



## **COUNCIL CABINET**

**16<sup>th</sup> December 2020**

## **Appendix 1**

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# **Medium Term Financial Plan 2021/22 - 2023/24 – 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 2021/22. It also sets out additional savings and themes identified as part of our financial plans across the next three years - 2021/22 to 2023/24 - and seeks approval to start appropriate consultation to deliver these savings.
- 1.2 The Covid 19 pandemic has fundamentally changed societal and economic frameworks – the Council in its' Recovery Plan actively responds to these new needs and opportunities.

The Council continues to operate in these most extraordinary, unprecedented and unpredictable times realigning our response, priorities and finances to support our communities and businesses.

This MTFP is shaped by the national and local context at the end of 2020 but needs to be viewed as a strategic financial framework linked to the Recovery Plan. The MTFP will continue to flex during the MTFP period to ensure the Council continues to work with partners, communities, individuals and businesses to ensure that Derby 'builds back better'.

- 1.3 The report should be read in conjunction with the Derby Recovery Plan elsewhere on the Agenda that details the Council focus of Improving Lives Together. The MTFP sets out the strategic financial framework to deliver on this ambition.
- 1.4 The report includes a section on risks which outlines the implications of the Covid pandemic on the MTFP model and uncertainty around associated funding and forecasts.

## **Recommendations**

2.1 To note:

### **(a) Revenue Budget**

- The current medium-term financial position as outlined in section 4.38 and detailed in Appendix 1 including the balanced position for 2021/22
- The current list of savings options outlined in Appendix 2 with an estimated reduction in posts by 39.4 full time equivalent (FTE) posts
- The current estimated service pressures outlined in Appendix 3
- The risks associated with the MTFP assumptions outlined in section 4.30
- The Directorate commentary, along with details of the proposed new savings and pressures at Directorate level outlined from 4.39 to 4.73 with further detail at Appendix 2 and 3.

### **(b) Capital Budget**

- The indicative capital programme as outlined in section 4.80 and Appendix 5
- An indication of priorities to be included in emerging Capital Strategy as outlined in Appendix 6

### **(c) Reserves**

- Reallocation of earmarked reserves arising from review of reserves outlined in Section 2021/22 as outline in Section 4.75
- The reserves position outlined in section 4.74 and Appendix 4
- The S151 Officers initial comments on the adequacy of Reserves and need for financial sustainability in the Medium Term.

### **(d) Council Tax**

- Proposal to levy a Council Tax increase of 1.99% for 2021/22 for Council Services
- Proposal to levy an additional Council Tax increase of 2.5% for 2021/22 in respect of the permitted Social Care Precept outlined in section 4.94
- To increase for 2021/22 the Single Discretionary Award Budget by £0.500m to support residents in need.

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 these savings.

2.3 To approve the reallocation of reserves as outlined in section 4.75.

## **Reasons**

- 3.1 To consult on budget proposals for the next three years to deliver a legal balanced budget for 2021/22 and to align the planned budget with the sustainability of the Council.
- 3.2 To consult with residents and businesses of Derby alongside the priorities set out in the Derby Recovery Plan.
- 3.3 The Council is required to set a balanced revenue and capital budget for 2021/22 by 11<sup>th</sup> March 2021. This report proposes a balanced budget for 2021/22.
- 3.4 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 considering our plans for capital expenditure.
- 3.5 The report proposes a balanced budget for 2021/22 and indicative budget gaps to be funded/addressed for 2022/23 and 2023/24. Due to Covid 19 the Government postponed a series of fundamental changes to the funding of Local Government. It is too early to forecast how these may benefit the Council. These alongside delivery of transformation and outcome plans will be reported at the appropriate time during 2021/22 to propose a balanced budget for 2022/23 and 2023/24. The one-year balanced budget demonstrates affordability, sustainability in the short term and prudence in the Council's budget setting.
- 3.6 To consult widely on the budget proposals prior to the setting of the 2021/22 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
  - ii. The current MTFP financial position outlined in section 4.38
  - iii. The risks in the model in the current uncertain financial climate 4.30
  - iv. Directorate savings and pressures outlined in section 4.39 and Appendix 2 and 3
  - v. Projected reserves and commitments outlined in Section 4.77
  - vi. The proposed Capital Programme outlined in section 4.80
  - vii. Indicative Council Tax levels for 2021/22 outlined in Section 4.94
  - viii. The proposed consultation process with the public and stakeholders outlined in section 4.103.

## 4.2 Context

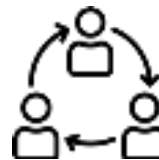
## 4.3 Local Context

The essential role of Local Government has been reinforced in our response to the Covid 19 pandemic. This has involved reprioritising services and budgets; initiating whole new support frameworks for the City (infection control, business grants etc). The Council, its' partners, residents and businesses have collaborated to respond in a way that the City can be proud of, met new areas of need and reinforced the power of Communities to create local solutions and responses. This budget therefore continues to reshape the role of the Council as an enabler and facilitator building on our response to the pandemic.

- 4.4 The City landscape has fundamentally changed in the past 9 months. Whilst some of these will revert-back post the pandemic there is the need to respond to new needs and opportunities on an ongoing basis. Some of these are detailed below:



There have been over **7,452 confirmed COVID-19 cases** in the city, with more than **300 lives lost**, to date.



There has been increased isolation, loneliness and mental health issues for some of our residents and communities.



There have been big impacts on the aerospace, hospitality and manufacturing sectors, which are some of the city's biggest employers. 6,169 redundancies have been announced in the city.



We have recorded over 1,000 homelessness approaches (including those at risk of losing their homes) in the first 6 months of 2020/21, despite national policy to limit evictions during COVID-19.



35% of the city's workforce were furloughed, at the height of the virus. The Council has paid grants to support businesses worth £45million.



1,867 people have volunteered through our Community Hub and given over 75,000 hours to provide support to local people who need food, medication or help.



More people across the city are at risk of poverty. Around 12,000 children in Derby (22%) live-in low-income households and this is expected to rise.



Between April 2020 and the end of September 2020 there was a **13% increase in referrals**, compared to 2019, to our **Adults Multi- Agency Safeguarding Hub**, with increased complexity of needs in the cases we are supporting.



There has been a decline in footfall in our city, significantly impacting an already fragile city centre. 32% of commercial units in the city centre are empty.



We recorded a 16% rise in referrals to Children's Social Care during the first 6 months of 2020/21 compared to 2019/20, including a 27% rise in domestic abuse referrals.



Youth unemployment (18 to 24-year olds) has increased from 4% to 10%. At September 2020, 18.2% of young people in Years 12 and 13 were not in education, training or employment (NEET) or their activity was 'Not Known'.



We have seen an increase in our budget pressures/overspend of £7.093million (September 2020), impacted by an increased demand and loss of income during the pandemic.



There are increasing risks of debt and financial exclusion for our residents, with **Universal Credit claims increasing by 15,353 in 12 months** (September 2019 to 2020).

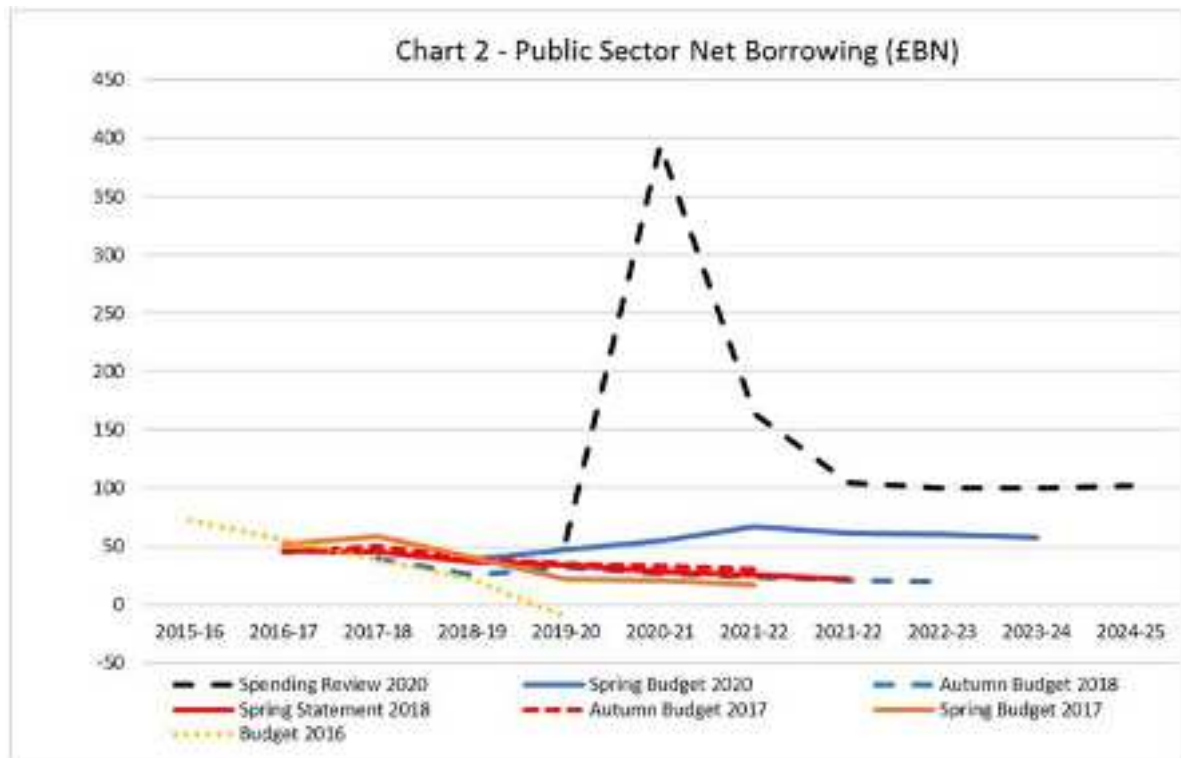


We have experienced some backlogs in services, due to the impacts of lockdowns and but we have responded flexibly by reallocating **over 200 colleagues towards COVID services** at various points since March 2020.

- 4.5 The proposed budget for 2021/22 has incorporated over £22.7m of additional needs, pressures and impact of Covid 19 on an ongoing basis. In response, the Council's budget process has been shaped by a thematic and partnership approach to reshape services against a commitment to deliver financial sustainability in the medium term and to continue to invest in priority areas in line with the Council Plan and the emerging Recovery Plan.
- 4.6 In recent years the Council has (in line with the national picture) seen significant increases in the number of looked after children which increased from 480 in 2018 to 645 in December 2020. This statutory responsibility has resulted in in-year overspends for the past three years due to the increased demand and also lack of residential provision or foster care within the City. The 2021/22 Budget incorporates growth of £8m for children's social care alongside investment in demand management initiatives to respond to children entering care and the cost of placements. Early indications are that the increase in demand is plateauing as a result.
- 4.7 Derby, like many regional cities, has 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 is vital for the Council to consider increasing Council Tax (over the next two years) by the maximum allowed to secure the funding into the Council Tax base for future years. Due to flexibility in Government arrangements for Councils to levy an additional Social Care precept the Council is proposing to spread this over two years which will then be in the Council Taxbase going forward.

## 4.8 National Context

The Covid 19 pandemic has had a very significant impact on the National public finances. This is illustrated in the below chart:



The chart illustrates that national borrowing is expected to peak at £394bn in 2021/22 compared to just £55bn in March and will still be double that forecast in March 2020 from 2024/25 onwards.

This creates a very challenging financial scenerio for H.M Treasury. Against this background the Comprehensive Spending Review (announced on the 25<sup>th</sup> November) provided an increase of 4.5% in Core Spending Power (which included an assumption that Councils will increase Council Tax by 4.99%). This was in line with the Council's expecatations in its budget planning and alongside the savings proposals detailed within the report allows the Council to propose a balanced budget for 2020/21.

- 4.9 The Local Government Finance Settlement is expected to be announced in the week beginning 14<sup>th</sup> December. This will confirm the specific allocation for Derby. In the meantime, the MTFP has incorporated estimates of the announcements made in the Comprehensive Spending Review. These are detailed below:

Funding Announcement	Estimated Derby City Council Allocation £m
Social Care Grant (£300m nationally)	1.260
Covid 19 Grant (un-ringfenced)	8.051
Q1 Sales Fees and Charges (75% reimbursement)	1.446
Council Tax Support	2.188
3% Council Tax Flexibility (Note 1)	3.093

*Note 1: The budget issued for consultation proposes to use 2.5% of the permitted Social Care precept in 2021/22 and 0.5% in 2022/23.*

Any changes in funding assumptions will be reported to the February Cabinet meeting.

- 4.10 The MTFP has been refreshed on the basis of our understanding of changes to the New Homes Bonus Scheme and Business Rate multiplier and associated Section 31 grants. These will need to be confirmed in the local government finance settlement as decisions are still to be made nationally by the Secretary of State.
- 4.11 Nationally, the Government has postponed a number of planned changes to the funding framework that were due to be implemented in 2021/22 (Fair funding, Business Rate Retention to 75% and a business rate reset). These alongside the fact that a number of grants detailed in 4.9 are/or could be one-off leads to uncertainty in future Central Government funding allocations. For this reason, the MTFP does not incorporate estimates of these changes but has factored in the reversing out of one-off funding streams that result in the indicative budget gap for 2022/23 and 2023/24.

To place the MTFP in context, if the grants detailed in 4.9 were built into the funding on an ongoing basis (rather than reversed out) the Council would be proposing a balanced budget for all three years.

