



Report sponsor: Simon Riley, Strategic Director  
of Corporate Resources  
Report author: Alison Parkin, Director of  
Financial Services

## **Medium Term Financial Plan 2022/23 to 2024/25 – 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 2022/23. The Council's ambitions are set out in the Council Plan, the themes of which have been co-produced and subsequently adopted by the City-wide Partnership Board. The report details the targeting of the Council's Finances to the priorities focused around the outcomes set out in the Council Plan.
- 1.2 The budget includes 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 has been particularly challenging due to increased demand in the Council's statutory services and increased costs especially within the areas of social care.
- 1.3 It has been necessary to plan for reductions in the Council's spend. The majority of these are delivered through the Council's transformation programme 'Working Smarter' which aims, 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 are delivered with residents and communities.
- 1.4 The background to the current MTFP is one of significant uncertainty given the impact of the COVID-19 pandemic, the results of which have 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 is vital the Council understands its financial outlook and continues to plan effectively for the future. It has been necessary in 2021/22 to implement spending review panels to manage in year-demand and to improve financial resilience. It is anticipated that these will continue in 2022/23.
- 1.5 The Council presented its Strategic Plan to Council Cabinet on 08<sup>th</sup> December 2021 which included the proposed framework for the Medium-Term Financial Strategy and the Council Plan. The Council Plan can only be delivered through a sound understanding of the Council's longer-term financial sustainability which enables decisions to be made that balance the resource implications of the Council's priorities against financial constraints.

- 1.6 Robust financial planning and financial management alongside our budget preparation, performance management and stakeholder reporting is 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 is crucial to support and ensure our resilience and long-term financial sustainability.
- 1.7 The Council's MTFP funding assumptions are based on the provisional Local Government Finance settlement issued on the 16<sup>th</sup> December. Final settlement figures will 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 has been significant and despite national increases in the spending power of Local Government to reflect this, the additional funding is not sufficient to meet all of the Council's demands. Future Covid demands are unknown.
- 1.8 The key objectives of the report are:
- To ensure that effective financial planning contributes to the delivery of the Council Plan
  - To ensure that the Council is 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 is achieved and resources are utilised where outcomes are 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.

- 1.9 The report seeks approval to start appropriate consultation to deliver the 2022/23 Budget. It also outlines the proposed capital programme for the medium term and the capital aspirations of the Council for the city.
- 1.10 The report comments on the key risks that are facing the Council in the next three years and outlines 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 require clarification in respect of next year and future years.

## **Recommendations**

- 2.1 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.
- 2.2 To approve the reallocation of earmarked reserves as outlined in section 4.8.3.
- 2.3 To approve the use of the budget risk reserve to fund the exit costs (currently estimated as £0.367m) associated with the voluntary redundancy exits as outlined in section 4.7.1.

2.4 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 2022/23
- The current list of savings options outlined in Appendix 2 with an associated estimated reduction in posts by 51.17 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
- An indication of future priorities to be included capital ambition for the city as outlined in Appendix 6

**(c) Reserves**

- Use of budget risk reserve to fund voluntary redundancy exit costs as outlined in section 4.7.1
- Reallocation of earmarked reserves arising from review of reserves as outlined in section 4.8.2
- 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

**(d) Council Tax**

- Proposal to levy a Council Tax increase of 1.99% for 2022/23 for Council Services
- Proposal 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.

**Reasons**

- 3.1 To consult on budget proposals for the next three years to deliver a legal balanced budget for 2022/23 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.
- 3.3 The Council is required to set a balanced revenue and capital budget for 2022/23 by 11<sup>th</sup> March 2021. This report proposes a balanced budget for 2022/23.
- 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 our plans for capital expenditure.

- 3.5 The report proposes a balanced budget for 2022/23 with use of reserves. Permanent savings to replace those reserves and the indicative budget gaps for future years will be considered as future plans are developed. Delivery of transformation and outcome plans will be reported appropriately in the medium term.
- 3.6 To consult widely on the budget proposals prior to the setting of the 2022/23 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 risk and influences affecting the medium term financial plan outlined 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 2022/23 outlined in section 4.10
- X. The proposed consultation process with the public and stakeholders outlined in section 4.11

#### **4.2 Budget Approach**

Preparing saving proposals of this magnitude following a global pandemic is challenging. Our City's needs are different, our services have changed as have our priorities and our people. The Council has a place shaping role for the whole City which is detailed in the proposed Council Plan Vision of 'Ambitious for Derby – WITH the City, FOR the City'

- 4.2.1 The budget approach for this MTFP has been different from that previously adopted as the Council joined together across the Directorates to provide outcome-based solutions to the financial challenge. The Council's ambitions are set out in the Council Plan, the themes of which have been co-produced and subsequently adopted by the City-wide Partnership Board. It is through these partnership plans that the savings proposals have been developed asking the question of what can the City deliver for the City?

4.2.2 The overarching principle of the MTFs and the Council Plan is 'Better Together' which seeks to:

- Champion change
- Work across organisation and community boundaries – informed by individuals, aspirations and need
- See our communities and individuals as a strength, focusing on their assets to unlock their potential
- develop resilience by using the strength of combined partnerships to support communities
- work together to identify resources and recognise our collective skills and reach.

