Current MTFP	13.035	5.404	3.554
Difference	12.147	2.992	2.975

- 4.4.7 The MTFP position has improved as a result of additional Government funding of an additional £8.4m announced in the recent spending round and the option to increase Council Tax by a further 2% social care levy for 2020/21, which will generate an additional £2m.
- 4.4.8 The proposed budget reduces the use of reserves from £7.864m in 2019/20 to a one-off call on reserves of £1.786m in 2020/21 and no expected call on reserves to support bridging the MTFP gap in the following two years. This strengthens financial resilience and sustainability for the future.

4.5 **MTFP Forecast 2020/21 to 2022/23**

- 4.5.1 The MTFP has been updated for the period 2020/21 to 2022/23 and incorporates budget assumptions including pay and price inflation at 2% per year and Council Tax increases of 3.99% in 2020/21 and initial forecast of 1.99% increase in the following two years. The MTFP incorporates all the proposals detailed within this report and has been refreshed for the revenue costs (including cost of borrowing) for the capital investment programme of £200.526m detailed within the report.

The MTFP is summarised in the table below with a detailed breakdown at Appendix 1.

4.6 Current Medium Term Financial Plan 2020/21 - 2022/23 Position

- 4.6.1 The current cumulative MTFP position shows a £2.883m budget gap over the next three years. It's expected that further savings and income generation proposals flowing from the Change Derby Programme will bridge this through the MTFP period.

MTFP	2020/21 £m	2021/22 £m	2022/23 £m
Resources Available (Funding)			
Core Government Funding	13.726	13.911	13.729
Business Rates Tax Base Reduction/Growth	62.641	63.894	65.172
Council Tax Base/Uplift Increases	102.114	105.470	108.854
Better Care Fund	23.160	23.332	23.506
Other Grants	19.387	18.476	19.323
Public Health	19.274	19.274	19.274
Collection Fund Deficit/(Surplus)	(1.725)	-	-
Total Resources Available (Funding)	238.577	244.357	249.858
Net Opening Budget:	228.101	240.344	247.208
Pressures:			
Inflationary pressures	4.001	3.735	3.738
Existing pressures as part of 2019/20 to 2022/23 MTFP	0.888	2.412	0.579
Proposed new pressures	12.147	2.992	2.975
Total Pressures	17.036	9.139	7.292
Existing savings as part of 2019/20 to 2022/23 MTFP	(2.714)	(1.356)	(0.658)
Proposed new savings	(2.079)	(0.919)	(1.101)
Total Savings	(4.793)	(2.275)	(1.759)
Net Budget Requirement before reserves movement	240.344	247.208	252.741
Use of Reserves	(1.767)	-	-
Net Budget Requirement	238.577	247.208	252.741
Current Budget Gap/(Surplus)	-	2.852	2.883

The one-off use of reserves in 2020/21 funds a one off Collection Fund deficit and is not supporting recurrent expenditure.

4.7 Savings and Pressures

- 4.7.1 The MTFP for 2020/21 to 2022/23 needs to address some significant additional pressures and build on the savings and income generation proposals agreed in the MTFP approved by Council in February 2019. The table below outlines the total savings and pressures in the current MTFP by Directorate:

Savings	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Peoples	(1.596)	(1.364)	(0.764)	(3.724)
Communities and Place	(1.462)	(0.333)	(0.200)	(1.995)
Corporate Resources	(1.735)	(0.578)	(0.795)	(3.108)
Total	(4.793)	(2.275)	(1.759)	(8.827)

Pressures	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Peoples	6.906	2.425	2.375	11.706
Communities and Place	3.327	0.941	*(1.069)	3.199
Corporate Resources	2.802	2.038	2.248	7.088
Total	13.035	5.404	3.554	21.993

*Includes removal of one off pressures

4.8 The Peoples Directorate - Revenue Savings Proposals and Pressures

- 4.8.1 The MTFP includes the following proposed savings and pressures for the Peoples Directorate.

Peoples	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Savings:				
Adults & Public Health	(0.600)	(0.400)	-	(1.000)
Children's	(0.996)	(0.964)	(0.764)	(2.724)
Total Savings	(1.596)	(1.364)	(0.764)	(3.724)
Pressures:				
Adults & Public Health	1.830	1.400	1.400	4.630
Children's	5.076	1.025	0.975	7.076
Total Pressures	6.906	2.425	2.375	11.706

- 4.8.2 This clearly demonstrates the impact of demand and other pressures within both Children and Adult & Public Health services. The MTFP builds in growth for demographic and demand pressures and factors in budget increases such as living wage costs to support a sustainable market. Details of savings and pressures are included in Appendices 2 and 3. Headlines include:

Adults & Public Health

- Provision for increased demand for Adult Services, £1.255m in 2020/21 and a further £2m by 2022/23. This reflects increases in the adult population aged over 85 and the number of adults with severe or chronic learning and/or physical

disabilities supported by social care. It is expected that the success of Adult Social Care in managing demand in recent years will mean that these relatively small increases in the commissioning budget will be sufficient to meet new demand and dependency pressures in this area.

- Funding £0.3m Livewell investment within the base budget
- Continuation of the enhanced winter pressures service within hospitals.

Children's Services

- Additional £2.006m Children's Agency Placements - Looked After Children (LAC) placements. There was significant growth in 2018/19 and the first quarter of 2019/20 in the number of LAC and Unaccompanied Asylum Seeker Children (UASC). This now appears to have plateaued with encouraging signs that demand can be managed within this increased budget envelope through the intervention programmes in place
- Additional budget to meet a £0.750m increase in demand for home to school transport for children with special educational needs and disabilities. This will be subject to a review during the MTFP period
- Investment within social work teams including additional provision for agency social workers to meet appropriate caseloads where necessary
- Substitute funding of £2.350m for council services (including early years) to replace the signposted phasing out of funding from the DSG Central Services Block
- Building capacity within the SEND service and inclusion in the budget going forward capacity previously funded from the SEND reform grant that has now ceased.

- 4.8.3 Transformational activity continues to help manage or stabilise demand and improve outcomes for vulnerable adults and children within the City that require support. The MTFP proposals build on the change programmes approved by Council in February 2019 including:

Adults & Public Health:

- Review of younger adults care packages - c 300 adult care packages are to be reviewed, which may benefit from adopting an asset based approach to meeting eligible needs (£0.500m)
- Restructure and targeting of the Carelink service (£0.100m)
- A review of the commissioned model for extra care (£0.200m)
- A review of adult care packages to identify opportunities for a more asset based model (£0.200m).

Children's Services

- Social impact bonds - these are a different way of providing services since payments are made on the basis of clear outcomes being achieved rather than traditional methods of how the council funds or commissions services. Derby has been working closely with Nottingham City and Nottinghamshire County Councils

in developing a joint approach, with a clear focus on developing a social impact bond approach for children in care and on the edge of coming into care – an area that has one of the most significant impacts on council budgets. These efficiencies will be delivered by reducing the cost of care (£1.024m)

- Remodelling of the service model for the provider of fostering and residential provision for children in care. This programme is demonstrating real success in securing foster placements within the City; providing increased stability for our looked after children and reducing expensive out of City placements. Further benefits are planned to accrue from the remodelling of residential provision (£0.400m)
- Foster Care - recruitment of foster carers. Further savings from an increased rate of recruitment and a reduction in the use of agency fostering placements (£0.600m)
- Edge of care services and reconfiguration of the front door - reconfiguration of the access and referrals into children's social care (£0.600m)
- Early Help - management restructure (£0.100m).

4.9 The Communities and Place Directorate - Revenue Savings Proposals and Pressures

4.9.1 The proposed MTFP includes the following proposed savings and pressures for the Communities and Place Directorate.

Communities and Place	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Savings	(1.462)	(0.333)	(0.200)	(1.995)
Pressures	3.327	0.941	*(1.069)	3.199

**Includes removal of one off pressures*

4.9.2 The above table demonstrates continued implementation of change programmes initiated in previous years and agreed at Council in February 2019. The Directorate has also responded to a projected £2.2m increase in the cost of waste collection and disposal.

4.9.3 There are external demand pressures and market led pressures especially in the area of waste collection and disposal. Headlines also include:

- Museums management fee £0.250m
- Sovereign car park loss of income due to development of Castleward primary school. £0.150m
- Enterprise for Education (E4E) on going funding £0.100m
- Concessionary fares £0.100m.

4.9.4 Transformation activity continues through the re-provisioning of services and the targeting of services direct to communities. Service efficiencies are sought with minimal impact on front line service delivery and adoption of a more commercial approach. Most of these started in 2019/20 with continued benefits over the MTFP

period. Headlines in respect of new proposed savings and income proposals include:

- Implementation of new staffing structures within Public Protection and Street Pride (£0.204m)
- Parking efficiencies – introduction of more electronic means of parking payments alongside additional enforcement (£0.211m)
- Library transformation programme (£0.047m)
- City growth and regeneration efficiencies and income generation (£0.078m).

