

## **Revenue and Capital Budget Proposals 2017-20**

### **SUMMARY**

- 1.1 The Council Cabinet published budget proposals for 2017/18 to 2019/20 for consultation on 12 December 2016. The document sets out the strategic approach to the management of the Council's finances and identifies £28m of savings to be delivered between 2017 and 2020.
- 1.2 The last budget process, where the Council set out a three-year balanced budget for 2016 to 2019, including £45m of savings to be delivered. The Medium Term Financial Plan (MTFP) approved by Council in February 2016 remains the cornerstone of the budget, with 69% of savings for 2017-20 already approved. The budget proposals reconfirm the level of savings already approved and articulate changes made and required as three-year budget cycle moves on a further year.
- 1.3 The consultation document can be accessed on the Council's Committee Management Information System (CMIS) at the below link:

<http://www.derby.gov.uk/council-and-democracy/consultations/your-city-your-say-latest-consultations/derby-budget-consultation-2017-2020/>

### **RECOMMENDATION**

- 2.1 To consider and comment on the budget proposals.

### **REASONS FOR RECOMMENDATION**

- 3.1 To ensure members are aware of the Revenue and Capital Budget Proposals for 2017/18 to 2019/20, and to give scrutiny members an opportunity to respond to the budget consultation and make recommendations on the proposals.

### **SUPPORTING INFORMATION**

- 4.1 The Council has implemented £135m of savings since 2010, when austerity measures began. The requirements over the next 3 years are approximately £28m. The Council will therefore have made savings of £163m by the end of this MTFP. Some of these cuts have been necessary to bridge the gap in the funding we now receive. The majority of the remainder has been redirected into priority statutory

services to meet increasing demand pressures to ensure we protect the most vulnerable people.

- 4.3 The Government published its Autumn Statement on 23 November 2016 which continues to deliver overall spending plans set at the Spending Review in November 2015. This review indicated how much each of its departments has to spend and included the amount local government has to spend over the next four years. The exact amount of grant Derby will receive until the Local Government Finance Settlement, which is traditionally announced the week before Christmas.
- 4.4 In order to address the significant budget reductions required to balance the budget, the Council continues to review of both the way services are delivered and the number and type of services it provides.

## OTHER OPTIONS CONSIDERED

- 5.1 None.

This report has been approved by the following officers:

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Martyn Marples – Director of Finance     David Walsh – Head of Democracy
<b>For more information contact:</b>  <b>Background papers:</b>   <b>List of appendices:</b>	Clare Harrison 01332 643647 <a href="mailto:Clare.Harrison@derby.gov.uk">Clare.Harrison@derby.gov.uk</a>  Derby's 15 Year Vision & Budget Consultation 2017-2020 <a href="http://www.derby.gov.uk/council-and-democracy/consultations/your-city-your-say-latest-consultations/derby-budget-consultation-2017-2020/">http://www.derby.gov.uk/council-and-democracy/consultations/your-city-your-say-latest-consultations/derby-budget-consultation-2017-2020/</a> Council Budget – Frequently Asked Questions  Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The Council is expected to find £28m over the next three years of which £15m is to be found in 2017/18, £11m in 2018/19 and £2m in 2019/20.

**Legal**

- 2.1 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 advice and consideration.
- 2.2 There are a number of legal risks associated with the proposed savings and these will be considered on a case by case basis as the circumstances arise.

**Personnel**

- 3.1 The savings proposals include a reduction in our staffing numbers. We estimate that the impact for 2017/18 is up to approximately 65 FTE, with the overall impact across all three years dependent upon the outcomes of the future year proposals.

**IT**

- 4.1 The implications on the IT service are included in the budget consultation and in the background papers provided as part of the budget setting process.
- 4.2 The impact will affect services across the council with reduced resilience, cancelled or downgrading support contracts and fewer staff to support existing systems and to implement upgrades or new systems.

**Equalities Impact**

- 5.1 None arising directly from this report.

**Health and Safety**

- 6.1 None arising directly from this report.

**Environmental Sustainability**

- 7.1 There are no direct implications arising at this stage as a consultation report but there will potentially be significant environmental sustainability implications when the saving proposals are implemented.

## **Property and Asset Management**

- 8.1 None arising directly from this report.

## **Risk Management**

- 9.1 There are a number of risks associated with the planned budget which are discussed in detail in the Medium Term Financial Strategy 2016/17 to 2018/19 report which was approved by Cabinet on 11 November 2015.

## **Corporate objectives and priorities for change**

- 10.1 Our aim is to work together with our partners and through strong leadership to deliver good quality services by having more efficient and effective process and improved value for money for our customers.