### 4.3 Risks and Influences Affecting the Medium-Term Financial Plan

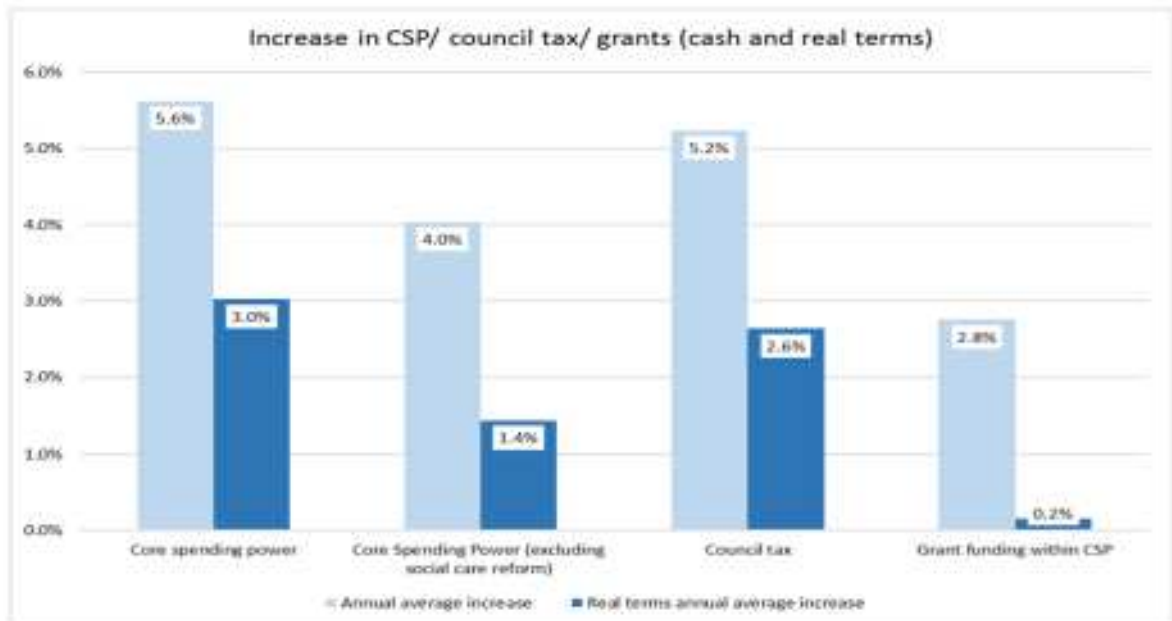
The funding available to the Council and the way this is used can be affected by many internal and external factors. This budget has been developed in the context of an incredibly challenging period.

#### 4.3.1 The local government financial picture

Local Government experienced a dramatic rise in costs, while revenue from council tax, business rates and charges all fell during the pandemic. The Government covered the majority of these additional costs and lost income through grants during the 2020/21 financial year with the sector hoping that the Comprehensive Spending Review (CSR) would address the permanent on-going impacts. Unfortunately, the CSR and the provisional Local Government Finance Settlement did not announce continuation of specific Covid funding for 2022/23 onwards. This had been factored into the opening budget gap agreed by Council in February, but nevertheless these one off grants in 2021/22 amounted to £13.368m. It is clear that demand for services post the initial waves of the pandemic remain. As a result, the budget strategy is required to respond to the ongoing impact of this demand alongside increased costs in the Economy.

4.3.2 In their Comprehensive Spending Review the Government announced that local government spending power, the amount of money local authorities have to spend from government grants, council tax and business rates will rise by 3% in real terms in year over the spending review period and that local government spending power will be 13% higher in real terms in 2024/25 than in 2019/20 as a result of increases in central grants and locally raised council tax and business rates.

The use of Core Spending Power (CSP) as the headline indicator can distort the increase for general local government services. The other key aspect is that the majority of the headline CSP figure quoted assumes Council's increasing Council Tax by the maximum and not through significant increases in Government Grant.



4.3.3 However, contained within these increases were additional grants to cover new significant burdens such as the social care reforms, the exclusion of these grants means that local government spending power is set to rise just below 1.9% in real terms each year over the spending review.

4.3.4 The Local Government Association had lobbied for a 2.6% average annual increase with a prediction that local government would have to spend 9.7% more on adult social care, 4.8% on children’s social care and 2% on other council services. Recognition of the additional burdens faced by local government within the spending review was welcomed by the Council and contributed some additional £10.9m to the financing of the MTFP. However, the increase in Government Grant is insufficient to offset the loss of the one-off Covid Grants, increased demand and inflationary pressures in setting the Council Budget.

4.3.5 **COVID-19 and a new operating context**

COVID-19 has fundamentally affected the way in which the Council works. Elements of this change which relate directly to the crisis response, will, in time, revert largely back to normal. However, an event of this magnitude has resulted in the Council needing to consider closely how its business and services should operate. It has however accelerated the forging of strong partnerships across the whole of the City providing great opportunities to reform services in a collaborated co-produced way.

It is important that the changed focus of the Council Plan and the MTFP to an outcome-based approach develops resilience in residents, communities and businesses in order to manage the demand pressures arising post the initial waves of the pandemic.

4.3.6 It is unknown if and how the continuation of the pandemic will further impact the economy, future funding for the sector and demands on our services. There is an unknown impact on individuals and families from the COVID lockdowns, increased stress and anxiety leading to a higher likelihood of domestic abuse, family breakdowns and homelessness. Responding to this requires the Council to be agile to emerging needs and opportunities and may require a reallocation of earmarked

reserves or a change in service offer. The Council has included within its financial plans some ongoing impact of Covid on its financial resources for 2022/23 only.