4.10 The Corporates Resource Directorate and Corporate Budgets - Revenue Savings Proposals and Pressures

4.10.1 The proposed MTFP includes the following proposed savings and pressures for the Corporate Resources Directorate and Corporate Budgets:

Corporate Resources	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Savings:				
Corporate Resources	(0.750)	(0.420)	(0.045)	(1.215)
Corporate	(0.985)	(0.158)	(0.750)	(1.893)
Total Savings	(1.735)	(0.578)	(0.795)	(3.108)
Pressures:				
Corporate Resources	0.896	0.012	-	0.908
Corporate	1.906	2.026	2.248	6.18
Total Pressures	2.802	2.038	2.248	7.088

4.10.2 The table above demonstrates that the Corporate Resources Directorate continues to make net efficiencies, building on significant net savings delivered in recent years.

The MTFP factors into the budget provision for the treasury management implications of the revised capital programme, resulting from proposals for additional investment in highways infrastructure and the substitution of borrowing instead of reserves in respect of the A52 project in order to provide financial resilience in respect of our reserves.

4.10.3 In February 2019, Council approved an ambitious capital programme to deliver significant benefits to residents and businesses in Derby over the MTFP period. This programme, along with new investment in highways and provision for additional borrowing in future years linked to the emerging capital strategy, has been factored into the MTFP.

The MTFP has also updated with the potential net impact of the tri-annual pension review administered by Derbyshire County Council. Headlines include:

- Corporate revenue contingency budget - this is a corporate contingency budget to hold for emerging in year pressures across the council of £1.279m
- Prudential borrowing linked to capital programme - treasury management flexibility to fund emerging priorities for example highways maintenance £3.398m
- Estimated pensions increase following the triennial review £1.503m

- Wider workforce participation - Team Derby (access to email) £0.139m
- Additional resource within Legal Services - This is an invest to save scheme to reduce pressures to mitigate increased demand and to minimise externalising legal support which is more expensive £0.072m.

4.10.4 This directorate continues to make significant savings on contract management arrangements; income generation; and improved management of its property estate. Other savings will be delivered across the organisation through the Change Derby Programme. Headlines include:

- Planned closure of Queens Leisure Centre upon opening of the new swimming facility resulting in savings in property management costs (£0.225m)
- Contract efficiencies - multi-functional device reduction & cost/copy savings - reduction in print management contract (£0.050m)
- Document Management Centre (DMC) reduction in postage costs (£0.100m)
- Annual leave purchase saving (All Directorates) (£0.150m)
- Bringing trade union facility time into line with our comparator councils (£0.040m)
- Change Derby – Layers and Levels, a review of senior management structures informed by the application of organisational design principles is expected to generate a reduction in senior management costs (£0.250m)
- Change Derby – development of a commercialisation approach and ethos to maximise income, maximise capacity and to understand costs of service delivery. Early opportunities in respect of property investment within the City are being explored alongside review of street pride tradeable services (£0.250m).

4.11 Reserves

4.11.1 The MTFP reduces the £7.864m of reserves supporting the 2019/20 to a non-recurrent draw down of reserves in 2020/21 of only £1.786m. This secures the Council's finances on a more sustainable basis over the MTFP period and beyond.

4.11.2 In preparing the MTFP, the previous plan to use significant reserves to support the Capital Programme was reviewed as this would have resulted in the Council having, in the view of the CFO, insufficient reserves to respond to unplanned spending pressures, volatility of future changes in the funding framework and the ability to prudently use reserves on a planned basis to transform services and to secure financial sustainability in the future.

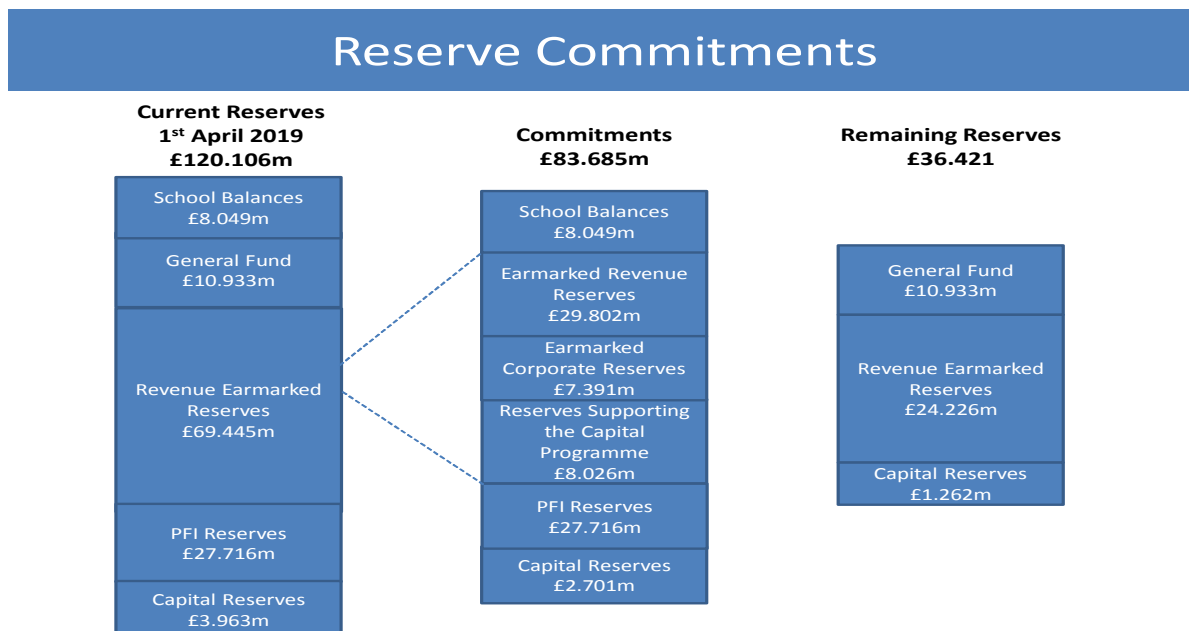
The MTFP has replaced £22.669m of reserve use supporting the Capital Programme with prudential borrowing, the costs of which are factored into the revised MTFP. The key project where this change applies is the A52 project, for which prudential borrowing is the most applicable financing source.

4.11.3 The planned use of reserves is detailed in Appendix 4 and summarised in the table below:

	Estimated Opening Balance 31.03.20 £m	Commitments £m	Residual Balances £m
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General Fund	10.993	-	10.993
Earmarked Reserves	77.178	(51.750)	25.428
School Balances	4.549	(4.549)	-

However, it is important to note that through previous decisions and those contained within this MTFP there are commitments to use reserves beyond the MTFP period. This is illustrated in the diagram below:



The review of reserves is an integral part of a planned review of the balance sheet to ensure that the combination of the MTFP, capital strategy and balance sheet are aligned to ensure that investment is prioritised on priority outcomes on a sustainable basis for future years.

4.11.4 The current forecasting is a £5.483m overspend at Quarter 2 in 2019/20. Management action plans are being implemented to hopefully reduce this overspend between now and year end. However, any residual overspend would be an additional commitment on the reserves detailed above.

4.12 Revised Estimate

4.12.1 The current forecast overspend is £5.483m at the end of Quarter 2. The key variances are a £6.6m overspend on children's social care and a £1.117m underspends on other services. The MTFP for 2020/21 to 2022/23 has built in the children's social care pressure into the base budget.

4.13 Impact on Workforce

4.13.1 The proposals contained in this report will potentially reduce the workforce by an estimated 48.23 FTE posts if implemented. These are a combination of proposals agreed by Council in February 2019 for 2020/21 onwards and new proposals contained within this report and detailed in Appendix 2. The table below summarises the proposed workforce reductions over the MTFP period:

Directorate	Agreed (Feb 2019) FTE	New Proposals FTE	Total FTE
Peoples	-	2.00	2.00
Communities and Place	23.30	6.43	29.73
Corporate Resources	12.50	4.00	16.50
Total	35.80	12.43	48.23

These post reductions will be managed through the deletion of vacancies where appropriate. Any redundancies will be carried out in line with the Council's consultation, restructuring and redundancy Policy. Compulsory redundancies will be minimised, where possible.

4.14 Capital Programme

4.14.1 In February 2019, Council approved a Capital Programme for 2019/20 to 2022/23. This represented a significant investment programme in key areas such as:

- Modernisation, renewal and replacement of key council buildings (e.g. Leisure, Assembly Rooms)
- Economic Regeneration of the City Centre (e.g. Becketwell, One Cathedral Green)
- Investment in housing through the HRA and General Fund
- Investment into schools including provision of additional places
- Flood defence works
- Disabled Facility Grants.