- 4.12 The MTFP has been refreshed to include updated projections in respect of cost and demand pressures since the Council meeting in February 2020.

#### **4.13 MTFP Strategy**

- 4.14 The MTFP Strategy has three key objectives:

- (a) To deliver the priorities detailed in the Council Plan and Recovery Plan
- (b) To maintain and promote financial sustainability in the short and medium term
- (c) To support the Capital ambitions of the Council

- 4.15 Included in the budget proposals are savings based on a thematic approach that deliver the priorities detailed within the Council Plan and Recovery Plan and ensure that the resources of the Council are deployed to have the maximum effectiveness. The main themes are summarised pictorially below:



The key MTFP themes are

- (a) Digital Council – Digital Customer and Intelligent Council
- (b) Property Rationalisation
- (c) Transforming Cities and Transport
- (d) Demand Management/Commercialisation
- (e) Community Working Model – Better Together
- (f) Service Optimisation – Effective, Efficient and Economic Services

The strategic and thematic approach to the MTFP complement the Council Plan and Recovery Plan Ambition of:

***“Working WITH the city to recover from Covid-19; re-building and re-shaping services that are based on local needs and that are sustainable for the future, in line with the resources that we have available to us”***

- Ensuring vulnerable people get the health and care that they need
- Supporting our communities
- Helping business and workforces to stay resilient
- Maintaining essential services
- Keeping people informed

The Strategic Themes are summarised below:



**Digital** – The Council has successfully implemented a digital workforce vision (which was speeded up by the pandemic). This supports agile working; a blended work environment of home and office working and supports improved personal productivity. The Digital Vision focuses on

- building on new resident services offered online by default, with support on other channels for those who need it
- giving our colleagues the tools, they need to do the job
- getting better with data – intelligent Council
- making our infrastructure and systems modern, secure and interoperable
- building digital capability and developing the digital skills of our workforce and community
- supporting innovation across the City including Smart City Initiatives

The Digital vision is an enabler of better engagement and outcomes with residents and businesses alongside the delivery of more effective, efficient, timely and targeted services. It is also expected that the Digital vision will deliver significant savings that can be used as part of the MTFP Strategy to deliver City priorities.

**Property Rationalisation** – This theme looks at the utilisation of our assets. Assets of the Council have been reviewed to identify savings and efficiencies. This programme looks at future needs for operational assets and their suitability. A programme is being developed including selling assets of the Council and receiving a capital receipt; extinguishing maintenance and running costs liabilities, transferring assets where appropriate to the Housing Revenue Account for utilisation for housing needs and thereby reducing general fund pressures. The Council will also look for opportunities for co-location with City partners and community groups.

**Transforming Cities and Transport** - The Council has been successful in securing Transforming Cities funding which will modernise and transform the City's transport requirements. The programme will also link into the potential of Smart City initiatives and build on the potential of the rolling out of City Fibre across the City.

Requirements of transport and maintenance have been examined to see if reductions can be made on either a one off or permanent basis as a result of the impact of the Covid pandemic to reduce pressures in the medium term.

**Demand Management/Commercialisation** – This programme brings together areas of activity to deliver effective and efficient services with the City recognising that in the future Council service delivery will continue to transition from that of a provider to more of an enabling/commissioning role. Areas of focus are detailed in the figure below:



An early area of the programme is reviewing Social Care commissioning initiatives with a view to prioritising resource to those most in need. This involves innovative and better ways to manage entry and exits to/from the care system and secondly to ensure that the right services are available to meet needs in the future. In particular, there is the desire to ensure that more foster care and residential provision are provided in the City.

This programme area will also focus on activity-based costing and use of improved business intelligence. Improvements in the Councils front door arrangements and digital capacity should also reduce repeat visits and requests for services.

**Community Better Together Model** – The Council’s Better Together Programme will build on the relationships and ways of working that have served the City well and unlocked the power of our many partnerships throughout the pandemic. The programme builds on the neighbourhood investments made in recent years and the commitment to working with our communities and individuals.

The programme has the following strategic objectives

- Stronger and more resilient communities able to help themselves and others
- A partnership based ‘locality focus’ to support better problem solving
- Clear commitment to building resilience at local level
- The reimagination of Neighbourhood working with public service partners
- The creation of co-designed Active Partnerships

**Service Optimisation** – The Council undertook a review of services to look at opportunities to ‘Turn down’ or ‘Turn Off’ current spend to deliver improved economy, effectiveness and efficiency. This programme is not a salami slicing target approach but linked to reviewing service outcome and spend. Staffing including vacancies lists and current structures have been reviewed and current service delivery has been examined to ascertain any service optimisation savings to be proposed to meet the current savings gap.

4.16 These approaches combined with the previously approved savings for 2021/22 to 2023/24, total £11.295m over the next three years. Further efficiencies and income generation opportunities are anticipated from these and other programmes over the medium term, and these future savings will be essential in bridging the remaining forecast gaps in 2022/23 and 2023/24.

4.17 The MTFP also includes an updated Capital Programme of £346.527m 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 due in the main to the impact of the Covid pandemic. 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.

- 4.18 The MTFP includes a proposal for consultation on a 4.49% increase in the City's share of the Council Tax for 2021/22. This incorporates a core increase of 1.99% and a further 2.5% for the social care levy.
- 4.19 The cumulative MTFP proposals contained in this report will potentially result, if implemented, in an estimated reduction of 39.4 FTE. The proposed reduction in FTE includes deletion of 24.4 vacant posts. The word "proposed" here (and throughout this report) is not meant as used in the Trades Union and Labour Relations Consolidation Act (TULRCA: the legislation giving rise to the collective consultation obligation). No reductions will be "proposed" for consultation purposes before Cabinet makes its decision.

Change in FTE	Vacant Posts	Occupied Posts
Proposals detailed in February 2020 Budget	-	3
Proposals detailed in 21/22 Budget Consultation	24.4	12
<b>Sub Total</b>	<b>24.4</b>	<b>15</b>

There are a limited number of new posts created as part of these budgets – these are detailed in Appendix 3

- 4.20 The Council will seek to minimise compulsory redundancies where possible.
- 4.21 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 set out in separate Cabinet reports for subsequent approval by Full Council at the end of February 2021.
- 4.22 Following the consultation period, Cabinet will consider the consultation responses and any updates to the MTFP resulting from changes in Government funding (following the Local Government detailed finance settlement). Cabinet will then recommend a budget to Full Council. That report will incorporate the Section 151 Officers Section 25 assessment on the robustness of the estimates and adequacy of reserves.
- 4.23 **MTFP – Analysis of Proposals**
- 4.24 This report is produced prior to detailed funding announcements for the City for 2021/22 these are expected the week beginning 14<sup>th</sup> December 2020. Therefore, included within the MTFP are informed estimates of the local impacts on assumptions which are due to be confirmed in the provisional Local Government Finance Settlement.

Major changes in local government funding are planned for 2022/23 and future years (fair funding review and business rate retention and continued impact of Covid), which could materially impact on the distribution of central government funding to local authorities. As such, these funding forecasts within the MTFP should be viewed as provisional.

- 4.25 The Council's last approved MTFP was approved in February 2020. This indicated a balanced budget in 2020/21 with a small budget gap of £3.064m to be addressed in future years. The table below shows our forecasted MTFP position for 2021/22 to 2023/24 included within this report compared to that presented to Council on 26<sup>th</sup> February 2020:

<b>26th February Council Report 2020</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>
Net Budget Requirement	247.691	253.081
Total Resources Available (funding)	244.626	250.127
<b>Budget Gap</b>	<b>3.064</b>	<b>2.954</b>

The impact of the Covid Pandemic and Social Care demand has further increased the budget gap significantly as detailed below

<b>16th December Cabinet Report</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
Net Budget Requirement	255.095	259.134	266.428
Total Resources Available (funding)	255.095	248.627	253.331
<b>Budget Gap</b>	<b>-</b>	<b>10.507</b>	<b>13.097</b>

The balancing of the budget in 2021/22 is achieved through additional Government funding largely one-off and budget savings detailed in this report. The 2021/22 Budget does not require any drawdown on the General Fund Reserve or Budget Risk Reserve.

- 4.26 A residual budget gap of £10.507m remains for 2022/23 rising to £13.097m in 2023/24. This is emerging because of the £13m of temporary funding used to balance the 2021/22 budget from our estimates of the one-off funding allocations announced in the spending review. If this Government funding was built into the budget on a permanent basis going forward the Council would have a balanced budget for 2022/23 and 2023/24. The MTFP is a cyclical document and is continuously updated for emerging intelligence.
- 4.27 Additional savings, in line with the thematic approach are being reviewed which is expected to support the delivery of balanced budgets in the remaining two years of the MTFP. These will be reported as appropriate.
- 4.28 In preparing the MTFP a number of increased pressures contained within a current £7.093m overspend reported at 2020/21 Quarter 2 position has been built into the base budget. The key pressure was in respect of additional children's social care pressures above those incorporated in the MTFP approved by Council in February 2020. In addition, revised pressures in respect of the collection fund have been incorporated into the MTFP forecast for 2021/22 onwards (these are detailed later in the report).

- 4.29 Officers are proposing to Cabinet an additional £7.261m of savings and income proposals for the MTFP period on top of the £4.034m approved by Council in February 2020. This is summarised in the table below:

<b>Savings and Pressures</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>Total £m</b>
<b>Savings/Income Generation</b>				
MTFP Feb 2020 Council	(2.275)	(1.759)	-	(4.034)
Current MTFP	(9.609)	(1.716)	0.030	(11.295)
<b>Difference</b>	<b>(7.334)</b>	<b>0.043</b>	<b>0.030</b>	<b>(7.261)</b>
<b>Pressures</b>				
MTFP Feb 2020 Council	5.258	2.134	-	7.392
Current MTFP	22.688	(0.426)	3.610	25.872
<b>Difference</b>	<b>17.430</b>	<b>(2.560)</b>	<b>3.610</b>	<b>18.480</b>

#### 4.30 MTFP – Potential Risks

The MTFP is prepared against a background of uncertainty in respect of national public finances; awaited detailed allocations in the Local Government Finance Settlement and the impact of the pandemic. The following general risks are brought to Cabinet's attention:

**Collection fund** (Council Tax and Business Rates) – Forecasts are based on the current position; however, this does not factor in any reduction to collection rates, reductions in ratings income or any increases in Local Council Tax Support Scheme (LCTSS) due to the impact of Covid, which could significantly reduce the forecast income. It has been announced that any collection fund deficit can be spread over three years but there has not yet been any guidance on how this can be incorporated – at this stage the Council has used an even split for each year.

**New Homes Bonus** – Forecast income is currently included to continue over the medium term, however it was originally planned (pre-Covid) that government would review/reallocate this funding, this is now postponed and will happen in 2021.

**Social Care Council Tax Precept** - The budget is modelled on a level of Council Tax increase for 2021/22 of 4.49% which includes a 2.5% precept for Social care. Previously this has been a one-off increase with a further 0.5% Social Care Increase precept included for 2022/23.

**Government Funding** - The Government's 2021/22 spending review will be a one-year spending round; further clarification is still required for 2022/23 and 2023/24.

**Pay Award** – A 1% pay increase is included for each year in the MTFP, this is subject to review of details of awards for local government colleagues.

**Savings Plans** – With a significant volume of savings required in 2021/22 there is a risk of slippage through unforeseen delays and the timing of savings delivery. Plans within Directorates need to be managed robustly and services potentially reduced in order to identify alternative savings within each directorate to ensure a balanced position and therefore limit any use of reserves.

**Covid 19** – The continuation of the pandemic will further impact the economy and therefore budget allocations; and may require a reallocation of earmarked reserves and cessation or reduction in services to fund any shortfall. The Council has assumed Covid scarring over the medium term but there is a risk that this will continue, and the economy will not recover in certain sectors and tax income will have a longer-term impact than anticipated.

**Brexit** – Brexit brings uncertainty to the national financial outlook, which could have significant impact on both the Councils funding, but also spending. The medium- term plan will be updated as certainty becomes clearer.

**Workforce profile** – Reduction in the workforce could have an impact on delivery of savings and associated delivery of efficiencies in the short term.

#### **4.31 MTFP Forecast – Council Tax Assumptions**

- 4.32 The MTFP has been updated for the period 2021/22 to 2023/24 and incorporates budget assumptions Council Tax increases of 4.49% for 2021/22 and 2.49% for 2022/23 and 1.99% for 2023/24.

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

- 4.33 The impact of the Covid 19 pandemic has had a major impact on the economic profile of the City; the needs of our residents for support and other changes. In particular, it is likely that more households will require financial assistance and support from the Council in the future. It is proposed to set aside £0.5m in 2021/22 for inclusion in the Council's Single Discretionary Award (SDA) scheme. A revision of the SDA scheme approved by Cabinet on the 9<sup>th</sup> December will be brought back to Cabinet to incorporate the ability to support an additional cohort of claimants.

#### **4.34 MTFP Forecast – Financing the Capital Programme**

- 4.35 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 detailed within the report.

The Capital Programme includes £30m of capital approvals in a 'future investments' placeholder. This is supported by prudential borrowing, for which, the revenue financing costs are included within the MTFP.

Linked to the outcomes in the Derby Recovery Plan the Cabinet will be developing a new Capital Strategy detailing capital ambitions for the future, prioritisation, external funding bids and the outcomes expected to be delivered for the City and with the City. The changed landscape post Covid and changing needs of our communities means that the Strategy will be consulted upon in 2021/22. The prudential borrowing included in this report would allow some of these new schemes to commence during the MTFP Period.