#### **4.3.7 EU Exit**

On January 31<sup>st</sup>, 2020 the UK left the EU. The Council is prepared to take advantages of the opportunities the EU exit presents but it is important to recognise the potential impact of the loss of European funding. To replace this, the Government has announced the establishment of the Shared Prosperity Fund although the detailed operation of the scheme remains uncertain. This will also be influenced by the emerging Levelling up Agenda.

The national financial economy has been destabilised by both Covid and Brexit leading to increased inflationary pressures within the economy and growing issues with supply chain, availability of labour etc. This continues to have significant impact on both the Councils funding, but also spending. The medium- term plan will be updated as certainty becomes clearer.

#### **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.

The Council expects receipt of the Levelling Up White Paper in January and this will influence regional economic allocations alongside potential changes in the Local Government landscape, such as Local Government Reorganisation and County Deals. In the meantime, the Council continues to seek Levelling Up Funding through competitive bidding rounds.

Recent announcements from the Secretary of State for Levelling Up and Communities has indicated that the previous proposals for increased business rate retention (50% to 75%) is unlikely to progress and that the fair funding reforms will be implemented from potentially 2023/24 onwards. The combination of these announcements indicate that the Local Government funding framework is likely to be used for redistribution to achieve Levelling Up objectives. This leads to uncertainty for Year 2 and 3 of this MTFP.

#### **4.3.9 Adult Social Care Reform**

The Government has recently issued its ten-year vision to improve adult social care with the announcement in the Spending Review of £3.6 billion to local government to support the reform. This funding, although the majority of which comes in 2023/24 onwards, will help the Council to implement the cap on personal care costs, changes to the means test and to help better sustain our local care markets by moving to a fairer cost of care.

It is still unclear of the impact of these changes on core services already provided by the Council and new responsibilities. The MTFP includes £0.775m of additional funding in 2022/23 the use of which will be subject to a separate Cabinet report later in the year.

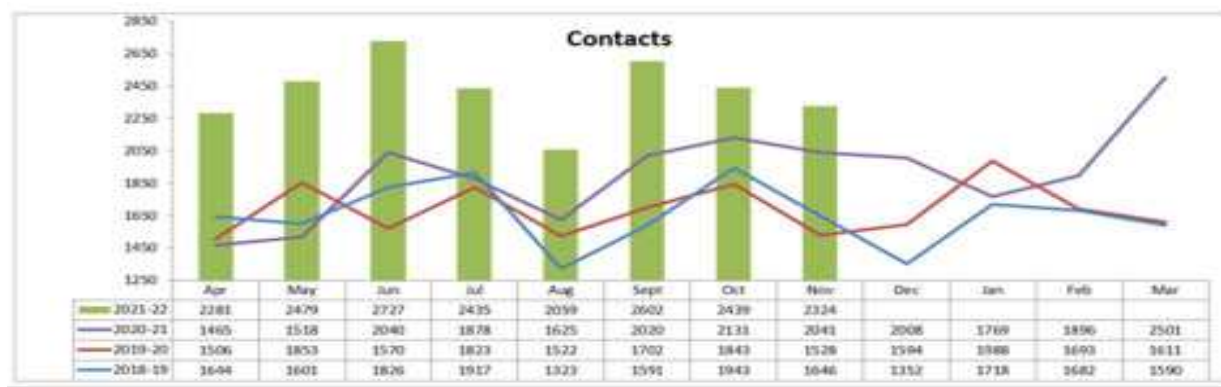
#### 4.3.10 Labour Market

There have been significant changes to the labour market both nationally and locally as a result of the Pandemic and availability of EU Nationals following Brexit. Shortages in key areas such as care and professional services are and will have an impact on the Council's ability to deliver services within the current cost envelopes. The Council is not immune to staff shortages in areas such as home care, leisure and hospitality, construction and transportation. The Council is already experiencing significant inflationary increases and these could continue to increase within the medium term.

#### 4.3.11 Children's Social Care Demand

Emerging pressures have been taken into account during the planning and budget setting process. The current single biggest risk that the Council faces is the cost and demands for Children's Social Care. Whilst significant in year overspends in 2021/22 are partly being managed through expenditure control mechanisms put in place there is still the risk that these may impact negatively on the Council's reserves position.

4.3.12 The Council's social care services, both adults and children, continue to face significant challenges, the provider market is fragile and saturated leading to significant increases in costs. High profile national safeguarding cases, as in the tragic case of Arthur Labinjo-Hughes, will undoubtedly lead to an increase in referrals into social care as the nation reacts. Referrals into children's services are already at an all-time high following the pandemic with contacts increasing on average by 14% on previous years activity. Whilst the Council has provided significant investment both in the current MTFP proposals and recent ones this is of significant risk to the Council's financial sustainability.