4.14.2 During 2019/20, reviews of the current approved Capital schemes have been prioritised to profile spend between financial years to match deliverability assessments and to review the financing assumptions linked to individual schemes.

The key impact of this review was to slip 42% of the Capital Programme from 2019/20 to 2020/21 and beyond alongside an assessment of the use of reserves supporting the Capital Programme to strengthen the Council's financial resilience. This involved replacing some of the planned application of reserves with prudential borrowing – the financial implications of this have been factored into the MTFP.

4.14.3 The Cabinet is proposing a three year Capital programme totalling £200.526m for the years 2020/21 to 2022/23 as set out in the tables below:

Summary Capital Expenditure Programme 2019/20 to 2021/22 – General Fund

Programme Area	2020/21 Revised £m	2021/22 Original £m	2022/23 Original £m	Total £m
Expenditure				
Schools	20.051	2.030	-	22.081

Housing General Fund	6.928	5.766	3.050	15.744
Property	27.294	19.544	0.037	46.875
Flood Defence	0.250	0.250	-	0.500
Highways & Transport	18.766	8.900	-	27.666
Vehicles Plant & Equipment	1.762	2.520	1.854	6.136
Regeneration	38.864	37.609	1.291	77.764
ICT	2.670	0.570	0.520	3.760
Total General Fund	116.585	77.189	6.752	200.526

Key proposed additions to the Capital Programme include:

- £9.2m new investment into Highways Infrastructure over two years. This responds to the assessed backlog on the highways stock of £22m and will focus on investment in the longevity of the highways stock and in priority areas
- Investment into ICT to help deliver the Digital Vision (Digital Workforce and Digital by Default). This investment is expected to enable revenue efficiencies and savings to support the MTFP. These potential savings are still to be factored into the MTFP for future years.

The detailed Capital Programme proposals are detailed in Appendix 5.

- 4.14.4 The programme is funded through £47.485m of external funding, £153.038m of council resources (including borrowing). The revenue consequences of the Council funding are included within the MTFP.

Summary Capital Funding 2020/21 to 2022/23

Funding Source	2020/21 Revised £m	2021/22 Original £m	2022/23 Original £m	Total £m
Supported Capital Expenditure Capital (SCE C)	18.643	1.517	0.037	20.197
Devolved SCE C Direct to Schools	0.300	0.300	-	0.600
Government Grants	11.058	9.931	2.989	23.978
External contributions	1.624	0.300	0.235	2.159
Section 106	0.552	-	-	0.552
Total External Funding	32.176	12.048	3.261	47.485
Funding Source	2020/21 Revised £m	2021/22 Original £m	2022/23 Original £m	Total £m
Funding Requirement				
Funded By				
Capital Receipts	10.386	13.077	1.238	24.701
Revenue Funding	2.820	3.166	-	5.986
Serviced Financed Borrowing	16.156	19.241	2.024	37.421
Service Financed Invest to Save Borrowing	3.023	-	-	3.023
Potential Borrowing	52.024	29.657	0.229	81.910
Total Internal Resources	84.409	65.141	3.491	153.041
Total Funding	116.585	77.189	6.752	200.526

4.14.5 The Council has to remain agile in its capital investment programme to deliver our capital ambitions and to secure external funding (where applicable) to help deliver these ambitions. New schemes are assessed through the gateway process prior to Cabinet approval. The following schemes are currently being assessed and if approved (and financing in place) will be recommended for inclusion in the Capital Programme at a future date:

- Housing Infrastructure Fund (HIF) - South Derby Growth Zone
- Housing Infrastructure Fund (HIF) - Boulton Moor
- DE-Carbonise D2N2
- Revised One Cathedral Green project
- Castleward – School
- Castleward land acquisition
- Further new build acquisitions for the HRA subject to the HRA Business plan approval, including: Patterson Avenue, Oakland Avenue, Crompton Street and Bosworth Avenue
- Investment in properties to support provision of services for vulnerable children within the City.

Further schemes will require additions to the Capital Programme following submissions through the gateway process via the Project Management Office and Cabinet approval.

4.14.16 A number of schemes have been identified for potential inclusion within future Capital Programmes which are primarily funded from external funding but may require an element of internal funding. These include:

- Future High Streets Fund - A programme of activity to transform Derby's high street
- Heritage Action Zone – an Expression of Interest has been submitted for almost £2m to rejuvenate the city's historic high street.
- Nuclear AMRC £15m
- Osmaston main works site
- Brook realignment
- IPD iHub plot preparation.

4.14.17 To support bringing the schemes detailed in paragraph 4.14.15 and 4.14.16 to fruition provision has been made within the proposed MTFP for c £2m of prudential borrowing by 2022/23 if required. This could support approximately £30m of new council-funded capital investment (not included within the Capital Programme detailed within this report and detailed in Appendix 5) in the period to 2022/23.

A revised Capital Strategy is being developed to ensure that future capital investment maximise the impact for the residents and businesses of Derby and redefine how services are provided in the future. Creating the 'headroom' detailed above will assist the Council in delivering this vision in the future.

4.14.18 Work will continue to build on the arrangements implemented in 2019/20 to strengthen the planning, governance and delivery of major capital schemes.

4.15 Council Tax

- 4.15.1 This report includes proposals to increase Council Tax for 2020/21 by the maximum 1.99% using the flexibility to levy an additional 2% Social Care Precept. This means the headline Council Tax increase for 2020/21 will be 3.99%. The Government in its definition of Core Spending Power for Local Government make the assumption that councils will recommend the maximum increase to support service delivery. Indeed, the levying of the 2% additional social care precept will generate an extra £2m Council Tax income for 2020/21 which will be in the baseline funding levels for future years.
- 4.15.2 DCC is a low tax-base council where the majority of properties are in band A, B and C. This, by implication, means that any increase in Council Tax will raise less additional revenues than neighbouring higher tax-base authorities. It is vital therefore that DCC maximises the opportunity to maximise its Council Tax base wherever possible.
- 4.15.3 DCC requires all Council Tax payers of working age to pay at least 30% of the Council Tax before application of Council Tax Support. Council Tax support is provided to 17,396 properties out of the total number of properties of 110,826. The support is targeted at those people in Band A and Band B properties.
- 4.15.4 Council Tax charged includes that levied by DCC alongside the preceptors (Police and Fire and Rescue). Details from the other preceptors will be known in February 2020. The impact of the proposed 4% increase is detailed in the table below:

Band	Number of Properties	% in receipt of Council Tax Support	2019/20 Derby City Council Tax	Proposed 2020/21 Derby City Council Tax	Annual Increase	Weekly Increase
			£	£	£	£
Band A	56,798	24.86	944.71	982.40	37.69	0.72
Band B	21,422	9.57	1,102.17	1146.15	43.98	0.85
Band C	16,569	5.4	1,259.62	1309.88	50.26	0.97
Band D	8,555	2.77	1,417.07	1473.61	56.54	1.09
Band E	4,504	1.22	1,731.97	1801.08	69.11	1.33
Band F	2,280	1.32	2,046.88	2128.55	81.67	1.57
Band G	647	1.24	2,361.78	2456.02	94.24	1.81
Band H	51	0	2,834.14	2947.22	113.08	2.17

- 4.15.5 The proposed 3.99% Council Tax increase for 2020/20 results in 85% of DCC Payers not having to pay more than £1 a week more than they paid in 2019/20. The increase will be mitigated for a number of properties in these bands (Band A, B and C) who are in receipt of full or partial Council Tax support.
- 4.15.6 The proposed MTFP currently includes 1.99% increases in 2021/22 and 2022/23; This is in line with current 'capping' limits and not assuming availability of any future Social Care Precept.

4.16 MTFP and Change Derby Programme

- 4.16.1 Nationally local government continues to face significant pressures brought about from reduced levels of Government funding, whilst at the same time experiencing growing demand for services, particular in the areas of children's social care. Recent budget rounds at Derby have created a sense of a 'revolving door' of focusing on balancing the books with a heavy reliance on short-term measures and insufficient focus on ensuring resources are targeted at priority outcomes, having the maximum impact and transforming the way that services are delivered and building new relationships with customers, residents and businesses. We also need to refocus on developing long term plans within the Council and with partners to maximise the impact of the multi-million pound budgets spent within the City.
- 4.16.2 During 2019/20 a Change Derby programme was established, building on the previous Delivering Differently programme. This set out six themes, which over the medium term, will transform the way services are provided and co-produced with residents, businesses and partners. The Change Derby programme is supported by a series of HR, organisational development and communication programmes to ensure transformation to be modern and efficient, with empowered staff committed to making a difference for Derby.
- 4.16.3 The Change Derby Programme and individual projects is still being developed. A series of business cases will be drawn up for each theme identifying the resources required, engagement with residents and businesses and the benefits to be delivered. These will be managed through a robust governance process to ensure pace of change and that the programme of initiatives remain agile to internal or external influences, funding opportunities or changes in priority.

