

## COUNCIL CABINET

17 July 2019

### Minute Extract

## Budget and Policy Framework

### 30/19 Medium Term Financial Strategy 2020/21 – 2022/23

The Council Cabinet considered a report which outlined the proposed Medium Term Financial Strategy (MTFS) for the Council's revenue and capital budget over the next three year period 2020/21 to 2022/23.

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

Given the current level of national economic uncertainty, fluctuating currency values, and the widespread pressures on public spending, it was more important than ever that the council had an understanding of its financial outlook and continued to plan effectively for the future, and this planning be aligned to the Council Plan vision and priorities.

The MTFS sets out the council's approach to the prudent management of finances against a reducing reliance on central government funding and more of a reliance of local funding sources from council tax, business rates and fees and charges income.

The report commented on the risks that were facing the council in the next three years and outlined concerns including the timings and outcomes including the Government's Spending Review, 'Fair Funding' proposals and its 'Business Rates Retention' proposals and the increasing demands and cost pressures in social care services for both children and adults. The report also outlined potential mitigation of some of these risks.

Resource projections for the next three years were included and outlined in the Medium Term Financial Plan, together with the financial challenges that the council faces and the approach planned to meet priorities over this period.

Members agreed that the date outlined in recommendations 1 and 2 of the report be amended from 25 September 2019 to 24 July 2019.

The Executive Scrutiny Board recommended Council Cabinet

- That the revenue budget for 2019/20 be revised to ensure that sufficient money is allocated to Children's Services to ensure that the service does not overspend as it did last year

- To include in year savings from other areas / services of the Council if necessary as there was a legal requirement to have a balanced budget.
- As part of the work this autumn to share the financial situation with staff and council tax payers / Derby residents and to welcome suggestions for possible savings and different ways of doing things from staff at all levels and the public including consideration of incentive schemes.

## **Decision**

1. To endorse the Council's Medium Term Financial Strategy for 2020/21 to 2022/23 and recommend that Council approve this Strategy on 24 July 2019.
2. To note the Capital Strategy and recommend the approval of the strategy to Council on 24 July 2019.
3. To approve the Corporate Resources directorate operational savings that did not require consultation outlined in section 12.2 and in Appendix 4 of the report.
4. To approve the Peoples directorate operational savings that did not require further consultation outlined in section 12.5 and Appendix 5 of the report.
5. To note recommendations 1, 2 and 3 from the Executive Scrutiny Board.