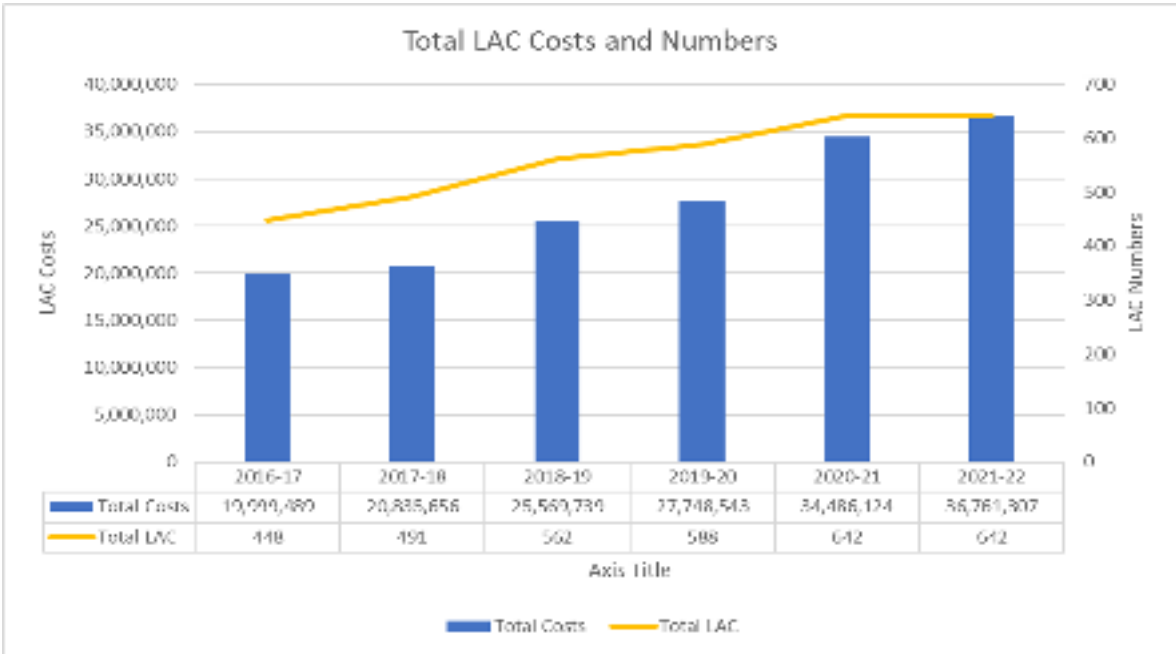


Since 2018/19 there has been an increase in the number of Looked After Children (LAC) of approximately 14%. This has required an increase in budget for children's placements of £11m since 2018/19. The increase in LAC is being contained in the second half of 2021/22 and have recently reduced. Provision has been made within the proposed pressures to reflect this demand and to include provision for some increases in 2023/24 and 2024/25 onwards. However, there remains a risk that the increase in contacts and referrals could lead to a further increase in our LAC number and costs.

The sustainability of the Social Care Market remains fragile, leading to significant cost pressures where external placements are required. Between 2019/20 and 2020/21 there was a 45% increase in the average cost of a residential placement in the private sector market. Whilst effective modelling can inform numbers of looked after children, the market costs associated with case complexities are more difficult. The care market is



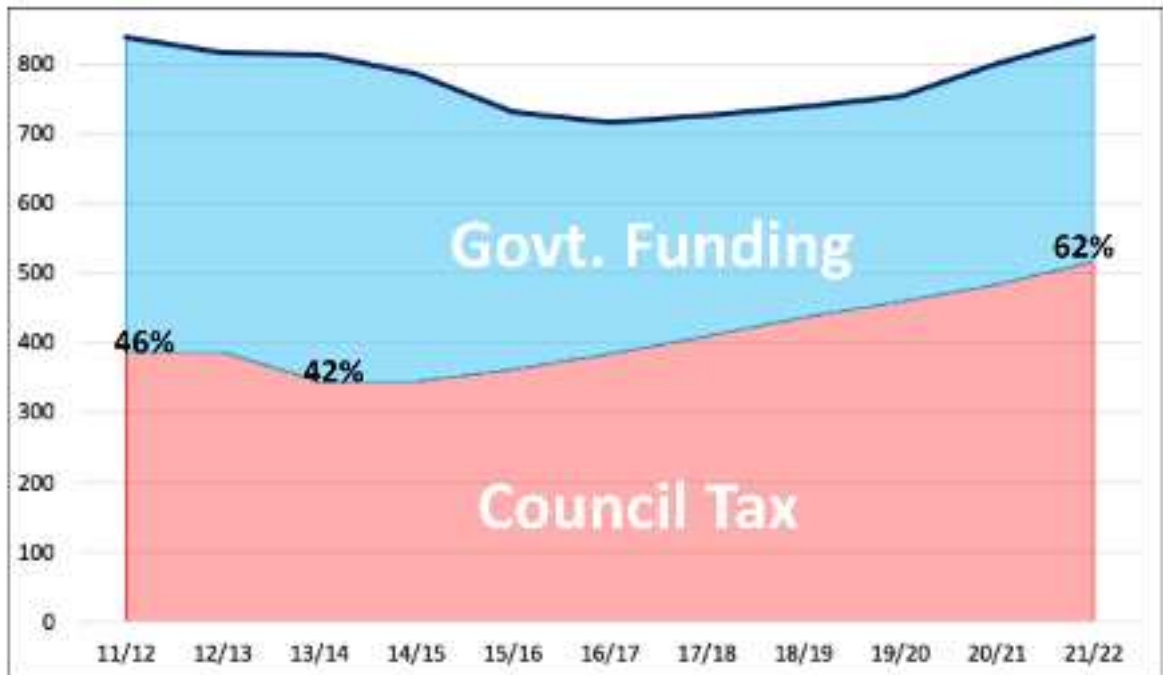
dysfunctional; traditional market forces have failed to address capacity, quality or cost challenges, particularly given the growth of private equity in the sector. It is hoped that the Care Review, commissioned by the Department for Education, and the work being carried out by the Care Market Authority on the costs of care, will start to tackle these systemic challenges, both of which are due to report to government in 2022/23.



**4.3.13 Local Taxation**

The spending power of local government, as announced in the Spending Review 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.

The graph below illustrates the importance of Council Tax as a proportion of Government Funding and Core Spending Power. This further increases over the period of the MTFP where the assumption of Central Government is that Council Tax will increase by the maximum allowed under the referendum principles.



