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Medium Term Financial Plan 2023/24 to 2025/26 – Update and proposed Consultation

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 2023/24. The Council's ambitions are set out in the Council Plan.

[Council Plan](#)

The report details the targeting of the Council's Finances to the priorities focused around the outcomes set out in the Council Plan against a backdrop of macro-economic pressures and rising demand.

- 1.2 This report provides an update on the council's General Fund position for 2023/24 to 2025/26 including any changes in assumptions and estimates together with the key impacts of the government's Autumn Statement, announced on 17 November 2022, as far as they can be interpreted locally. The Spending Review 2021 was a 3-year announcement which purported to increase Local Government Spending Power by 3.5% in 2022/23, although a significant element of this was provided from local taxation through an Adult Social Care Council Tax precept of 1%. In the event, a 3.5% increase in spending power was clearly insufficient to meet the inflationary and demand pressures experienced in year including September RPI inflation of 12.6% (CPI of 10.1%) and a local government pay award with an average cost of 5.4% for the council. This has led to the need to identify, looking forward, substantial annual savings through a mixture of economies and efficiencies, changes to service delivery, service reductions, and increased fees & charges.
- 1.3 For 2023/24 the position has become considerably more challenging, not only due to the continuing trend of costs and demands outstripping national and local funding increases for local government, but this is exacerbated by abnormally high inflation and the impact of the associated cost of living crisis on demands for services. The Chancellor's Autumn Statement announced resources that partially improved the position but still left a significant increase in the projected budget gap before savings, review of pressures and other mitigations. The combined effect is a balanced position in 2023/24 and a budget shortfall of circa £17.869m over the subsequent 2 years.
- 1.4 While the authority has seen (and successfully managed) very large shortfalls before, during periods when government grant reduced substantially under austerity and deficit reduction policies, the context was very different with low inflation, low interest rates and a growing economy both locally, nationally and globally. In the current context of high inflation, increasing interest rates, increasing service demands driven

by the cost of living, it will be a severe test of the authority's financial resilience and sustainability.

- 1.5 The MTFP for 2023 – 2025 is being managed within extremely challenging circumstances. It has been necessary to plan for unprecedented reductions in the Council's spend in a short period of time due to these emerging challenges.
- 1.6 Final settlement figures will not be confirmed until the draft local government finance settlement later in December. The Autumn Statement did not provide for any additional core funding but provided some new targeted social care funding alongside increased Council Tax flexibilities before referendum capping criteria applies.
- 1.7 The key objectives of the report are:
 - To consult with the citizens of Derby on the budget proposals
 - To ensure that the Council is financially resilient, stable and sustainable in the short term and to highlight medium term challenges to financial sustainability
 - To ensure that effective financial planning contributes to the delivery of the Council Plan
- 1.8 The report seeks approval to start appropriate consultation to support the 2023/24 Revenue Budget. It also outlines the proposed Capital programme for 2023/24 and its plan for the medium term.
- 1.9 The report comments on the key assumptions included and risks that are facing the Council in the next three years including the current economic crisis with rising inflation, and the assumptions of funding in the Autumn Statement.

Recommendations

- 2.1 To approve the start of appropriate consultation with citizens/stakeholders, including collective consultation (if appropriate), to consider the savings outlined in Appendix 2.
- 2.2 To approve the creation of a Cost of Change reserve and the temporary reallocation to the reserve of £4m funded from Earmarked Reserves for the cost of change associated with redundancies as outlined in section 4.8.9.
- 2.3 To approve the use of the Cost of Change reserve to fund the exit costs (currently estimated as £4m) associated with the redundancy exits as outlined in section 4.7.
- 2.4 To approve the reallocation of the Delivering Change earmarked reserve uncommitted balance to the Budget Risk reserve as outlined in section 4.8.8.

2.5 To note:

(a) Revenue Budget

- The current medium-term financial position as outlined in section 4.5 and detailed in Appendix 1 including the balanced position for 2023/24
- The current list of savings options outlined in Appendix 2 with an associated estimated reduction in posts by 161.87 full time equivalent (FTE)
- The current estimated service pressures outlined in Appendix 3
- The risks associated with the MTFP assumptions outlined in section 4.3
- The MTFP modelling assumptions outlined in section 4.4

(b) Capital Budget

- The indicative capital programme as outlined in section 4.9 and Appendix 5.

(c) Reserves

- The reserves position outlined in section 4.8 and Appendix 4

(d) Council Tax

- Proposal to levy a Council Tax increase of 2.99% for 2023/24 for Council Services outlined in section 4.10.
- Proposal to levy an additional Council Tax increase of 2% for 2023/24 in respect of the permitted Social Care Precept outlined in section 4.10.

Reasons

- 3.1 To consult on budget proposals for the next three years to support the delivery of a legally balanced budget for 2023/24 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 Council Plan and in line with the current economic issues.
- 3.3 The Council is required to set a balanced revenue and capital budget for 2023/24 by 11th March 2023. This report proposes an outline of proposals so far, for 2023/24.
- 3.4 The Council, under the Prudential Code, established by the Local Government Act 2003, must demonstrate the affordability of its revenue budget for the next financial year and two subsequent years, after considering plans for capital expenditure.
- 3.5 The report outlines a balanced budget for 2023/24. Remaining indicative budget gaps are being updated as the MTFP is developed and there is more certainty over the future funding model for Local Government. Further deliverable savings are outlined and there is further evidence/information for modelling inflationary increases and other pressures.
- 3.6 To consult with citizens of Derby on the budget proposals prior to the setting of the 2023/24 Budget and Council Tax and to comply with statutory obligations in respect of consultation.

Supporting information

4. Introduction

4.1 Key areas of the report are outlined below:

- I. The budget approach outlined in section 4.2
- II. The Local Government financial picture in section 4.3
- III. The MTFP modelling assumptions outlined in section 4.4
- IV. The current MTFP financial position outlined in section 4.5
- V. Savings and pressures outlined in section 4.6 and Appendices 2 and 3
- VI. The impact on workforce outlined in section 4.7
- VII. Projected reserves and commitments outlined in section 4.8
- VIII. The proposed capital programme outlined in section 4.9
- IX. Indicative council tax levels assumptions for 2023/24 outlined in section 4.10
- X. The proposed consultation process with the public and stakeholders outlined in section 4.11

4.2 Budget Approach

The MTFS approved by Cabinet on 7th December highlighted an indicative budget gap of nearly £34m before the application of additional social care funding, council tax flexibilities, review of pressures and identification of savings. This is against a background of historically high levels of inflation and increased demand for services (especially statutory social care services)

Preparing saving proposals of this magnitude has been extremely challenging. The Council remains ambitious for the City but has had to propose significant reductions to its expenditure in order to be sustainable in 2023/24 in these challenging times. The Medium Term Financial Strategy outlining the financial planning for the process adopted by Derby can be found here:

[Medium Term Financial Strategy](#)

4.2.1 The budget approach for this MTFP has been quite specific around the following key challenge

‘How can we plan for services with only 90% of the budget we have now’

4.2.2 When considering savings of this magnitude the budget needed to be reframed around the following principles:

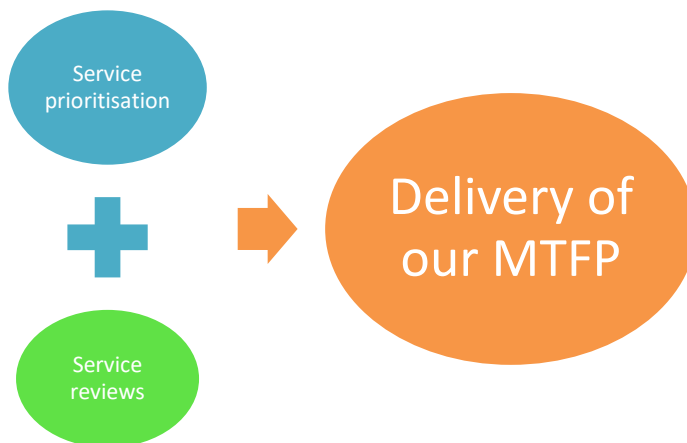
- Financial Resilience and Sustainability of the council must remain front and centre
- Financial Management and Mitigations of Pressures need to be a key focus
- This is not about incremental scaling of budget – instead it has looked across the Council against the above context
- Focus needs to change to new Affordability Envelopes and what outcomes can we deliver with and for the city within this envelope

- We must all be accountable in respect of Resource Management – both planned and reactive

4.2.3 The approach was built upon established foundations:

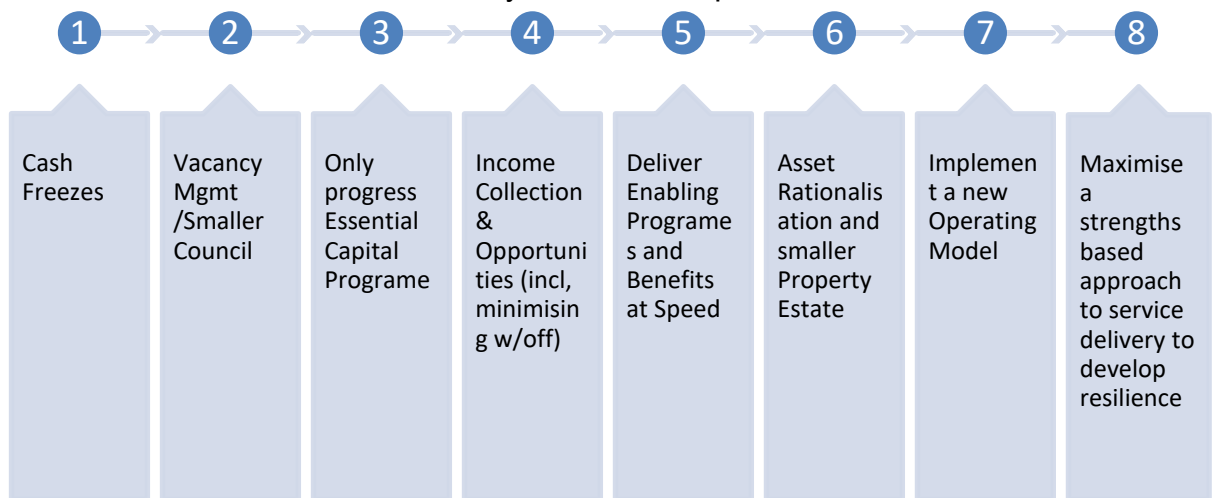
- Strengthened collaborative working with a focus on strength-based approaches embedded in assets and relationships
- Moving to outcomes-based approach as a Council rather than in silos
- Established transformation activities aligned to our priorities
- Established risk appetite statements

4.2.4 The challenge was set with a holistic risk based approach.



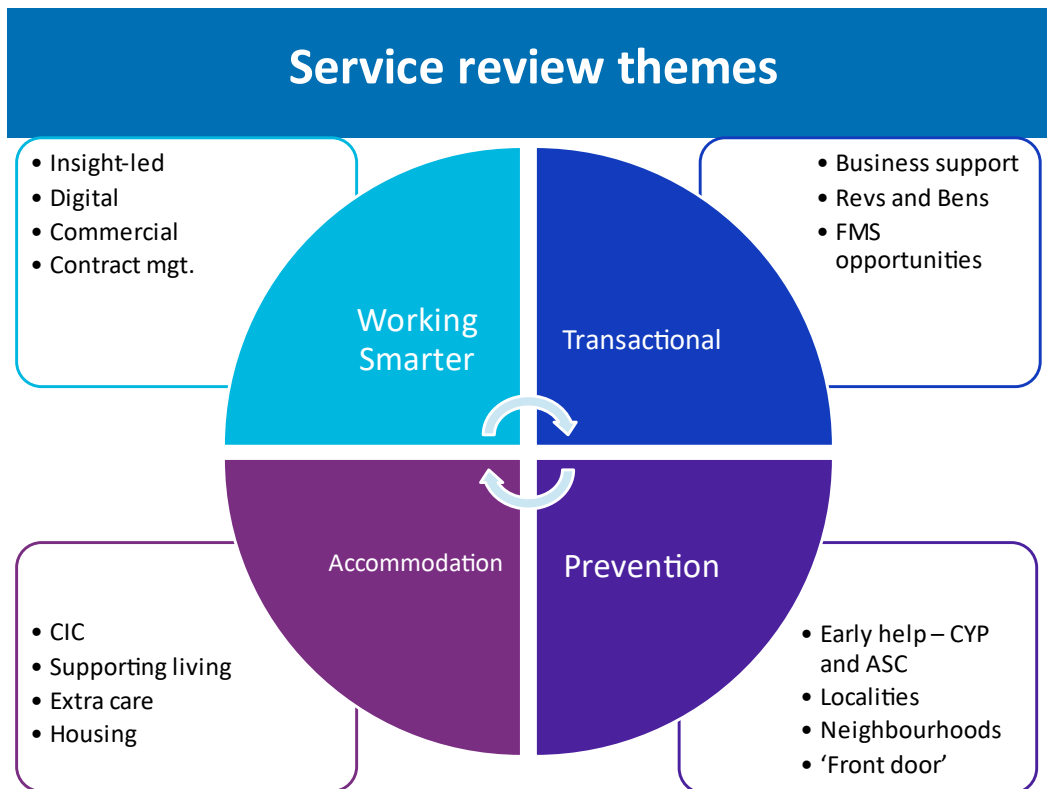
All decisions need to be evidenced based where possible, outlining all impacts to avoid unintended consequences.

4.2.5 Service Prioritisation has been a key theme in the process:



Due to the immediate and increasing need to address the significant impact of inflation on the Councils finances the budget process focused on budget prioritisation for the 2023/24 financial year with service reviews being the focus of seeking to bridge identified budget gaps in future years

4.2.6 Service Review Themes included:



4.2.7 Working within the Council and with Partners the budget has been prepared on a collaborative basis leading to some significant savings proposals. However, it was not sufficient to meet the unprecedented gap and directorates were set a further challenge to review their service levels including against the minimum statutory requirement.

4.2.8 The Budget process also actively looked at ongoing pressures and savings opportunities linked to the 2022/23 Budget position – At Quarter 2 this was showing a £12.8m overspend. Where applicable, these have been factored into the 2023/24 Budget and beyond and are detailed later in the report and attached schedules.

4.2.9 The totality of these savings options and pressure reductions have been considered and recommendations are outlined in this paper for the consultation.

4.2.10 The Budget process has allowed a balanced budget to be presented for 2023/24 with no recurrent use of reserves. However, the potential drawdown of reserves in 2022/23 linked to the current overspend leaves the level of reserves to support financial resilience in the future at a very low level. Delivering the MTFS over the medium term will require continued reshaping of Council services within lower affordability envelopes.

4.3 The Local Government Financial Picture

This budget has been developed in the context of an incredibly challenging period for both the city and of course nationally.

- 4.3.1 Local Government has experienced a dramatic rise in demand and costs, while revenue from council tax, business rates and charges has plateaued or fallen. Whilst additional support was provided during Covid, there is no new funding to assist with the current climate of increased economic and demand pressures.
- 4.3.2 **Cost of Living crisis**
Energy prices, inflation and pay implications exceeding forecast expectations, have impacted on the Council's ability to set a balanced budget. This has led to an unprecedented levels of savings requirement which has needed to be identified and delivered in the short term.
- 4.3.3 Local authorities, nationally and in Derby, have experienced a dramatic rise in costs. CPI increased by 11.1% over the course of the previous 12 months to October 2022, up from 10.1% in September, but within that, food inflation has risen to 16.4%, electricity 66% and gas 129%. Collection rates for council tax, business rates and income are under increasing pressure linked to the current cost of living crisis. The Government has previously covered the majority of additional Covid costs and lost income through grants during Covid, however there is no further funding available to mitigate remaining issues we are facing globally and the unprecedented rising cost of inflation has not been fully addressed in the recent Autumn Statement.
- 4.3.4 The price guarantee on energy bills was announced in September 2022 for Households (in addition to the previously announced energy relief grants) by the government to tackle soaring prices in energy linked to the war in Ukraine.
- 4.3.5 The plan - paid for by tens of billions of pounds of borrowing is expected to save the typical household around £0.001m and protect bill payers from further expected rises over the coming months. However this ends in March 2023. A further scheme has been announced with final details unavailable at this time.
- 4.3.6 The Government has also announced a scheme for non-domestic energy contracting, between 1 October 2022 and 31 March 2023 (six months) to include:
- Businesses
 - Voluntary sector organisations, such as charities
 - Public sector organisations such as schools, hospitals and care homes.
- 4.3.7 Residents of Derby could still be faced with the dilemma of what they can afford, and this could impact on the funding sources available to the Council which have been considered where possible in this MTFP.
- 4.3.8 **Levelling Up**
The Government's levelling up policy is intended to level up opportunities across all parts of the UK, supporting jobs, businesses and economic growth and the impact of the pandemic on public services. A levelling up fund was announced in 2020, initially making £4.8bn available for UK local infrastructure through a competitive bidding process, with this funding to be delivered through local authorities.

