

Time began: 4.06pm
Time ended: 5.25pm

COUNCIL CABINET

21 December 2021

Present Councillor Poulter (Chair)
 Councillors Hassall, McCristal, Smale and Williams

In attendance Councillors Shanker and Skelton
 Simon Riley – Strategic Director of Corporate Resources
 Alison Parkin – Director of Financial Services
 Emily Feenan – Director of Legal, Procurement and
 Democratic Services
 Heather Greenan – Director of Policy and Insight

This record of decisions was published on 23 December 2021. The key decisions set out in this record will come into force and may be implemented on the expiry of five clear days unless a key decision is called in.

120/21 Apologies

It was reported that although the venue was large enough to accommodate all councillors and members of the public safely, given rising Covid-19 case rates locally, it was considered a sensible precaution to reduce the number of councillors present. This was to ensure that in the event of councillors being subsequently required to self-isolate, the democratic processes of the Council could continue to function.

Apologies for absence were therefore received from Cllrs Barker, Eyre, J Pearce and Webb.

121/21 Late Items

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late item on the grounds that it should be considered as a matter of urgency

- **Decision Making During the Covid -19 Pandemic**
To note arrangements in place to ensure continuity of decision making during the Covid-19 pandemic in light of the announcement of the Government's Plan B restrictions.

122/21 Receipt of Petitions

There were no petitions.

123/21 Identification of Urgent Items to which Call In will not apply

There were none.

124/21 Declarations of Interest

There were no declarations.

125/21 Minutes of the meeting held on 8 December 2021

The minutes of the meeting held on 8 December 2021 were agreed as a correct record.

Matters Referred

126/21 Recommendations from the Executive Scrutiny Board

The Council Cabinet considered a report on Recommendations from the Executive Scrutiny Board. The Executive Scrutiny Board met and discussed items contained within the Council Cabinet Agenda. The report enabled the views and recommendations resulting from these discussions to be formally shared with Council Cabinet. These were submitted to Council Cabinet as Appendix 1, prior to commencement of the meeting.

Decision

To receive the report and consider the recommendations alongside the relevant report.

Budget and Policy Framework

127/21 Medium Term Financial Plan 2022/23 to 2024/25

The Council Cabinet considered a report which outlined proposals for the Council's new three-year Medium-Term Financial Plan (MTFP) including detailed plans for a balanced budget for 2022/23. The Council's ambitions were set out in the Council Plan, the themes of which had been co-produced and subsequently adopted by the City-wide Partnership Board. The report detailed the targeting of the Council's Finances to the priorities focused around the outcomes set out in the Council Plan.

The budget included estimates of future demand and economic pressures as the Council plans for the City, post the pandemic, and in shaping the financial framework for future service delivery. The setting of the budget had been particularly challenging due to increased demand in the Council's statutory services and increased costs especially within the areas of social care.

It had been necessary to plan for reductions in the Council's spend. The majority of these were delivered through the Council's transformation programme 'Working Smarter' which aimed, through a series of programme areas, to reshape service delivery over the next three years with the twin goals of delivering improved Value for Money and to develop services which were delivered with residents and communities.

The background to the current MTFP was one of significant uncertainty given the impact of the COVID-19 pandemic, the results of which had impacted on the way the Council operates, the needs of our most vulnerable citizens and the income that we rely on to fund our services. Because of the current level of national economic uncertainty and the widespread pressures on public spending, it was vital the Council understands its financial outlook and continued to plan effectively for the future. It had been necessary in 2021/22 to implement spending review panels to manage in year-demand and to improve financial resilience. It was anticipated that these would continue in 2022/23.

The Council presented its Strategic Plan to Council Cabinet on 8 December 2021 which included the proposed framework for the Medium-Term Financial Strategy and the Council Plan. The Council Plan could only be delivered through a sound understanding of the Council's longer-term financial sustainability which enabled decisions to be made that balance the resource implications of the Council's priorities against financial constraints.

Robust financial planning and financial management alongside our budget preparation, performance management and stakeholder reporting was an integral part of our corporate governance and gives us the ability to look strategically and align our priorities beyond the current budget period. This was crucial to support and ensure our resilience and long-term financial sustainability.

The Council's MTFP funding assumptions were based on the provisional Local Government Finance settlement issued on the 16 December. Final settlement figures would not be confirmed until later in the financial year. The impact of COVID-19 upon the Council's financial position in both 2020/21 and 2021/22 had been significant and despite national increases in the spending power of Local Government to reflect this, the additional funding was not sufficient to meet all of the Council's demands. Future Covid demands were unknown.

The key objectives of the report were:

- To ensure that effective financial planning contributes to the delivery of the Council Plan
- To ensure that the Council was financially resilient, stable and sustainable for the future
- To maximise the income from Council Tax and Business Rates to support the priorities of the Council
- To plan for future resources available and to estimate expenditure requirements to ensure value for money was achieved and resources were utilised where outcomes were measurable and have real impact.