4.16.4 Initial focus areas within each theme are detailed in the table below:

Change Derby Theme	Key Areas of Focus
Layers and Levels	<ul style="list-style-type: none"> • Senior management structures • Adoption of organisational design principles across the Council • Efficient operations (business & financial admin, helpdesks) • Rationalising front door access to services • Digital initiatives.
Demand Management	<ul style="list-style-type: none"> • Social care commissioning initiatives • Reducing failure demand • Commissioning and re-providing services in the City • Property rationalisation (incl. lifecycle costing) • Prioritising services to those most in need.
Commercialisation	<ul style="list-style-type: none"> • Further embed a commercial ethos Identify & exploit opportunities to trade existing and new services • Property investment & housing development • Outcome reviews (e.g. leisure & culture) • Secure more value from external partnerships.
Commissioning and Procurement	<ul style="list-style-type: none"> • Strategic commissioning • Re-providing services in the City (e.g. LAC) • Aligning commissioning & category management activity • Opportunities to work with other Partners/Councils to deliver required outcomes.
Channel Shift and Digital	<ul style="list-style-type: none"> • Digital Workforce Programme • Digital by Default Programme • Property rationalisation.
Reduced Bureaucracy	<ul style="list-style-type: none"> • Evidence based decision making & business cases. • Proportionate project management applied consistently • Lean processes improving effectiveness and identifying efficiencies • Standardised payment and income collection processes.

These focus areas are not exclusive and will be informed by widespread engagement within the Council, with Partners and in the community. It will be informed by what other councils have implemented and new ways of providing services in these areas and involve organisations such as APSE and SOCITIM to bring their expertise and experience to ensure pace and robustness within the change programme.

The Change Derby themes will be delivered from different starting points. For example the digital strategy will put us amongst the leading councils in the country whilst Derby starts others in respect of maximising commercial opportunities and securing commercial income to support financial sustainability in light of many years of reductions in Government funding. The commercialisation agenda could also bring wider benefits to economic and housing regeneration of the City.

- 4.16.5 The MTFP includes provision for the Change Derby team and upfront investment required for transformation in a number of themes, for example digital workforce. cashable and non-cashable benefits will be identified, measured and captured as part of the Change Derby programme. Cashable benefits when captured will be built into future MTFP updates. Initial forecasts from outline business cases indicate that cashable savings and/or income generation proposals which will be secured from the Change Derby Programme in excess of the forecast MTFP budget gaps in 2021/22 and 2022/23.
- 4.16.6 The combination of a financially sustainable MTFP and the Change Derby programme should allow a shift to a strategic, longer term approach to resource planning and delivering the right outcomes for Derby residents and businesses. The MTFP supports the delivery of improved outcomes and more efficient services from DCC and its partners.

Further reports and business cases will be brought to Cabinet for approval as the Change Derby programme develops and where investment may be required. These will be factored into future MTFP updates.

4.17 MTFP Consultation

- 4.17.1 It is proposed that consultation will begin on 14th November and run until the 02nd January 2020. This will give people the opportunity to provide feedback on the proposals and this will be used to inform the final decisions at Council Cabinet.
- 4.17.2 The consultation will be open to anybody who lives, works or studies in Derby and wants to take part. An online survey will be available on the website with paper versions available at the Council House reception, at libraries and on request.
- 4.17.3 A consultation document setting out the budget proposals will be prepared and published on the day the consultation opens.

Public/stakeholder engagement

- 5.1 The MTFP process has been through officer, councillor and Cabinet engagement. This report outlines all the approved proposals to date (including those approved at February Council), plus those new proposals requiring approval and consultation. The final budget setting report is due to go to 12 February Cabinet for final approval and subsequent recommendation to Budget Council at the end of February 2020.

Other options

- 6.1 The Council is required to set a balanced revenue and capital budget for 2020/21 by 11th March 2020.

Financial and Value for Money

- 7.1 The financial and value for money implications are outlined in detail within the report.

Legal implications

- 8.1 The report demonstrates that the Council is taking appropriate action to meet its statutory requirement to deliver a balanced budget. What has also become clear during the recessionary period of the past decade is that the public and other stakeholders are becoming more aware of the impact of successive budget cuts. The need to consult before any final decisions are made that translate into a service delivery change is acknowledged within the report. Equally important is the need to ensure that the Council complies with the public sector equality duty and undertakes an assessment of the impact of the savings proposals that may be agreed across all impacted sectors prior to a final budget decision being made.
- 8.2 It is important to ensure that where changes to public services are proposed particularly in relation to welfare provision, whether that is in the manner of provision or as a result of the need to accommodate budget reductions, consultation with relevant stakeholders is undertaken and its outcome and implications are considered prior to a final decision being made.
- 8.3 Equally important is the need to demonstrate compliance with the public sector equality duty by undertaking an equality impact assessment and for its outcome and implications to be considered. The report identifies proposals which, if approved, will affect children, older adults and persons with disabilities, all of which groups are statutorily protected equality strands under the Equality Act 2010.

Other significant implications

- 9.1 **Personnel**
Subject to the approval of the recommendations, any proposal which may affect staff if implemented in 2020/21 would be subject to appropriate consultation with staff and trade unions. The proposals, if implemented, could result in redundancies, and the staff and trade union consultation will be carried out in line with the Council's consultation, restructuring and redundancy policy.
- 9.2 **Equalities Impact**
All appropriate equality impact assessments will be carried out with regard to the proposals.
- 9.3 **Risk Management and Safeguarding**
Risks have been assessed throughout the budget process and where possible, reasonable mitigation has been made. When the budget is set the financial risk will be monitored throughout the year and reported to cabinet on a quarterly basis as part of the Forecast out-turn report. There are reserves that, if required, can be used to manage risks.
- 9.4 **Corporate objectives and priorities for change**
The budget provides the financial resources to deliver key objectives and priorities.

This report has been approved by the following colleagues:

Role	Name	Date of sign-off
Legal	Emily Feenan, Director of Legal, Procurement and Democratic Services	4/11/2019
Finance	Simon Riley, Director of Financial Services	4/11/2019
Service Director(s)	Simon Riley, Director of Financial Services	4/11/2019
Report sponsor	Paul Simpson, SD Corporate Resources & Deputy CEO	4/11/2019
Other(s)		

For more information contact:	Simon.Riley@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – MTFP Summary Appendix 2 – Savings – Existing and Proposed New Appendix 3 – Pressures – Existing and Proposed New Appendix 4 – Revenue Reserves Appendix 5 – Capital Programme

Appendix 1

Medium Term Financial Plan 2020/21 to 2022/23			
	Draft MTFP		
	2020/21 £m	2021/22 £m	2022/23 £m
FUNDING			
- Retained Business Rates	62.641	63.894	65.172
- Core Government Grants	13.726	13.911	13.729
- Council Tax	102.11	105.47	108.85
	4	0	4
- Estimated Surplus/(Deficit) on Collection Fund (one-off)	(1.725)	0.000	0.000
- Better Care Fund	23.160	23.332	23.506
- Public Health	19.274	19.274	19.274
- Other Grants	19.386	18.476	19.323
Total Resources Available	238.57 7	244.35 6	249.85 8
BUDGET			
People Services:			
Adults & Health:			
- Employee Costs	14.222	14.593	14.972
- Running Costs	72.551	75.000	77.254
- Public Health	15.393	15.393	15.393
- Inflation Estimates	1.302	1.336	1.336
- Grant Income	0.045	0.045	0.045
- Other Income (<i>Client Contributions, FNC, Joint Funding</i>)	(11.35	(11.64	(11.94
	3)	2)	0)
- Pressures	1.830	1.400	1.400
- Savings	(0.600)	(0.400)	0.000
Adults & Health Net Budget:	93.389	95.725	98.460
Children & Young People:			
- Employee Costs	37.742	39.778	40.467
- Running Costs	261.74	264.80	265.26
	3	5	5
- Inflation Estimates	1.072	1.082	1.082
- Grant Income	(238.4	(238.4	(238.4
	45)	45)	45)
- Other Income	(4.615)	(4.622)	(4.628)
- Pressures	5.076	1.025	0.975
- Savings	(0.996)	(0.964)	(0.764)
Children and Young People Net Budget:	61.576	62.659	63.952
Peoples Total Net Budget:	154.96 5	158.38 4	162.41 2
Communities and Place:			
- Employee Costs	33.123	33.726	34.325