- 4.3.9 There are concerns that the Levelling Up agenda will be impacted because of soaring inflation costs in the construction industry which have reached 15% in recent months. A review of successful Levelling Up bids found that few projects are yet to begin construction, with many still subject to public consultations or planning approval. Funding available may no longer be enough for projects in their suggested form to be viable in the medium term and the resource required to implement will need to be considered as and when any successful bid announcements are made by Central Government – this is expected to be announced in mid to late December.
- 4.3.10 **Shared Prosperity Fund**
The exit from the EU in January 2020 and its associated loss of access to EU funding has been mitigated by the establishment of the Shared Prosperity Fund. It is expected that the council will receive circa £6m over the next three years – however the fund is prescriptive on the required outputs.
- 4.3.11 **Combined Authority**
Securing a devolution deal has been a long-standing ambition for the Area. The publication of the Government’s Levelling Up and Regeneration White Paper (the “White Paper”) in February 2022, which set out twelve missions to level up the country, introduced a new devolution framework, with a commitment that all areas wishing to secure a devolution deal would be able to do so by 2030
- 4.3.12 The introduction of the devolution framework, and the announcement that Derbyshire and Derby and Nottinghamshire and Nottingham, subject to consultation, would form the first wave of county deal pathfinders, has been the catalyst for accelerated joint working across the County Combined Authority (CAA) Area, providing a once in a lifetime opportunity to translate regional ambitions into reality.
- 4.3.13 To help us deliver this, our devolution deal provides the CCA with:
- £16.8m of devolved capital funding in 2024/25 to support the building of new homes on brownfield land
 - £9m housing capital funding pot in this Government spending period to support the delivery of housing priorities
 - New, broad powers to acquire and dispose of land to build houses, commercial space and infrastructure, for growth and regeneration
- 4.3.14 **Health and Adult Social Care**
- 4.3.15 NHS Integration: In February 2022 the Government announced a White Paper: ‘Health and Social Care Integration: joining up care for people, places and populations’. The White Paper aims to achieve this by bringing together the NHS and local government to provide better more joined up services at ‘place’ level. .
- 4.3.16 Cost of Care: Adult social care charging reforms in local government is being delayed from October 2023 to October 2025. Funding though for implementation will be maintained within local authorities to enable them to fund existing social care pressures and will be allocated during the Local Government Finance Settlement.
- 4.3.17 Rising demand and costs for care and support, have combined to push adult social care services to the limit. Over the past decade, adult social care costs increased by £8.5 billion while total funding (including the Better Care Fund) only increased by

£2.4 billion. This left councils with a funding gap of £6.1 billion. Of this, £4.1 billion was managed through savings to the service, and £2 billion was managed through funding diverted from other services by cutting them faster than otherwise would have been the case.

- 4.3.18 Nationally over 400,000 people rely on care homes in England and more than 800,000 receive care at home. But care services are struggling with 160,000 staff vacancies, rising demand and already tight funding for social care that is being squeezed by soaring food and energy inflation.
- 4.3.19 Care providers are reporting that inability to recruit staff has negatively affected their service and many have stopped admitting new residents as a result. In October the Care Quality Commission warned of a “tsunami of unmet care” and said England’s health and social care system was “gridlocked”. Problems in social care make it harder to free up beds in hospitals, slowing down the delivery of elective care.
- 4.3.20 **Children’s Social Care Demand**
- 4.3.21 Councils are seeing an increase in Children in Need (CIN) arising from pandemic, costs of living crisis, poverty etc. Children’s services are facing unprecedented demand amid the national funding crisis. There continues to be significant demand for children’s social care and the complexity of needs is escalating in response to the multi-faceted challenges children face in their day to day lives.
- 4.3.22 The sector is still seeing the impact of Covid 19 and the changes that it has brought about have yet play out, and it will be some time before the full impact is known.
- 4.3.23 The main pressures experienced by the council and nationally by authorities include higher costs for independent fostering and private home placements, paying more agency workers, increased service demand and SEND home to school transport.
- 4.3.24 **Local Taxation**
The spending power of local government, is heavily reliant on the ability to raise resources through local taxation. The increases in core spending power of the sector are formed on the assumption of full maximisation of council tax.
- 4.3.25 In Derby we have a relatively limited ability to raise resources through local council tax when compared to other authorities. Council tax income is limited by the high proportion of low value dwellings where 51 per cent of the Council’s domestic properties fall into band A which is the lowest band and therefore the occupiers pay the lowest level of council tax charges.

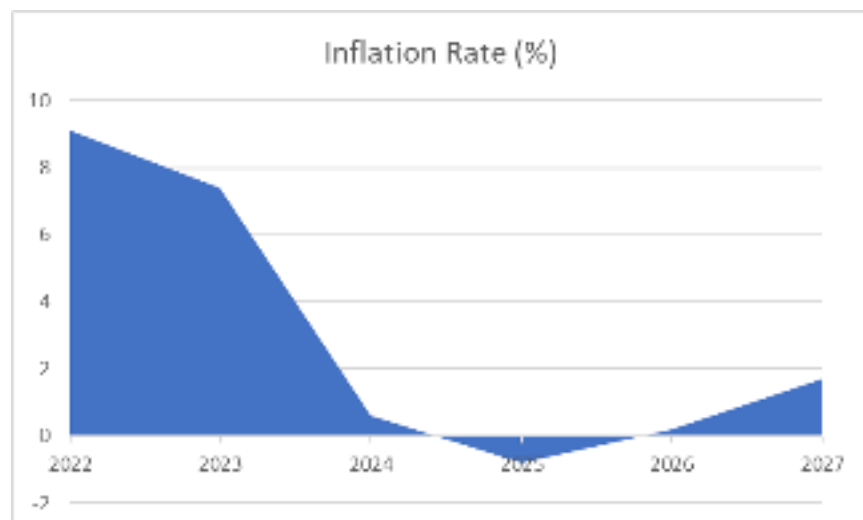
4.4 MTFP modelling assumptions

- 4.4.1 An essential element of the MTFP is to ensure that the financial consequences of risk are adequately reflected in the Council’s finances.
- 4.4.2 As with any plan or forecast the risk of variances and uncertainties exists. Careful planning can reduce risk but the Council must be aware of the potential variations that can arise and have a strategy for dealing with resulting pressures. The risks to the Plan can affect in year or future years’ budgets.

- 4.4.3 **Robustness of Estimates** - The Section 151 Officer reviews and reports on the appropriateness of reserve levels to mitigate risk in the budget setting Cabinet Report in February 2023. The Section 151 will assess the Robustness of Estimates and Adequacy of Reserves for the medium term. Planning risk and changes to future funding assumptions are reviewed and updated in the ongoing MTFP. The reserves position represents a risk to the Council with current in year overspends significantly reducing the availability of reserves. The Section 151 Officer may have to reprioritise commitments within these reserves and redirect the funding to remain sustainable in the medium/long term.
- 4.4.4 **Collection fund (Council Tax and Business Rates)** – Forecasts are based on the latest intelligence. However, both collection rates and appeals assumptions can change with minor percentages having a significant impact on funding available which will be monitored and addressed as appropriate through the year.
- 4.4.5 **New Homes Bonus (NHB)** – Forecast income is currently included to continue over the medium term, however it was originally planned that government would review / reallocate this funding. There has been no new announcement on New Homes Bonus at this time.
- 4.4.6 **Social Care Council Tax Precept** - The budget is modelled on a level of Council Tax increase for 2023/24 of 4.99% which includes a 2% precept for social care. Any changes in assumed collection rates can affect the numbers and this will be monitored and reported appropriately with alternative solutions found to mitigate these risks.
- 4.4.7 **Pay Award** – A 3% pay increase is included for each year in the MTFP, this is subject to review of details of awards for local government colleagues. Central Government has encouraged ongoing pay constraint similar to that in play for much of the last decade. The impact of a 1% difference in pay inflation assumptions equates to just over a £1m.
- 4.4.8 **Turnover** – 6% is built into the budget for a staffing turnover expectation. This means recruitment of staff will need to reflect this expectation and could lead to possible delays in recruitment that could impact on council services.
- 4.4.9 **Savings Plans** – With a significant volume of savings required in the short term there is a risk of slippage through unforeseen delays and the timing of savings delivery. Plans within portfolio areas 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 mitigate any use of reserves.
- 4.4.10 **Assumed Budget Pressures** – These have been included based on the latest forecasts however there are risks that these may materialise differently to that assumed at the time of setting the budget. These will be reviewed on an ongoing basis addressed in quarterly updates to Cabinet.
- 4.4.11 **Workforce profile** – Reduction in the workforce could have an impact on delivery of savings and associated delivery of efficiencies in the short term and this may also impact on reserves with any possible costs associated with potential redundancy. Careful planning of resources is required in the medium term but this is not without risk

and could potentially delay service plans in year with resources being used for council priorities in the medium term.

- 4.4.12 **Capital programme risk** – There is a risk within the capital programme of the Council that rising inflation and lack of available contractors for example will increase the cost requirement of projects which could potentially increase borrowing and the revenue bottom line costs associated with this. The programme will be monitored monthly and outlined to Cabinet quarterly to reflect these risks and potentially reduce the programme to avoid incurring extra revenue pressures.
- 4.4.13 **Business Rates** – As the value of business rates retained in Derby is below the Government’s formula assessment, the Council receives a ‘top up’ grant. Any revaluation of business rates and multiplier change will affect the total rates yield and therefore the amount retained. Business Rates is forecasted using the latest intelligence and past performance to mitigate this and the position is reported to cabinet quarterly for monitoring purposes. The Council makes provision for business rate appeals and bad debt on an annual basis. These are monitored on a quarterly basis.
- 4.4.14 **General Inflation** – The current Medium Term Financial Plan includes a range of inflation assumptions based on the latest intelligence and indicators. The Office of Budget Responsibility (OBR) has forecast the following overall inflation rates for the forthcoming years



The Budget provides for inflation for specific items (energy, external contracts etc) but has applied a ‘cash freeze’ for more general items of expenditure. Levels of inflation will be monitored as a priority in monthly revenue monitoring to assess the level of risk and volatility and how any such risks could be mitigated in the first instance

- 4.4.15 **Energy and Fuel Price rises** – This area of inflation continues to be volatile. Inflation on energy and fuel has seen significant increases recently. Emerging issues will need to be addressed through managing existing budgets in the first instance.
- 4.4.16 **Pension costs** – Indications from pension provider is that contributions rates are expected to be fairly stable, if not frozen, but there is no confirmation of this at this stage. This is a risk to the MTFP as no new pressures have been built in at this

stage. This will have to be managed if a pressure emerges in the 2023/24 budget and built into future iterations of the MTFP.

- 4.4.17 **Spending Risk** - The Council will continue to operate a scrutiny process for reviewing spend. This will help mitigate any unforeseen pressures in current and future year budget allocations. The spending panels focus on the need to spend alongside active vacancy management. The thresholds for these panels were further tightened in the 2022/23 financial year.
- 4.4.18 **Treasury Management Risks** - The Council has a portfolio of investments and borrowings and is therefore potentially exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy. The Council is currently under borrowed due to the policy of using internal investments to negate the immediate need to borrow at more expensive rates. The MTFP assumes the need to start borrowing from 2023/24 onwards at current PWLB rates. Active treasury management will seek to delay significant long term borrowing until interest rates reduce.

Link to the Council's Treasury Management Mid-Year Report:

[Treasury Management Mid-Year Report 2022/23](#)

- 4.4.19 The Treasury Management model includes an additional £7m contingency fund to mitigate inflationary risks.

4.5 The current MTFP position

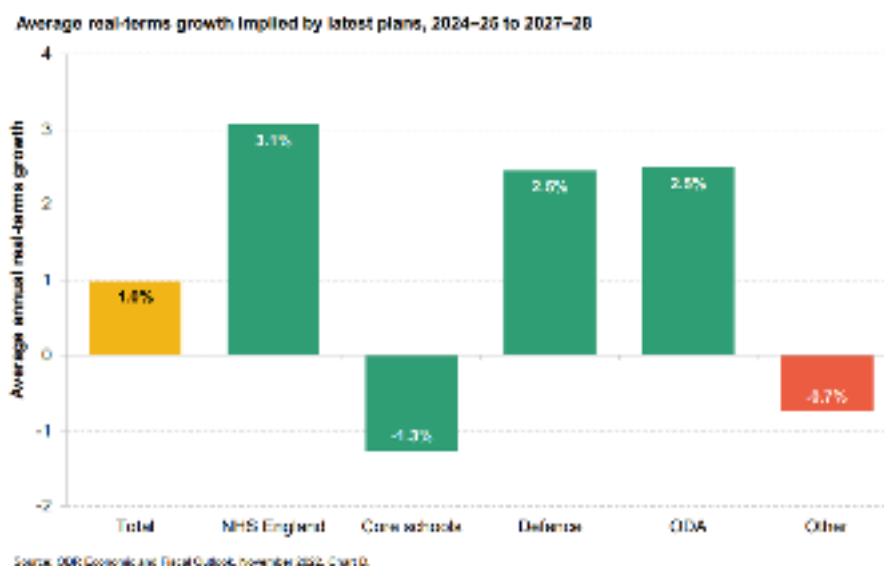
4.5.1 Autumn Statement – Key Headlines for Local Government:

4.5.2 Local government in England has faced a decade of cuts to its grant funding, compounded by increasing demand. Costs from statutory services such as adult social care, children's social care and homelessness services have continued to rise. Other local government-provided services – food safety, health and safety, trading standards, libraries, planning, road maintenance, and waste collection and disposal – are struggling and now offer radically reduced or changed amenities compared to a decade ago. Whilst there was a 3.5% increase in the core spending power announced in the spending review in November 2021 for the financial years 2023/24 and 2024/25, the benefit of these have been eliminated by the impact of inflation. As a low tax base Council the increased focus on Council Tax increases in the published Core Spending Power announcements belies the distributional impact of a percentage increase in Council Tax raising less additional income than elsewhere.

4.5.3 The Autumn Statement on the 17 November, which introduced additional funding for social care and a delay to charging reforms, has been described by local government finance leaders as "better than expected". The key headlines include:

- 4.5.4
- **Core Funding.** There will be no reductions to the funding allocations announced in SR21 (November 2021). However, as inflation is high the published 3.5% increase in cash terms is effectively real terms decrease. The outlook for public sector finances published alongside the Autumn Statement indicate a fiscal squeezing in future years. Analysis by

the Office for Budget Responsibility indicate a real terms reduction in core funding of 0.7% in the period 2024-25 to 2027-28. Whilst Social Care at the moment would be included in the other category it is likely to be aligned to the some of the increases targeted at Health. If this was to be the case, then the impact on other local government services could be significant.