4.3.14 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 over 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 an identified 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 the appropriateness of reserve levels to mitigate risk in the budget setting Cabinet Report in February 2022 and will give assurances on the Robustness of Estimates and Adequacy of Reserves. Longer term planning risk and changes to future funding assumptions are continually reviewed and updated in the ongoing MTFP.

4.4.4 **Collection fund (Council Tax and Business Rates)** – Forecasts are based on the current position and 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. The MTFP recognises pressures of securing Court time for summons and associated lags in recovery and has reduced the anticipated Council Tax Collection rate to 97% with increases of 0.2% in the two subsequent years

- 4.4.5 **New Homes Bonus (NHB)** – Forecast income is currently included to continue over the medium term, however it was originally planned (pre-COVID) that government would review / reallocate this funding. The draft finance settlement confirmed government have maintained the current approach to the NHB payments in 2022/23, however further updates are required from government to confirm the future of this funding.
- 4.4.6 **Social Care Council Tax Precept** - The budget is modelled on a level of Council Tax increase for 2022/23 of 2.99% which includes a 1% 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 1.5% pay increase is included for each year in the MTFP, this is subject to review of details of awards for local government colleagues. At present the pay award for 2021/22 has not yet been agreed, the model includes a forecast additional 1% in 2022/23 to correct the base budget shortfall, but there is a risk that this could be higher and would therefore impact on reserves and would need building into future years MTFP.
- 4.4.8 **Savings Plans** – With a significant volume of savings required in the medium 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 limit any use of reserves. The two spending review panels initiated in 2021/22 will continue in 2022/23 to manage spending pressures and to monitor delivery of proposed savings.
- 4.4.9 **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.
- 4.4.10 **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 (or emerging national responses, e.g. Covid response) in the medium term.
- 4.4.11 **Project Risk** – there is a risk reflected in the current strategic register regarding the delivery of capital projects which is being mitigated through improved oversight by the Programme Management Office, implementation of a Gateway process (including greater challenge of business cases and financial assessments) and ongoing monitoring of deliverability confidence for key projects.
- 4.4.12 **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 forecast to be set at a prudent level but are monitored on a quarterly basis.

- 4.4.13 **General Inflation** – The current Medium Term Financial Plan includes a range of inflation assumptions based on the latest intelligence and indicators. However, levels of inflation will continue to be monitored to assess the level of risk and how any such risks could be in the first instance, addressed within existing budgets through monthly monitoring and forecasting and managing spend or built into future iterations of the plan. It is anticipated in the MTFP period that the current high levels of inflation will revert to the levels set out in the Bank of England mandate to HM Treasury.
- 4.4.14 **Energy and Fuel Price rises** – This area of inflation has recently been particularly 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 then potentially building into the plan in the future.
- 4.4.15 **Pension costs** – The cost of pensions is reviewed on a tri-annual basis. Any changes in legislative requirements or repayment terms to address the pension deficit could affect the plan. Early intelligence suggests the impact of this will not be known until Autumn of next year. The message at the moment is that funding levels are generally expected to have improved and that contribution rates are expected to remain fairly stable.
- 4.4.16 **Spending Risk** - The Council will to continue to operate a scrutiny process for reviewing spend. This will help mitigate any unforeseen pressures in current and future year budget allocations. These are reported to Scrutiny and Cabinet on a quarterly basis.
- 4.4.17 **Treasury Management Risks** - The Council has a portfolio of investments and borrowings 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.

#### **4.5 The current MTFP position**

- 4.5.1 The Council's provisional funding settlement 2022/23 was published on 16<sup>th</sup> December 2021.

At the time of writing the report the impact of the announcement of the Adult Social Care reforms is still being assessed and will be subject to a future Cabinet report and if relevant, inclusion in the Budget recommended to Council by Cabinet in February.

- 4.5.2 The main headlines of the provisional settlement were:

- A one year settlement has been announced for 2022/23
- Priority in the settlement is “stability in the immediate term”, with a more fundamental review of local government funding starting in 2022
- Overall Core Spending Power (CSP) increased by 6.9% and over 4% in real terms (£3.5bn cash), including funding for social care reform and cap compensation
- Of the £1.5bn new funding announced in the Spending Review, £70m has been used to apply inflation to Revenue Support Grant, £636m for additional social care grants, and £822m for the new Services Grant.

4.5.3 Two further new specific grants were announced in the Spending Review but no allocations were announced in the settlement, further updates are required from Government to confirm the funding allocations and details of these grants:

- Supporting Families (£40m) and Cyber Security (£12m).

4.5.4 Major changes in local government funding were planned for 2022/23 and future years (fair funding review and business rate retention and continued impact of Covid). However, these have been delayed whilst the government considers the impacts of the pandemic and social care reforms. No authority specific allocations for 2023/24 and 2024/25 were announced pending the outcome of consultation on Business Rate reforms and Fair Funding and the future Levelling Up White Paper.

4.5.5 The Council's last approved MTFP was approved in February 2021. This indicated a balanced budget in 2021/22 with a budget gap of £13.667m to be addressed in future years. The table below shows the Council's forecasted MTFP position for 2022/23 to 2024/25 compared to that presented to Council in February 2021:

MTFP	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
MTFP Budget Gap (Feb 2021)	11.164	2.503		13.667
MTFP Budget Gap (Dec 2021)	0.000	9.924	4.000	13.924
(Decrease)/Increase	(11.164)	7.421	4.000	0.257
Contribution/(Use) of Reserves (Included in above figures)	(4.352)	4.601	3.601	

The majority of the initial 2022/23 gap was the forecast reversal of the one-off Covid grants received by the Council in 2021/22.