- Running Costs	42.034	44.601	45.563
- Inflation Estimates	0.907	0.680	0.680
- Grant Income	(2.505)	(2.505)	(2.505)
- Other Income	(33.918)	(34.318)	(34.589)
- Pressures	3.327	0.941	(1.069)
- Savings	(1.462)	(0.333)	(0.200)
Communities and Place Net Budget:	41.506	42.792	42.205
Corporate Resources:			
- Employee Costs	28.467	29.336	29.922
- Running Costs - <i>includes Housing Benefits</i>	91.167	91.264	91.014
- Inflation Estimates	0.721	0.638	0.638
- Grant Income - <i>Includes Housing Benefit</i>	(72.403)	(72.403)	(72.403)
- Other Income	(14.696)	(14.795)	(14.900)
- Pressures	0.896	0.012	0.000
- Savings	(0.750)	(0.420)	(0.045)
Corporate Resources Net Budget:	33.402	33.632	34.226
Corporate:			
- Treasury Management	8.458	8.126	8.994
- Bank Charges	0.060	0.060	0.060
- Pension Cost	0.564	2.067	2.067
- Transport Act	0.081	0.081	0.081
- Schools DSG Grant Income - Corporate	(0.320)	(0.320)	(0.320)
- Corporate Contingency Fund	0.378	0.188	1.188
- Corporate Revenue Budget Contingency	0.330	0.330	0.330
- Pressures - <i>Including councilWide pressures</i>	1.906	2.026	2.248
- Savings - <i>Including council wide pressures</i>	(0.985)	(0.158)	(0.750)
Corporate Net Budget:	10.472	12.400	13.898
Net Budget (prior to movement in reserves)	240.344	247.208	252.741

Operating Surplus/(Deficit) before use of Reserve	-1.767	-2.852	-2.883
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Reserves			
- Use of reserves - MTFP	(0.042)		
- Use of reserves - Business Rates Pilot reserve	(1.725)		
Net Budget Requirement after use of Reserves	238.577	247.208	252.741
Budget Gap/(Surplus)	0.000	2.852	2.883
Total Budget	238.577	250.060	255.623

Total Savings Identified:	(4.793)	(2.275)	(1.759)
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<i>Total Savings as per 19/20 MTFP</i>	<i>(3.719)</i>	<i>(1.436)</i>	<i>(0.658)</i>
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Net Budget Requirement	238.577	247.208	252.741
Total Resources Available (Funding)	(238.577)	(244.356)	(249.858)
Budget Gap/(Surplus)	0.000	2.852	2.883

Peoples - Adults Savings						Appendix 2	
Service	Saving Proposal	Brief Saving Description	20/21 Proposed Saving £m	21/22 Proposed Saving £m	22/23 Proposed Saving £m	Total Saving £m	Potential number of FTE's reduction
Existing Savings formally signed off by Full Council Meeting on 27 February 2019							
Adult Services	Service Efficiencies	Review of Adults Care Packages - Undertake a review of Adult care packages where there is the potential to incorporate an asset based approach to meet eligible needs	(0.500)	-	-	(0.500)	-
Adult Services	Income Generation	Care Link - Efficiencies from review of Carelink Service	(0.100)	-	-	(0.100)	-
Total Existing Savings:			(0.600)	0.000	0.000	(0.600)	-
Proposed New Savings							
Adult Services	Contract Efficiencies	Extra Care - A review of the commissioned model for additional support	-	(0.200)	-	(0.200)	-
Adult Services	Service Efficiencies	Review of Adults Care Packages - Undertake a review of Adult care packages where there is the potential to incorporate an asset based approach to meet eligible needs	-	(0.200)	-	(0.200)	-
Total Proposed New Savings:			-	(0.400)	-	(0.400)	-
TOTAL ADULTS SAVINGS			(0.600)	(0.400)	0.000	(1.000)	-

Peoples - Children's Savings							
Service	Saving Proposal	Brief Saving Description	20/21 Proposed Saving £m	21/22 Proposed Saving £m	22/23 Proposed Saving £m	Total Saving £m	Potential number of FTE's reduction
Existing Savings formally signed off by Full Council Meeting on 27 February 2019:							
Children's Services	Service Efficiencies	A remodelling of Child Placement Service through Social Impact Bonds - A reduction in the costs of placements for looked after children as their care packages are stepped down from high cost residential packages to supported foster care	(0.296)	(0.364)	(0.364)	(1.024)	-
Children's Services	Service Efficiencies	Foster Care - Recruitment of foster carers. Savings deliverable from an increased rate of recruitment and a reduction in the use of agency fostering placements	(0.200)	(0.200)	-	(0.400)	-
Total Existing Savings:			(0.496)	(0.564)	(0.364)	(1.424)	-
Proposed New Savings							
Children's Services	Service Efficiencies	Foster Care - Recruitment of foster carers. Further savings deliverable from an increased rate of recruitment and a reduction in the use of agency fostering placements	(0.200)	(0.200)	(0.200)	(0.600)	-
Children's Services	Service Efficiencies	Edge of care services and reconfiguration of the 'front door' - Reconfiguration of the access and referrals into Children's Social Care	(0.200)	(0.200)	(0.200)	(0.600)	-
Children's Services	Staffing Efficiencies	Early Help - Management Restructure	(0.100)	-	-	(0.100)	2
Total Proposed New Savings:			(0.500)	(0.400)	(0.400)	(1.300)	2.0
TOTAL CHILDREN'S SAVINGS:			(0.996)	(0.964)	(0.764)	(2.724)	2.0
TOTAL PEOPLES SAVINGS:			(1.596)	(1.364)	(0.764)	(3.724)	2.0

Communities and Place Savings							
Service	Saving Proposal	Brief Saving Description	20/21 Proposed Saving £m	21/22 Proposed Saving £m	22/23 Proposed Saving £m	Total Saving £m	Potential number of FTE's reduction
Existing Savings formally signed off by Full Council Meeting on 27 February 2019:							
Libraries Services	Service Efficiencies	Strategic Review of Libraries - The council will continue to implement the actions from the Library Strategic Review - Saving Reprofiled to 2020/21	(0.336)	-	-	(0.336)	18.3
Housing Management	Income Generation	Carelink - Extend Carelink provision across all Council owned supported housing	(0.280)	-	-	(0.280)	-
Environmental Protection	Service Efficiencies	Neighbourhood Working - Extended approach to Neighbourhood working through an increase in number of Community Protection Officers and the addition of enforcement powers to incorporate parking offences. There will be a refocus of the Neighbourhood team to community engagement and development and the re-establishment of a small neighbourhood devolved fund.	(0.065)	(0.150)	-	(0.215)	-
Leisure	Service Efficiencies	Queens Leisure Closure - Following the opening of the new swimming pool, there is an expectation that Queens Leisure Centre would be closed.	-	-	(0.200)	(0.200)	-
Highways Maintenance and Parks	Service Efficiencies	Highways/Parks Inspectors - Creation of a hybrid Highway Inspector/Park Ranger/Arb Inspector role	-	(0.114)	-	(0.114)	3.0
Leisure	Income Generation	Generate additional income in Leisure through the development of activities and events	(0.100)	-	-	(0.100)	-
Leisure and Culture	Staffing Efficiencies	Revenue savings being identified from further staff efficiencies and vacancies	(0.085)	-	-	(0.085)	2.0
Highways Maintenance	Service Efficiencies	Efficiencies in Highway Maintenance resources - Efficiency generated by moving to new Code of Practice	(0.020)	-	-	(0.020)	-
Total Existing Savings:			(0.886)	(0.264)	(0.200)	(1.350)	23.3
Proposed New Savings							
Public Protection and Streetpride	Staffing Efficiencies	Land, Flood and Drainage Reduction - Staff Efficiencies	(0.113)	-	-	(0.113)	3.0
Public Protection and Streetpride	Staffing Efficiencies	Grounds Maintenance, Trading Standards & Asst. Compliance Officer - Staffing Efficiencies	(0.091)	-	-	(0.091)	3.0
Planning & Transport	Income Generation	Parking Efficiencies - Additional income through MiPermit App and Virtual Permits	(0.084)	-	-	(0.084)	-
Planning & Transport	Income Generation	Parking Efficiencies - Introduction of selective night time enforcement & introduction of second camera car	(0.080)	-	-	(0.080)	-
Leisure, Culture and Tourism	Service Efficiencies	Allestree Golf Course option	-	(0.069)	-	(0.069)	-
Leisure, Culture and Tourism	Service Efficiencies	Libraries - Further Libraries Savings options	(0.047)	-	-	(0.047)	-
City, Development & Growth	Income Generation	Strategic Housing Income increase through HRA work	(0.040)	-	-	(0.040)	-
City, Development & Growth	Service Efficiencies	Economic Growth - Remodel funding for economic development	(0.038)	-	-	(0.038)	-
Planning & Transport	Income Generation	Parking Efficiencies - Introduction of PCN online tool	(0.025)	-	-	(0.025)	-
Planning & Transport	Income Generation	Parking Efficiencies - Additional parking enforcement through signage	(0.022)	-	-	(0.022)	-
Planning & Transport	Staffing Efficiencies	Traffic and Transport - Staff Efficiencies from vacant post and removal of subsidy for 17A bus service	(0.020)	-	-	(0.020)	0.43
Planning & Transport	Contract Efficiencies	Parking Efficiencies - Efficiencies through new debt registration contract	(0.016)	-	-	(0.016)	-
Total Proposed New Savings:			(0.576)	(0.069)	-	(0.645)	6.43
TOTAL COMMUNITIES AND PLACE SAVINGS:			(1.462)	(0.333)	(0.200)	(1.995)	29.73