- **Adult social care funding (new money).** An additional £1bn of new grant funding has been announced in 2023/24 and then £1.7bn in 2024/25. Of this additional new money, £600m in 2023/24 and £1bn in 2024/25 will be allocated through the Better Care Fund to “get people out of hospital on time”. The remainder will be allocated through a ringfenced grant at the settlement. Whilst the allocation to Derby is awaited the Autumn Statement assumed a mixture of grant and raising Council Tax (ASC precept) in their announcement. When the Council Tax element is removed the headline announcement is that only £0.9bn in 2023/24 and £1.6bn in 2024/25 is genuinely new grant funding over which the government is providing ‘new money’. There has been no announcement yet of any further burdens associated with this funding. The MTFP assumes that this will be distributed on a basis that recognises resource equalisation for low tax base Councils
- **Delaying adult social care charging reforms.** Funding set aside for these reforms in 2023/24 and 2024/25 will be paid to local authorities (£1.3bn in 2023-24 and £1.9bn in 2024-25). However, it is anticipated that reforms will be delayed from October 2023 to October 2025, at the earliest. This has partially mitigated the growth in Adult Social Care demand and costs in Derby
- **New Homes Bonus -NHB.** No announcement was made on the future of NHB or the other grants within the settlement.
- **Services Grant.** Previous funding for the increase in the NI Levy has been reversed with the funding and cost within the previous MTFP netted off

4.5.5 Whilst the Autumn Statement provided a mix of grant and council tax flexibility relating to Social Care, there was no new funding for the myriad of other pressures

facing the Council from increased demand and inflation. There is a change in the Council Tax referendum principles that would allow a further 1% Council tax to be levied, over and above the MTFP in February (1.99% included in the MTFP in February 2022. Councils are also able to levy a 2% Social Care precept (1% included in the MTFP in February 2022).

- 4.5.6 **Council Tax.** The Autumn Statement has increased council tax limit referendum principle to 3% and increased the Adult Social Care precept to 2% from 2023/24. Therefore, the maximum council tax increase allowable without a referendum will be 4.99% from 2023/24 onwards.

An assessment of Local Council Tax Support has been undertaken and despite the impact of the Covid Pandemic and national economic conditions there has not been a marked change in eligibility. The Council Tax base was calculated on the 1st December 2022 and showed an increase in Band D Equivalents of 1,008.09 which is factored into the MTFP, A lower collection rate of 97.2% has been used in the calculation recognising the current economic climate.

- 4.5.7 **Business Rates.** The Autumn Statement included an announcement that there will be a freeze on the business rates multiplier in 2023/24. The council will be compensated for the loss in extra revenue for this announcement which, in line with previous years would be based on the September 2022 Retail Price Index increase of 12.6%. This increase was reflected in the July 2022 budget estimates.

The Autumn Statement also included provision for a range of additional targeted rate reliefs in 2023/24 with the most significant being an increased relief for the Hospitality, Retail and Leisure sector from 50% to 75% (subject to a cap for larger businesses). The loss of income to the council will be fully compensated by government through S31 grant.

A new Rating list is due to be implemented in April 2023. Revaluations are now on a 3-year cycle rather than 5 years. Any revaluation increases or decreases are planned to be adjusted to ensure local authorities are no better or worse off. However, this is a complex adjustment and there is a risk that the council is not fully protected against loss.

- 4.5.8 Major changes in local government funding have been planned in the medium term (including, fair funding review and business rate retention schemes). However, these have been delayed whilst the government considers the impacts of the cost the current economic crisis.

- 4.5.9 The Council's last approved MTFP was approved in February 2022. This indicated a balanced budget in 2022/23 with a permanent budget gap of £15.144m to be addressed in future years. The table below shows the Council's forecasted MTFP position for 2023/24 to 2025/26 compared to that presented to Council in February 2022:

MTFP	2023/24 £m	2024/25 £m	2025/26 £m
MTFP Budget Gap (Feb 2022)	10.801	15.144	-
MTFP Budget Gap (Dec 2022)	-	9.310	17.869
(Decrease)/Increase	(10.801)	(5.834)	17.869

The Government provided in the Autumn Statement indicative figures for 2023/24 and 2024/25 including additional Social Care Grants. The table above assumes that these are rolled forward into 2025/26 on a cash freeze basis. If, however, these are reversed out as part of a future Comprehensive Spending Review the proposed budget gap (Dec 2022) would increase.

4.5.10 The budget proposals require a significant increase in providing for additional demand and economic pressures such as rising inflation and increased demands in children’s social care and as a consequence has required the identification of considerable additional savings and income generation proposals for next year and the following two years.

4.5.11 The table below shows the movements for each year:

Savings and Pressures	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m
Savings/Income Generation				
MTFP Feb 2022 Council	(2.493)	(1.015)	-	(3.508)
Current MTFP	(16.554)	(3.614)	(0.192)	(20.360)
Difference	(14.061)	(2.599)	(0.192)	(16.852)
Pressures				
MTFP Feb 2022 Council	8.027	7.154	-	15.181
Current MTFP	32.357	16.774	9.825	58.956
Difference	24.330	9.620	9.825	43.775

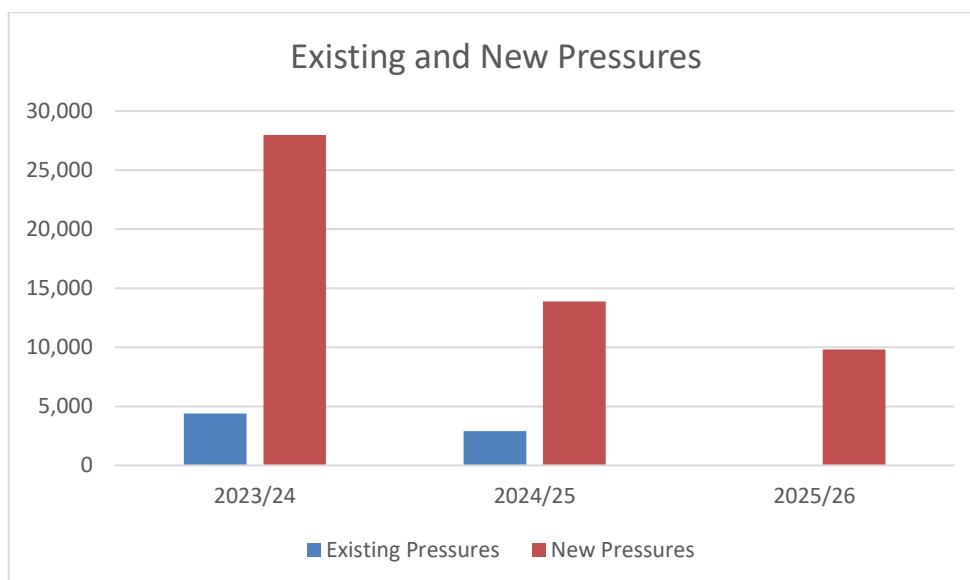
4.6 Pressures and Savings by Directorate

4.6.1 Savings and pressures in the MTFP have been articulated by Directorate. Details of this can be found at Appendix 2 for savings and Appendix 3 for pressures.

4.6.2 Pressures

Council approved in February a budget which factored in demand pressures in Social Care that the Council had experienced a continued increase in 2022/23 alongside inflation and pay-award pressures that have for a number of years have remained relatively low.

4.6.3 Since the 2022/23 budget was set the Council has experienced unprecedented demand pressures alongside significant increases in costs arising from inflation, sufficiency and supply chain issues. This is a national trend. This is shown in the following graph:



4.6.4 The impact of unprecedented inflation, utility costs and pay awards experienced in 2022/23 has an ongoing impact on base budgets going forward and have been incorporated into the MTFP forecasts – this accounts for £26.311m of the increased costs for the Council. There is still significant uncertainty about further pay and price increases in 2023/24 onwards. This report details the key assumptions and will need to be monitored closely next year with appropriate mitigations implemented this year as required.

4.6.5 Below is the latest forecast pressures included in the Medium term Financial Plan:

Directorate	2023/24 £m	2024/25 £m	2025/26 £m
People Services	16.707	11.744	5.000
Communities and Place	2.001	(0.210)	(0.020)
Resources	13.649	5.240	4.845
Total	32.357	16.774	9.825

4.6.6 Over recent years a greater proportion of the Council’s budget has needed to be targeted at core statutory services, especially Social Care linked to increasing demand alongside a significant increase in costs for services provided from the private and independent sector. Next year, provision has been made for key investment in the following areas

- Provision for increased package costs and demand for adult services of £7m. This pressure reflects the impact of the national living wage and inflation on the cost of care packages. Also, the increases in the adult population aged over 85 and the number of adults with complex and challenging needs supported by social care.
- Provision for an increase in demand across children’s social care including the cost of placements for looked after children £4.5m. This pressure reflects the national shortage of placements at the very complex end of the spectrum.
- Provision for increased Home to School Transport costs of £4.5m. This pressure is derived from the high number of Education and HealthCare Plans

- EHCP’s and children being placed in independent and out of authority schools.

Currently 32 looked after children are in external residential placements, the cost of residential placements in 2022/23 is forecast to be £10m and costs in excess of £5m for the 10 most expensive placements. This remains a focus of the Council to continue, where possible the reduction in external residential placements seen in 2022/23. The Council has commenced a Children’s Accommodation Strategy to support this change.

4.6.7 The Council continues to develop and implement successful demand management initiatives to contain demand; this has been seen for example in respect of the Council’s Looked After Children responsibility where a mixture of preventative initiatives, placement stability and appropriate settings has slowed the growth in numbers. However, these improvements have been largely negated by significant increase in costs for services procured externally. Where possible, additional internal provision is being developed or utilised within the City to manage this cost pressure.

4.6.8 These and other pressures are detailed in Appendix 3. Looking forward, the Council will benefit from the investment in the working smarter insight led investment that will provide improved insight into customer pathways, demand, repeat support, failure management. This will help develop preventative solutions to manage demand better and where possible adopt a strengths based approach within our community.

4.6.9 **Savings**

In February the Council approved a transformation programme (funded through the capital receipts flexibility) which allowed the pace of change and readiness for significant additional transformation and associated savings to be delivered over the next three years. This is not without risk as the capital receipt identified for this work has not yet materialised as planned. Work is ongoing to secure this sale.

4.6.10 Below is the latest forecast savings included in the medium-term Financial Plan:

Directorate	2023/24 £m	2024/25 £m	2025/26 £m
People Services	(6.395)	(1.032)	-
Communities and Place	(5.211)	(1.247)	(0.017)
Resources	(4.948)	(1.335)	(0.175)
Total	(16.554)	(3.614)	(0.192)

4.6.11 These reductions cut across every service area, including:

- Early Help offer for children and families – focus on the most vulnerable using our insight and supporting social workers in managing demand and complex cases
- Adult Social Care packages - undertake planned social care review and reassessments of vulnerable people living in the community to focus on their most critical needs
- Libraries – removal of Council subsidy from Community Managed Libraries amounting to closure from 1 April 2023 and reconsideration as part of a Council review of all community buildings

- Leisure facilities – further consideration of an external operator to run the Council’s remaining leisure services
- Public Realm maintenance – reduction in frequency and service offer in ‘street scene’ services including grounds and highways maintenance and street cleansing
- Locality teams – remodeling of locality teams to reduce overall workforce numbers and to prioritize work to support the most vulnerable
- Customer centre opening hours – review of Council House opening hours
- City Centre regeneration – scaling back of direct Council led support for city centre regeneration
- Support services – scaling back of service offers and professional support

4.6.12 The net impact of pressures and savings on the directorates is summarised in the table below: -

Directorate	Net increase/(decrease) to budget of the Pressures and (Savings) £m
Childrens Social Care	6.017
Adult Social Care	4.295
Communities and Place	(3.210)
Corporate Resources	(2.381)
Council Wide – Electric and Gas (additional pressure)	2.028
Council Wide – Pay award (rebase 2022/23 and additional 1%)	6.699
Corporate (including Treasury)	2.355
Total	15.803

4.7 Impact on Workforce

4.7.1 The Council will seek to minimise compulsory redundancies where possible.

4.7.2 The proposals contained in this report for will potentially reduce the workforce by an estimated 161.87 FTE posts in 2023/24, if implemented.

The budget process has looked across the Council and across front line and support services. The table below summarises the proposed workforce reductions over the MTFP period:

Directorate Proposals 2023/24	Proposals	Vacant Posts	Potential further reduction
	FTE	FTE	FTE
Peoples	27.8	15.12	12.68
Communities and Place	43.90	15.90	28.00
Corporate Resources	32.81	22.51	10.30
Management Restructure	10.36	4.36	6.00
Business Support (Est) to be implemented in phases	47.00	-	47.00
Total	161.87	57.89	103.98

- 4.7.3 There are a number of proposals in Appendix 2 marked as to be confirmed (TBC). In general, these are relating to service redesign proposals that are not yet finalised and will be consulted upon as appropriate.
- 4.7.4 These proposed post reductions will be managed through the deletion of vacancies where appropriate. Consultation on any potential redundancies will be carried out in line with the Council's consultation, restructuring and redundancy policy
- 4.7.5 The cost of change (redundancies, pension strain costs etc) will be funded from earmarked reserves that will be 'repaid back' over the next four years. This approach was taken due to the level of recurrent budget savings required to respond to the economic shock and the societal impact. Cost of change are one-off costs.

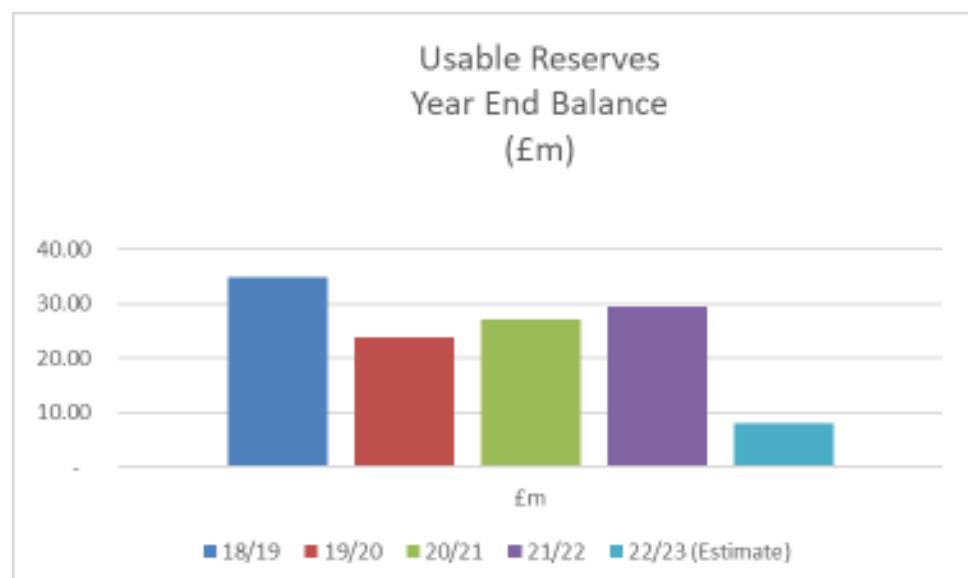
4.8 Reserves

4.8.1 Regular review of reserves is an integral part of the in year forecast monitoring and MTFP planning. This helps to ensure that the resources and priorities of the Council are aligned. Where appropriate the Council seeks to smooth the impact of MTFP changes through the application of reserves.

4.8.2 The Statement of Accounts show that at the 31st March 2022 the Council has £103.435m of Revenue Reserves (excluding schools) on its balance sheet. These comprise of:

- **General Fund Reserve:** This is the retained reserve balance and is set at a level recommended by the S151 Officer
- **Budget Uncertainties Reserve:** This reserve is used as a 'smoothing reserve' over the period of the MTFP and is used for balancing in year pressures or surpluses alongside specific allocations to specific initiatives
- **Earmarked Reserves:** These reserves are set aside for specific purposes and are drawn down as required.