During 2021/22 the Council has experienced in year financial pressures that it is actively managing. The latest financial forecast at the end of November is a forecast overspend of £4 million (a reduction of £2.4 million from the Quarter 1 forecast). Through the continued operation of the spending review panels it is hoped that this in-year overspend will further reduce. This would mean that reserves will be retained assisting financial resilience in the future.

4.5.6 The balancing of the budget in 2022/23 includes the additional demand and inflationary pressures detailed later in the report and then applies the government funding increase announced in the provisional settlement and the budget savings and income generation proposals issued for consultation. It has been necessary to plan to utilise £4.352m of the budget risk reserve in 2023/24.

4.5.7 At this stage further savings, transformation and efficiencies in 2023/34 of £9.924m rising to £13.924m in 2024/25 will be required to balance the budget without additional drawdown on Reserves.

4.5.8 As part of the Medium Term Financial Strategy approved by Cabinet on 08<sup>th</sup> December 2021 the Council intends to plan for contributions to both the General Fund and Budget Risk Reserve. This is factored into the table above leaving the budget gaps for 2023/24 and 2024/25 to achieve a balanced budget in each of these years.

- 4.5.9 The MTFP is a cyclical process and is continuously reviewed and updated. Bridging the budget gaps in 2023/24 and 2024/25 will be delivered through transformation, service reviews, income generation, strong financial management and hoped for additional funding following implementation of the Governments fair funding reforms from 2023/24 onwards. These will be co-ordinated through the Working Smarter Programme and the Better Together approach.
- 4.5.10 The Budget proposals require a significant increase in providing for additional demand and economic pressures and as a consequence has required the identification of additional savings and income generation proposals for next year and the following two years. The table below shows the movements for each year:

Savings and Pressures	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
<b>Savings/Income Generation</b>				
MTFP Feb 2021 Council	(1.516)	0.030	-	(1.486)
Current MTFP	(13.050)	(2.493)	(1.015)	(16.558)
<b>Difference</b>	<b>(11.534)</b>	<b>(2.523)</b>	<b>(1.015)</b>	<b>(15.072)</b>
<b>Pressures</b>				
MTFP Feb 2021 Council	(0.368)	3.610	-	3.242
Current MTFP	12.651	7.237	6.858	26.746
<b>Difference</b>	<b>13.019</b>	<b>3.627</b>	<b>6.858</b>	<b>23.504</b>

- 4.5.11 The table above highlights the material changes in demand and costs being experienced by the majority of Councils including Derby – indeed Derby’s additional pressures are materially less than those reported by neighbouring top tier Councils. The Council’s current spending review panels will continue to focus on cost control and strong financial management to limit exposure to net cost increases in the future.

The MTFP Includes provision for increased demand and demographic pressures over the next three years.

## 4.6 Pressures and Savings

- 4.6.1 Savings and pressures in the MTFP have been articulated in portfolio themes in line with the proposed Medium Term Financial Strategy outlined to Cabinet on the 8<sup>th</sup> December 2021.

[Click Here for the Report](#)

- 4.6.2 In summary the Plan sets out our overall vision for the City Council centred around four partnership themes of:

Partnership Theme	Outcome
Green city	Making a positive impact on our environment
Vibrant city	A reimaged City Centre with culture at its heart
City of Growth	Creating a modern smart city with jobs and skills for the future
Resilient city	Working with communities to reduce poverty and inequalities

4.6.3 These themes have been co-produced and subsequently adopted by the City-wide Partnership Board as the basis for planning, co-operation and collaboration in the future. Within each of the themes are high level outcomes that will shape the delivery of a shared ambition for our people and our city.

4.6.4 In addition to the four partnership themes the Council has an enabling Council programme of transformation and improvement titled '*Working Smarter*', which aims to deliver the modern, effective and value for money public services that local people deserve and will ensure that the Council's finances are manageable and sustainable over the medium to long term.

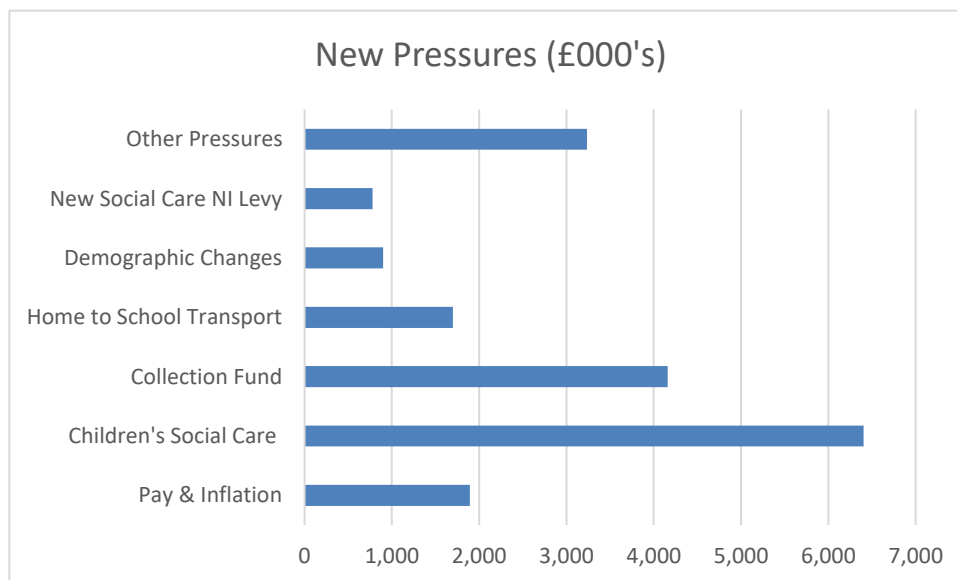
4.6.5 Details of this can be found at Appendix 2 for savings and Appendix 3 for pressures.