#### **4.36 MTFP Summary**

- 4.37 The MTFP is summarised in the table below. The proposed budget includes £26.460m of pressures (including inflationary pressures) in 2021/22 offset by £9.609m of savings. This represents a £16.851m net increase in the net budget (before use of reserves). These are detailed in Section 4.39 and Appendices 3 and 4. The majority of the increased budget is funded from additional Government funding and the ability to increase the Council Tax by up to 4.49%. As detailed earlier in the report a proportion of the Government funding for 2021/22 could be one-off and has been reversed out leading to the forecast budget gap in 2022/23 and 2023/24.

- 4.38 The current cumulative MTFP position shows a £13.098m budget gap over the next three years. It's expected that further savings and income generation proposals flowing from the thematic approach outlined will bridge this through the MTFP period.

<b>MTFP</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>
<b>Resources Available (Funding)</b>			
Core Government Funding	13.796	14.062	13.790
Business Rates Tax Base Reduction/Growth	63.863	65.141	66.443
Council Tax Base/Uplift Increases	107.085	110.901	114.465
Better Care Fund	24.583	24.583	24.583
Other Grants	28.740	15.727	15.836
Public Health	19.756	19.756	19.756
Collection Fund Deficit/(Surplus)	(2.727)	(1.542)	(1.542)
<b>Total Resources Available (Funding)</b>	<b>255.096</b>	<b>248.628</b>	<b>253.331</b>
<b>Net Opening Budget:</b>	<b>240.972</b>	<b>257.823</b>	<b>259.435</b>
<b>Pressures:</b>			
Inflationary Pressures	4.173	3.353	3.353
Existing Pressures as part of 2020/21 to 2022/23 MTFP	5.258	2.134	-
Proposed New Pressures	17.029	(2.159)	3.610
<b>Total Pressures</b>	<b>26.460</b>	<b>3.328</b>	<b>6.963</b>
Existing Savings as part of 2020/21 to 2022/23 MTFP	(2.275)	(1.759)	-
Proposed New Savings	(7.334)	0.043	0.030
<b>Total Savings</b>	<b>(9.609)</b>	<b>(1.716)</b>	<b>0.030</b>
<b>Net Budget Requirement before reserves movement</b>	<b>257.823</b>	<b>259.435</b>	<b>266.428</b>
Use of Reserves	(2.727)	(0.300)	-
<b>Net Budget Requirement</b>	<b>255.096</b>	<b>259.135</b>	<b>266.428</b>
<b>Current Budget Gap/(Surplus)</b>	<b>-</b>	<b>10.507</b>	<b>13.097</b>

The one-off use of reserves in 2021/22 funds a one-off Collection Fund deficit and is not supporting recurrent expenditure.



## 4.39 Savings and Pressures

- 4.40 The MTFP for 2021/22 to 2023/24 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 2020. The table below outlines the total savings and pressures in the current MTFP by Directorate:

<b>Savings</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2022/23 £m</b>	<b>Total £m</b>
Peoples	(5.352)	(0.764)	-	(6.116)
Communities and Place	(2.544)	(0.200)	-	(2.744)
Corporate Resources	(1.713)	(0.752)	0.030	(2.435)
<b>Total</b>	<b>(9.609)</b>	<b>(1.716)</b>	<b>0.030</b>	<b>(11.295)</b>

<b>Pressures</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>2022/23 £m</b>	<b>Total £m</b>
Peoples	11.495	1.840	1.900	15.235
Communities and Place	3.328	(1.160)	(0.210)	1.958
Corporate Resources	7.464	(0.705)	1.920	8.679
<b>TOTAL</b>	<b>22.287</b>	<b>(0.025)</b>	<b>3.610</b>	<b>25.872</b>

## 4.41 The Peoples Directorate - Revenue Savings Proposals and Pressures

- 4.42 The Medium-Term Financial Strategy (MTFS) is shaped by the national context and the need to respond to increasing service demands and pressures from our local communities.
- 4.43 The Peoples Directorate is a significant and complex service area for the Council, providing mainly statutory services to the people of Derby.
- 4.44 The services include covering the provision of education and learning in Derby schools, specialist support including services to children in care and care leavers, special educational needs and disabled children services, safeguarding of the most vulnerable children and adults and the associated regulatory duties.
- 4.45 Adult social care offers support services to vulnerable adults, as well as providing information and advice about social care to carers and the general public more broadly and to people who fund their own support. Specifically, adult social care supports older people as the single largest group of individuals in the city, plus an increasing number of adults of working age with physical, mental health and learning disability support needs. The Council also has a duty to ensure sufficiency and quality of adult care services in the local area for all residents.
- 4.46 The Directorate also discharges the full suite of statutory requirements relating to public health, with responsibility for improving the health of the local population and for public health services including most sexual health services, public health in children's nursing, statutory advice to NHS commissioners and services aimed at reducing drug and alcohol misuse. During this year the public health team has played a key role in leading the Council and city through the Covid 19 pandemic.

- 4.47 Indeed, Covid 19 has triggered an important public debate about health inequalities, deprivation and the disproportionate impact on our Black and Minority Ethnic communities and represents a time of severe pressure across society particularly across health and social care services with a raft of new requirements. There is a high risk that the consequences of Covid 19 will be significant and long lasting and could lead to increases in costs and demand across adult and children's services.
- 4.48 There remain pressures across adult services. Nationally evidence indicates that tens of thousands of people are turning to social services for urgent help because of the impact of the Covid 19 crisis on families and individuals with support needs, who are unable to cope any further on their own or whose usual arrangements have broken down. A survey of all Directors of Adult Social Services by the Association of Directors of Adults Social Services (ADASS) carried out in autumn 2020 found that Covid 19 had led to a huge surge in demand for most forms of care, and ADASS continues to press government for greater financial certainty and equality of treatment with NHS colleagues.
- 4.49 For children's services the pressures continue; in 2019, the LGA estimated that children's social care was facing a funding gap of £3.1bn by March 2025. However, since then, the landscape in which children's services operates has changed beyond what anyone could envisage. The Association of Directors of Children Services (ADCS) has highlighted that the looked after children population continues to increase as do the levels of poverty children and families are experiencing. Layered on top of this is the immediate impact of Covid 19, national lockdowns and the lasting legacy this has on access to and the delivery of services. This is compounded by latent demand leading to increases in vulnerable children and increasing levels of complexity and throughput. It's because of this that the ADCS estimates that children's services need a significant investment of between £4.1bn to £4.5bn over the next three years.
- 4.50 Our budget strategy reflects these pressures, providing growth for the expected areas of demand whilst our saving proposals focus on improvements and efficiencies released by transformational reform whilst protecting front line services.
- 4.51 The MTFP includes the following proposed savings and pressures for the Peoples Directorate.

Peoples	2021/22 £m	2022/23 £m	2022/23 £m	Total £m
<b>Savings:</b>				
Adults & Public Health	(1.609)	-	-	(1.609)
Children's	(3.743)	(0.764)	-	(4.507)
<b>Total Savings</b>	<b>(5.352)</b>	<b>(0.764)</b>	<b>-</b>	<b>(6.116)</b>
<b>Pressures:</b>				
Adults & Public Health	2.527	1.400	1.400	5.327
Children's	8.968	0.440	0.500	9.908
<b>Total Pressures</b>	<b>11.495</b>	<b>1.840</b>	<b>1.900</b>	<b>15.235</b>

- 4.52 This clearly demonstrates the impact of demand and other pressures within the Peoples directorate. The MTFP builds in growth for demographic and demand pressures. Details of savings and pressures are included in Appendices 2a and 3a. Headlines include:

#### 4.53 **Adults & Public Health**

- Provision for increased demand for Adult Services, £0.9m in 2021/22. With further increases planned in 2022/23 and 2023/24. 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 enough to meet new demand and dependency pressures in this area
- Roll out of the local area co-ordination model to all wards of the city to support early intervention and prevention for children and adult social care services, through asset-based approaches £0.170m
- Derby City contribution to DRIVE £0.045m - a Countywide multiagency high-risk domestic abuse perpetrator rehabilitation programme
- Care-link has a structural unachievable income target, the proposal is to rebalance the income target to reflect actual activity resulting in a pressure of £0.250m
- Mental Health Packages £0.600m – there is growing pressure on mental health services as the volume of Mental Health Act assessments have increased significantly, resulting in more community treatment orders and after care support requirements. The volume of older people with complex mental health issues such as Dementia with challenging behaviour is also on the rise
- A permanent adjustment to the Public Health budget to reflect the agenda for change uplift for pay costs in 2019/20 which is funded through the public health grant allocation £0.482.

#### 4.54 **Children's Services**

- Provision for an increase in demand across children's social care including the costs of placements for looked after children £8m
- Looked after children demographic pressure £0.125m reflecting the increase in the numbers of children forecast to enter care in 2020/21 and beyond
- Temporary Project Management arrangements in the SEND Service to be made permanent
- Education Health and Care Plan (EHCP) Service - additional 5 SEND officers to increase the capacity within the team to 12 (11.8 FTE) £0.150m in order to effectively respond and manage the significant increase in demand for statutory assessments and EHCPs and improve the quality of plans
- Exit from care – Additional social work capacity £0.145m for the service to increase the numbers of children in care who can safely and appropriately exit the system.

4.55 Transformational activity continues to help manage or stabilise demand and improve outcomes for vulnerable adults and children within the City that require support.

#### **Adults & Public Health**

- A review of adult care packages (£0.4m) - These builds on the Council's "community led support" ethos whereby we want to ensure individuals make the best use of social capital and universal services rather than traditional commissioned care arrangements
- A review of the commissioned model for Extra care (£0.2m) Review of onsite support dealing with unplanned care and emergencies in the Extra Care schemes in Derby
- Day Centre additional savings from the transformation of day service provision

(£0.3m), which has already been delivered

- A reflection of current income contributions which allows us to increase our income budgets by (£0.5m)
- Realise savings from a review of our adults commissioning service (£0.025m)
- Removal of vacant posts across the service which will not impact on service delivery (£0.104m).

#### 4.56 **Children's Services**

- Social impact bonds – this is a different way of providing services since payments are made on the basis of clear outcomes being achieved rather than traditional methods of funding or commissioning services. Derby City, Nottingham City and Nottinghamshire County Councils have developed a joint approach, with a focus on children in care and on the edge of coming into care. These efficiencies will be delivered by reducing the cost of care (£0.364m)
- Foster Care - recruitment of foster carers. Further savings from an increased rate of recruitment and a reduction in the use of more expensive agency fostering placements (£0.400m)
- A reconfiguration of the way in which contacts and referrals into children's social care about children who are at risk of coming into care are dealt with leading to less children entering care (£0.200m)
- Demand Management (£1.9m) a reduction in the cost of care placements by increasing our internal residential children's home capacity and reviewing placement contracts
- A reduction of uncommitted service contingencies (£0.027)
- Confirmation that the national Troubled Families Programme will continue for another year (£0.852).

#### 4.57 **The Communities and Place Directorate - Revenue Savings Proposals and Pressures**

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

Communities and Place	2021/22 £m	2022/23 £m	2022/23 £m	Total £m
<b>Savings</b>	(2.544)	(0.200)	-	(2.744)
<b>Pressures</b>	3.328	(1.160)	(0.210)	1.958

4.59 2020/21 has not turned out the way it was envisaged when the Council was able to set a stable and balanced budget for the financial year in February 2020 and this is played out within the services which make up the Communities and Place Directorate.

4.60 Over the last 9 months whole teams have been reallocated at pace to fulfil critical new tasks to support our city through the Pandemic and while these are too many to mention here chief among them has been creating the Community Hub to provide support to our communities, working with our partners to reopen and create a positive city centre environment for local businesses and enforcing business adherence to Covid restrictions. At the same time services have been forced to close under the Lockdown restrictions and have created new ways to continue to offer support to residents, direct assistance has been provided to our NHS and other partners around logistical support for Health Hubs and testing, and our front line and essential services have continued to deliver in extraordinary circumstances. Aligned to this 'highly unpredictable' period in which to deliver services the level of income relied upon within budgets of the Directorate has been dramatically affected making effective budgetary predictions for 2021/22 very difficult to make.

4.61 Income pressures have increased following the Covid pandemic especially in the areas of Parking and Leisure Services. Headlines also include:

- Loss of Leisure and Cultural Income £0.460m
- Loss of Parking income £1.046m.