4.8.3 The Council has had relatively low levels of reserves over a prolonged period of time necessitating tight financial management and the cumulative need for savings each year when demand or cost pressures exceed the previous year's funding. The year end balances of the 'usable' reserves (general fund balance and the budget uncertainties reserve) are detailed in the graph below:



During this period the General Fund balance was approximately £10m of the above. It is clear that the economic shocks incorporated within the 2022/23 Revenue Monitoring (without further mitigations) would leave the Council with a level of usable reserves at historically low levels. Given the speed of the economic shock in 2022/23 it has not been possible to incorporate planned and further contribution to reserves at the same time as proposing a balanced budget for 2023/24. This must be a key priority for the Council to plan for improved financial resilience in the medium term.

4.8.4 In the MTFP agreed in February 2022 there were planned contributions of £8.278m over 2 years to reserves to improve financial resilience (these were incorporated into the opening MTFP gap detailed in section 4.5.9) It has not been possible to budget to make these contributions in the proposed 2023/24 budget. These have been reprofiled now for 2024/25 onwards.

4.8.5 The budget strategy for 2023/24 necessitates a reduction in the Council workforce above what would have been required if atypical inflation levels were being experienced within the MTFP. To avoid disproportionate cuts in service for 2023/24 to fund increased cost of change costs (redundancies, pension strain costs etc) it is proposed to internally 'borrow' from existing earmarked reserves (where commitments are not within the next four years) to fund the immediate costs. The budget recommends that these are repaid on an equal basis over the next four years and has been incorporated into the MTFP.

4.8.6 Based on the forecast revenue position at Quarter 2, existing commitments and the proposals in this report the expected balance on the General Fund Reserve and Budget Risk Reserve is estimated to be:

Reserve	Opening Balance at 1 st April 2022	Utilisation 2022/23	Opening Balance at 1 st April 2023	Utilisation 2023/24	Opening Balance at 1 st April 2024	Utilisation 2024/25	Opening Balance at 1 st April 2025	Utilisation Future Years	Future Years Opening Balance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
General Fund Reserve	8.933	(1.466)	7.467	-	7.467	2.639	10.106	2.639	12.745
Budget Risk Reserve	20.522	(20.063)	0.459	(0.245)	0.214	1.882	2.096	0.397	2.493

These figures include 2022/23 forecast commitments of £1.466m against the General Fund Reserve and £11.392m against the Budget Risk Reserve to fund the outturn forecast position. This is in addition to the planned use of reserves (£4.352m) approved as part of the MTFP, in February 2022 and other commitments

4.8.7 The above table assumes that there will not be the requirement for further unplanned drawdown of reserves and that savings are delivered within the MTFP. An assessment of the level of reserves and robustness of estimates will be contained in the Section 25 report from the S151 Officer to be considered by Cabinet in February 2023.

4.8.8 A review of reserves has been undertaken throughout 2022/23 which has resulted in the proposal to reallocate the uncommitted balance of £0.749m in the Delivering

Change Earmarked Reserve to the Budget Risk Reserve. The proposed reallocation of reserves will be actioned following consideration and approval by cabinet.

- 4.8.9 It is recommended to approve the creation of a cost of change reserve and a temporary reallocation to the reserve of £4m funded from PFI reserves to fund the cost of change associated with proposed redundancies. £1m each financial year is planned to be transferred back to PFI reserves from 2024/25 to 2027/28.
- 4.8.10 A detailed reserves analysis is attached at Appendix 4.

4.9 The Council's Capital Programme

- 4.9.1 The Council Plan sets down a series of outcomes and ambitions that will require Capital investment to deliver. The funding of the Capital Programme is from External Contributions, Capital Receipts and Prudential Borrowing and Revenue Contributions.
- 4.9.2 Throughout the summer and autumn the capital programme has been scrutinised through a series of workshops and meetings with each strategy area, in order to take a prudent approach in the medium term, in response to the limited funding available due to the exceptional increasing pressures facing the council in the short and medium term.
- 4.9.3 There has been significant slippage over the last couple of years in many areas of the capital programme, which has been further impacted by Covid and the War in Ukraine, which has resulted in a national shortage of resources and rising inflationary costs. However, this has created an opportunity for strategy areas which have rolling programmes to review their programme of work, refocus their work planning and look at longer term plans.
- 4.9.4 The Highways and transportation (H&T) rolling programme is one area that has been impacted by significant slippage over the last few years. The strategy areas have worked through and analysed the individual programme schemes looking at past performance, alongside a refresh of the strategic outcomes for future years. The financial pressures created through inflation, rising resource costs, specialist skill shortages and restrictions in the availability of materials heavily influenced the assessment and planning for the next 3 years.
- 4.9.5 The H&T capital programme are proposing a number of fundamental changes to improve both their strategic asset management and project/scheme delivery.
- 4.9.6 There were a range of underlying issues and pressures that affected successful delivery. This included inconsistent programme entry requirements and the impact of unplanned projects; short-term annual planning which created unrealistic expectations for schemes; lack of revenue funding to enable greater pre-construction development and the need to increase capacity and focus on asset management and pipeline planning.
- 4.9.7 From 2023/24 it is proposed that the H&T programme:
- **Move from one year programming to five year programming:** This will create an evidence based, profiled programme and moves away from the in-built failure in programming with design and delivery in the same year.

- **Establishes a Year 1 (2023/24) Consolidation year in the 5-year cycle:** year one should be for consolidation and re-set:
 - a) Consolidating scheme backlog including schemes still delayed by Covid
 - b) Investing our asset management protocols and developing data and intelligence to support our investment priorities
 - c) Identifying future investment projects across asset groups and with locality themes, beginning early investigatory work
 - d) Develop a programme entry and prioritisation criteria. This will use intelligence from asset management, carbon reduction strategies and will be based on benefits and investment value
 - e) Review of governance arrangements and refresh of outcomes and objectives for the programme in line with overall Council and city ambitions.

4.9.8 Proposals for 2023/24 H&T Capital Programme:

- New scheme proposals, including Neighbourhood Board schemes, will be added to a provisional list and assessed for possible inclusion in future years programme. This will be based on the entry criteria developed as stated above.
- Working with the emerging locality arrangements strategy and asset managers will engage with Neighbourhood Boards on the development of local investment plans for 2024 to 2026
- Highway maintenance schemes will continue to be designed and delivered in line with the asset management and prioritisation approach already in place.

4.9.9 Highway Maintenance schemes will continue to be designed and delivered next year as the service already benefit from a developed asset management and prioritisation approach. More information will be provided in the Infrastructure Programmes Board 2023/24 report due to be presented at March Cabinet.

4.9.10 The property rolling programme is also in the process of developing a 5 year planning cycle and has committed to using 2023/24 as a catch up year utilising slippage from 2022/23 to complete planned schemes while prioritising plans for the longer term. This will be incorporated into the programme from 2024/25.

4.9.11 Supporting rolling programme strategy areas to move to a 5 year planning cycle and use 2023/24 as a catch up and planning year to be funded from 2022/23 slippage and a reduced budget requirement in 2023/24, has reduced the councils planned capital budget for the strategy areas below:

- Highways and Transport reduced £2.4m
- Flood Defence reduced £0.25m
- Property reduced budget £2m.

4.9.12 The effective utilisation of capital resources is fundamental to realising the Council's priorities through both the management of the Council's asset estate and its priorities. A great deal of the capital activity within the programme is either committed to existing schemes or funded through Government grants and therefore the true flexibility comes from either capital receipts or borrowing. Whilst the level of borrowing is still relatively low compared to comparator Councils, in light of the

current financial constraints on the Council significant new investment has been limited to essential schemes only.

- 4.9.13 Despite the current financial constraints, the Council retains a capital ambition for the City which 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 offer. It is not possible in the current financial climate to bring forward new schemes for inclusion within the published Capital Programme with the exception of those detailed in paragraph 4.9.19.
- 4.9.14 As part of the capital programme review the Council has looked at forward commitments and the revenue impact this has on prudential borrowing as part of the MTFP process.
- 4.9.15 The Capital Programme (excluding the HRA) detailed below totals £343.108m over the next three years. This programme will have a major positive impact on the City.
- 4.9.16 In February 2022, Council approved a Capital Programme for 2022/23 to 2023/24. This represented 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
 - Investment into schools including provision of additional places
 - Flood defence works.
- 4.9.17 During 2022/23, 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.
- 4.9.18 The revenue impact of this and the final capital programme has been modelled through the Treasury debt model to determine the financing impact on the Revenue Budget going forward. This is included in the MTFP. This will be refreshed once the Quarter 3 Capital Monitoring has been reported (including any further slippage).
- 4.9.19 The Capital Programme includes the following additional schemes and continued investment in rolling programmes:
- I. Outdoor Facility at Markeaton Park
 - II. Derby Football Hub
 - III. Parks and Open Spaces



4.9.20 The Cabinet is proposing a three-year general fund Capital programme totalling £343.108m for the years 2023/24 to 2025/26 as set out in the tables below:

General Fund - Summary Capital Expenditure Programme 2023/24 - 2025/26

Programme Area	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Expenditure				
Schools	30.640	6.510	1.470	38.620
Housing General Fund	4.999	3.072	2.788	10.859
Property	6.176	6.390	6.860	19.426
Parks & Open Spaces	12.401	0.262	0.262	12.925
Flood Defence	0.270	0.250	0.250	0.770
Highways & Transport	48.917	7.030	7.030	62.977
Vehicles Plant & Equipment	3.490	1.568	1.545	6.603
Regeneration	65.068	49.966	21.293	136.327
ICT	3.944	1.590	0.916	6.449
Corporate	0.730	1.460	45.962	48.152
Total	176.635	78.098	88.375	343.108

* The above Programme excludes HRA Capital Schemes that will be reported separately to cabinet. This will not affect general fund revenue borrowing requirements outlined in the report

** A contingency has been included in the Treasury Management debt model to support rising inflationary costs on the capital programme as noted in section 4.4.19.

4.9.21 The programme is modelled within years based on latest deliverability assessments, however through refining of ongoing projects and in some cases unforeseen circumstances there can be significant movement between years which will be monitored and reported to Cabinet as appropriate.

4.9.22 Transforming Cities Fund (TCF) has profiled spend of £41.3m. The details of delivering the TCF programme and the profiling of the expenditure are still emerging and being refined as discussions with Nottingham City Council and the Department of Transport progress.

4.9.23 **Funding**

The programme is funded through £184.063m of external funding, £159.045m of council resources (including borrowing). The programme does not include final slippage from 2022/23 which will not be known until 2022/23 outturn is finalised.

4.9.24 In recent years the council has been more successful in securing significant external funding to deliver the City's ambition. It is important that the council continues to target capacity at securing this funding where it delivers on the City's ambitions. It is important that these are evidenced through robust business cases, and gateway review process through the Project management Office – PMO.

4.10 **Council Tax assumptions**

4.10.1 A significant proportion of funding for local Government services now comes from locally generated funds, retained business rates and increasingly Council Tax It is important that the Council maximises income from Council Tax whilst providing support to lower income households through the Local Council Tax Support Scheme (LCTS).

4.10.2 The Council Tax referendum thresholds for 2023/24 are 2.99% with the option to level an additional 2% social care precept.

4.10.3 The current strategy for Council tax is to continue to utilise the allowances afforded by Central government. The budget is therefore currently modelled on a level of Council Tax increase for 2023/24 of 4.99% which includes a 2% precept for social care.

4.10.4 The Council Tax base has increased by 1,008.09 Band D equivalent properties for 2023/24.

The collection rates assumed are:

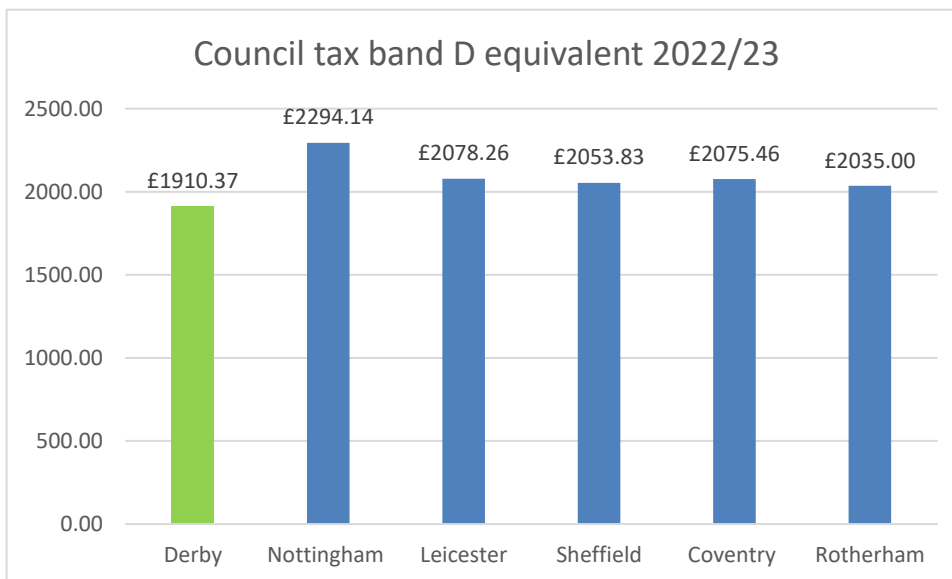
Council Tax Forecasts	2023/24	2024/25	24/25
Collection Rate	97.2	97.4	97.4

4.10.5 The proposed Council Tax for 2023/24 are:

Band	No. of Properties	% in receipt of Council Tax Support	2022/23 Derby City Council Tax	Proposed 2023/24 Derby City Council, Council Tax	Annual Increase	Weekly Increase
			£	£	£	£
Band A	57,450	23.28	1,051.95	1,104.45	52.50	1.01
Band B	21,835	8.82	1,227.28	1,288.52	61.24	1.18
Band C	16,954	5.45	1,402.60	1,472.60	70.00	1.35
Band D	8,805	2.70	1,577.93	1,656.67	78.74	1.51
Band E	4,748	1.10	1,928.58	2,024.82	96.24	1.85
Band F	2,331	1.50	2,279.23	2,392.97	113.74	2.19
Band G	698	1.58	2,629.88	2,761.12	131.24	2.52
Band H	53	0	3,155.86	3,313.34	157.48	3.03

4.10.6 Council Tax support is provided to 16,560 properties out of the total number of properties of 112,874. The support is for anyone with a Council Tax liability that is eligible on a low income. People of working age have to make a contribution to the Council Tax based on the Local Tax support scheme approved by Council on 7th December 2022.

4.10.7 Here is how Derby City Council tax compares to other cities in 2022/23:



*2022/23 charge for Band D properties

** figures above are the total council charge including charges for all preceptors (fire/police)

4.11 The Consultation Process

4.11.1 It is proposed that general consultation will begin on 22nd December and run until 26th January 2023. This will give people the opportunity to provide feedback on the proposals and this will be used to inform the final decisions at Council Cabinet.

4.11.2 The consultation will be open to anybody who lives, works or studies in Derby and wants to take part. A consultation document setting out the budget proposals will be prepared and published on the day the consultation opens. An online survey will be available on the website with paper versions available when requested.

- 4.11.3 Consultation will be undertaken with statutory consultees, business ratepayers, partnership board, voices in action (young people), other equality groups, health.

Public/stakeholder engagement

- 5.1 The MTFP process has been through Officer and Cabinet engagement. This report outlines all the approved proposals to date (including those approved at February 2022 Council), plus those new proposals requiring consultation. The final budget setting report is due to go February Cabinet for approval and subsequent recommendation to approve the Budget at Full Council on the 27 February 2023.

Other options

- 6.1 The Council is required to set a balanced revenue and capital budget for 2023/24 by 11th March 2023.

Financial and value for money issues

- 7.1 Outlined in the main body of 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. 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 by assessing the impact of the savings proposals across all impacted sectors prior to a final budget decision being made
- 8.2 Where changes to the provision of 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 equality impact assessments, the outcomes and implications of which should be fully considered. The report identifies proposals which, if approved, will affect children, older adults and persons with disabilities, amongst others, all of which are groups that are statutorily protected equality strands under the Equality Act 2010.