The MTFP sets out the Council's approach to the prudent management of our finances against a reducing reliance on central government funding and increased reliance of local funding sources from council tax.

The report sought approval to start appropriate consultation to deliver the 2022/23 Budget. It also outlined the proposed capital programme for the medium term and the capital aspirations of the Council for the city.

The report commented on the key risks that were facing the Council in the next three years and outlined interdependencies including the timings and outcomes of funding including the Government's Spending Review, 'Levelling Up' agenda, 'Fair Funding' proposals and 'Business Rates Retention' proposals, all of which required clarification in respect of next year and future years.

There were no comments or recommendations from Members of the Executive Scrutiny Board.

Decision

1. To approve the start of appropriate consultation with citizens and other stakeholders, including collective consultation (if appropriate), to deliver the savings outlined in Appendix 2 of the report.

2. To defer recommendation 2.2 and 2.3 to a future meeting.

3. To note:

(a) Revenue Budget

- The current medium-term financial position as outlined in section 4.5 and detailed in Appendix 1 of the report including the balanced position for 2022/23.
- The current list of savings options outlined in Appendix 2 of the report with an associated estimated reduction in posts by 51.17 full time equivalent (FTE).
- The current estimated service pressures outlined in Appendix 3 of the report.
- The risks associated with the MTFP assumptions outlined in section 4.3 of the report.
- The MTFP modelling assumptions outlined in section 4.4 of the report.

(b) Capital Budget

- The indicative capital programme as outlined in section 4.9 and Appendix 5 of the report.
- An indication of future priorities to be included capital ambition for the city as outlined in Appendix 6 of the report.

(c) Reserves

- Use of budget risk reserve to fund voluntary redundancy exit costs as outlined in section 4.7.1 of the report
- Reallocation of earmarked reserves arising from review of reserves as outlined in section 4.8.2 of the report.
- Allocation of funding to bring the General Reserve up to 5% of net budget requirement by 2024/25 and transfer to Budget Risk Reserve in 2023/24 and 2025/26 to improve our level of reserves.
- The reserves position outlined in section 4.8 and Appendix 4 of the report.

(d) Council Tax

- Proposal to levy a Council Tax increase of 1.99% for 2022/23 for Council Services.
- Proposals to levy an additional Council Tax increase of 1% for 2022/22 in respect of the permitted Social Care Precept outlined in section 4.10.3 of the report.

128/21 Council Plan 2022 - 2025

The Council Cabinet considered a report which stated that during the pandemic, we had seen the significant benefits that working with the city could deliver.

By working together with partners, businesses, citizens and our colleagues we had maximised our resources, skills and knowledge to respond to COVID-19, alongside delivering our 'business as usual' services.

As we have worked with the city over the last 18-months, priorities had emerged, in response to the latest opportunities and challenges that Derby faced, which should re-shape the focus of our work over the next three years.

To make sure that Derby's Council Plan remained fit for purpose, and appropriately aligned to the City's Partnership Board ambitions, it was proposed that the 2019 - 2023 Plan be replaced.

The purpose of the report was to present a draft Council Plan for consultation, alongside the Medium Term Financial Strategy, for 2022 to 2025.

There were no comments or recommendations from members of the Executive Scrutiny Board.

Decision

1. To approve the start of appropriate consultation with citizens, colleagues, partners and other stakeholders on the draft Council Plan 2022 – 2025 (Appendix 1), in line with the budget consultation.

2. To note that an equality impact assessment would be completed in line with the consultation period.
3. To note that a Council Delivery Plan for 2022/23 would be developed, for consideration and approval, by April 2022.

Other

129/21 Decision Making During the Covid-19 Pandemic

The Council Cabinet considered a report which set out arrangements for continuity of democratic decision making in the event of rates of transmission of Covid-19 continuing to increase and further restrictions being placed on the ability of councillors to meet in person.

Several options were detailed for the continuation of decision-making dependent on the severity of the situation, ranging from practical measures to reduce the risk of transmission at public meetings to the increased use of existing powers to delegate decisions to individual councillors and officers.

Two High Court rulings in April and May 2021 found that it would be unlawful for a local authority meeting held under the provisions of the Local Government Act 1972 to take place remotely, as councillors must be present at a single location to form part of the quorum of a meeting and that members of the public must have physical access to those meetings. The emergency regulations that permitted remote meetings during the early stages of the pandemic expired in May 2021 and have not been renewed.

The Government issued a call for evidence in Autumn 2021 on the permanent adoption of regulations permitting remote or hybrid meetings, the outcome of which has not been published at the time of writing.

There were no comments or recommendations from Members of the Executive Scrutiny Board.

Decision

To note the arrangements in place to ensure continuity of decision-making.

MINUTES END