In light of the above context and a clear need to prioritise important service delivery to the city both now and to support the effective recovery from the emergency into 2021 and beyond, savings have been identified through the maximisation of our operational efficiency, accelerating collaboration with key partners, the removal of vacant posts across services and a general reforecasting of demand levels. Headlines include;

- Maintain operational approach at Household Waste Recycling Centre (HWRC) and restrict use to Derby / Derbyshire residents £0.325m
- Continue to promote recycling to reduce the cost of waste disposal £0.250m
- Work with partners to remodel the Cultural Events Programme £0.080m
- Reduction in direct grant to Derby Museums Trust of £0.070m
- Removal of vacant and limited posts across services where demand has significantly reduced and is likely to remain low.
- Re-forecast cost of the concessionary fare scheme based on current /predicted demand for public transport £0.400m
- Remodel highways maintenance to avoid external costs, build income and utilise technology £0.440m

#### 4.62 The Corporate Resources Directorate Including Corporate Budgets - Revenue Savings Proposals and Pressures

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

Corporate Resources	2021/22 £m	2022/23 £m	2022/23 £m	Total £m
<b>Savings:</b>				
Corporate Resources	(1.435)	(0.062)	0.030	(1.467)
Corporate	(0.278)	(0.690)	-	(0.968)
<b>Total Savings</b>	<b>(1.713)</b>	<b>(0.752)</b>	<b>0.030</b>	<b>(2.435)</b>
<b>Pressures:</b>				
Corporate Resources	1.878	(0.600)	-	1.278
Corporate	5.586	(0.105)	1.920	7.401
<b>Total Pressures</b>	<b>7.464</b>	<b>(0.705)</b>	<b>1.920</b>	<b>8.679</b>

#### 4.64 Corporate Resources

The Corporate Resources Directorate is managed by the Strategic Director of Corporate Resources and has a focus on ensuring robust financial and corporate governance arrangements for the Council. The Directorate includes:

- Policy Insight and Communication
- Frontline Services – Revenues, Benefit and Customer Services
- Finance and Exchequer Services
- Human Resources and Organisational Development
- Legal, Procurement, Democracy, Land Charges and Elections
- Digital Services including the Council's Digital Strategy and Information Software Support
- Business Support and Facilities Management
- Property Design and Maintenance, Strategic Asset Management and Estates and Facilities Management
- Treasury Management – Debt and Investments

4.65 Some of these budgets are historically difficult to reduce or gain efficiencies from, including legacy pension payments and external audit fees and banking requirements.

4.66 The Corporate Resources Directorate is predominantly a support provider with many efficiencies being dependent on reduction in staffing resource. The services within this Directorate have made significant savings since 2010. Further service savings will be delivered through service redesign including developing the Digital Strategy Agenda which will lead to further future efficiencies in the medium term.

4.67 The Directorate will need to reconfigure and re-prioritise to meet the demands it faces including the requirements of the Derby Recovery Plan but within the level of resources it will have at its disposal. A number of alternative service delivery models and alternative ways to fund continue to be explored.

- 4.68 The directorate has reviewed and updated its pressures for the MTFP. Main pressures for 2021/22 are outlined below with a full list at appendix 3c.
- 4.69 The following pressures have been included in Corporate Resources Budget:
- Single Discretionary Allowance budget £0.500m
  - Resource for Change Derby/Recovery Programme £0.250m
  - Reduced income due to lower anticipated searches as a result of Housing market conditions £0.160m
  - Increased costs from the Coroners Service administered by Derbyshire County Council £0.100m
  - Anticipated increases in insurance premiums and insurance provision requirements £0.572m
  - Reduction in Housing Benefit overpayment recovery due to impact of transfer to Universal credit £0.170m
  - Unachievable savings for layers and levels and commercialisation and annual leave buy back £0.550m
  - Covid impact provision for one off impacts to budgets £2.860m
  - Reduction in Scape Dividend payment £0.150m
- 4.70 This directorate continues to make significant savings in 2021/22 despite the continued demands placed on the services. Main savings are outlined below with a full list at appendix 2c.
- 4.71 ***Existing Savings which were outlined in the budget setting process in 2020 include:***
- Efficient use of Consultants and Contracts in property service to deliver a percentage saving on spend (£0.125m)
  - Business Support efficiencies (£0.035m)
  - Sale of small pieces of land to generate a revenue saving (£0.030m).
- 4.72 ***New Service Optimisation Savings include:***
- A review of the directorate including vacancies and staffing efficiencies have identified a potential saving (£0.652m)
  - A fiscal forensic project to potentially identify and recover accounts payable duplicate payments (£0.100m)
  - Reviewing the availability of email, intranet and user accounts to non-IT users and review of non-critical mobile phone deployment (£0.189m)
  - Review and redesign of the absence management process (£0.150m).
- 4.73 ***Further Savings include:***
- Digital Saving - Reduction to photocopying and travel expenditure budgets through new ways of working (£0.120m)
  - Asset Savings - Savings from review off assets of the council (£0.100m).

#### 4.74 Reserves

- 4.75 The retention and application of reserves to support the MTFP in the medium term is an essential budget tool. Where possible the Council seeks to smooth the impact of MTFP changes through the application of reserves.

A review of Reserves has been undertaken during 2020/21 resulting in the following reallocation of Reserves:

Reserve	Current Reserve £m	Reallocation £m	Revised Reserve £m
General Fund Reserve	10.933	(2.000)	8.933
Budget Risk Reserve	12.329	4.468	16.797
Delivering Change Reserve	2.036	(0.429)	1.607
Better Care Fund Reserve	0.939	(0.939)	0
Equal Pay Reserve	4.760	(1.000)	3.760
HR Reserve	0.246	(0.100)	0.146
<b>Sub Total</b>	<b>31.243</b>	<b>0</b>	<b>31.243</b>

These changes are reflected in Appendix 4.

- 4.76 The Council is forecasting a £7.093m overspend at Quarter 2 in 2020/21. Management action plans are being implemented to hopefully reduce this overspend between now and year end. Any increase in the reported overspend would be an additional commitment on the reserves detailed below:

	Opening Balance 31.03.20 £m	In Year Movements £m	Estimated Commitments £m	Residual Balances £m
General Fund	10.933	(2.000)	0	8.933
Earmarked Reserves (excluding capital and PFI)	53.542	1.702	(45.877)	9.367
School Balances	5.866	0	(5.866)	0

Included within the estimated commitments is a use of £2.727m of earmarked business rate reserves to fund the one-off collection fund deficit estimated for 2021/22.

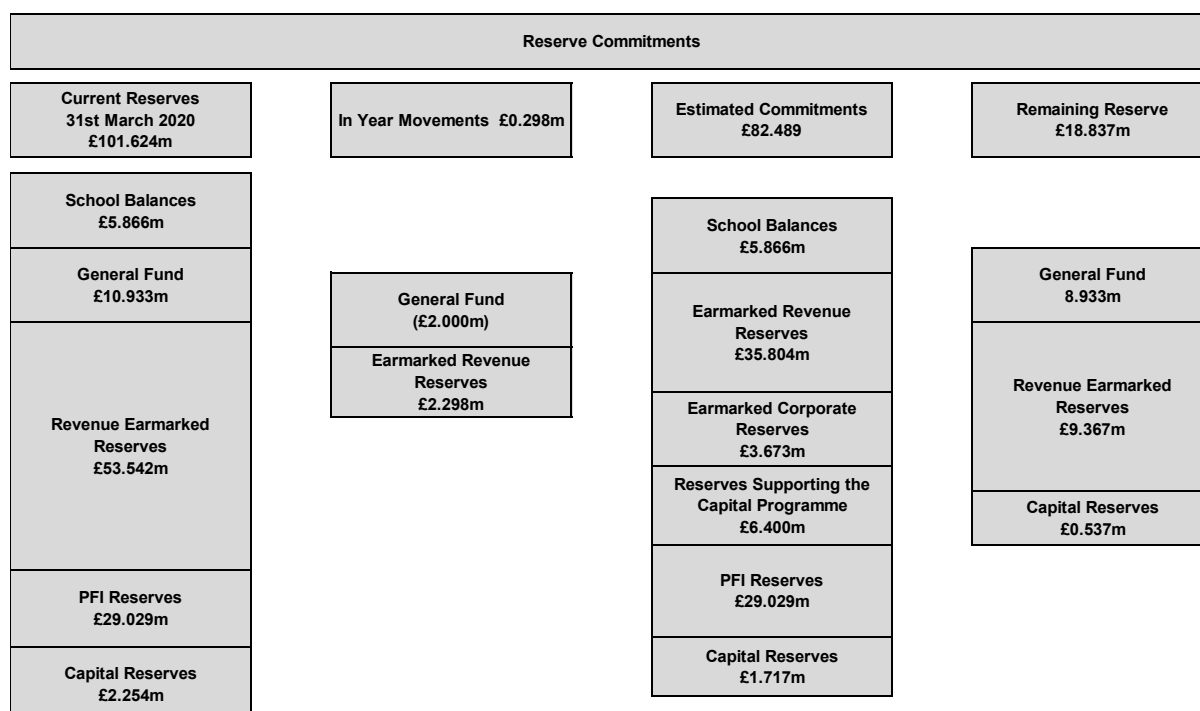
The need to fund in year overspends from Reserves was required in 2018/19 and 2019/20 as well as forecast in 2020/21. The primary reason for this is the increase in Looked After Children numbers.

The 2020/21 Budget does not require any **recurrent** use of reserves to balance the budget. Drawdown from earmarked reserves continue to deliver Council priorities in line with previous Council decisions - these are summarised in Appendix 4

After all commitments are factored in the balance of uncommitted reserves reduces to £18.837m or about 7.4% of the net revenue budget. The Council should consider in the future building up reserves to increase the Council's financial resilience and financial sustainability. Tight financial management and gatekeeping un-costed commitments are essential in the future.



- 4.77 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:



*\*see appendix 4 - 2020/21 commitments, future years commitments and Ring-fenced commitments column for estimated commitments total of £82.489m.*

Constant 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 recovery basis for future years.

## 4.78 Impact on Workforce

- 4.79 The proposals contained in this report will potentially reduce the workforce by an estimated 39.4 FTE posts if implemented. These are a combination of proposals agreed by Council in February 2020 for 2021/22 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 2020) FTE	New Proposals FTE	Total FTE
Peoples	-	1.9	1.9
Communities and Place	3	13	16
Corporate Resources	-	21.5	21.5
<b>Total</b>	<b>3</b>	<b>36.4</b>	<b>39.4</b>

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

## 4.80 Capital Programme

4.81 In February 2020, Council approved a Capital Programme for 2020/21 to 2022/23. This represented a significant investment programme in key areas such as:

- Modernisation, renewal and replacement of key council buildings
- Economic regeneration of the City Centre (e.g. Becketwell)
- Investment in housing through the HRA and General Fund
- Investment into schools including provision of additional places
- Flood defence works.

4.82 During 2020/21, monitoring and amendment of the current approved capital schemes is ongoing with spend profiled between financial years to match deliverability assessments and review the financing assumptions linked to individual schemes.

During the year the Council has incorporated into the Capital Programme a number of schemes to deliver economic growth, increase vibrancy within the City and to deliver on existing Capital priorities. Key additions to the programme included Smartparc, Becketwell Performance Venue, Advanced Manufacturing Centre at Infinity Park and OCOR Flood Defence Programme.



In addition, the Council had the Transforming Cities funding of £69m approved by Central Government.

4.83 During 2020/21 a review of the existing Capital Programme was undertaken against strategic objectives, deliverability and risk. This has resulted in a number of schemes being removed from the programme including:

- Cathedral Green
- Bold Land
- Project Mulberry

4.84 The Capital Programme includes the following additional schemes:

- £0.250m for the flood defence programme for 2023/24 funded from Corporate Unsupported borrowing
- Further programme of works totalling £4.874m for the property maintenance programme based on previous years allocations and again funded from corporate unsupported borrowing
- Addition of a further allocation for highways maintenance of £5.9m for 2023/24 funded in the main from Supported Capital Expenditure (SCE C)
- New scheme for highway trees of £0.156m 2022/23 and 2023/24 as an ask for additional corporate resources. This will be for the replacement of highway trees. Derby's tree volumes and canopy is not to current standards and it is proposed to correct the situation, by tree planting over a series of years.

Other Schemes have been refreshed and rolled forward.

4.85 The Cabinet is proposing a three-year Capital programme totalling £346.527m for the years 2021/22 to 2023/24 as set out in the tables below:

**Summary Capital Expenditure Programme 2021/22 to 2023/24 – General Fund**

Programme Area	2021/22 Revised £m	2022/23 Original £m	2023/24 Original £m	Total £m
<b>Expenditure</b>				
Schools	22.190	1.400	1.220	24.810
Housing General Fund	7.736	5.180	4.817	17.733
Property	35.491	4.874	0.037	40.402
Flood Defence	0.325	0.250	0.250	0.825
Highways & Transport	44.185	56.688	32.756	133.629
Vehicles Plant & Equipment	3.043	1.665	0.720	5.428
Regeneration	64.982	19.054	3.810	87.846
ICT	2.955	0.520	2.379	5.854
Corporate	9.000	15.500	5.500	30.000
<b>Total General Fund</b>	<b>189.907</b>	<b>105.131</b>	<b>51.489</b>	<b>346.527</b>

Note: The Programme excludes HRA Capital Schemes that will be reported in the February Budget report.

- 4.86 The programme is funded through £176.573m of external funding, £169.954m of council resources (including borrowing). The revenue consequences of the Council funding are included within the MTFP.