Climate Change

- 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 2023/24 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. The numbers of potential staff reductions are 161.87 FTE of which 103.98 FTE are by means of redundancy. The report also assumes the deletion of 57.89 FTE vacant posts (subject to further consultation) in the relevant areas.

- 11.1 **Equalities Impact** - Appropriate Equality impact assessments will be carried out with regard to the final budget proposals.
- 12.1 **Risk Management and Safeguarding** - The national and local picture continues to indicate growing risks in respect of statutory services and inflation. There are also a range of factors affecting local and national economic recovery or impact. Potential risks remain high and good quality data, analysis and impact will be required to ensure that trends and the impact of interventions can be closely monitored and understood.
- 12.1.2 The level of usable reserves to support further economic shocks remain a material risk to the Council's financial sustainability and resilience. The level of any risk provisions and balances needed to strike a balance between putting scarce resources to one side when there are growing pressures on maintaining essential and statutory services. Given the unprecedented nature of the economic shock it has not been possible to factor into the MTFP the planned transfer to Reserves. This must commence for 2024/25 onwards and increased financial resilience included as a specific Council priority in the Council Plan
- 12.1.3 The budget report to February Cabinet will include the S151 Officer's formal assessment of the robustness of estimates in the budget proposals and the adequacy of reserves and provisions, including an assessment of the need for any additional risk provisions. 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. There are earmarked reserves that, if required, can be used to manage risks, however this will impact on agreed commitments of the Council.
- 13.1 **Socio Economic** – We will continue to assess the socio-economic implications arising from these proposals in light of the wider context around cost of living, working closely with our partners to mitigate the impact on colleagues and communities.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu – Head of Legal Services	12 December 2022
Finance Service Director(s)	Toni Nash – Head of Finance - Resources	12 December 2022
Report sponsor	Alison Parkin – Director of Financial Services	
Other(s)	Simon Riley – Strategic Director of Corporate Resources	
For more information contact:	Toni Nash, Head of Finance Tel: 01332 641491 Email: toni.nash@derby.gov.uk	
List of appendices:	Appendix 1 – MTFP Summary Appendix 2 – Savings – Existing and Proposed New by Directorate Appendix 3 – Pressures – Existing and Proposed New by Directorate Appendix 4 – Revenue Reserves Appendix 5 – Capital	

Medium Term Financial Plan 2023/24 to 2025/26	Previous year (Restated directorates budgets)	Draft MTFP		
	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
FUNDING				
- Retained Business Rates	59.007	65.823	65.823	65.823
- Core Government Grants	22.712	23.885	22.892	22.892
- ASC Funding	-	11.007	17.229	17.229
- Council Tax	110.504	117.688	124.901	129.503
- Estimated Surplus/(Deficit) on Collection Fund (one-off)	(4.158)	(1.552)	-	-
- Better Care Fund	25.603	27.448	27.448	27.448
- Public Health	19.756	20.156	20.756	20.756
- Other Grants	23.690	17.439	17.439	17.439
Total Resources Available	257.114	281.894	296.488	301.090
BUDGET - Prior Year Budget for Directorates :				
People Services:				
Adults & Health:				
- Employee Costs	19.786	19.786	19.503	19.816
- Running Costs	80.491	80.492	87.669	98.217
- Public Health – <i>Commissioned Services</i>	16.556	16.556	16.556	16.556
- Inflation Estimates	-	1.734	1.772	1.812
- Grant Income	(0.006)	(0.006)	(0.006)	(0.006)
- Other Income (<i>Client Contributions, FNC, Joint Funding</i>)	(17.465)	(17.465)	(18.331)	(18.681)
- Pressures		7.072	9.688	5.000
- Savings		(2.777)	(0.950)	-
Adults & Health Net Budget:	99.362	105.392	115.901	122.714
Children's:				
- Employee Costs	40.850	40.850	40.256	40.774
- Running Costs	332.311	332.311	340.036	342.524
- Inflation Estimates		1.005	1.022	1.040
- Grant Income	(293.401)	(293.401)	(293.401)	(293.401)
- Other Income	(5.084)	(5.084)	(5.193)	(5.203)
- Pressures		9.635	2.056	-
- Savings		(3.619)	(0.082)	-
Children's Net Budget:	74.676	81.697	84.694	85.734
Peoples Total Net Budget:	174.038	187.089	200.595	208.448
Communities and Place:				
- Employee Costs	34.131	34.131	33.147	33.090
- Running Costs	42.093	42.092	41.262	41.506
- Inflation Estimates		0.974	0.997	1.020
- Grant Income	(1.322)	(1.322)	(1.322)	(1.322)
- Other Income	(32.041)	(32.041)	(32.463)	(33.110)
- Pressures		2.001	(0.210)	(0.020)
- Savings		(5.211)	(1.247)	(0.017)
Communities and Place Net Budget:	42.861	40.624	40.164	41.147
Corporate Resources:				
- Employee Costs	31.744	31.744	29.695	29.715
- Running Costs - <i>includes Housing Benefits</i>	90.379	90.379	90.556	90.266
- Inflation Estimates		0.631	0.643	0.656
- Grant Income - <i>Includes Housing Benefit</i>	(69.532)	(69.532)	(69.532)	(69.532)
- Other Income	(17.665)	(17.665)	(17.542)	(17.680)
- Pressures		2.067	0.284	-
- Savings		(4.448)	(1.335)	(0.175)
Corporate Resources Net Budget:	34.926	33.176	32.769	33.250
Corporate:				
- Treasury Management	10.141	10.142	13.064	16.238
- Bank Charges	0.105	0.105	0.105	0.105
- Pension Cost	0.593	0.593	0.593	0.593
- Transport Act	0.081	0.081	0.081	0.081
- Support Services Balance	0.099	0.099	0.099	0.099
- Schools DSG Grant Income - Corporate	(0.144)	(0.144)	(0.144)	(0.144)
- Regeneration Contingency	(0.135)	(0.135)	(0.135)	(0.135)
- Corporate Contingency Fund	(0.037)	(0.037)	(0.788)	(0.788)

- Corporate Revenue Budget Contingency	0.181	0.182	0.182	0.182
- Scape Dividend	(0.500)	(0.500)	(0.250)	(0.250)
- Opportunity Fund	0.140	0.140	0.140	0.140
- Covid	0.067	0.067	-	-
- Pay Award - Council wide	-	-	6.699	8.481
- Inflation - Council wide	-	-	2.028	2.028
- Pressures - Including Council Wide pressures	-	11.582	4.956	4.845
- Savings - Including Council Wide pressures	-	(0.500)	-	-
Corporate Net Budget:	10.591	21.675	26.630	31.475
Net Budget (prior to movement in reserves)	262.416	282.564	300.158	314.320

Operating Surplus/(Deficit) before use of Reserve	(5.302)	(0.670)	(3.670)	(13.230)
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Reserves				
- Trf to reserves - General Reserve		-	2.640	2.639
- Trf to reserves - MTFP Smoothing		-	2.000	1.000
- Trf to reserves - Earmarked Reserves		-	1.000	1.000
- Use of reserves - Collection Fund Smoothing Reserve				
- Use of reserves - Budget Risk Reserve	(4.352)			
- Use of reserves - Treasury Management Reserve	(0.950)	(0.670)		
Net Budget Requirement after use of Reserves	257.114	281.893	305.798	318.959
Budget Gap/(Surplus)	-	-	9.310	17.869

<i>Total Savings Identified:</i>	<i>0.000</i>	<i>(16.554)</i>	<i>(3.730)</i>	<i>(0.192)</i>
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<i>Total Savings as per 22/23 MTFP</i>	<i>(2.493)</i>	<i>(1.015)</i>	<i>-</i>	<i>-</i>
Net Budget Requirement	257.114	281.893	305.798	318.959
Total Resources Available (Funding)	(257.114)	(281.894)	(296.488)	(301.090)
Budget Gap/(Surplus)	-	-	9.310	17.869

PEOPLES SERVICES - AH SAVINGS

Directorate	Savings	Saving £m				FTE Reduction 2023/24		
		23/24 £m	24/25 £m	25/26 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Existing Savings formally signed off by Full Council Meeting on 22nd February 2022:								
People Services - AH	Maximising income across adult social care especially including partner contributions and increasing recovery of debt in adult social care. To increase efficiency and targeting we will review current systems and processes and build on the numbers of people who make contributions to use direct debit	(0.250)	-	-	(0.250)	-	-	-
Total Existing Savings:		(0.250)	-	-	(0.250)	-	-	-
Peoples Services – AH Proposed Savings:								
People Services - AH	Withdraw funding for Mental Health Day Service that is jointly commissioned with the NHS	(0.079)	-	-	(0.079)	-	-	-
People Services - AH	Efficiencies from community equipment for people with social care needs	(0.100)	-	-	(0.100)	-	-	-
People Services - AH	Increase income target for Blue Badge	(0.025)	-	-	(0.025)	-	-	-
People Services - AH	Review team structure within Adults Commissioning leading to a reduction of approx. 2.0 FTE	(0.117)	-	-	(0.117)	2.0	-	2.0
People Services - AH	Remove former budget used for emergency planning in adult social care	(0.007)	-	-	(0.007)	-	-	-
People Services - AH	Remove social service contingency budget following previous closure of day services	(0.215)	-	-	(0.215)	-	-	-
People Services - AH	Personal Assistant Register to be included in the on- line directory	(0.010)	-	-	(0.010)	-	-	-
People Services - AH	Create efficiencies in the commissioning of packages for drug and alcohol residential rehabilitation interventions	(0.020)	-	-	(0.020)	-	-	-
People Services - AH	Reduction in 1.8 FTE in Shared Lives team	(0.112)	-	-	(0.112)	1.80	1.0	0.80
People Services - AH	Home First - reduce capacity of the service by reducing current vacancies	(0.210)	-	-	(0.210)	4.50	4.50	-
People Services - AH	Reduce Home First budget where no firm commitments are in place for Winter Pressures.	(0.190)	-	-	(0.190)	-	-	-
People Services - AH	Scale down care packages for people living in the community	(0.950)	(0.950)	-	(1.900)	-	-	-
People Services - AH	Maximising income across Adult Social Care, including partner contributions and increasing recovery of debt in adult social care. To increase efficiency and targeting we will review current systems and processes and build on the numbers of people who make contributions to use direct debit (increase to existing savings)	(0.250)	-	-	(0.250)	-	-	-
People Services - AH	Delete 0.5 FTE learning disability employment support worker post	(0.036)	-	-	(0.036)	0.50	0.50	-
People Services - AH	Remove dedicated post for training on Liquid Logic	(0.039)	-	-	(0.039)	1.0	1.0	-
People Services - AH	Maximising telecare deployment to meet eligible care needs	(0.167)	-	-	(0.167)	-	-	-
Total Peoples Services – AH Proposed Savings:		(2.527)	(0.950)	-	(3.477)	9.80	7.00	2.80
TOTAL PEOPLES SERVICES - AH SAVINGS:		(2.777)	(0.950)	-	(3.727)	9.80	7.00	2.80

PEOPLES SERVICES - CYP SAVINGS

Directorate	Savings	Saving £m				FTE Reduction 2023/24		
		23/24 £m	24/25 £m	25/26 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Existing Savings formally signed off by Full Council Meeting on 22nd February 2022:								
Peoples Services - CYP	Review Home to School Transport contract efficiencies and opportunities for block contracts and strategic partnering, and independent travel training	(0.470)	-	-	(0.470)	-	-	-
Peoples Services - CYP	Reversal of prior year saving to increase the inhouse fostering capacity, reducing the need to use more expensive external agency placements	0.072	-	-	0.072	-	-	-
Total Existing Savings:		(0.398)	-	-	(0.398)	-	-	-
Peoples Services - CYP Proposed Savings:								
Peoples Services - CYP	Reduction in capacity to deliver School Improvement activity from September 2023	(0.043)	(0.032)	-	(0.075)	1.00	-	1.00
Peoples Services - CYP	Efficiencies from the reduction in historical pension costs	(0.050)	-	-	(0.050)	-	-	-
Peoples Services - CYP	To switch the revenue funding to DSG funding for the Early Years Quality Team, to be funded from the DSG Early Years Block	(0.232)	-	-	(0.232)	-	-	-
Peoples Services - CYP	Proposal to freeze allowances to carers, which includes, fostering, Special Guardianship Orders, Child Arrangement Orders, Residence Orders and adoption. Cease grants for care loans and small adaptations. Disband exit from care team	(0.411)	-	-	(0.411)	4.00	-	4.00
Peoples Services - CYP	Budget efficiencies across all the Children's Homes through a review of rota arrangements and deletion of a cook and Regulation 44 Officer equating to 1.08FTE	(0.300)	-	-	(0.300)	1.08	-	1.08
Peoples Services - CYP	Ending lease on Curzon House leading to transition of Youth Offending Service and Leaving Care Service to the Council House	(0.091)	-	-	(0.091)	-	-	-
Peoples Services - CYP	Remove x 1.0 FTE Assistant Responsible Officer post from Youth Offending Service establishment	(0.043)	-	-	(0.043)	1.0	1.0	-
Peoples Services - CYP	Remove x 1.0 FTE Parenting Officer from Youth Offending Service establishment	(0.043)	-	-	(0.043)	1.0	-	1.0
Peoples Services - CYP	Reduction to the Integrated Disabled Equipment budget	(0.030)	-	-	(0.030)	-	-	-
Peoples Services - CYP	Remove x 1.0 FTE Child Practitioner from the Integrated Disabled Children's Service establishment	(0.038)	-	-	(0.038)	1.0	-	1.0
Peoples Services - CYP	Remove historic Parents as Early Education Partners (PEEP) and reconfigure as part of the Family Hub Development	(0.045)	-	-	(0.045)	-	-	-
Peoples Services - CYP	Remove 0.6FTE vacant Personal Assistant post in the Connexions team and 0.2FTE Children Centre Manager	(0.048)	-	-	(0.048)	0.80	0.80	-
Peoples Services - CYP	Remove residual budget from previous restructure in Early Help	(0.065)	-	-	(0.065)	-	-	-
Peoples Services - CYP	Remove 0.6FTE vacant Parenting Assessment Practitioner in Early Help	(0.026)	-	-	(0.026)	0.60	0.60	-
Peoples Services - CYP	Remove residual 4.5hrs from vacant Children's Practitioner post in Early Help	(0.005)	-	-	(0.005)	0.12	0.12	-
Peoples Services - CYP	Remove 0.4FTE vacant Children's Practitioner in Early Help	(0.016)	-	-	(0.016)	0.40	0.40	-
Peoples Services - CYP	Fund 1.0FTE Children's Practitioner in Early Help as part of the reconfiguration of Derby's Family Hub Development	(0.039)	-	-	(0.039)	-	-	-
Peoples Services - CYP	Remove 1.0FTE vacant Children's Practitioner post in Early Help	(0.039)	-	-	(0.039)	1.0	1.0	-
Peoples Services - CYP	Remove 0.7FTE vacant Family Visitor post in Early Help	(0.030)	-	-	(0.030)	0.70	0.70	-
Peoples Services - CYP	Remove vacant runaway worker in Early Help	(0.023)	-	-	(0.023)	0.5	0.5	-
Peoples Services - CYP	Remove 3.0 FTE vacant Children's Practitioner posts in Early Help	(0.116)	-	-	(0.116)	3.0	3.0	-
Peoples Services - CYP	Remove x 1.0 FTE Case Manager from Youth Offending Service establishment	(0.056)	-	-	(0.056)	1.0	-	1.0
Peoples Services - CYP	Deletion of Children's Principal Social Worker and Creation of a People's Principal Social Worker to be funded from new funding for Adult Social Care	(0.062)	-	-	(0.062)	-	-	-