Corporate Resources Savings							
Service	Saving Proposal	Brief Saving Description	20/21 Proposed Saving £m	21/22 Proposed Saving £m	22/23 Proposed Saving £m	Total Saving £m	Potential number of FTE's reduction
Existing Savings formally signed off by Full Council Meeting on 27 February 2019							
Property Services	Contract Efficiencies	More efficient use of Consultants and Contracts to deliver a percentage saving on spend	(0.125)	(0.125)	-	(0.250)	-
Property Services	Property management savings	Planned closure of Queens Leisure Centre upon opening of the new swimming facility resulting in savings in property management costs.	-	(0.225)	-	(0.225)	-
Property Services	Staffing Efficiencies	Staffing efficiencies and reviewing of delivery of Facilities Management functions	(0.128)	-	-	(0.128)	4.0
Business Support	Staffing Efficiencies	Staffing Efficiencies within Business Support	(0.062)	-	-	(0.062)	7.0
Business Support	Contract Efficiencies	Multi-Functional Device reduction & cost/copy savings - Reduction in Print Management Contract	(0.050)	-	-	(0.050)	-
Property Services	Mileage Efficiencies	A review of business travel aimed at reducing mileage the demand management and reducing the use of employee vehicles ("grey fleet") to generate financial savings.	(0.035)	-	-	(0.035)	-
Property Services	Staffing Efficiencies	Using functionality of the Strategic Asset Management system to enable staffing efficiencies	(0.025)	-	-	(0.025)	1.0
Property Services	Buildings Energy Conservation Savings	Develop Buildings Energy Management Improvement Plan, accessing Salix and other funds to achieve energy saving efficiency of our core buildings. An initial plan to improve the top 10 high consumption or poor energy rating buildings	(0.025)	-	-	(0.025)	-
Human Resources and Organisational Development	Staffing Efficiencies	Organisational Development - Reduction in future provision of service	(0.022)	-	-	(0.022)	0.5
Business Support	Income Generation	Providing Document Management Support to Department of Work and Pensions and Lister House	(0.005)	-	-	(0.005)	-
Property Services	Income Generation	Identification and sale of small pieces of land to generate an ongoing revenue saving - this is 'one off' only for next two years as based on number of small land holdings	(0.020)	(0.020)	0.060	0.020	-
Total Existing Savings:			(0.497)	- 0.370	0.060	(0.807)	12.5
Proposed New Savings							
IT	Contract Efficiencies	Application and Contract Review in IT Services (saving to offset Digital Strategy pressure)	(0.163)	-	-	(0.163)	3.0
Business Support	Postage Savings	Document Management Centre (DMC) Reduction In Postage Costs	-	(0.025)	(0.075)	(0.100)	-
Property Services	Staffing Efficiencies	Staffing Efficiencies - Health and Safety	(0.045)	-	-	(0.045)	1.0
Property Services	Income Generation	Increase in Identification and sale of small pieces of land to generate an ongoing revenue saving	(0.010)	(0.010)	(0.020)	(0.040)	-
Corporate Resources	Income Generation	Business Support - Document Management Centre (DMC) income generation (external service offer with NHS and Derby Homes)	(0.025)	-	-	(0.025)	-
Business Support	Income Generation	Document Management Centre (DMC) Additional Income Generation	-	(0.010)	(0.010)	(0.020)	-
Democracy Service	Income Generation	Schools Appeals - Increased Income due to provision of appeals service	(0.010)	-	-	(0.010)	-
Democracy Service	Income Generation	Civic Services Income - Hire of the civic suite for functions and charging for Council House tours in conjunction with Derby LIVE	-	(0.005)	-	(0.005)	-
Total Proposed New Savings:			(0.253)	(0.050)	(0.105)	(0.408)	4.0
TOTAL CORPORATE RESOURCES SAVINGS			(0.750)	(0.420)	(0.045)	(1.215)	16.5

Corporate Savings							
Service	Saving Proposal	Brief Saving Description	20/21 Proposed Saving £m	21/22 Proposed Saving £m	22/23 Proposed Saving £m	Total Saving £m	Potential number of FTE's reduction
Existing Savings formally signed off by Full Council Meeting on 27 February 2019:							
Corporate	Treasury Management Savings	Treasury Management Review based on capital requirement (caveat treasury management/capital budgets will continue to be reviewed inline with the capital programme)	(0.235)	(0.158)	(0.154)	(0.547)	-
Total Existing Savings:			(0.235)	- 0.158	(0.154)	(0.547)	-
Proposed New Savings							
Corporate	Treasury Management Savings	Treasury Management Review (caveat treasury management/capital budgets will continue to be reviewed inline with the capital programme)	-	-	(0.596)	(0.596)	-
Council Wide	Staffing Efficiencies	Corporate Themes - Layers and Levels	(0.250)	-	-	(0.250)	TBC
Council Wide	Investments	Corporate Themes - Commercialisation	(0.250)	-	-	(0.250)	-
Corporate	Income Generation	Annual Leave Purchase Saving (All Directorates)	(0.150)	-	-	(0.150)	-
Corporate	Staffing Efficiencies	Bringing trade union facility time into line with our comparator councils	(0.040)	-	-	(0.040)	-
Corporate	Base Budget Reduction	Corporate Revenue Contingency Base Budget Reduction to fund EHCP Preparation pressure in Children's Services.	(0.060)	-	-	(0.060)	-
Total Proposed New Savings:			(0.750)	-	(0.596)	(1.346)	-
TOTAL CORPORATE SAVINGS:			(0.985)	(0.158)	(0.750)	(1.893)	-
TOTAL CORPORATE RESOURCES SAVINGS:			(1.735)	(0.578)	(0.795)	(3.108)	16.5

Peoples Pressures - Adults				Appendix 3	
Directorate	Pressures	2020/21	2021/22	2022/23	TOTAL
		£m	£m	£m	£m
Existing Pressures formally signed off by Full Council Meeting on 27 February 2019:					
Adult Services	Demographic social care pressures	0.355	0.400	0.400	1.155
Total Existing Pressures		0.355	0.400	0.400	1.155
Proposed New Pressures					
Adults	Demand/Demographic Pressures		1.000	1.000	2.000
Adults	National Living Wage	0.698	-	-	0.698
Public Health	Livewell	0.300	-	-	0.300
Adults	Winter Pressures enhanced service	0.252	-	-	0.252
Public Health	Public Health - Potential growth Pressure (New Burdens) total growth £525k but £300k pressure already included for Livewell above.	0.225	-	-	0.225
Total Proposed New Pressures:		1.475	1.000	1.000	3.475
TOTAL ADULTS PRESSURES:		1.830	1.400	1.400	4.630
Peoples Pressures - Children's					
Directorate	Pressures	2020/21	2021/22	2022/23	TOTAL
		£m	£m	£m	£m
Proposed New Pressures					
Children's	DSG - Central Services Schools Block pressure	0.500	1.000	0.850	2.350
Children's	Children's Agency Placements - looked after children placements	2.006	-	-	2.006
Children's	Social Work Teams - Incremental pay pressure	0.800	-	-	0.800
Children's	An increase in demand in Home to School Transport for children with special educational needs and disabilities	0.750			0.750
Children's	The use of agency social workers to cover long term absence	0.510	-	-	0.510
Children's	Looked after Children demographic pressure	0.125	0.125	0.125	0.375
Children's	To provide continued capacity in relation to SEND service as a result of Send Reform Grant ending	0.150	-	-	0.150
Children's	Adoption - Additional costs due to the transfer of the service to the Regional Adoption Agency (RAA)	0.075	-	-	0.075
Children's	Children's - SEND WSOA Project Management	0.100	(0.100)	-	-
Children's	Education Health and Care Plan preperation (EHCP)	0.060		-	0.060
Total Proposed New Pressures:		5.076	1.025	0.975	7.076
TOTAL CHILDREN'S PRESSURES:		5.076	1.025	0.975	7.076
TOTAL PEOPLES PRESSURES:		6.906	2.425	2.375	11.706

