



EXECUTIVE SCRUTINY BOARD

17th January 2022

ITEM 4

Report sponsor: Simon Riley, Strategic Director of Corporate Resources
Report author: Simon Riley, Strategic Director of Corporate Resources

Council Plan & Budget Proposals 2022/23 – 2024/25

Purpose

- 1.1 Council Cabinet on the 21st December approved for consultation the Council Plan and Budget proposals for the period 2022/23 to 2024/25. Public consultation runs from 22nd December 2021 to 28th January 2022.
- 1.2 The Council Plan sets out a new Vision for Derby 'Ambitious for Derby' and priorities linked to four partnership themes (Growth, Green, Resilient and Vibrant) as well as an Enabling Programme called Working Smarter.
- 1.3 The Medium-Term Financial Plan (MTFP) assumes delivery of £13.050m of budget savings and additional income in 2022/23, and an increase in Council Tax of 2.99% (this includes 1% specifically for social care).
- 1.4 The MTFP incorporates £12.651m of pressures in 2022/23, to address demand and cost pressures and to invest in Council priorities.
- 1.5 Scrutiny of the Council Plan and its resourcing detailed in the MTFP is an integral part of the Board's functions. The Board will then make any appropriate recommendations to Council Cabinet.

Recommendations

- 2.1 To consider and comment on the draft Council Plan.
- 2.2 To consider and comment on the MTFP and specific budget proposals for 2022/23.
- 2.2 To make any appropriate recommendations to Council Cabinet for inclusion in the Council Plan or Budget Setting Report, due to be considered by Council Cabinet on 16th February 2022 and subsequently by Council on 28th February 2022.

Reason

- 3.1 To provide scrutiny members with an opportunity to scrutinise the Council's vision and priorities and associated budget proposals and strategy as part of the consultation process.

Supporting information

- 4.1 The Council Plan report detailed in Appendix 1 provides a summary of the Council's vision and priorities for 2022/23 to 2024/25.
- 4.2 The MTFP Cabinet report detailed in Appendix 2 provides an overview of proposals to balance the Council's revenue budget for 2022/23 – 2024/25, and the proposed Capital Programme for the same period.
- 4.3 The Council Plan replaces the previous Council Plan approved in 2019 and builds on the Interim Recovery Plan adopted by the Council last year. The Council Plan is recentred around Partnership Themes agreed by the City's Partnership Board.
- 4.4 The budget issued for consultation in December was issued after the publication of the draft local government finance settlement.

The Government only announced a one -year spending allocation. As such, there is uncertainty over future funding levels and the Council currently is identifying budget gaps in year 2 and 3 of the MTFP.

In addition, changes in the Local Government finance framework (fair funding and business rate retention) have been postponed until at least 2023/24.

- 4.5 Scrutiny of the Council Plan should focus on:
 - The proposed over-arching vision for Derby
 - The proposed Partnership Themes and Priority Areas
 - Whether the Council Plan:
 - sets the vision and long-term goals for the organisation
 - aligns commitments and outcomes with partners
 - clearly sets out our 'must dos'
 - communicates priorities and expectations
 - provides realistic goals for the future, in the context of available resources; and
 - sets out the differences that will be made, and how this will be evidenced.
 - Are there other priorities that should be considered for inclusion within the Plan?
- 4.6 Scrutiny of the Budget should focus on:
 - public value and demonstrating a good use of resources
 - the impact of proposed budget changes on service delivery and cross cutting outcomes
 - the impact of the pandemic on the Council's budget and future financial sustainability
 - high risk and high cost areas of spend
 - how long-term trends, demand pressures and challenges define the Council's financial strategy.

- 4.7 The Council Plan and Budget Proposals may also change as a result of the consultation process.

Public/stakeholder engagement

- 5.1 The annual Budget Scrutiny meeting ensures Scrutiny is provided with a formal opportunity to contribute to the Council Plan and Budget Consultation process.

Other options

- 6.1 While alternative approaches have been considered, Council Cabinet are recommending priorities and budget proposals they consider to be deliverable and are financially sustainable in the medium term.

Financial and value for money issues

- 7.1 The Council is legally required to set a balanced budget for the next financial year, by 11th March 2022. Following the period of consultation, Council Cabinet will recommend a budget to Full Council on 28th February 2022.
- 7.2 This report presents a balanced budget for 2022/23. There are currently budget gaps for 2023/24 and 2024/25.

Legal implications

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

Climate Implications

- 9.1 None arising directly from this report.

Other significant implications

- 10.1 The new savings proposals for 2022/23, include a potential reduction in staffing. These numbers have already been partially mitigated prior to the employee and union consultation on these proposals.
- 10.2 Equality Impact Assessments (where appropriate) are being prepared for the savings proposals. These will be updated following the completion of the consultation period.

- 10.3 Further implications in relation to risk management, health and safety, and, environmental sustainability will be considered on a case by case basis as part of the overall budget process.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal		
Finance	Simon Riley – Strategic Director of Corporate Resources	06/01/2022
Service Director(s)	Simon Riley – Strategic Director of Corporate Resources	06/01/2022
Report sponsor	Simon Riley – Strategic Director of Corporate Resources	06/01/2022
Other(s)	Heather Greenan – Director of Policy, Insight and Communication	06/01/2022

Background papers:	None
List of appendices:	Appendix 1 – Report considered by Council Cabinet on 21 st December 2021 (Council Plan 2022 – 2025) Appendix 2 – Report considered by Council Cabinet on 21st December 2021 (Medium Term Financial Plan 2022/23 to 2024/25 – Update and proposed Consultation)