Directorate	Savings	Saving £m				FTE Reduction 2023/24		
		23/24 £m	24/25 £m	25/26 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Peoples Services - CYP	0.8 FTE reduction in Child in Need Independent Reviewing Officer establishment	(0.050)	-	-	(0.050)	0.80	-	0.80
Peoples Services - CYP	Resilient City - CYP Integrated Commissioning - Proposal to develop and commission a medium-term Home to School Transport contract over a minimum of 4 years with a Transport Operator to develop efficiencies, flexibilities, stability with an integrated partnership approach	(0.030)	-	-	(0.030)	-	-	-
Peoples Services - CYP	Resilient City - CYP Integrated Commissioning - Home to School Transport -Proposal to continue to further develop Independent Travel Training and Preparation for Adulthood to help step down children and young people from taxi transport	(0.049)	-	-	(0.049)	-	-	-
Peoples Services - CYP	Resilient City - CYP Integrated Commissioning - As part of the existing Home to School Transport Post 16 discretionary transport consultation currently underway, additional post 16 savings are proposed	(0.233)	-	-	(0.233)	-	-	-
Peoples Services - CYP	Resilient City - CYP Integrated Commissioning - Home to School Transport proposal to amend the Pre 16 Home to School Transport policy and application process similar to other Councils, to help reduce high-cost taxi transport	(0.200)	-	-	(0.200)	-	-	-
Peoples Services - CYP	Resilient City - CYP Integrated Commissioning - Integrated Disabled Services for Children (Lighthouse) - proposal to amend the current 60:40 split of joint funding with Health, to a 50:50 joint funded approach using the existing balance of joint funding	(0.350)	0.350	-	-	-	-	-
Peoples Services - CYP	Resilient City - CYP Integrated Commissioning - Integrated Disabled Services for Children (Lighthouse) - Proposal for a joint strategic review of the Lighthouse provision with Health in 2023/24	-	(0.400)	-	(0.400)	-	-	-
Peoples Services - CYP	Resilient City - CYP Integrated Commissioning - To seek further additional joint contributions from Health for care packages for children with complex health and social care needs	(0.100)	-	-	(0.100)	-	-	-
Peoples Services - CYP	Resilient City - CYP Integrated Commissioning - To switch the remaining revenue funding to DSG funding for the Childcare and Family Information Service, most of which is already funded from the DSG Early Years Block	(0.038)	-	-	(0.038)	-	-	-
Peoples Services - CYP	Resilient City - CYP Integrated Commissioning - To step down Children in Care residential placements to small homes or foster placements when safe and appropriate to do so	(0.150)	-	-	(0.150)	-	-	-
Peoples Services - CYP	Adult Learning inflation to be contained within the ringfenced grant	(0.068)	-	-	(0.068)	-	-	-
Peoples Services - CYP	Efficiencies from the reduction in historical pension costs	(0.100)	-	-	(0.100)	-	-	-
Peoples Services - CYP	Reduce management strategic planning budget	(0.002)	-	-	(0.002)	-	-	-
Total Peoples Services - CYP Proposed Savings:		(3.221)	(0.082)	-	(3.303)	18.00	8.12	9.88
TOTAL PEOPLES SERVICES - CYP SAVINGS:		(3.619)	(0.082)	-	(3.701)	18.00	8.12	9.88

COMMUNITIES AND PLACE SAVINGS

Directorate	Savings	Saving £m				FTE Reduction 2023/24		
		23/24 £m	24/25 £m	25/26 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Existing Savings formally signed off by Full Council Meeting on 22nd February 2022:								
Communities and Place	Redesign Staff resource / Climate/ Waste / Property Services	-	(0.100)	-	(0.100)	-	-	-
Communities and Place	Review approach to waste collection and disposal that includes monthly garden waste collection over winter and renegotiation of contracts. Reduction in footway sweeping across Derby	(0.050)	-	-	(0.050)	1.0	1.0	-
Communities and Place	Review leadership across planning, regeneration, and property services	(0.500)	-	-	(0.500)	1.0	-	1.0
Communities and Place	Review of Economic Growth structure and budgets	(0.100)	-	-	(0.100)	-	-	-
Communities and Place	Review of Economic Growth structure and budgets	(0.130)	(0.010)	-	(0.140)	-	-	-
Communities and Place	Explore efficiencies for the delivery of events	(0.010)	-	-	(0.010)	-	-	-
Communities and Place	The Council is embarking on a commercial journey that will see fit for purpose services delivered efficiently and effectively by reducing costs and wasteful activity along with the generation of profitable income. Working corporately the commercial approach will take a problem-based perspective and focus on high spend areas whilst connecting up with other corporate agendas such as debt recovery and contract management	(0.250)	(0.250)	-	(0.500)	-	-	-
Total Existing Savings:		(1.040)	(0.360)	-	(1.400)	2.0	1.0	1.0
Communities and Place Proposed Savings:								
Communities and Place	Reducing the service level provision in Grounds and Arboriculture that includes planting less trees, shrubs, plants, reducing weed spraying and optimising park bin collection frequencies and removal of apprenticeship opportunity	(0.189)	-	-	(0.189)	5.0	3.0	2.0
Communities and Place	Building Control - Reduction in hired and contracted services for dangerous structures using historical data of service provided	(0.035)	-	-	(0.035)	-	-	-
Communities and Place	Taking a place-based approach to Community Safety by rationalising and redesigning teams, working in a locality focussed way across the Council and with the community	(0.090)	(0.345)	-	(0.435)	4.0	-	4.0
Communities and Place	Derby Live - Review staffing for the delivery of events	(0.100)	-	-	(0.100)	4.0	-	4.0
Communities and Place	Reductions in Economic Growth activity budget and strategic contributions	(0.262)	-	-	(0.262)	-	-	-
Communities and Place	Aligned to capital programme review, one year reduction in maintenance budgets of 10%	(0.025)	0.025	-	-	-	-	-
Communities and Place	Introduction of energy efficient initiatives to reduce energy costs	(0.060)	-	-	(0.060)	-	-	-
Communities and Place	Review of fees for specialist Engineering services, which were last considered in 2018	(0.020)	(0.050)	-	(0.070)	-	-	-
Communities and Place	Reduction in traffic and transport management and service reconfiguration	(0.179)	-	-	(0.179)	5.0	1.0	4.0
Communities and Place	Energy saving through additional capital investment in energy efficient infrastructure	-	(0.080)	-	(0.080)	-	-	-
Communities and Place	Using DfT grant funding for large scale patching works normally funded from revenue	(0.500)	0.350	-	(0.150)	-	-	-
Communities and Place	Highways - Remove Inspector post and carry out less inspections of the highway, 1 FTE	(0.032)	-	-	(0.032)	1.0	-	1.0
Communities and Place	Leisure - Explore the benefits of procuring an operator for the remaining leisure facilities	-	(0.665)	-	(0.665)	-	-	-
Communities and Place	Review management resources in leisure services	(0.122)	-	-	(0.122)	3.0	1.0	2.0
Communities and Place	Libraries - Reduce the spending on new library books for 1 year	(0.032)	0.032	-	-	-	-	-
Communities and Place	Libraries - Reduce funding to some library service resources for 1 year	(0.071)	0.071	-	-	-	-	-
Communities and Place	Libraries - Ending of funding and staffing to all Community Managed Libraries enabling wider community opportunities, locality working and asset efficiencies to be explored	(0.055)	-	-	(0.055)	-	-	-
Communities and Place	Libraries staff reductions following review of CML to a localities approach	(0.107)	-	-	(0.107)	-	-	-
Communities and Place	Reduce the funding to the Museums Trust	(0.060)	-	-	(0.060)	-	-	-
Communities and Place	Parks – Review staffing for the delivery Parks services	(0.085)	-	-	(0.085)	1.40	0.40	1.0
Communities and Place	Parks – Operational catering efficiencies	(0.008)	-	0.008	-	1.0	-	1.0
Communities and Place	Parks – Generate additional income of Parks services	(0.045)	-	-	(0.045)	-	-	-
Communities and Place	Review approach to pest control	(0.030)	-	-	(0.030)	-	-	-

Directorate	Savings	Saving £m				FTE Reduction 2023/24		
		23/24 £m	24/25 £m	25/26 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Communities and Place	Cease contribution to World Heritage Site Panel	(0.020)	-	-	(0.020)	-	-	-
Communities and Place	Review of fees for pre-application services in Planning, which were last considered in 2016	(0.018)	-	-	(0.018)	-	-	-
Communities and Place	Review of Project Management charging model	(0.070)	-	-	(0.070)	-	-	-
Communities and Place	Review charging policy for recycling containers	(0.044)	-	-	(0.044)	-	-	-
Communities and Place	Refuse - Reduction in supervisory team within refuse collection by 1FTE	(0.045)	-	-	(0.045)	1.0	-	1.0
Communities and Place	Reduced Regeneration activity budget spend	(0.040)	-	-	(0.040)	-	-	-
Communities and Place	Reduced staff revenue budget for Regeneration	(0.050)	-	-	(0.050)	3.0	-	3.0
Communities and Place	Review structure following leadership restructure	-	(0.065)	-	(0.065)	1.0	-	1.0
Communities and Place	Reduced costs for asset management	(0.200)	-	-	(0.200)	-	-	-
Communities and Place	Restructure of Economic Growth service	(0.088)	-	-	(0.088)	5.0	3.0	2.0
Communities and Place	Physical Activity Services being commissioned to meet health outcomes in the city	(0.216)	-	-	(0.216)	-	-	-
Communities and Place	Optimisation of capitalisation across Strategic Housing posts	(0.062)	-	-	(0.062)	-	-	-
Communities and Place	Review and reduce cleansing frequencies in Street Cleansing to reduce the size of the team and cost delivery	(0.145)	-	-	(0.145)	4.0	3.0	1.0
Communities and Place	Review of parking fees and reset to rates agreed pre-covid	(0.150)	-	-	(0.150)	-	-	-
Communities and Place	Review of residents parking, last reviewed in 2007, to £35 per annum with 20p increase in visitor passes	-	(0.150)	-	(0.150)	-	-	-
Communities and Place	Reinstatement of charges for toilets following capital improvement works	-	-	(0.015)	(0.015)	-	-	-
Communities and Place	Introduction of Moving Traffic Offences powers and enforcement	(0.050)	-	-	(0.050)	-	-	-
Communities and Place	Review of disabled parking bay demand pressures and introduction of charging	-	(0.005)	-	(0.005)	-	-	-
Communities and Place	Contract review and renegotiation	(0.060)	-	-	(0.060)	-	-	-
Communities and Place	Traffic and Transport efficiencies through digitalisation, utilisation of grant funding and service reconfiguration.	(0.090)	-	-	(0.090)	3.50	3.50	-
Communities and Place	Energy saving through additional capital investment in energy efficient infrastructure	-	(0.005)	(0.010)	(0.015)	-	-	-
Communities and Place	Re-forecast cost of the concessionary fare scheme based on current /predicted demand for public transport	(0.100)	-	-	(0.100)	-	-	-
Communities and Place	Reviewing our approach to waste collection of contaminated bins. Includes an additional 1 FTE	(0.050)	-	-	(0.050)	-	-	-
Communities and Place	Ensure that residents receive additional capacity if entitled to it	(0.025)	-	-	(0.025)	-	-	-
Communities and Place	Waste Disposal - renegotiation of waste contract to reduce the cost per tonnage	(0.200)	-	-	(0.200)	-	-	-
Communities and Place	Increase in Turnover target from 5% to 6%	(0.341)	-	-	(0.341)	-	-	-
Total Communities and Place Proposed Savings:		(4.171)	(0.887)	(0.017)	(5.075)	41.90	14.90	27.0
TOTAL COMMUNITIES AND PLACE SAVINGS:		(5.211)	(1.247)	(0.017)	(6.475)	43.90	15.90	28.0

CORPORATE RESOURCES SAVINGS

Directorate	Savings	Saving £m				FTE Reduction 2023/24		
		23/24 £m	24/25 £m	25/26 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Existing Savings formally signed off by Full Council Meeting on 22nd February 2022								
Corporate Resources	Absence management process redesign	(0.124)	-	-	(0.124)	-	-	-
Corporate Resources	Property Rationalisation	(0.100)	-	-	(0.100)	-	-	-
Corporate Resources	Document Management Centre (DMC) Additional Income Generation	(0.010)	-	-	(0.010)	-	-	-
Corporate Resources	Increase in Identification and sale of small pieces of land to generate an ongoing revenue saving. This was a one off over two years and therefore 2023/2024 has an associated pressure for the removal of the saving	0.040	-	-	0.040	-	-	-
Corporate Resources	Management review of customer services and revenue and benefits	(0.045)	-	-	(0.045)	1.0	-	1.0
Corporate Resources	Review of Elections and Local Land Charges Services post completion of migration of Local Land Charges Register to HM Land Registry and move to four-yearly election cycle – June 2023	(0.050)	-	-	(0.050)	-	-	-
Corporate Resources	Deployment of the digital by default automation into revenues and benefits and the front door.	(0.100)	-	-	(0.100)	-	-	-
Corporate Resources	External Advertising income	(0.030)	-	-	(0.030)	-	-	-
Corporate Resources	Connect Buildings Rental income increased	(0.025)	(0.100)	-	(0.125)	-	-	-
Corporate Resources	Health and safety income increased through traded activity	(0.020)	0.020	-	-	-	-	-
Corporate Resources	Additional income generated in Property Projects and Technical Services through extra external fee income (Removal of one-off saving)	0.350	-	-	0.350	-	-	-
Corporate Resources	Review of service provision	(0.060)	-	-	(0.060)	-	-	-
Corporate Resources	Deletion of a post facilitated by voluntary redundancy	(0.100)	-	-	(0.100)	-	-	-
Corporate Resources	Council House rental income - additional income generated by letting parts of the Council House to partner organisations	(0.140)	-	-	(0.140)	-	-	-
Corporate Resources	Contract Savings by reviewing contracts and improving contract management across the Council	(0.250)	-	-	(0.250)	-	-	-
Corporate Resources	Permanent saving through new ways of working in customer service and locality/neighbourhood working. Opportunities have been identified through the pilot project 'single view of the vulnerable customer'	(0.190)	-	-	(0.190)	-	-	-
Corporate Resources	Data Infrastructure - Reduction in demands & reconfiguration of intelligence resource	(0.125)	(0.375)	-	(0.500)	3.4	3.4	-
Corporate Resources	Consolidating IT resources within the Council to Corporate Core and redesign service	(0.100)	-	-	(0.100)	TBC	-	-
		(1.079)	(0.455)	-	(1.534)	4.4	3.4	1.0
Corporate Resources Proposed Savings:								
Corporate Resources	Review of project management charging model (Change Derby)	(0.200)	-	-	(0.200)	-	-	-
Corporate Resources	Change Derby - reduction of business analysis	(0.042)	-	-	(0.042)	1.0	1.0	-
Corporate Resources	Change Derby - review of project manager funding	-	(0.117)	-	(0.117)	-	-	-
Corporate Resources	Service reconfiguration of Communications & Marketing	(0.067)	-	-	(0.067)	1.6	1.0	0.6
Corporate Resources	Review of Policy, Insight & Communications service offer	(0.058)	-	-	(0.058)	1.0	-	1.0
Corporate Resources	Increased recovery of chargeable services in Strategy & Performance	(0.033)	-	-	(0.033)	-	-	-
Corporate Resources	Reduction in corporate subscriptions	(0.013)	-	-	(0.013)	-	-	-