<u>Communities and Place Pressures</u>					
Directorate	Current Pressures	2020/21 £m	2021/22 £m	2022/23 £m	TOTAL £m
Existing Pressures formally signed off by Full Council Meeting on 27 February 2019					
Leisure and Culture	Moorways Swimming Pool Potential Running Costs	-	0.400	-	0.400
Leisure and Culture	Museums - Predicted shortfall in attracting third party funding for operational costs	0.250	-	-	0.250
Leisure and Culture	Moorways Swimming Pool Pre opening costs	0.100	0.700	(0.800)	-
Leisure and Culture	New Assembly Rooms revenue support operational and property maintenance	0.359	(0.114)	(0.269)	(0.024)
Arbore cultural	Tree Management (Part removal of pressure agreed in 18/19).	(0.100)	-	-	(0.100)
Waste	Free Garden Waste Collection Service (Original pressures in 19/20 due to be reduced by £184k in 20/21)	(0.184)	-	-	(0.184)
Total Existing Pressures		0.425	0.986	(1.069)	0.342
Proposed New Pressures					
Waste	Waste Collection and Disposal	2.207	-	-	2.207
Leisure and Culture	Additional Pressure for Museums management fee	0.250	-	-	0.250
Traffic and Transport	Sovereign Car Park Loss of Income due to Castleward proposals	0.150	-	-	0.150
Regeneration	Enterprise for Education (E4E) on going funding	0.100	-	-	0.100
Traffic and Transport	Concessionary Fares	0.100	-	-	0.100
Streetpride	Fuel	0.050	-	-	0.050
Markets	Markets - Underachievement of income	0.045	(0.045)	-	-
Total Proposed New Pressures:		2.902	(0.045)	-	2.857
TOTAL COMMUNITIES AND PLACE PRESSURES:		3.327	0.941	(1.069)	3.199

Corporate Resources Pressures					
Directorate	Pressures	2020/21	2021/22	2022/23	TOTAL
		£m	£m	£m	£m
Existing Pressures formally signed off by Full Council Meeting on 27 February 2019:					
Property Services	Property Maintenance - pressure caused by transfer of property to third party service providers whilst retaining full responsibility for maintenance	0.125	-	-	0.125
Legal, Procurement and Democratic Services	Legal Services - Increased workload in legal support including new service areas for example environment enforcement strategy (CPNs), corporate fraud, education welfare and licensing, as well as emerging public law areas of challenge in the Peoples Directorate	0.080	-	-	0.080
Total Existing Pressures:		0.205	-	-	0.205
Proposed New Pressures					
IT Services	Digital Strategy Emergent Pressures (self-funded within IT - see Application and Contract Review saving included to fund this set of pressures)	0.163	-	-	0.163
Property Services	REMOVAL of free staff and Councillor car parking and implementing charges for permits	0.146	-	-	0.146
IT Services	Wider workforce participation Team Derby (Access to email)	0.139	-	-	0.139
Legal Services	Legal Services - Additional Resource - This is an Invest to Save Scheme to reduce pressures to mitigate increased demand and consequential budget pressure in the Peoples directorate	0.072	-	-	0.072
Property Services	Loss of income at Kedleston Road due to Derbyshire library service vacating part of the building	0.070	-	-	0.070
Human Resources	Occupational Health Software Solution	0.065	-	-	0.065
Corporate Core	Consultation Support Officer - Making permanent an existing post which has previously been funded from temporary solutions	0.036	0.012	-	0.048
Total Proposed New Pressures:		0.691	0.012	-	0.703
TOTAL CORPORATE RESOURCES PRESSURES:		0.896	0.012	-	0.908
Corporate Pressures					
Directorate	Pressures	2020/21	2021/22	2022/23	TOTAL
		£m	£m	£m	£m
Existing Pressures formally signed off by Full Council Meeting on 27 February 2019:					
Corporate	Corporate Revenue Contingency Budget	-	-	1.279	1.279
Corporate	Treasury Management Forecast Adjustments (caveat treasury management/capital budgets will continue to be reviewed inline with the capital programme)	(0.097)	1.026	(0.031)	0.898
Total Existing Pressures:		(0.097)	1.026	1.248	2.177
Proposed New Pressures					
Corporate	Prudential Borrowing - Treasury Management flexibility to fund emerging priorities for example Highways Maintenance	0.500	1.000	1.000	2.500
Council Wide	Estimated Pensions Increase following the Triennial review	1.503	-	-	1.503
Total Proposed New Pressures:		2.003	1.000	1.000	4.003
TOTAL CORPORATE PRESSURES:		1.906	2.026	2.248	6.180
TOTAL CORPORATE RESOURCES PRESSURES:		2.802	2.038	2.248	7.088

Appendix 4

Summary of Reserves Movement as at 02 October 2019

Statement of Reserves	2019/20 Opening Balance £m	In Year Movement £m	2019/20 Commitments £m	2019/20 Closing Balance £m	Future Years Commitments £m	Ringfenced £m	Future Years Closing Balance £m
General Fund							
Unallocated General Fund Balance	(10.933)	-	-	(10.933)	-	-	(10.933)
Balances Held By Schools	(8.049)	-	3.500	(4.549)	-	4.549	
TOTAL	(18.982)	-	3.500	(15.482)	-	4.549	(10.933)
Revenue Earmarked Reserves							
Budget Risk Reserve	(23.904)	(0.505)	6.034	(18.375)	4.994	-	(13.381)
Central Schools Budget Reserve	(2.836)	-	-	(2.836)	-	2.836	
General Insurance Reserve	(2.580)	-	-	(2.580)	-	-	(2.580)
Trading Services Reserve	(0.173)	-	0.056	(0.117)	0.117	-	
Year end grants with restrictions	(5.786)	0.922	4.092	(0.772)	0.673	0.099	
DEGF Interest Reserve	(1.064)	0.187	0.273	(0.603)	0.603	-	
Regeneration Fund Reserve	(1.988)	-	0.696	(1.292)	1.292	-	
Assembly Rooms Reserve	(5.511)	1.300	-	(4.211)	4.211	-	
Delivering Change Reserve	(2.363)	-	1.965	(0.398)	-	-	(0.398)
Better Care Fund Reserve	(2.422)	-	2.422	-	-	-	
Business Rate Pilot Reserve	(2.947)	-	0.083	(2.864)	0.167	-	(2.697)
Business Rates Smoothing Reserve	(6.995)	-	6.995	-	-	-	
Treasury Management Reserve	(0.685)	(1.000)	(0.900)	(2.585)	2.585	-	
Public Health Reserve	-	-	-	-	-	-	
Adult Social Care Reserve	(0.421)	-	0.272	(0.150)	0.150	-	
Capital Feasibility Reserve	(1.000)	-	0.399	(0.601)	-	-	(0.601)
Other Service Reserves	(10.348)	-	1.839	(8.509)	2.685	0.313	(5.511)

PFI Reserves	(27.716)	-	(1.348)	(29.064)	29.064	-	
Earmarked Reserves to support the capital programme	(3.172)	0.211	0.740	(2.221)	-	1.961	(0.260)
TOTAL	(101.911)	1.115	23.618	(77.178)	46.541	5.209	(25.428)
Statement of Reserves	2019/20 Opening Balance £m	In Year Movement £m	2019/20 Commitments £m	2019/20 Closing Balance £m	Future Years Commitments £m	Ringfenced £m	Future Years Closing Balance £m
Housing Revenue Account (Ringfenced)							
Housing Revenue Account (Ringfenced)	(47.310)	(0.683)	4.507	(43.486)	-	43.486	
Major Repairs Reserve	(6.589)	1	-	(6.589)	-	6.589	
Other Earmarked HRA Reserves	(0.683)	0.683	-	-	-	0.000	
TOTAL	(54.582)	-	4.507	(50.075)	-	50.075	