**Summary Capital Funding 2021/22 to 2023/24**

<b>Funding Source</b>	<b>2021/22 Revised £m</b>	<b>2022/23 Original £m</b>	<b>2023/24 Original £m</b>	<b>Total £m</b>
Supported Capital Expenditure Capital (SCE C)	17.162	7.137	7.037	31.336
Devolved SCE C Direct to Schools	0.300	0.200	0.120	0.620
Government Grants	46.170	58.851	29.901	134.922
External contributions	1.330	0.735	3.217	5.282
Section 106	4.413	-	-	4.413
<b>Total External Funding</b>	<b>69.375</b>	<b>66.923</b>	<b>40.275</b>	<b>176.573</b>
<b>Funding Source</b>	<b>2021/22 Revised £m</b>	<b>2022/23 Original £m</b>	<b>2023/24 Original £m</b>	<b>Total £m</b>
<b>Funding Requirement</b>	120.532	38.208	11.214	<b>169.954</b>
<b>Funded By</b>				
Capital Receipts	16.348	4.854	4.396	25.598
Revenue Funding	0.450	-	-	0.450
Serviced Financed Borrowing	3.418	4.915	0.720	9.053
Service Financed Invest to Save Borrowing	-	-	-	-
Potential Borrowing	100.316	28.439	6.098	134.853
Total Internal Resources	<b>120.532</b>	<b>38.208</b>	<b>11.214</b>	<b>169.954</b>
<b>Total Funding</b>	<b>189.907</b>	<b>105.131</b>	<b>51.489</b>	<b>346.527</b>

In recent years the Council has been more successful in securing significant external funding to deliver the City's ambition. This funding is secured on more robust programmes and bids being created (often with partners). It is important that the Council continues with its drive to a more strategic, coherent and professional capital programme to retain the confidence of funders and deliver on the Council's Capital ambitions.

- 4.87 An assessment of the use of reserves supporting the Capital Programme to strengthen the Council's financial resilience has been undertaken during this budget cycle to make best use of the Council's limited resources. In 2020/21 £3.207m has been currently modelled as switched from reserves to borrowing and in 2021/22 a further £3.016m has been modelled as switched. The financial implications of this have been factored into the MTFP and will be formalised in the budget setting report in February 2021.

#### 4.88 Capital Ambition

- 4.89 The Council's Capital Programme is ambitious and delivers across themes such as economic regeneration, health and wellbeing, economic vibrancy, diversification and skills, job creation and the development of the City's cultural offers.

However, the pandemic and the Governments 'levelling up agenda' has highlighted the need for the Council to 'pause' and create a new and ambitious Capital Strategy and Ambition for the City to respond to changing needs, new opportunities and unfortunately the impact of the pandemic leading to market failure.

The Cabinet plans to bring a new and ambitious Capital Strategy for the City during 2021/22. As part of this approach the proposed Capital Programme includes a 'future investments pot' of £30m which it is hoped will be able to lever in significant external funding. Prudential borrowing for the future Investments pot is incorporated within the MTFP.

A list of potential capital investment needs and opportunities are detailed in Appendix 6

Alongside this, the Council's Programme Management Office is undertaking a review of the Council's capacity to deliver major Capital Programmes with a view to rationalising the Capital Programme and improving the effectiveness of the Council's project management capacity and skills.

#### 4.90 Collection Fund

- 4.91 The Council operates a Collection Fund in respect of Council Tax and Business Rates. As a result of the pandemic there is a significant impact on the ability of the Council to collect the levels of Council Tax and Business Rates forecast in February 2020.

The Council suspended recovery between April and June to assist businesses and households in the height of the pandemic. This has resulted in lower than forecast collection rates in 2020/21. The key changes are

- (a) Reduced in year collection
- (b) Irrecoverable Losses arising from liquidations or bankruptcy
- (c) Increased level of business rate appeals

Whilst collection rates are higher than potentially expected there will be a higher than expected collection fund deficit at the end of 2020/21. Normally this would have to be factored into the MTFP in full for the following year. However, a recent statutory instrument has permitted the spreading of the impact over the next three years – we have assumed this will be an equal split for the next three years.

The following amounts has been factored into the MTFP for collection fund losses

Collection Fund Deficits	2021/22 £m	2022/23 £m	2023/24 £m
Council Tax Impact	(1.169)	(0.414)	(0.414)
Business Rates Impact	(1.558)	(1.128)	(1.128)
<b>Sub Total</b>	<b>(2.727)</b>	<b>(1.542)</b>	<b>(1.542)</b>

The above figures are based on forecasts at the end of Quarter 2 and are likely to change by the end of the financial year.

The collection fund deficit has been a major shock that has had to be factored into our published MTFP.

- 4.92 The Government announced in the Comprehensive Spending Review compensation of 75% of irrecoverable losses in respect of Council Tax and Business Rates in 2020/21. The details of the scheme have not yet been published and the potential compensation from the Government has not been factored into the MTFP.
- 4.93 During the period of the MTFP the following scenarios are likely to impact on the collection fund in future years:
- (a) A slow-down in housing completions leading to lower than forecast Council Tax base
  - (b) Lower collection rates due to the financial vulnerability of households and businesses
  - (c) Business failures as Covid reliefs unwind
  - (d) Increased Business Rate Appeals
  - (e) Irrecoverable losses linked to liquidation and bankruptcy.

This is a very volatile area and will be subject to close scrutiny and modelling during the year.

#### **4.94 Council Tax**

- 4.95 This report includes proposals to increase Council Tax for 2021/22 by the maximum 1.99% and an additional 2.5% Social Care Precept. This means the headline Council Tax increase for 2021/22 will be 4.49%.

The MTFP assumes the following increases in future years

- 2022/23 2.49%
- 2023/24 1.99%

- 4.96 Derby City 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.

The MTFP spreads the permitted 3% social care over two years recognising the financial impact of Council Tax on households whose financial situation may have changed as a result of the pandemic.

In addition, we are proposing an addition to the Council Single Discretionary Allowance Budget of £0.5m to support our most vulnerable residents. To date the number of Council Tax support claimants has increased from 16,999 in April 2020 to 17,404 in December 2020. The consequence of this is that the Council's tax base is reduced impacting on the total amount of Council Tax collectable in year. A revision to the Single Discretionary Award Scheme will be brought back to Cabinet to enact the necessary changes.

- 4.97 The Council requires all Council Taxpayers of working age to pay at least 30% of the Council Tax before application of Council Tax Support. Council Tax support is provided to 17,389 properties out of the total number of properties of 111,460. The support is for anyone with a Council Tax liability that is on a low income.

The impact of the pandemic has resulted in the number of Council Tax support claimants increasing from 16,999 in April 2020 to 14,404 in December 2020. The consequence of this is that the Council's tax base is reduced impacting on the total amount of Council Tax collectable in year.

- 4.98 The impact of the pandemic has also led to a slowdown in house completions (especially in Quarter 1 of 2020/21 and an increase in claimants of Council Tax Support and other reliefs. This has had the following impact on the forecast in the budget approved in February 2020

<b>Estimated Impact on Council Tax base</b> <i>(does not include any increases for Social Care Precept or collection rate adjustments)</i>	<b>February 2020 Budget</b> £m	<b>Current Budget</b> £m	<b>Budget Reduction</b> £m
2021/22	105.909	104.737	1.172
2022/23	109.296	107.719	1.577

- 4.99 The pandemic is forecast to reduce the level of Council Tax that can be collected in year. The following assumptions are included within the MTFP:

2020/21	97.7%
2021/22	97.5%
2022/23	97.7%
2023/24	97.8%

- 4.100 Council Tax charged includes that levied by the Council alongside the preceptors (Police and Fire and Rescue). Details from the other preceptors will be known in February 2020. The impact of the proposed 4.49% increase is detailed in the table below:

<b>Band</b>	<b>Number of Properties</b>	<b>% in receipt of Council Tax Support</b>	<b>2020/21 Derby City Council Tax</b>	<b>Proposed 2021/22 Derby City Council Tax</b>	<b>Annual Increase</b>	<b>Weekly Increase</b>
			£	£	£	£
Band A	56,980	24.66%	982.41	1026.52	44.11	0.85
Band B	21,558	9.63%	1,146.14	1197.60	51.46	0.99
Band C	16,686	5.48%	1,309.88	1368.69	58.81	1.13
Band D	8,642	2.87%	1,473.61	1539.78	66.17	1.27
Band E	4,584	1.18%	1,801.08	1881.95	80.87	1.56
Band F	2,298	1.52%	2,128.55	2224.12	95.57	1.84
Band G	661	1.51%	2,456.02	2566.29	110.27	2.12
Band H	51	0	2,947.22	3079.55	132.33	2.54

- 4.101 The proposed 4.49% Council Tax increase for 2021/22 results in 70% of Council Tax payers not having to pay more than £1 a week more than they paid in 2020/21. 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.
- 4.102 The proposed MTFP currently includes 2.49% increases in 2022/23 and 1.99% in 2023/24; This is in line with current 'capping' limits and spreading the permitted social care precept over two years.

#### **4.103 MTFP Consultation**

- 4.104 It is proposed that consultation will begin on 17<sup>th</sup> December and run until the end of January 2021. 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.

The budget consultation will be undertaken alongside consultation on the Recovery Plan.

- 4.105 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, subject to Covid restrictions.
- 4.106 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 2020 Council), plus those new proposals requiring approval and consultation. The final budget setting report is due to go to 10<sup>th</sup> February Cabinet for final approval and subsequent recommendation to Budget Council at the end of February 2021.

#### **Other options**

- 6.1 The Council is required to set a balanced revenue and capital budget for 2021/22 by 11<sup>th</sup> March 2021.

#### **Financial and value for money issues**

- 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 are groups that are statutorily protected equality strands under the Equality Act 2010.

### **Climate implication**

- 9.1 All climate implications within the schemes outlined in this report will be considered as appropriate.

### **Other significant implications**

#### **10.1 Personnel**

Subject to the approval of the recommendations, any proposal which may affect staff if implemented in 2021/22 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.

### **Equalities Impact**

All appropriate equality impact assessments will be carried out with regard to the proposals.

### **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.

### **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**

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Olu Idowu	07/12/2020
<b>Finance</b>	Toni Nash	08/12/2020
<b>Service Director(s)</b>	Alison Parkin	08/12/2020
<b>Report sponsor</b>	Simon Riley	08/12/2020
<b>Other(s)</b>	Liz Moore, Head of Human Resources	07/12/2020

For more information contact: Background papers: List of appendices:	Alison Parkin/Toni Nash Budget working papers 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 6 – Capital Ambition
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Medium Term Financial Plan 2021/22 to 2023/24			
	Draft MTFP		
	2021/22 £m	2022/23 £m	2023/24 £m
<b>FUNDING</b>			
- Retained Business Rates	63.863	65.141	66.443
- Core Government Grants	13.796	14.062	13.790
- Council Tax	107.085	110.901	114.465
- Estimated Surplus/(Deficit) on Collection Fund (one-off)	(2.727)	(1.542)	(1.542)
- Better Care Fund	24.583	24.583	24.583
- Public Health	19.756	19.756	19.756
- Other Grants	28.740	15.727	15.836
<b>Total Resources Available</b>	<b>255.096</b>	<b>248.628</b>	<b>253.331</b>
<b>BUDGET</b>			
<b>People Services:</b>			
<b>Adults &amp; Health:</b>			
- Employee Costs	18.034	18.302	18.491
- Running Costs	74.287	76.217	79.297
- Public Health	15.960	16.442	16.442
- Inflation Estimates	1.714	1.571	1.571
- Grant Income	(3.530)	(3.530)	(3.530)
- Other Income ( <i>Client Contributions, FNC, Joint Funding</i> )	(11.461)	(11.509)	(11.807)
- Pressures	2.527	1.400	1.400
- Savings	(1.609)	-	-
<b>Adults &amp; Health Net Budget:</b>	<b>95.922</b>	<b>98.893</b>	<b>101.864</b>
<b>Children &amp; Young People:</b>			
- Employee Costs	38.043	38.550	38.660
- Running Costs	288.041	294.614	294.925
- Inflation Estimates	0.996	0.737	0.737
- Grant Income	(262.220)	(262.220)	(262.220)
- Other Income	(2.065)	(2.924)	(2.931)
- Pressures	8.968	0.440	0.500
- Savings	(3.743)	(0.764)	-
<b>Children and Young People Net Budget:</b>	<b>68.020</b>	<b>68.433</b>	<b>69.671</b>
<b>Peoples Total Net Budget:</b>	<b>163.942</b>	<b>167.326</b>	<b>171.535</b>
<b>Communities and Place:</b>			
- Employee Costs	34.538	34.772	34.980
- Running Costs	46.811	46.455	45.635
- Inflation Estimates	0.833	0.627	0.627
- Grant Income	(1.937)	(1.937)	(1.937)
- Other Income	(35.675)	(33.936)	(34.058)
- Pressures	3.328	(1.160)	(0.210)
- Savings	(2.544)	(0.200)	-
<b>Communities and Place Net Budget:</b>	<b>45.354</b>	<b>44.621</b>	<b>45.037</b>

<b>Corporate Resources:</b>			
- Employee Costs	29.263	29.151	29.706
- Running Costs - <i>includes Housing Benefits</i>	89.170	90.092	89.364
- Inflation Estimates	0.630	0.418	0.418
- Grant Income - <i>Includes Housing Benefit</i>	(69.993)	(69.993)	(69.993)
- Other Income	(14.296)	(14.033)	(14.104)
- Pressures	1.878	(0.600)	-
- Savings	(1.435)	(0.062)	0.030
<b>Corporate Resources Net Budget:</b>	<b>35.217</b>	<b>34.973</b>	<b>35.421</b>
<b>Corporate:</b>			
- Treasury Management	6.874	8.742	9.647
- Bank Charges	0.080	0.080	0.080
- Pension Cost	2.067	2.067	2.067
- Transport Act	0.081	0.081	0.081
- Schools DSG Grant Income - Corporate	(0.284)	(0.284)	(0.284)
- Corporate Contingency Fund	(0.621)	2.669	0.969
- Corporate Revenue Budget Contingency	0.205	0.205	0.205
- Scape Dividend	(0.400)	(0.250)	(0.250)
- Pressures - <i>Including council Wide pressures</i>	5.586	(0.105)	1.920
- Savings - <i>Including council wide pressures</i>	(0.278)	(0.690)	-
<b>Corporate Net Budget:</b>	<b>13.310</b>	<b>12.515</b>	<b>14.435</b>
<b>Net Budget (prior to movement in reserves)</b>	<b>257.824</b>	<b>259.435</b>	<b>266.428</b>