Directorate	Savings	Saving £m				FTE Reduction 2023/24		
		23/24 £m	24/25 £m	25/26 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Corporate Resources	Reducing the opening hours of the general Council Services Front Door to 09:00 to 12:00, Monday to Friday, and redesign the Customer Centre to "Self Service" facilities. Facility for crisis presentation will still be supported	(0.065)	-	-	(0.065)	-	-	-
Corporate Resources	Reducing the opening hours of the general Council Telephone Service to 09:00 to 12:00, Monday to Friday, with calls diverted to Digital Service offers. Urgent services call provision remains in place	(0.041)	-	-	(0.041)	-	-	-
Corporate Resources	Moving provision of main reception services to the concierge service between 09:00 and 12:00 and moving to self-service options at all other times	(0.017)	-	-	(0.017)	-	-	-
Corporate Resources	Moving the general contact email mailbox to a digital form, to make work flowing customer queries more efficient and bring in-line with common practice	(0.022)	-	-	(0.022)	-	-	-
Corporate Resources	Democracy – reduction in training budgets	(0.005)	-	-	(0.005)	-	-	-
Corporate Resources	Democracy - increase income target for school appeals	(0.010)	-	-	(0.010)	-	-	-
Corporate Resources	Democracy - removal of discretionary expenditure in relation to Councillors' attendance at external training and seminars, including travel expenses	(0.017)	-	-	(0.017)	-	-	-
Corporate Resources	Democracy - saving related to proposed restructure in Civic and Member Services	(0.066)	-	-	(0.066)	2.0	2.0	-
Corporate Resources	Elections and Local Land Charges - deletion of minor equipment expenditure budgets in Municipal Elections	(0.004)	-	-	(0.004)	-	-	-
Corporate Resources	Elections and Local Land Charges - ONE OFF SAVING 23/24 only - funding contribution from HM Land Registry for completion of the digitisation of the Local Land Charges Register	(0.027)	0.027	-	-	-	-	-
Corporate Resources	Elections and Local Land Charges - savings due to 4 yearly local elections from 23/24	-	(0.225)	-	(0.225)	-	-	-
Corporate Resources	Legal Services - deletion of two vacant Legal Officer posts	(0.083)	-	-	(0.083)	2.0	2.0	-
Corporate Resources	Legal Services - increase in the legal service recharge rate for undertaking commercial activity	(0.140)	-	-	(0.140)	-	-	-
Corporate Resources	Procurement - removal of the Category Management function within procurement.	(0.086)	-	-	(0.086)	2.0	1.0	1.0
Corporate Resources	Deletion of vacant Procurement Support Officer from team structure	(0.034)	-	-	(0.034)	1.0	1.0	-
Corporate Resources	Business Support - delete vacant Personal Assistant post	(0.030)	-	-	(0.030)	1.0	1.0	-
Corporate Resources	Business Support Hub efficiencies in supplies and services	(0.049)	-	-	(0.049)	-	-	-
Corporate Resources	Centralisation of admin and finance functions into the business support operating model across the Council. This will include efficiencies and new operating models from the new Financial Management System	(0.500)	(0.287)	-	(0.787)	47.0	-	47.0
Corporate Resources	Financial Services - Deletion of Housing Benefit administration post	(0.028)	-	-	(0.028)	1.0	1.0	-
Corporate Resources	Financial Services - Utilise grants to fund accountancy support	(0.100)	-	-	(0.100)	-	-	-
Corporate Resources	Accountancy - reduction of 3 Accountancy posts	(0.111)	-	-	(0.111)	3.0	3.0	-
Corporate Resources	Adjustment to the Council's Microsoft Licenses to reflect a reduced workforce	(0.115)	-	-	(0.115)	-	-	-
Corporate Resources	Further savings by modification, cancellation, or re-letting IT contracts	(0.050)	-	-	(0.050)	-	-	-
Corporate Resources	Consolidating IT resources within the Council to Corporate Core and redesign service	(0.150)	(0.150)	-	(0.300)	TBC	-	-
Corporate Resources	Cancel licenses for Microsoft Project tools and replace with free to use software	(0.020)	-	-	(0.020)	-	-	-
Corporate Resources	Cancel licenses for Microsoft Visio tools and replace with free to use software	(0.010)	-	-	(0.010)	-	-	-
Corporate Resources	Expected savings by retendering of the Council wide area data network and broadband services	-	-	(0.100)	(0.100)	-	-	-
Corporate Resources	Withdraw IT telephone internal support services and replace with mandated digital self-service options and/or drop-in clinics	(0.065)	-	-	(0.065)	TBC	-	-
Corporate Resources	Community Managed Libraries – Asset transfer or dispose of former non-statutory library buildings following review of CML to a localities approach	-	(0.025)	-	(0.025)	-	-	-
Corporate Resources	Connect Derby - Vacant post saving	(0.012)	-	-	(0.012)	0.40	0.40	-
Corporate Resources	Corporate Health and Safety - Increase income from school buy back and change vacant H&S Adviser post into H&S auditor post	(0.015)	-	-	(0.015)	-	-	-

Directorate	Savings	Saving £m				FTE Reduction 2023/24		
		23/24 £m	24/25 £m	25/26 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Corporate Resources	Estates & Property Review - Income generation	(0.020)	-	-	(0.020)	-	-	-
Corporate Resources	Estates & Property Review - Vacant Post Saving	(0.026)	-	-	(0.026)	1.0	1.0	-
Corporate Resources	Facilities Management - Redesign Service and Frequency of FM Services to Corporate Buildings	(0.088)	-	-	(0.088)	4.0	-	4.0
Corporate Resources	Review of Christmas lights provision post-Christmas 2022	(0.033)	-	-	(0.033)	-	-	-
Corporate Resources	Business Support Locality savings through property rationalisation	(0.060)	-	-	(0.060)	-	-	-
Corporate Resources	Property Repair and Maintenance Revenue Budget - essential reactive maintenance only approach. To review the impact of not undertaking essential repairs to the council's property assets focusing on keeping buildings safe or closure where repairs are not affordable	(0.075)	(0.075)	(0.075)	(0.225)	-	-	-
Corporate Resources	Human Resources and Organisational Development Service review and proposed 1 FTE	-	(0.028)	-	(0.028)	-	-	-
Corporate Resources	Human Resources and Organisational Development Service review and reduction of 2 FTE	(0.310)	-	-	(0.310)	6.71	4.71	2.0
Corporate Resources	Online performance management process review	(0.032)	-	-	(0.032)	-	-	-
Corporate Resources	Internal Audit - Reduce Internal Audit Coverage by 10% (145 days) and reduction in commissioned audit days	(0.123)	-	-	(0.123)	0.70	-	0.70
Corporate Resources	Increase in Turnover target from 5% to 6%	(0.317)	-	-	(0.317)	-	-	-
Total Corporate Resources Proposed Savings:		(3.369)	(0.880)	(0.175)	(4.424)	75.41	19.11	56.30
TOTAL CORPORATE RESOURCES SAVINGS:		(4.448)	(1.335)	(0.175)	(5.958)	79.81	22.51	57.30

CORPORATE SAVINGS

Directorate	Savings	Saving £m				FTE Reduction 2023/24		
		23/24 £m	24/25 £m	25/26 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Existing Savings formally signed off by Full Council Meeting on 22nd February 2022:								
Corporate	Scape Dividend	0.250	-	-	0.250	-	-	-
Total Existing Savings:		0.250	-	-	0.250	-	-	-
Corporate Proposed Savings:								
Council Wide	Senior Management Restructure	(0.750)	-	-	(0.750)	10.36	4.36	6.0
Total Corporate Proposed Savings:		(0.750)	-	-	(0.750)	10.36	4.36	6.0
TOTAL CORPORATE SAVINGS:		(0.500)	-	-	(0.500)	10.36	4.36	6.0
TOTAL SAVINGS:		(16.554)	(3.614)	(0.192)	(20.360)	161.87	57.89	103.98

PEOPLES SERVICES - AH PRESSURES

Directorate	Pressures	Pressures			
		23/24 £m	24/25 £m	25/26 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 22nd February 2022:					
People Services - AH	Demographic Social Care and National Living Wage pressures	1.400	0.950	-	2.350
People Services - AH	Better care fund adjustment following on from a temporary allocation in 22/23 to support the implementation of Liberty Protection Safeguards.	(0.040)	-	-	(0.040)
Total Existing Pressures:		1.360	0.950	-	2.310
Peoples Services – AH Proposed Pressures:					
People Services - AH	Preparing For Adulthood - complex young people transitioning from the Integrated Disabled Children's Services to the Preparing for Adulthood Team.	2.316	1.000	-	3.316
People Services - AH	Further Demographic Social Care Pressures	0.696	1.516	-	2.212
People Services - AH	Further National Living Wage pressures due to increased rates from April 2023	2.700	-	-	2.700
People Services - AH	Adult Social Care pressures – future responsibilities linked to the Adult Social Care Reforms to be funded from Adult Social Care grants to be announced in future years.	-	6.222	5.000	11.222
Total Peoples Services – AH Proposed Pressures:		5.712	8.738	5.000	19.450
TOTAL PEOPLE SERVICES - AH PRESSURES:		7.072	9.688	5.000	21.760

PEOPLES SERVICES - CYP PRESSURES

Directorate	Pressures	Pressures			
		23/24 £m	24/25 £m	25/26 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 22nd February 2022:					
People Services - CYP	DSG – Central Services School Block pressure due to reducing funding allocation	0.300	-	-	0.300
People Services - CYP	Agency Residential – reversal of 22/23 pressure due to efficiencies from inhouse placements.	(1.200)	-	-	(1.200)
Total Existing Pressures:		(0.900)	-	-	(0.900)
Peoples Services - CYP Proposed Pressures:					
Peoples Services - CYP	Adoption - increased cost of Regional Adoption Agency as per the interagency agreement across D2N2	-	0.056	-	0.056
Peoples Services - CYP	Increasing numbers of children being discharged from care into a permanent arrangement leading to an increase of statutory allowances paid to carers.	1.000	-	-	1.000
Peoples Services - CYP	Legal costs - external barristers fees in complex cases.	0.100	-	-	0.100
Peoples Services - CYP	Agency social workers covering absence in front line teams in Children's Social Care.	0.200	-	-	0.200
Peoples Services - CYP	Home to School Transport – demand pressures	4.500	2.000	-	6.500
Peoples Services - CYP	Increased demand pressures in the Integrated Disabled Children's Service	0.235	-	-	0.235
Peoples Services - CYP	Agency residential – pressure on placements budget	4.500	-	-	4.500
Total Peoples Services – CYP Proposed Pressures:		10.535	2.056	-	12.591
TOTAL PEOPLE SERVICES - CYP PRESSURES:		9.635	2.056	-	11.691

COMMUNITIES AND PLACE PRESSURES

Directorate	Pressures	Pressures			
		23/24 £m	24/25 £m	25/26 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 22nd February 2022:					
Communities and Place	Removal of Queens Leisure Centre Income pressure	-	(0.210)	-	(0.210)
Communities and Place	Market Hall mobilisation expenses	0.177	-	-	0.177
Total Existing Pressures:		0.177	(0.210)	-	(0.033)
Communities and Place Proposed Pressures:					
Communities and Place	Fleet - Increased fuel cost	0.150	-	-	0.150
Communities and Place	Tourism - Additional hours (across 3 posts) to Develop the Tourism Service to Support Recovery of the City and the Ambition to be a Future UK City of Culture	0.037	-	-	0.037
Communities and Place	Springwood Leisure Centre – revaluation of Non-Domestic Rates shortfall	0.026	-	-	0.026
Communities and Place	Climate Change and built environment pressures	0.106	-	-	0.106
Communities and Place	Street Lighting PFI - increased electricity costs	0.500	-	-	0.500
Communities and Place	Libraries – residual premises costs of CML Buildings	0.100	-	-	0.100
Communities and Place	Bereavement Service income - 22/23 delayed due to capital financing risk	0.300	-	-	0.300
Communities and Place	Reversal of previous planned review of waste collection service	0.500	-	-	0.500
Communities and Place	Events - Cycle Race tour series	0.020	-	(0.020)	-
Communities and Place	Community Safety Localities - Increase neighbourhood board funding	0.085	-	-	0.085
Total Communities and Place Proposed Pressures:		1.824	-	(0.020)	1.804
TOTAL COMMUNITIES AND PLACE PRESSURES:		2.001	(0.210)	(0.020)	1.771

CORPORATE RESOURCES PRESSURES

Directorate	Pressures	Pressures			
		23/24 £m	24/25 £m	25/26 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 22nd February 2022:					
Corporate Resources	Microsoft Enterprise Renewal and New Enablement Requirements – Additional price of licenses	0.106	0.124	-	0.230
Corporate Resources	Advance Cyber Defence of the Council (Asset Management, SIEM Real Time Assurance)	0.450	-	-	0.450
Corporate Resources	Advance Cyber Defence of the Council (Skills / Resource / Managed Services)	0.130	-	-	0.130
Corporate Resources	Unified Telephony (Teams, Office and Call Centre) – phone exchange for people making external calls	0.138	-	-	0.138
Corporate Resources	Unified Telephony (Dual Running / Changeover Costs)	0.140	(0.140)	-	-
Corporate Resources	Democratic Services - Jubilee One off budget	(0.075)	-	-	(0.075)
Total Existing Pressures:		0.889	(0.016)	-	0.873
Corporate Resources Proposed Pressures:					
Corporate Resources	Democracy - Electoral Services/ Land Charges - postage costs for register of electors	0.040	-	-	0.040
Corporate Resources	Democracy - Electoral Services/ Land Charges - removal of grant no longer available	0.044	-	-	0.044
Corporate Resources	Members allowance 5.4% increase in line with the 22/23 pay award	0.055	-	-	0.055
Corporate Resources	Insurance - increased insurance premiums	0.150	-	-	0.150
Corporate Resources	Council Tax Hardship Fund	0.050	0.200	-	0.250
Corporate Resources	Business Support - Inflation on postage costs	0.025	-	-	0.025
Corporate Resources	Analog to digital switch-over of telephony lines	0.150	-	-	0.150
Corporate Resources	Property - Connect rents - unachieved saving	0.040	0.100	-	0.140
Corporate Resources	Property - unachieved saving due to delayed closure of QLC	0.225	-	-	0.225
Corporate Resources	Property - unachieved saving Council House rent	0.210	-	-	0.210
Corporate Resources	IHub Pressure - Nuclear Training Academy relocation costs for workshop tenant	0.103	-	-	0.103
Corporate Resources	Housing Benefit Supported Exempt accommodation	0.086	-	-	0.086
Total Corporate Resources Proposed Pressures:		1.178	0.300	-	1.478
TOTAL CORPORATE RESOURCES PRESSURES:		2.067	0.284	-	2.351

CORPORATE PRESSURES

Directorate	Pressures	Pressures			
		23/24 £m	24/25 £m	25/26 £m	Total £m
Existing Pressures formally signed off by Full Council Meeting on 22nd February 2022:					
Corporate	Treasury Management requirement to fund borrowing	3.070	-	-	3.070
Corporate	Pressure Treasury Management Review based on capital requirement (caveat treasury management/capital budgets will continue to be reviewed in line with the capital programme)	(0.148)	2.174	-	2.026
All Directorates	Removal of pressure – Covid	(0.067)	-	-	(0.067)
Total Existing Pressures:		2.855	2.174	-	5.029
Corporate Proposed Pressures:					
Corporate	Electricity Inflationary Pressure	1.729	-	-	1.729
Corporate	Gas Inflationary Pressure	0.299	-	-	0.299
Corporate	Pay Inflation	6.699	1.782	1.845	10.326
Corporate	Treasury Management requirement to fund borrowing	-	1.000	3.000	4.000
Total Corporate Proposed Pressures:		8.727	2.782	4.845	16.354
TOTAL CORPORATE PRESSURES:		11.582	4.956	4.845	21.383
TOTAL PRESSURES:		32.357	16.774	9.825	58.956