Appendix 5

Capital Programme by Strategy Area 2020/21 -2022/23

Schools 2020/21 -2023/24 Summary Capital Programme

Strategy Area	Title	Revised 20/21 £m	Revised 21/22 £m	Revised 22/23 £m	Total £m	Scheme status
Schools	Adaptions For Foster Carers	0.080	0.080	-	0.160	Feasibility
Schools	Basic Need/Additional Places	7.552	-	-	7.552	Feasibility
Schools	Bemrose School secondary expansion	0.200	-	-	0.200	On site
Schools	Brackensdale Infant & Junior - Expansion	0.400	-	-	0.400	On site
Schools	Buildings at Risk urgent condition and suitability schemes	0.641	-	-	0.641	Feasibility
Schools	Littleover Community School Basic Needs Phase Two	0.010	-	-	0.010	Complete
Schools	Springfield Primary - Classroom enhancement	0.059	-	-	0.059	Feasibility
Schools	Firs Estate Primary School - 2017 FRA - Phase1 Fire evacuation route im	0.002	-	-	0.002	Complete
Schools	Hackwood Farm Primary	0.002	-	-	0.002	On site
Schools	Fellows Lands Way Primary S106	0.150	-	-	0.150	Feasibility
Schools	Capital works delivered by schools	0.250	0.250	-	0.500	Design
Schools	Mickleover Primary School - Fire Risk Mitigation Works	0.050	-	-	0.050	Feasibility
Schools	Rosehill Infant School - Guttering, Roof Void and Fire Safety Works	0.045	-	-	0.045	On site
Schools	Devolved Formula Cap	0.300	0.300	-	0.600	Feasibility
Schools	School Condition work	1.500	1.400	-	2.900	Feasibility
Schools	Derby Cathedral School - New Secondary School	2.000	-	-	2.000	Design
Schools	Send	6.810	-	-	6.810	Feasibility
	Total Schools Programme	20.051	2.030	-	22.081	

Housing General Fund 2020/21 -2023/24 Summary Capital Programme

Strategy Area	Title	Revised 20/21 £m	Revised 21/22 £m	Revised 22/23 £m	Total £m	Scheme status
Housing General Fund	Disabled Facilities Grant 96 Act	2.165	1.865	1.865	5.895	On site - ongoing programme
Housing General Fund	Capitalised Salaries	0.085	0.085	0.085	0.255	
Housing General Fund	Healthy Housing Assistance	0.200	0.200	0.200	0.600	
Housing General Fund	Empty Property Assistance	0.150	0.150	0.150	0.450	
Housing General Fund	City Living	1.500	2.641	-	4.141	
Housing General Fund	Community Energy Savings Project (CESP)	0.240	0.325	0.250	0.815	
Housing General Fund	Works at Shelton Lock	0.150	-	-	0.150	
Housing General Fund	Temporary Accommodation	0.978	-	-	0.978	
Housing General Fund	Affordable Housing external Registered Provider (RP)	1.460	-	-	1.460	
Housing General Fund	Grants (Right To Buy receipts)	-	0.500	0.500	1.000	
	Total Housing General Fund Programme	6.928	5.766	3.050	15.744	

Property Improvement 2020/21 -2023/24 Summary Capital Programme

Strategy Area	Title	Revised 20/21 £m	Revised 21/22 £m	Revised 22/23 £m	Total £m	Scheme status
Property	Planned Improvements	1.345	2.887	-	4.232	
Property	Darley Abby Village Hall	0.100	-	-	0.100	Design
Property	Nottingham Road Cemetery	0.175	-	-	0.175	Feasibility
Property	Lift Replacement	0.050	0.150	-	0.200	Not started
Property	Fire Precaution Works	0.300	-	-	0.300	n/a
Property	Southgate East PRU	0.032	-	-	0.032	Feasibility
Property	Boiler Replacements	0.587	-	-	0.587	n/a
Property	Friargate Studios	0.015	-	-	0.015	Not started
Property	Markeaton Crematorium	0.035	-	-	0.035	Design
Property	Wisgreaves Pupil Referral Unit (PRU)	0.030	-	-	0.030	Design
Property	Littleover Comm School Bungalow	0.050	-	-	0.050	on hold
Property	Electrical Rewiring	0.100	-	-	0.100	n/a
Property	External Areas	0.200	-	-	0.200	n/a
Property	Preliminary Design structural & Buildings at risk	0.150	-	-	0.150	n/a
Property	Capitalised Valuer	0.037	0.037	0.037	0.111	Not started
Property	Demolition Projects - Normanton Park	0.100	-	-	0.100	Feasibility
Property	Darley Park playing fields changing mess	0.165	-	-	0.165	Feasibility
Property	Nottingham Road Cemetery - Toilets	0.094	-	-	0.094	Feasibility
Property	Homes for older People (HOP)	0.705	1.750	-	2.455	n/a
Property	Property Rationalisation 2	0.096	-	-	0.096	Design
New	City Centre Infrastructure	0.100	-	-	0.100	Design
Property	Swimming Pool / Leisure Centre strategy	22.191	12.920	-	35.111	Design
Property	Corporate Capital Contingency S151 approval only	-	1.800	-	1.800	
Property	Libraries refurbishment project	0.100	-	-	0.100	On site
Property	Energy Projects	0.100	-	-	0.100	
Property	Chellaston Park	0.025	-	-	0.025	On Site
Property	Arboretum Park- Specialist Play Equipment	0.012	-	-	0.012	Part Completed rest of project in design

Strategy Area	Title	Revised 20/21 £m	Revised 21/22 £m	Revised 22/23 £m	Total £m	Scheme status
Property	Darley Playing Fields	0.400	-	-	0.400	On Site
	Total Property Programme	27.294	19.544	0.037	46.875	

Flood Defence 2020/21 -2022/23 Summary Expenditure

Strategy Area	Title	Revised 20/21 £m	Revised 21/22 £m	Revised 22/23 £m	Total £m	Scheme status
Flood Defence	Local flood alleviation scheme	0.250	0.250	-	0.500	n/a
	Total Flood Defence Programme	0.250	0.250	-	0.500	

Highways & Transport 2020/21 - 2023/24 Summary Expenditure

Strategy Area	Title	Revised 20/21 £m	Revised 21/22 £m	Revised 22/23 £m	Total £m	Scheme status
Highways & Transport	Integrated Transport Programme - smaller scheme	1.000	1.000	-	2.000	
Highways & Transport	Asset Management - Highways Maintenance	3.915	3.915	-	7.830	Various
Highways & Transport	Structures Maintenance	0.640	0.610	-	1.250	Various
Highways & Transport	Intelligent Transport Systems Maintenance	0.345	0.375	-	0.720	Various
Highways & Transport	A52 Strategic Transport Scheme	6.363	-	-	6.363	On site
Highways & Transport	Active Travel - Smarter Choices	0.370	-	-	0.370	Various
Highways & Transport	St lighting lifecycle	0.133	-	-	0.133	On site
Highways & Transport	Highways infrastructure	6.000	3.000	-	9.000	
	Total Highways & Transport programme	18.766	8.900	-	27.666	

Vehicles Plant & Equipment 2020/21 -2023/24 Summary Capital Programme

Strategy Area	Title	Revised 20/21 £m	Revised 21/22 £m	Revised 22/23 £m	Total £m	Scheme status
Vehicles Plant and Equipment	Grounds Plant & Equipment	0.400	0.400	0.400	1.200	Feasibility
Vehicles Plant and Equipment	Highways Fleet	1.200	-	-	1.200	Feasibility
Vehicles Plant and Equipment	Refuse Vehicles & Plant	-	1.900	0.950	2.850	Feasibility
Vehicles Plant and Equipment	Street Cleaning Equipment	0.162	0.220	0.504	0.886	Feasibility
	Total Vehicles Plant & Equipment	1.762	2.520	1.854	6.136	

Regeneration 2020/21 -2023/24 Summary Capital Programme

Strategy Area	Title	Revised 20/21 £m	Revised 21/22 £m	Revised 22/23 £m	Total £m	Scheme status
Regeneration	Market Hall Refurbishments	1.860	2.600	0.447	4.907	On site
Regeneration	Cathedral Green	3.909	5.056	-	8.965	Feasibility
Regeneration	Project Mulberry	10.485	8.490	0.170	19.145	Design
Regeneration	Becketwell Colyer st acquisition	0.809	2.000	-	2.809	Design
Regeneration	Enhanced Assembly Rooms	10.884	9.612	-	20.496	Design
Regeneration	Alvaston DC	0.715	-	-	0.715	Feasibility
Regeneration	High Quality Office Space (Bold Lane)	3.023	3.175	-	6.198	Feasibility
Regeneration	Creative Pathways	0.014	-	-	0.014	Complete
Regeneration	Access Osmaston	1.200	-	-	1.200	On site
Regeneration	Derby Enterprise Growth Fund - Recycled	0.400	-	-	0.400	On site
Regeneration	D2EGF Growth & Innovation	0.525	0.266	-	0.791	On site
Regeneration	Our City Our River	5.040	6.410	0.674	12.124	
	Total Regeneration Programme	38.864	37.609	1.291	77.764	

ICT 2020/21 -2023/24 Summary Capital Programme

Strategy Area	Title	Revised 20/21 £m	Revised 21/22 £m	Revised 22/23 £m	Total £m	Scheme status
ICT	ICT Stabilisation - Hardware Renewal	0.520	0.520	0.520	1.560	
ICT	Major IT Systems Development	2.150	0.050	-	2.200	
	Total ICT	2.670	0.570	0.520	3.760	