#### 4.6.6 **Pressures**

Council approved in February a budget which factored in demand pressures in Social Care that the Council had experienced a marked increase in 2020/21 alongside inflation and pay-award pressures that had for a number of years had remained relatively low. Since the budget was set the Council has experienced additional demand pressures (which at the moment are stabilising) alongside significant increases in costs arising from inflation, sufficiency and supply chain issues. Nationally, there is also an emerging and real trend relating to workforce recruitment and retention.

The Council is also experiencing lower Council Tax and Business Rate collection partly due to limits on Court time for recovery (i.e. summonses etc). This leads to a temporary pressure on the MTFP which for 2022/23 is not compensated for by the Tax Income Guarantee Scheme that operated during Covid

The key pressures are detailed in the graph below:



*\* Collection fund pressures form parting of funding and are not part of directorate pressures within appendix 3.*

These pressures are over and above the inflation and demand factored into the approved Budget in February 2021.

4.6.7 Provision has been made within the Budget for an ongoing impact of Collection Fund Deficits due to the lag impact of the pandemic on collection rates including availability of court time

for recovery. In the interim period of the MTFP lower collection rates are factored into the Council Tax base to reflect this.

4.6.8 Through the Working Smarter transformation programme the Council has demand management, intelligence led and contract management programmes that seek to reduce the additional monies that we have put aside in 2022/23 and beyond for the above areas.

#### 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.

4.6.10 The savings proposals focus on the 4 partnership themes (and working smarter programme) and where appropriate (and possible) focuses on service reviews to become more efficient and effective in designing and co-delivering services with residents, communities and partners. This has limited the level of proposed direct service reduction, even in what has been a very challenging year. The savings are summarised in the below table:

PORTFOLIO	Profile			Total £m
	22/23 £m	23/24 £m	24/25 £m	
WORKING SMARTER	(6.472)	(0.793)	(0.905)	(8.170)
RESILIENT	(5.808)	(0.720)	-	(6.528)
VIBRANT AND GROWTH	(0.360)	(0.290)	(0.010)	(0.660)
GREEN	(0.410)	(0.690)	(0.100)	(1.200)
<b>TOTAL</b>	<b>(13.050)</b>	<b>(2.493)</b>	<b>(1.015)</b>	<b>(16.558)</b>

4.6.11 At this stage, the forecast savings presented for 2023/24 and 2024/25 are prudent and it is expected that further savings may be achievable in future years from the transformation programmes already initiated or due to commence in 2022/23 onwards.

#### 4.7 **Impact on Workforce**

4.7.1 The Council will seek to minimise compulsory redundancies where possible. The existing voluntary redundancy (VR) scheme was promoted during the development of the savings proposals and 28 colleagues plan to leave the Council on these grounds. This delivered £0.611m of permanent annual savings. The exit costs of £0.367m associated with the VR exists will be funded from the Budget Risk Reserve following a review of reserves which has reallocated £0.968m into the Budget Risk Reserve (see para 4.8.3).



- 4.7.2 The proposals contained in this report will potentially reduce the workforce by an estimated 51.17 FTE posts if implemented. The table below summarises the proposed workforce reductions over the MTFP period:

Directorate	Agreed (Feb 2021) FTE	New Proposals FTE	VR's Accepted FTE	Vacant Posts FTE	Potential further reduction FTE
Peoples	-	23.56	7.58	5.80	10.18
Communities and Place	-	8.66	1.81	4.66	2.19
Corporate Resources	-	18.95	9.20	8.75	1.00
<b>Total</b>	-	<b>51.17</b>	<b>18.59</b>	<b>19.21</b>	<b>13.37</b>

\*This represents those accepted in principle at this stage. All further workforce reductions including vacant posts are subject to further consultation. The existing voluntary redundancy (VR) scheme was promoted during the development of the savings, and the Council is currently considering the VR requests it has received in line with its relevant policies

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

#### 4.8 Reserves and Commitments

- 4.8.1 In their consideration of the Strategic Planning Report on the 8<sup>th</sup> December 2021 Council Cabinet approved a Reserves Strategy that planned for the Councils financial resilience and sustainability the medium term. The MTFP includes a replenishment of reserves of £8.2m over the three-year period of the budget plan. However, for 2022/23 there is a planned use of reserves of £4.352m.
- 4.8.2 Regular review of reserves is an integral part of the in year forecast monitoring and MTFP planning. This helps to ensure that the strategies within the MTFP are aligned. Where appropriate the Council seeks to smooth the impact of MTFP changes through the application of reserves.
- 4.8.3 A review of Reserves has been undertaken during 2021/22 resulting in the following proposed reallocation of Reserves to the Budget Risk Reserve. The proposed reallocation of reserves will be actioned following consideration and approval by cabinet. Therefore are not shown in the movements column in Appendix 4 but are shown as an in year commitment:

<b>Reserve</b>	<b>Current Reserve</b>	<b>Reallocation</b>	<b>Revised Reserve</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Budget Risk Reserve	18,268,762	968,026	19,236,788
Trading Services	155,491	(116,852)	38,639
Year end grants with restrictions	10,680,743	(1,185)	10,679,558
Equal Pay	3,759,979	(500,000)	3,259,979
HR Reserve	146,472	(85,869)	60,603
Getting to Good	59,640	(59,640)	-
Leaving Care	18,724	(18,724)	-
Leadership Priorities Reserve	8,756	(8,756)	-
Brexit	290,522	(177,000)	113,522
<b>Total</b>	<b>33,389,089</b>	<b>-</b>	<b>33,389,089</b>

4.8.4 The Statement of Accounts show that at the 31<sup>st</sup> March 2021 the Council has £123.427m 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 Risk 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.