<b>Operating Surplus/(Deficit) before use of Reserve</b>	<b>-2.727</b>	<b>-10.807</b>	<b>-13.097</b>
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<b>Reserves</b>			
- Use of reserves - MTFP	(2.727)	(0.300)	
<b>Net Budget Requirement after use of Reserves</b>	<b>255.096</b>	<b>259.135</b>	<b>266.428</b>
<b>Budget Gap/(Surplus)</b>	<b>-</b>	<b>10.507</b>	<b>13.097</b>
<b>Total Budget</b>	<b>255.096</b>	<b>269.642</b>	<b>279.525</b>

<i>Total Savings Identified:</i>	<i>(9.609)</i>	<i>(1.716)</i>	<i>0.030</i>
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<i>Total Savings as per 20/21 MTFP</i>	<i>(3.719)</i>	<i>(1.436)</i>	<i>(0.658)</i>
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<b>Net Budget Requirement</b>	<b>255.096</b>	<b>259.135</b>	<b>266.427</b>
<b>Total Resources Available (Funding)</b>	<b>(255.096)</b>	<b>(248.628)</b>	<b>(253.330)</b>
<b>Budget Gap/(Surplus)</b>	<b>-</b>	<b>10.507</b>	<b>13.097</b>

**Appendix 2a**  
**Peoples – Adults and Public Health Savings**

Existing Savings formally signed off by Full Council Meeting on 26 February 2020:							
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 Existing Savings:			(0.400)	-	-	(0.400)	-
New Proposed Savings:							
Adult Services	Service Optimisation	LAC - additional charge to the HRA to reflect current charges and activity	(0.080)	-	-	(0.080)	-
Adult Services	Service Optimisation	Day Centre additional savings from transformation of day service provision for the elderly which has already been delivered	(0.300)	-	-	(0.300)	-
Adult Services	Service Optimisation	Review service offer for ASC - maximise reviewing opportunity to utilise asset-based approaches to meet eligible needs	(0.200)	-	-	(0.200)	-
Adult Services	Service Optimisation	A reflection of current income contributions which allows us to increase our income budgets	(0.500)	-	-	(0.500)	-
Adult Services	Service Optimisation	Realise savings from a review of our adults commissioning service	(0.025)	-	-	(0.025)	-
Adult Services	Service Optimisation	Removal of vacant posts across the service	(0.104)	-	-	(0.104)	1.50
Total New Proposed Savings:			(1.209)	-	-	(1.209)	1.50
TOTAL ADULTS SAVINGS			(1.609)	-	-	(1.609)	1.50

Vacancies	Potential Redundancies
-	-
-	-
1.50	
<b>1.50</b>	-
<b>1.50</b>	-

## Peoples – Children's Savings

Service	Saving Proposal	Brief Saving Description	Proposed Saving					Potential number of FTE's reduction	Vacancies	Potential Redundancies
			21/22 £m	22/23 £m	23/24 £m	Total £m				
Existing Savings formally signed off by Full Council Meeting on 26 February 2020:										
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	(0.364)	(0.364)	-	(0.728)	-			
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	(0.400)	(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)	-	(0.400)	-			
Total Existing Savings:			(0.964)	(0.764)	-	(1.728)	-	-	-	
New Proposed Savings:										
Children's Services	Technical Adjustment - Income	Confirmation that the national Troubled Families Programme will continue for another year	(0.852)	-	-	(0.852)	-			
Children's Services	Demand Management	A reduction in the cost of care placements by increasing our internal residential children's home capacity and reviewing placement contracts	(1.900)	-	-	(1.900)	-			
Children's Services	Service Optimisation	A reduction of uncommitted service contingencies	(0.027)	-	-	(0.027)	0.40	0.40		
Total New Proposed Savings:			(2.779)	-	-	(2.779)	0.40	0.40	-	
TOTAL CHILDREN'S SAVINGS:			(3.743)	(0.764)	-	(4.507)	0.40	0.40	-	
TOTAL PEOPLES SAVINGS:			(5.352)	(0.764)	-	(6.116)	1.90	1.90	-	

## Communities and Place Savings

## Appendix 2b

Service	Saving Proposal	Brief Saving Description	Proposed Saving					Potential number of FTE's reduction	Vacancies	Potential Redundancies
			21/22 £m	22/23 £m	23/24 £m	Total £m				
Existing Savings formally signed off by Full Council Meeting on 26 February 2020:										
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	(0.150)	-	-	(0.150)	-			
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)	3.00		3.00	
Leisure, Culture and Tourism	Service Efficiencies	Allestree Golf Course option	(0.069)	-	-	(0.069)	-			
Total Existing Savings:			(0.333)	(0.200)	-	(0.533)	3.00	-	3.00	
New Proposed Savings:										
Highways Maintenance and Parks	Asset Saving - Remodelling approach	Remodel the maintenance service to avoid external costs, build opportunities for commercial income, reduce inefficient systems and capitalise charges where possible to maintain service levels	(0.240)	-	-	(0.240)	-			
	Service Optimisation - Capitalisation		(0.200)	-	-	(0.200)	-			

Service	Saving Proposal	Brief Saving Description	Proposed Saving					Vacancies	Potential Redundancies
			21/22 £m	22/23 £m	23/24 £m	Total £m	Potential number of FTE's reduction		
Streetpride & Public Protection - Waste Disposal	Service Optimisation	<b>Waste Disposal</b> - Reduction in waste disposal costs by continuing to promote recycling and diversion. (includes diversion from HWRC)	(0.250)	-	-	(0.250)	-		
Streetpride & Public Protection - Waste Disposal	Service Optimisation	<b>HWRC</b> Maintain current service offer using MiPermit, restricting access to Derby and Derbyshire residents.	(0.325)	-	-	(0.325)	-		
Streetpride & Public Protection - Waste Disposal	Service Optimisation	<b>Operational Efficiency</b> Utilise new technology to improve targeting of services , introduce a charge for replacement refuse bins and delete 2 vacant posts	(0.240)	-	-	(0.240)	2.00	2.00	
Leisure, Culture and Tourism	Service Optimisation	<b>Re-modelling of Events Programme</b> Reduce costs by developing our approach to working collaboratively with cultural partners to ensure the number and quality of events throughout the year can be sustained to support city vibrancy	(0.080)	-	-	(0.080)	-		
Leisure, Culture and Tourism	Asset Saving	<b>Museums Trust</b> Reduction in core grant by 10%	(0.070)	-	-	(0.070)	-		
Leisure, Culture and Tourism	Service Optimisation	<b>Derby Live</b> To account for reduced demand within the service, the removal of 6 FTE posts within the back office related to finance, booking and sales capacity	(0.168)	-	-	(0.168)	6.00	1.00	5.00
Planning, Transportation & Environmental	Asset Saving	<b>Concessionary Fares</b> Reforecast budget requirement based on current and future demand trend	(0.400)	-	-	(0.400)	-		

Service	Saving Proposal	Brief Saving Description	Proposed Saving					Vacancies	Potential Redundancies
			21/22 £m	22/23 £m	23/24 £m	Total £m	Potential number of FTE's reduction		
Planning, Transportation & Environmental	Asset Saving	<b>Car Parks</b> Over 2021/22 we will work on our strategy for multi-story car park provision	(0.100)	-	-	(0.100)	-		
Planning, Transportation & Environmental	Service Optimisation	<b>Management efficiency</b> Improved use of technology, recognition of reduced demand in numbers of planning applications, removal of vacant posts and remodelling of management responsibility	(0.138)	-	-	(0.138)	5.00	5.00	
<b>Total New Proposed Savings:</b>			<b>(2.211)</b>	<b>-</b>	<b>-</b>	<b>(2.211)</b>	<b>13.00</b>	<b>8.00</b>	<b>5.00</b>
<b>TOTAL COMMUNITIES AND PLACE SAVINGS:</b>			<b>(2.544)</b>	<b>(0.200)</b>	<b>-</b>	<b>(2.744)</b>	<b>16.00</b>	<b>8.00</b>	<b>8.00</b>



**Corporate Resources Savings**

Service	Saving Proposal	Brief Saving Description	Proposed Saving				
			21/22 £m	22/23 £m	23/24 £m	Total £m	Potential number of FTE's reduction
Existing Savings formally signed off by Full Council Meeting on 26 February 2020:							
Property Services	Contract Efficiencies	Review of Consultants and Contracts to deliver a percentage saving on spend	(0.125)	-	-	(0.125)	-
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	Property management savings	Identification and sale of small pieces of land to generate a revenue saving	(0.020)	0.060	-	0.040	-
Business Support	Postage Savings	Document Management Centre (DMC) Reduction In Postage Costs	(0.025)	(0.075)	-	(0.100)	-
Property Services	Income Generation	Increase in Identification and sale of small pieces of land to generate an ongoing revenue saving	(0.010)	(0.020)	-	(0.030)	-
Business Support	Income Generation	Document Management Centre (DMC) Additional Income Generation	(0.010)	(0.010)	-	(0.020)	-
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 Existing Savings:			(0.420)	(0.045)	-	(0.465)	-

Vacancies	Potential Redundancies
-	-

Service	Saving Proposal	Brief Saving Description	Proposed Saving					Vacancies	Potential Redundancies
			21/22 £m	22/23 £m	23/24 £m	Total £m	Potential number of FTE's reduction		
Proposed New Savings:									
Property Services	Income Generation	Increase in Identification and sale of small pieces of land to generate an ongoing revenue saving (removal of temporary saving)	-	-	0.040	0.040	-		
Business Support	Income Generation	Document Management Centre (DMC) Additional Income Generation	-	-	(0.010)	(0.010)	-		
Property Services	Property management savings	Existing Saving Slipped - Planned closure of Queens Leisure Centre upon opening of the new swimming facility now not expected in 21/22, resulting in existing saving slipping to 22/23	0.225	(0.225)	-	-	-		
Property Services	Asset Saving	Review and potential sale or transfer of properties to realise revenue saving from associated revenue costs	(0.100)	-	-	(0.100)	-		
Financial Services	Service Optimisation	Reduction in administration support by looking at alternative ways of delivery ( for example the digital offer which will become available for functions including diary requirements)	(0.105)	-	-	(0.105)	4.00		4.00
Financial Services	Service Optimisation	Review of Revenue and Benefits to permanently delete a small number of long-term vacancies in appropriate places to lessen impact on service delivery	(0.040)	-	-	(0.040)	1.50	1.50	
Financial Services	Service Optimisation	Use of External Funding to fund accountancy support and releasing core revenue funding	(0.041)	0.041	-	-	-		
Financial Services	Service Optimisation	Income allocation function - Reduction in Cash office through redesign and retirement opportunity	(0.018)	-	-	(0.018)	1.00	1.00	

Service	Saving Proposal	Brief Saving Description	Proposed Saving					Vacancies	Potential Redundancies
			21/22 £m	22/23 £m	23/24 £m	Total £m	Potential number of FTE's reduction		
Financial Services	Service Optimisation	Accounts Payable forensic Project - Accounts payable fiscal forensic project to identify and recover of duplicate payments	(0.100)	0.100	-	-	-		
Human Resources	Service Optimisation	Pause on the replacement of the Director of HR & OD and review the organisation development function to align roles and resources to meet Recovery Plan requirements	(0.025)	-	-	(0.025)	1.00	1.00	
Human Resources	Service Optimisation	Reduction of HR advisor provision. Capacity to support organisational change agenda and delivery employee relations and policy priorities to be reviewed	(0.041)	-	-	(0.041)	1.00	1.00	
Human Resources	Service Optimisation	Reduction of HR analytics provision. The HR analytics service provision to directorates to be reviewed	(0.044)	-	-	(0.044)	1.00		1.00
Human Resources	Service Optimisation	Review and potential redesign absence management process - HR would need to build internal solution. Potential impact on managers and services if move to internal solution, with guidance and protocols also to be developed	(0.150)	-	-	(0.150)	2.00	1.00	1.00
Policy Insight & Communications	Service Optimisation	Advertising - maximise income opportunities	(0.024)	-	-	(0.024)	-		
Policy Insight & Communications	Service Optimisation	Programme management 1 fte – Explore potential of funding specialist project resource from capital monies	(0.046)	-	-	(0.046)	1.00	1.00	

Service	Saving Proposal	Brief Saving Description	Proposed Saving					Vacancies	Potential Redundancies
			21/22 £m	22/23 £m	23/24 £m	Total £m	Potential number of FTE's reduction		
Information Technology	Service Optimisation	Emerging vacancy - Senior IT Officer - Review of IT project delivery capacity required. This is a one off and consideration given to whether this can be made permanent in subsequent years based on observed impact	(0.040)	0.040	-	-	1.00	1.00	
Information Technology	Service Optimisation	Emerging vacancy - IG Officer - Impact to Information Governance and Information Security compliance capacity to be reviewed. This is a one off and consideration given to whether this can be made permanent in subsequent years based on observed impact	(0.027)	0.027	-	-	1.00	1.00	
Information Technology	Service Optimisation	Review Microsoft F1 Licenses - Removing availability of email, intranet and user accounts to non-IT users (this would review and end the current commitment to provide email and intranet communications to the element of the workforce who are not daily computer users)	(0.139)	-	-	(0.139)	-		
Information Technology	Service Optimisation	Council Provided Mobile Telephony. Reduction in "Non-life and limb critical" mobile phone deployment. This would mean removing Council funded mobile telephones for large numbers of people who do not either perform direct "Life and Limb" services, provide emergency callout, or have mobile telephony for personal safety reasons	(0.050)	-	-	(0.050)	-		