Appendix 4

Summary of Statement of Reserves	2022/23 Opening Balance £m	In Year Movement £m	2022/23 Commitments £m	2022/23 Closing Balance £m	Future Years Commitments £m	Ringfenced £m	Future Years Closing Balance £m
General Fund							
Unallocated General Fund Balance	(8.933)	-	1.466	(7.467)	(5.278)	-	(12.745)
Balances Held By Schools	(8.577)	(0.994)	1.500	(8.071)	1.500	6.571	-
Budget Risk Reserve	(20.522)	(0.209)	20.272	(0.459)	(2.034)	-	(2.493)
TOTAL	(38.032)	(1.203)	23.238	(15.997)	(5.812)	6.571	(15.238)
Revenue Earmarked Reserves							
Covid-19 Reserve	(2.265)	-	2.265	-	-	-	-
General Insurance Reserve	(2.658)	-	-	(2.658)	-	-	(2.658)
Trading Services Reserve	(0.039)	-	0.039	-	-	-	-
Year-end grants with restrictions	(4.235)	-	4.009	(0.226)	0.127	0.099	-
DEGF Interest Reserve	(0.207)	(0.001)	0.046	(0.162)	0.162	-	-
Regeneration Fund Reserve	(0.917)	-	0.315	(0.603)	0.603	-	-
Assembly Rooms Reserve	(2.090)	-	1.000	(1.090)	1.090	-	-
Delivering Change Reserve	(0.941)	0.749	0.192	-	-	-	-
Business Rate Pilot Reserve	(0.083)	0.033	0.050	-	-	-	-
Collection fund deficit smoothing reserve	(8.208)	-	8.208	-	-	-	-
Treasury Management Reserve	(2.759)	-	0.952	(1.807)	1.807	-	-
Public Health Reserve	(3.869)	-	-	(3.869)	-	3.869	-
Adult Social Care Reserve	(2.435)	-	0.060	(2.375)	0.543	1.780	(0.052)
Capital Feasibility Reserve	(0.527)	-	0.423	(0.104)	-	-	(0.104)
Other Service Reserves	(9.720)	0.389	3.810	(5.521)	2.382	0.115	(3.024)
Pay and Inflation Reserve	(1.200)	-	1.200	-	-	-	-
Cost of Change Reserve	-	-	(4.000)	(4.000)	4.000	-	-
PFI Reserves	(29.767)	(0.210)	3.494	(26.484)	26.484	-	-
Earmarked Reserves to support the capital programme	(2.060)	0.210	0.081	(1.769)	-	1.432	(0.337)
TOTAL	(73.980)	1.170	22.142	(50.668)	37.198	7.295	(6.175)

The Indicative Capital Programme

Appendix 5

Strategy Area Name	Scheme Name	Funding Source	DRAFT 2023/24 Budget	DRAFT 2024/25 Budget	DRAFT 2025/26 Budget	TOTAL
Schools						
Schools	Devolved Formula Capital - Confirmed Allocation	SCE C DFC	0.120	0.120	0.120	0.360
Schools	Adaptions For Foster Carers	SCE C	0.075			0.075
Schools	Buildings at Risk urgent condition and suitability schemes	SCE C SCA	0.594			0.594
Schools	School Condition work funding pot	SCE C SCA	1.100	1.100	1.100	3.300
Schools	Capital works delivered by schools	SR/RCCO	0.250	0.250	0.250	0.750
Schools	Brackensdale Infant and Junior – Expansion Design	S106	0.300			0.300
Schools	Fellows Lands Way Primary s106	S106/SCE C	4.931	0.124		5.055
Schools	Chellaston Secondary School - Homeleigh Way Contribution	S106/SCE C /SCE C BN	3.676			3.676
Schools	SEND Provision - Schools	SCE C SPF /SCE C HNP /UBC	12.353	4.316		16.669
Schools	Secondary School Expansion Scheme	SR/SCE C BN /SCE C SCA	6.093			6.093
Schools	Ravensdale Infant School - New Build	SCE C SCA	0.004			0.004
Schools	Littleover S106 Expansion - 2021 to 2023	S106	0.300			0.300
Schools	Ashgate Primary School - External Area Feasibility	SCE C SCA	0.002			0.002
Schools	Becket Primary - Heating System Feasibility	SCE C SCA	0.005			0.005
Schools	Becket Primary - Renew Flat Roof Feasibility	SCE C SCA	0.004			0.004
Schools	Dale Primary - Window Phase 2 Feasibility	SCE C SCA	0.003			0.003
Schools	Gayton School - External Area Feasibility	SCE C SCA	0.002			0.002
Schools	Kingsmead School - Renew Fire Doors	SCE C SCA	0.002			0.002
Schools	Littleover Community School - Roof Feasibility	SCE C SCA	0.003			0.003
Schools	Littleover Community School - Windows Feasibility	SCE C SCA	0.002			0.002
Schools	Murray Park - Heating System Feasibility	SCE C SCA	0.002			0.002

Strategy Area Name	Scheme Name	Funding Source	DRAFT 2023/24 Budget	DRAFT 2024/25 Budget	DRAFT 2025/26 Budget	TOTAL
Schools	Oakwood Infant - Fire Doors Feasibility	SCE C SCA	0.002			0.002
Schools	Childrens Home Accommodation Strategy	UBC	0.300	0.600		0.900
Schools	D2N2 Childrens Homes	UBC	0.150			0.150
Schools	Bemrose Secondary School - Dining Block Boiler	SCE C SCA	0.002			0.002
Schools	Parkview Primary - Replacement Boiler	SCE C SCA	0.003			0.003
Schools	Silverhill Primary - Roofing	SCE C SCA	0.003			0.003
Schools	Peartree Infant - Window Replacement	SCE C SCA	0.002			0.002
Schools	Shelton Junior School - Fire Risk Assessment Works	SCE C SCA	0.002			0.002
Schools	Silverhill Primary School - Fire Risk Assessment Works	SCE C SCA	0.002			0.002
Schools	Noel Baker Academy - Two New Teaching Blocks	S106	0.353			0.353
Schools Total			30.640	6.510	1.470	38.620
Housing General Fund						
Housing General Fund	Disabled Facilities Grant 96 Act	GG	2.323	2.323	2.323	6.969
Housing General Fund	Capitalised Salaries	EC	0.085	0.085	0.085	0.255
Housing General Fund	Healthy Housing Assistance	GG	0.200	0.200	0.200	0.600
Housing General Fund	Empty Property Assistance	EC	0.180	0.180	0.180	0.540
Housing General Fund	Community Energy Savings Project (CESP)	EC	0.523			0.523
Housing General Fund	Works at Shelton Lock	EC/GG	0.100			0.100
Housing General Fund	Milestone House Capital Works	EC		0.025		0.025
Housing General Fund	Performance Venue - Padley Centre	GG/UBSF	0.670			0.670
Housing General Fund	Carelink Equipment	GG	0.176			0.176
Housing General Fund	Carelink Equipment - DFG Element	EC	0.100			0.100
Housing General Fund	Supported Housing Improvement Programme (SHIP)	GG	0.142	0.259		0.401
Housing General Fund	HIA Energy Efficiency	EC	0.500			0.500
Housing General Fund Total			4.999	3.072	2.788	10.859

Strategy Area Name	Scheme Name	Funding Source	DRAFT 2023/24 Budget	DRAFT 2024/25 Budget	DRAFT 2025/26 Budget	TOTAL
Property	Planned Maintenance	UBC	1.770	1.676	1.841	5.287
Property	GEN - Capitalised Salaries - Valuer	SCE C	0.037	0.037	0.037	0.111
Property	Various sites boundary improvements	UBC		0.517	0.569	1.086
Property	Various sites fire precaution	UBC		0.319	0.351	0.670
Property	Darley Playing Fields	UBC		0.303	0.333	0.636
Property	Preliminary Design- Structural and Buildings at risk	CR/UBC	0.250	0.242	0.266	0.758
Property	Swimming Pool New Build	UBC		0.150		0.150
Property	Various Electrical Rewiring	UBC		0.506	0.557	1.063
Property	HOP - Reconfiguration, Redevelopment, Relocation, Remodelling	UBC	0.252	0.770	0.847	1.869
Property	Pickford House Museum	UBC	0.030			0.030
Property	Council House - Detailed Survey	CR/UBC	0.478	0.242	0.266	0.986
Property	Energy Projects	UBC	0.295	0.275	0.303	0.873
Property	Disabled Access	UBC	0.102	0.110	0.121	0.333
Property	Kedleston Road - Heating System	UBC	0.817	0.440	0.484	1.741
Property	Assembly Rooms Main Building	UBC	0.068			0.068
Property	Various Boiler Replacement	UBC		0.748	0.823	1.571
Property	Various Lighting Protection	UBC		0.054	0.062	0.116
Property	MEND	UBC	0.500			0.500
Property	Ashtree House - Window Replacement	UBC	0.050			0.050
Property	Bold Lane and Chapel Street - BaR Car Parks	UBC	0.732			0.732
Property	Chaddesden Park Buildings	UBC	0.082			0.082
Property	LUF Fund for Disabled Toilet Facilities	UBC	0.252			0.252
Property	Market Place Water Feature	UBC	0.053			0.053
Property	Multi-Cultural Education Centre	UBC	0.272			0.272
Property	Rosehill Children's Centre	UBC	0.136			0.136
Property Total			6.176	6.390	6.860	19.426

Strategy Area Name	Scheme Name	Funding Source	DRAFT 2023/24 Budget	DRAFT 2024/25 Budget	DRAFT 2025/26 Budget	TOTAL
Parks & Open Spaces						
Parks & Open Spaces	Darley Park Improvement	S106	0.049			0.049
Parks & Open Spaces	Parklife Strategic Football Hub	EC/S106/UBC	12.023			12.023
Parks & Open Spaces	Levelling Up Parks Fund	GG	0.067			0.067
Parks & Open Spaces	Chaddesden Wood Local Nature Reserve	S106	0.012	0.012	0.012	0.036
Parks & Open Spaces	Parks & Open Spaces Rolling Programme	UBC	0.250	0.250	0.250	0.750
Parks & Open Spaces Total			12.401	0.262	0.262	12.925
Flood Defence						
Flood Defence	Local flood alleviation scheme	UBC	0.250	0.250	0.250	0.750
Flood Defence	Cuttlebrook Flood Alleviation Scheme	GG	0.020			0.020
Flood Defence Total			0.270	0.250	0.250	0.770
Highways & Transport						
Highways & Transport	Connecting Derby - Integrated Transport	SCE C	0.300			0.300
Highways & Transport	Integrated Transport Programme - smaller scheme	SCE C/UBC	1.365	2.536	2.536	6.437
Highways & Transport	Asset Management - Highways Maintenance	SCE C/UBC	2.605	3.509	3.509	9.623
Highways & Transport	Asset Management - Structures Maintenance	SCE C	0.910	0.610	0.610	2.130
Highways & Transport	Asset Management - ITS Network Management Maintenance	SCE C	0.375	0.375	0.375	1.125
Highways & Transport	Network Management - Local Traffic Management	SCE C	0.040			0.040
Highways & Transport	Public Transport - Public Transport	UBC	0.552			0.552
Highways & Transport	Street Lighting LED Replacement	UBC	0.285			0.285
Highways & Transport	Asset Management - Land Drainage & Flood Defence	SCE C	0.530			0.530
Highways & Transport	Highways Trees	UBC	0.156			0.156
Highways & Transport	Kingsway Roundabout	UBC	0.450			0.450
Highways & Transport	TCF Tranche 2 - Interchangeable Hubs	GG	2.135			2.135
Highways & Transport	TCF Tranche 2 - Public Realm	GG	3.054			3.054
Highways & Transport	TCF Tranche 2 - Cycle Expressway	GG	2.938			2.938

Strategy Area Name	Scheme Name	Funding Source	DRAFT 2023/24 Budget	DRAFT 2024/25 Budget	DRAFT 2025/26 Budget	TOTAL
Highways & Transport	TCF Tranche 2 - Bus Priority	GG	1.361			1.361
Highways & Transport	TCF Tranche 2 - Park & Ride	GG	6.207			6.207
Highways & Transport	TCF Tranche 2 - Bus & Rapid Transit Links	GG	20.758			20.758
Highways & Transport	TCF Tranche 2 - LCWIP	GG	3.806			3.806
Highways & Transport	Future Transport Zone	GG	1.090			1.090
Highways & Transport Total			48.917	7.030	7.030	62.977
Vehicles Plant & Equipment						
Vehicles Plant & Equipment	Grounds Plant & Equipment	CR/CRES/ RCCO	0.323	0.409	0.558	1.290
Vehicles Plant & Equipment	Refuse Vehicles & Plant	CR/RCCO /UBSF	2.104	1.029	0.857	3.990
Vehicles Plant & Equipment	Street Cleaning Equipment	CR/RCCO /UBSF	0.572	0.089	0.049	0.710
Vehicles Plant & Equipment	New Vehicle Fleet	CR/CRES /RCCO/UBSF	0.250	0.041	0.081	0.372
Vehicles Plant & Equipment	Replacement of Leased Vehicles	UBC	0.096			0.096
Vehicles Plant & Equipment	Safer Street Fund - Phase 4	GG	0.075			0.075
Vehicles Plant & Equipment	Outdoor Facility at Markeaton Park	UBC	0.070			0.070
Vehicles Plant & Equipment Total			3.490	1.568	1.545	6.603
Regeneration						
Regeneration	City Centre Accelerated Development	EC/SCE C BN /UBC		3.478		3.478
Regeneration	Becket Well Regeneration	UBC	0.030			0.030
Regeneration	Derby Enterprise Growth Fund - Recycled	CR	0.235			0.235
Regeneration	Market Hall Refurbishments - Phase 1	UBC	0.008			0.008
Regeneration	Assembly Rooms Site Demolition	CR/CRES/ SR/UBC	4.290			4.290
Regeneration	Castleward - CPO	CR/EC	0.510	2.316		2.826
Regeneration	MRC Midlands (NAMRC)	SCE C/UBC	0.408			0.408

Strategy Area Name	Scheme Name	Funding Source	DRAFT 2023/24 Budget	DRAFT 2024/25 Budget	DRAFT 2025/26 Budget	TOTAL
Regeneration	Smartparc	UBC	2.821			2.821
Regeneration	City Growth Fund	SCE C/SCE C BN	1.355	1.000		2.355
Regeneration	Becketwell Performance Venue Fees	CR/UBC	0.223	0.110		0.333
Regeneration	Carbon Reduction Fund	SCE C	1.450			1.450
Regeneration	New Performance Venue at Becketwell	UBC	22.301	17.466		39.767
Regeneration	Market Hall Refurbishments - Phase 2	GG/UBC	11.002	3.321		14.323
Regeneration	Eastern Gateway	GG	5.114	1.340		6.454
Regeneration	Becketwell Regeneration Contingency	UBC		0.127		0.127
Regeneration	FHS Connecting Works	GG	0.389			0.389
Regeneration - OCOR	Our City Our River	GG	0.446	0.308	0.348	1.102
Regeneration - OCOR	Our City Our River - Package 1	GG	0.258			0.258
Regeneration - OCOR	Our City Our River - Package 2	GG	13.640	20.500	20.945	55.085
Regeneration - OCOR	Our City Our River - Munio	GG	0.588			0.588
Regeneration Total			65.068	49.966	21.293	136.3269
ICT						
ICT	Major IT Hardware Developments	CR/SCE C	3.149	1.295	0.620	5.064
ICT	Major IT Systems Developments - HR System Replacement	SCE C	0.500			0.500
ICT	Major IT Systems Developments	CR	0.295	0.295	0.296	0.886
ICT Total			3.944	1.590	0.916	6.450
Corporate Resources						
Corporate Resources	MTFP Provision for Future Investments	UBC	0.730	1.460	45.961	48.151
Corporate Resources Total			0.730	1.460	45.961	48.151
Total Programme			176.635	78.098	88.375	343.108

Funding Stream	Abbreviation
Supported Capital Expenditure (Revenue)	SCE R
Unsupported Corporate Borrowing	UBC
Unsupported Service Financed Borrowing	UBSF
Unsupported Borrowing Spend to Save	UBSS
Temporary Borrowing	TB
External Borrowing	EB
Supported Capital Expenditure - Corporate	SCE C
Supported Capital Expenditure - Basic Needs	SCE C BN
Supported Capital Expenditure - Devolved Formula Capital	SCE C DFC
Supported Capital Expenditure - Special Provision Funding	SCE C SPF
Supported Capital Expenditure - High Provision Funding	SCE C HPF
Government Grant	GG
Direct Revenue Funding	RCCO
Capital Receipts	CR
Capital Reserves	CRES
Service/Corporate Reserves	SR
Section 106	S106
External Contributions	EC