Service	Saving Proposal	Brief Saving Description	Proposed Saving					Vacancies	Potential Redundancies
			21/22 £m	22/23 £m	23/24 £m	Total £m	Potential number of FTE's reduction		
Legal, Procurement & Democratic Services	Service Optimisation	Do not recruit to vacant post in Members and Civic Services - Some reduction in service to Mayoralty and Members and Council support for Civic Events	(0.029)	-	-	(0.029)	1.00	1.00	
Legal, Procurement & Democratic Services	Service Optimisation	Do not recruit to vacant post in Procurement Service - Post has been vacant for some time due to difficulty in recruitment.	(0.037)	-	-	(0.037)	1.00	1.00	
Property Services	Service Optimisation	Review of Staffing vacancies in Property Services	(0.159)	-	-	(0.159)	5.00	4.00	1.00
Property Services	Service Optimisation	Review of property budgets	(0.025)	-	-	(0.025)	-		
<b>Total New Proposed Savings:</b>			<b>(1.015)</b>	<b>(0.017)</b>	<b>0.030</b>	<b>(1.002)</b>	<b>21.50</b>	<b>14.50</b>	<b>7.00</b>
<b>TOTAL CORPORATE RESOURCES SAVINGS</b>			<b>(1.435)</b>	<b>(0.062)</b>	<b>0.030</b>	<b>(1.467)</b>	<b>21.50</b>	<b>14.50</b>	<b>7.00</b>

## Corporate Savings

Service	Saving Proposal	Brief Saving Description	Proposed Saving					Potential number of FTE's reduction	Vacancies	Potential Redundancies
			21/22 £m	22/23 £m	23/24 £m	Total £m				
Existing Savings formally signed off by Full Council Meeting on 26 February 2020:										
Corporate	Treasury Management Savings	Treasury Management Review based on capital requirement (caveat treasury management/capital budgets will continue to be reviewed in line with the capital programme)	(0.158)	(0.750)	-	(0.908)	-			
Total Existing Savings:			(0.158)	(0.750)	-	(0.908)	-	-	-	
Proposed New Savings:										
Corporate	All Directorates	Part of Digital Placeholder Saving - Reduction to Photocopying and Travel Expenditure Budgets - new ways of working	(0.120)	0.060	-	(0.060)	-			
Total Proposed New Savings:			(0.120)	0.060	-	(0.060)	-	-	-	
TOTAL CORPORATE SAVINGS:			(0.278)	(0.690)	-	(0.968)	-	-	-	
TOTAL CORPORATE RESOURCES SAVINGS:			(1.713)	(0.752)	0.030	(2.435)	21.50	14.50	7.00	

**Peoples Pressures – Adults and Public Health**

Service	Pressures	Pressures			
		21/22 £m	22/23 £m	23/24 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 26 February 2020:					
Adults	Demographic social care pressures	1.400	1.400	-	2.800
Total Existing Pressures:		1.400	1.400	-	2.800
Proposed Pressures:					
Adults	BCF - DFE Match Funding pressure	0.250	-	-	0.250
Adults	Demographic Social Care and National Living Wage (NLW) pressures	(0.500)	-	1.400	0.900
Adults	Joint contribution to DRIVE	0.045	-	-	0.045
Adults	Carelink income target	0.250	-	-	0.250
Adults	Mental Health Packages	0.600	-	-	0.600
Public Health	Agenda for change uplift for pay costs (funded through increase in Public Health Grant)	0.482	-	-	0.482
Total Proposed Pressures:		1.127	-	1.400	2.527
TOTAL ADULTS PRESSURES:		2.527	1.400	1.400	5.327

## Peoples Pressures - Children's

Service	Pressures	Pressures			
		21/22 £m	22/23 £m	23/24 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 26 February 2020:					
Children's	DSG - Central Services Schools Block pressure	1.000	0.850	-	1.850
Children's	Looked after Children demographic pressure	0.125	0.125	-	0.250
Children's	Temporary Project Management arrangements in the SEND Service to be made permanent. (Removal of Pressure)	(0.100)	-	-	(0.100)
Total Existing Pressures:		1.025	0.975	-	2.000
New Proposed Pressures:					
Children's	Education Health and Care Plan (EHCP) Service - additional 5 SEND officers to increase the capacity within the team to 12 (11.8 FTE)	0.150	-	-	0.150
Children's	Provision for an increase in demand across children's social care including the costs of placements for looked after children	8.000	-	-	8.000
Children's	Exit from Care - Additional social work capacity	0.145	-	-	0.145
Children's	Reduction/slippage to Existing Pressures - DSG Pressure	(0.387)	(0.500)	0.500	(0.387)
Children's	Children's Placements/Residential Homes Project Officer (G) - one off funding	0.035	(0.035)	-	-
Total New Proposed Pressures:		7.943	(0.535)	0.500	7.908
TOTAL CHILDREN'S PRESSURES:		8.968	0.440	0.500	9.908
TOTAL PEOPLES PRESSURES:		11.495	1.840	1.900	15.235



**Communities and Place Pressures**

Service	Pressures	Pressures			
		21/22 £m	22/23 £m	23/24 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 26 February 2020:					
Leisure and Culture	Moorways Swimming Pool Potential Running Costs	0.400	-	-	0.400
Leisure and Culture	Moorways Swimming Pool Pre-opening costs	0.700	(0.800)	-	(0.100)
Leisure and Culture	New Assembly Rooms revenue support operational and property maintenance (Removal of Pressure)	(0.114)	(0.269)	-	(0.383)
Markets	Markets - Underachievement of income (Removal of Pressure)	(0.045)	-	-	(0.045)
Housing	High Rise Building assessment (Removal of Pressure)	(0.029)	(0.091)	-	(0.120)
Total Existing Pressures		0.912	(1.160)	-	(0.248)
New Proposed Pressures:					
Leisure and Culture	Queens Leisure Centre Income Pressure (Removal of Pressure) agreed to remove 23/24	-	-	(0.210)	(0.210)
Housing	Change to Carelink Saving	0.130	-	-	0.130
Leisure and Culture	Leisure and Cultural Services - base budget Income shortfall pressure	0.460	-	-	0.460
Parking Services	Parking Income base budget shortfall pressure	0.600	-	-	0.600
Parking Services	Full Street Car Park - loss of income if demolished 2021	0.446	-	-	0.446
All	Salary Pressure across directorate due to low turnover and staff being at top of grade	0.380	-	-	0.380
Public Protection	Public Protection Officers (PPO) Shortfall Income	0.400	-	-	0.400
Total New Proposed Pressures:		2.416	-	(0.210)	2.206
TOTAL COMMUNITIES AND PLACE PRESSURES:		3.328	(1.160)	(0.210)	1.958

**Corporate Resources Pressures**

Service	Pressures	Pressures			
		21/22 £m	22/23 £m	23/24 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 26 February 2020:					
Policy, Insight & Communications	Consultation Support Officer - Making permanent an existing post which has previously been funded from temporary solutions	0.012	-	-	0.012
Human Resources	Apprenticeship Team - Additional funding required to extend team to March 2021 (Removal of one-off pressure)	(0.017)	-	-	(0.017)
Policy, Insight & Communications	Local Government non-structural reform (Removal of temporary pressure)	-	(0.050)	-	(0.050)
Policy, Insight & Communications	City Vision Consultancy (Removal of one-off pressure)	(0.100)	-	-	(0.100)
Total Existing Pressures:		(0.105)	(0.050)	-	(0.155)
Proposed New Pressures:					
Land Charges	Reduced income due to lower anticipated searches as a result of Housing market conditions during first two quarters of 20/21	0.160	-	-	0.160
Coroners	Increased costs relating to Coroners recharges which Derbyshire County Council administer	0.100	-	-	0.100
Internal Audit	Insufficient budget to meet Central Midlands Audit Partnership funding commitments	0.022	-	-	0.022
Insurance	Anticipated insurance premium increase	0.382	-	-	0.382
Insurance	Anticipated Top up of Insurance provision to cover losses	0.190	-	-	0.190
Income Management	PCI compliance software requirement (one off pressure)	0.050	(0.050)	-	-
IT	Upgraded critical IT infrastructure	0.028	-	-	0.028
Benefits & Exchequer	Housing Benefit Overpayment Recovery impact from transfer to Universal Credit	0.170	-	-	0.170
Benefits & Exchequer	Single Discretionary Allowance Budget	0.500	(0.500)	-	-
Connect Derby	Community Action Derby and Shot Tower including service charge and utility costs	0.065	-	-	0.065
Policy, Insight & Communications	Permanent Funding for Change Derby Team	0.250	-	-	0.250
Policy, Insight & Communications	Project Support Officer	0.031	-	-	0.031
Policy, Insight & Communications	Business Intelligence - Analyst Capacity (Controc)	0.035	-	-	0.035
Total Proposed New Pressures:		1.983	(0.550)	-	1.433
TOTAL CORPORATE RESOURCES PRESSURES:		1.878	(0.600)	-	1.278

## Corporate Pressures

Corporate Pressures

Service	Pressures	Pressures			
		21/22 £m	22/23 £m	23/24 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 26 February 2020:					
Corporate	Treasury Management Forecast Adjustments (caveat treasury management/capital budgets will continue to be reviewed in line with the capital programme)	1.026	(0.031)	-	0.995
Corporate	Prudential Borrowing - Treasury Management flexibility to fund emerging priorities	1.000	1.000	-	2.000
Total Existing Pressures:		2.026	0.969	-	2.995
Proposed New Pressures:					
Corporate	Unachievable layers and levels saving 2020/21 MTFP	0.250	-	-	0.250
Corporate	Unachievable Commercialisation saving 2020/21 MTFP	0.250	-	-	0.250
All Directorates	Annual Leave Saving - one off reduction in uptake due to Covid	0.050	(0.050)	-	-
Corporate	Treasury Management Base budget updated pressure for future years	-	0.686	3.070	3.756
All Directorates	Covid Scarring - Additional loss of income - place holder (20% of current forecast income pressures as per Sep Covid Return)	2.300	(1.150)	(1.150)	-
All Directorates	Emerging Covid Pressures Fund	0.560	(0.560)	-	-
Corporate	Anticipated Reduction in SCAPE dividend - due to impact of COVID	0.150	-	-	0.150
Total Proposed New Pressures:		3.560	(1.074)	1.920	4.406
TOTAL CORPORATE PRESSURES:		5.586	(0.105)	1.920	7.401
TOTAL CORPORATE RESOURCES PRESSURES:		7.464	(0.705)	1.920	8.679

Statement of Reserves	2020/21 Opening Balance £m	In Year Movement £m	2020/21 Commitments £m	2020/21 Closing Balance £m	Future Years Commitments £m	Ring fenced £m	Future Years Closing Balance £m
<b>General Fund</b>							
Unallocated General Fund Balance	(10.933)	2.000	0	(8.933)	0	0	(8.933)
Balances Held by Schools	(5.866)	0	1.317	(4.549)	0	4.549	0
<b>TOTAL</b>	<b>(16.799)</b>	<b>2.000</b>	<b>1.317</b>	<b>(13.482)</b>	<b>0</b>	<b>4.549</b>	<b>(8.933)</b>
<b>Revenue Earmarked Reserves</b>							
Budget Risk Reserve	(20.186)	3.390	10.527	(6.269)	5.192	0	(1.077)
Covid-19 Reserve	0	(7.142)	7.142	0	0	0	0
Central Schools Budget Reserve	(2.582)	0	0	(2.582)	0	2.582	0
General Insurance Reserve	(2.667)	0	0	(2.667)	0	0	(2.667)
Trading Services Reserve	(0.117)	0	0	(0.117)	0.061	0	(0.056)
Year-end grants with restrictions	(3.874)	0.329	1.509	(2.036)	1.937	0.099	0
DEGF Interest Reserve	(0.717)	0.146	0.488	(0.083)	0.083	0	0
Regeneration Fund Reserve	(1.493)	0	0.428	(1.065)	1.065	0	0
Assembly Rooms Reserve	(2.030)	0	0.146	(1.884)	1.884	0	0
Delivering Change Reserve	(2.036)	0.429	1.607	0	0	0	0
Better Care Fund Reserve	(0.939)	0.939	0	0	0	0	0
Business Rate Pilot Reserve	(2.906)	0	2.740	(0.166)	0.166	0	0
Business Rates Smoothing Reserve	(1.552)	0	(1.475)	(3.027)	3.027	0	0
Treasury Management Reserve	(1.987)	0	0.500	(1.487)	1.487	0	0
Public Health Reserve	(0.540)	0	0.240	(0.300)	0.300	0	0
Adult Social Care Reserve	(0.265)	0	0	(0.265)	0.256	0	(0.09)
Capital Feasibility Reserve	(0.919)	0	0.300	(0.619)	0	0	(0.619)
Other Service Reserves	(8.732)	0.207	2.334	(6.191)	0.817	0.435	(4.939)
PFI Reserves	(29.029)	0	(0.842)	(29.871)	29.871	0	0
Reserves to support the capital programme	(2.254)	0	(0.200)	(2.454)	0.081	1.836	(0.537)
<b>TOTAL</b>	<b>(84.825)</b>	<b>(1.702)</b>	<b>25.444</b>	<b>(61.083)</b>	<b>46.227</b>	<b>4.952</b>	<b>(9.904)</b>
<b>TOTAL BALANCE</b>	<b>(101.624)</b>	<b>0.298</b>	<b>26.761</b>	<b>(74.565)</b>	<b>46.227</b>	<b>9.501</b>	<b>(18.837)</b>

## Capital Programme by Strategy Area 2021/22 -2023/24

## Schools 2021/22 -2023/24 Summary Capital Programme

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Schools	Adaptions for Foster Carers	0.080	-	-	0.080	Feasibility
Schools	Basic Need/Additional Places	6.491	-	-	6.491	Feasibility
Schools	Brackensdale Infant & Junior - Expansion	0.340	-	-	0.340	Complete
Schools	Buildings at Risk urgent condition and suitability schemes	0.414	-	-	0.414	Feasibility
Schools	Ashgate Primary School - Final Phase Refurbishment	0.002	-	-	0.002	On Site
Schools	Fellows Lands Way Primary S106	0.950	-	-	0.950	Contractually Committed
Schools	Chellaston Secondary School - Homeleigh Way Contribution	2.576	-	-	2.576	On Site
Schools	Capital works delivered by schools	0.250		-	0.250	On Site
Schools	Dale Primary School - Heating Replacement	0.003	-	-	0.003	On Site
Schools	Redwood Primary School - Electrical rewire, Roof cladding & Suspended Ceilings	0.002	-	-	0.002	On Site
Schools	Littleover Community School - Fire alarm Works	0.001	-	-	0.001	On Site
Schools	Mickleover Primary School - Fire Risk Mitigation Works	0.020	-	-	0.020	On Site
Schools	Ravensdale Infant - Electrical Rewire, Suspended Ceilings & Windows	0.002	-	-	0.002	On Site
Schools	Devolved Formula Cap	0.300	0.200	0.120	0.620	Feasibility
Schools	School Condition work	1.300	1.200	1.100	3.600	Feasibility
Schools	New Castleward School	2.063	-	-	2.063	On Site
Schools	Bemrose School Special Educational Needs (SEN) Unit	7.396	-	-	7.396	Not contractually committed
	<b>Total Schools Programme</b>	<b>22.190</b>	<b>1.400</b>	<b>1.220</b>	<b>24.810</b>	

### Housing General Fund 2021/22 -2023/24 Summary Capital Programme

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Housing General Fund	Disabled Facilities Grant 96 Act	2.634	2.278	1.915	6.827	On site - ongoing programme
Housing General Fund	Capitalised Salaries	0.085	0.085	0.085	0.255	On site - ongoing programme
Housing General Fund	Healthy Housing Assistance	0.280	0.200	0.200	0.680	On site
Housing General Fund	Empty Property Assistance	0.150	0.150	0.150	0.450	On site
Housing General Fund	City Living	1.717	1.717	1.717	5.151	Design
Housing General Fund	Community Energy Savings Project (CESP)	0.760	0.250	0.250	1.260	On site
Housing General Fund	Works at Shelton Lock	0.150	-	-	0.150	Contractually Committed
Housing General Fund	Affordable Housing external Registered Provider (RP)	1.460	-	-	1.460	Contractually Committed
Housing General Fund	Grants (Right to Buy receipts)	0.500	0.500	0.500	1.500	New scheme
<b>Total Housing General Fund Programme</b>		<b>7.736</b>	<b>5.180</b>	<b>4.817</b>	<b>17.733</b>	

**Property Improvement 2021/22 -2023/24 Summary Capital Programme**

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Property	Planned Improvements	2.271	2.271	-	4.542	Design
Property	Various sites boundary improvements	0.430	0.430	-	0.860	Feasibility
Property	Various sites fire precaution	0.265	0.265	-	0.530	Feasibility
Property	Littleover Community School - Bungalow	0.100	-	-	0.100	New scheme
Property	Boiler Replacements	0.606	0.606	-	1.212	Feasibility
Property	Electrical Rewiring	0.415	0.415	-	0.830	Feasibility
Property	Preliminary Design structural & Buildings at risk	0.200	0.200	-	0.400	Design
Property	Capitalised Valuer	0.037	0.037	0.037	0.111	Contractually Committed
Property	Guild Hall roof covering and stonework replacements	0.300	-	-	0.300	On Site
Property	Homes for older People (HOP)	0.650	0.650	-	1.300	On Site
Property	Swimming Pool / Leisure Centre strategy	18.174	-	-	18.174	Contractually Committed
Property	Corporate Capital Contingency S151 approval only	1.800	-	-	1.800	Contractually Committed
Property	Performance Venue (assembly rooms site)	9.612	-	-	9.612	Design
Property	Sinfin moor park	0.341	-	-	-	New Scheme
Property	Dirt track Osmaston park	0.050	-	-	-	New Scheme
Property	Arboretum Park	0.088	-	-	0.088	Contractually Committed
Property	Oakwood Park Improvements	0.067	-	-	0.067	New Scheme
Property	Heatherton Community Centre	0.037	-	-	0.037	On Site
Property	Chellaston Community Centre	0.039	-	-	0.039	New Scheme

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Property	Chellaston Brickwork Improvements	0.009	-	-	0.009	On Site
	<b>Total Property Programme</b>	<b>35.491</b>	<b>4.874</b>	<b>0.037</b>	<b>40.402</b>	

#### Flood Defence 2021/22 -2023/24 Summary Expenditure

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Flood Defence	Local flood alleviation scheme	0.250	0.250	-	0.500	n/a
Flood Defence	Merrill Way and Boulton Lane Rain Gardens	0.075	-	-	0.075	Design
	<b>Total Flood Defence Programme</b>	<b>0.325</b>	<b>0.250</b>	<b>-</b>	<b>0.575</b>	



## Highways & Transport 2021/22 - 2023/24 Summary Expenditure

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Highways & Transport	Integrated Transport Programme - smaller scheme	1.000	1.000	1.000	3.000	On Site
Highways & Transport	Asset Management - Highways Maintenance	3.915	3.915	3.915	11.745	On Site
Highways & Transport	Structures Maintenance	0.640	0.610	0.610	1.860	On Site
Highways & Transport	Intelligent Transport Systems Maintenance	0.462	0.375	0.375	1.212	On Site
Highways & Transport	Highway Trees	-	0.156	0.156	0.312	New scheme
Highways & Transport	Air Quality	0.100	-	-	0.100	On Site
Highways & Transport	Transforming Cities (TCF)	7.765	23.929	26.700	58.394	On Site
Highways & Transport	TCF Tranche 2 - Interchange Hubs	3.309	3.693	-	7.002	On Site
Highways & Transport	TCF Tranche 2 - Public Realm	2.531	2.824	-	5.355	On Site
Highways & Transport	TCF Tranche 2 - Cycle Expressway	1.207	1.347	-	2.554	On Site
Highways & Transport	TCF Tranche 2 - Bus Priority	0.895	1.000	-	1.895	On Site
Highways & Transport	TCF Tranche 2 - Park & Ride	3.566	3.980	-	7.546	On Site
Highways & Transport	TCF Tranche 2 - Bus & Rapid Transit Links	8.858	9.883	-	18.741	On Site
Highways & Transport	TCF Tranche 2 - LCWIP	3.504	3.910	-	7.414	On Site
Highways & Transport	TCF Tranche 2 - Workplace Travel Grants	0.058	0.066	-	0.124	On Site
Highways & Transport	LED replacement St Lighting	0.375	-	-	0.375	On Site
Highways & Transport	Highways infrastructure	6.000	-	-	6.000	On Site
	<b>Total Highways &amp; Transport programme</b>	<b>44.185</b>	<b>56.688</b>	<b>32.756</b>	<b>133.629</b>	

**Vehicles Plant & Equipment 2021/22 -2023/24 Summary Capital Programme**

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Vehicles Plant and Equipment	Grounds Plant & Equipment	0.400	0.400	0.400	1.200	On Site
Vehicles Plant and Equipment	New Hydrogen Vehicles	0.012	0.012	0.012	0.036	New scheme
Vehicles Plant and Equipment	Refuse Vehicles & Plant	1.900	0.950	-	2.850	On Site
Vehicles Plant and Equipment	Replacement of previously leased vehicles	0.330	-	-	0.330	On Site
Vehicles Plant and Equipment	Street Cleaning Equipment	0.401	0.303	0.308	1.012	On Site
	<b>Total Vehicles Plant &amp; Equipment</b>	<b>3.043</b>	<b>1.665</b>	<b>0.720</b>	<b>5.428</b>	

## Regeneration 2021/22 -2023/24 Summary Capital Programme

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Regeneration	Market Hall Refurbishments Phase 1	3.997	0.455	-	4.452	On Site
Regeneration	Market Hall Phase 2	0.357	0.099		0.456	Design
Regeneration	City Centre Masterplan	0.200	-	-	0.200	New scheme
Regeneration	Becketwell	1.436	1.296	-	2.732	Feasibility
Regeneration	Castleward Compulsory Purchase Order	0.825	3.174	3.482	7.481	Contractually Committed
Regeneration	City Growth Fund	1.250	1.750	-	3.000	New Scheme
Regeneration	Alvaston District Centre	0.731	-	-	0.731	Feasibility
Regeneration	Smartparc	4.000	-	-	4.000	New Scheme
Regeneration	Decarbonise	0.188	0.107	-	0.295	New Scheme
Regeneration	Becketwell Arena	35.144	-	-	35.144	New Scheme
Regeneration	MRC Midlands (NAMRC)	7.775	4.250	-	12.025	New Scheme
Regeneration	IPD Contingency	0.300	0.470	-	0.770	Feasibility
Regeneration	Padley Centre	TBC	TBC	-	-	New Scheme
Regeneration	ihub plot preparation	0.902	0.500	-	1.402	Design
Regeneration	Carbon Reduction Fund	2.000	1.000	-	3.000	New Scheme
Regeneration	Access Osmaston	1.000	-	-	1.000	Design

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Regeneration	Brook re-alignment/innovation drive extension	0.037	-	-	0.037	Design
Regeneration	Derby Enterprise Growth Fund – Recycled	0.400	-	-	0.400	Feasibility
Regeneration	D2EGF Growth & Innovation	0.936	-	-	0.936	Contractually Committed
Regeneration	Our City Our River (OCOR)	0.241	0.500	0.313	1.054	On Site
Regeneration	OCOR Package 1	0.696	0.976	0.015	1.687	Contractually Committed
Regeneration	OCOR Package 2	1.148	1.244	-	2.392	Contractually Committed
Regeneration	OCOR Munio	1.419	3.234	-	4.653	On Site
	<b>Total Regeneration Programme</b>	<b>64.982</b>	<b>19.055</b>	<b>3.810</b>	<b>87.847</b>	

#### ICT 2021/22 - 2023/24 Summary Capital Programme

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
ICT	ICT Stabilisation - Hardware Renewal	0.520	0.520	2.379	3.419	On Site
ICT	Major IT Systems Development	2.435	-		2.435	Feasibility
	<b>Total ICT</b>	<b>2.955</b>	<b>0.520</b>	<b>2.379</b>	<b>5.854</b>	

### Corporate 2021/22 - 2023/24 Summary Capital Programme

Strategy Area	Title	Revised 2021/2022 £	Revised 2022/2023 £	Revised 2023/24 £	Total £m	Scheme status
Corporate	MTFP provision for future Investment	9.000	15.500	5.500	30.000	Committed
	<b>Total Corporate</b>	<b>9.000</b>	<b>15.500</b>	<b>5.500</b>	<b>30.000</b>	

## Appendix 6

### Capital Ambition

<b>Potential Schemes to be funded from Borrowing</b> <ul style="list-style-type: none"><li>• Waste Disposal</li><li>• Assembly Room Meanwhile Use</li><li>• Relocation of Padley Centre/Housing Pathways</li><li>• ICT Core Systems</li><li>• OCOR Council Investment</li></ul>
<b>Potential Schemes to be funded Externally</b> <ul style="list-style-type: none"><li>• Future High Streets Fund</li><li>• Make and Trade Zone</li><li>• Heritage Schemes</li><li>• OCOR (Environment Agency/Others)</li></ul>
<b>Potential Hybrid Schemes (DCC Funding/External Funding)</b> <ul style="list-style-type: none"><li>• Guildhall/Market Place</li><li>• City Centre Cultural Offer</li><li>• Blue Corridor (River) and Green Corridor (Open Spaces)</li><li>• Ravensdale re-build</li><li>• SEN reprovision</li></ul>
<b>Potential Schemes – Regeneration</b> <ul style="list-style-type: none"><li>• Regeneration Fund</li><li>• Strategic Acquisitions</li><li>• South Derby Growth Zone</li><li>• Infinity Park</li></ul>
<b>Potential Schemes – Council Buildings</b> <ul style="list-style-type: none"><li>• Depot Reorganisation/Relocation</li><li>• Queen Street Leisure Centre/Chapel Street Gateway</li><li>• Markeaton Crematorium</li></ul>

*All these schemes and others will be considered as part of a City-Wide Capital Strategy/Ambition and are not firm, costed or funded commitments.*