4.8.5 Based on the forecast revenue position at Period 8, existing commitments and the proposals in this report the expected balance on the General Fund Reserve and Budget Risk Reserve is estimated to be:

<b>Reserve</b>	<b>Opening Balance at 1<sup>st</sup> April 2021</b>	<b>Utilisation 2021/22</b>	<b>Opening Balance at 1<sup>st</sup> April 2022</b>	<b>Utilisation 2022/23</b>	<b>Opening Balance at 1<sup>st</sup> April 2023</b>	<b>Utilisation 2023/24</b>	<b>Opening Balance at 1<sup>st</sup> April 2024</b>	<b>Utilisation Future Years</b>	<b>Future Years Opening Balance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
General Fund Reserve	8.933		8.933		8.933	2.601	11.534	2.601	14.135
Budget Risk Reserve	18.269	(5.802)	12.467	(4.896)	7.571	1.734	9.305	(2.186)	7.119

\* 2021/22 utilisation includes £4m forecast commitment to fund the outturn position

4.8.6 The above table assumes that there will not be the requirement for further unplanned drawdown of reserves and that further savings are delivered within the MTFP for 2023/24 and 2024/25 to negate the need for drawdown and allows the replenishment of the reserves in line with the Budget and Reserves Strategy approved by Cabinet on the 8<sup>th</sup> December 2021.

4.8.7 The Council has relatively low level of reserves that can be applied to support the Budget Strategy in the future and is seeking to increase resilience through planned

contribution to reserves in the MTFP period. 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.

4.8.8 A detailed reserves analysis is attached at Appendix 4.

#### **4.9 The Council's Capital Ambition and proposed 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 Capital Programme is from External Contributions, Capital Receipts and Prudential Borrowing. In recent years the Council's Capital Programme is increasingly ambitious including the securing of significant external funding schemes such as the £69m for the Transforming City Programme alongside major investment in modern 21<sup>st</sup> Century assets such as the £42 million investment in Moorways Sports Village.

4.9.2 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 though 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.

4.9.3 Despite the current financial constraints, the Council does have 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 offers.

4.9.4 It is essential that the Capital Programme alongside the Revenue Budget is aligned to the new Council Plan and Ambition for Derby. In addition, changes in external funding from being co-ordinated and bid for via the LEP to competitive national bidding rounds, like Levelling Up Fund and the emerging Shared Prosperity Fund require us to 'pause' and develop a new ambition for place and community investment. A new and ambitious Capital Strategy and Ambition for the City is being developed to respond to changing needs and new opportunities.

4.9.5 The Capital Programme (excluding the HRA) detailed below totals £291 million over the next three years. This programme will have a major positive impact on the City. Within the Capital programme there is provision for a 'future investments pot' of £61m over the three-year programme. This will allow us to be agile in bringing forward new schemes, lever in significant external funding and to meet future capital liabilities. The Revenue Budget includes provision for prudential borrowing for this future investment

4.9.6 In February 2021 the Council approved a list of **potential** capital investment needs and opportunities that may require investment at a future point. This has been refreshed and will be updated during 2022/23 through the development of a new Capital Strategy linked to the revised Council Plan progressing our ambition with and for the City.

4.9.7 In February 2021, Council approved a Capital Programme for 2021/22 to 2023/24. This represented a significant investment programme in key areas such as:

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

4.9.8 During 2021/22, 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.

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



In addition, the Council received confirmation of £69m for the Transforming Cities programme and has secured additional funding for Our City, Our River (OCOR).

During 2021/22 significant progress has been made on Moorways Sports Village with planned opening in Spring 2022. This is a transformational new Leisure facility for the City. A recent image of progress is shown below:



The City is also experiencing an upturn in private sector investment within the City as confidence is growing in the City.

- 4.9.10 During 2021/22 a detailed review of the capital programme was undertaken. This review considered the current programme schemes against the Council's strategic objectives, capacity to deliver, along with any associated risk in the context of the COVID-19 Pandemic and the Council's Recovery Plan. This resulted in a number of schemes being decommissioned from the programme. These were reported to cabinet at Quarter 2.
- 4.9.11 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).
- 4.9.12 The Capital Programme includes the following additional schemes:
- I. £0.250m for the flood defence programme for 2024/25 funded from corporate unsupported borrowing
  - II. Programme of works totalling £6.149m in 2024/25 for the property maintenance requirement funded from corporate unsupported borrowing
  - III. Addition of a further allocation for the highways maintenance requirement of £5.494m for 2024/25 funded in the main from supported capital expenditure (SCE C)
  - IV. New scheme ICT programmes totalling £1.875m for various digital and cyber initiatives required across all years funded from capital receipts
  - V. Addition of the Museums Estate Development Fund (MEND) match funding for the central museum roof £1.25m
  - VI. Addition of the children's residential homes cluster homes scheme £1.3m including the D2N2 scheme for additional residential capacity for complex needs
  - VII. Addition of new Carelink equipment totalling £0.352m over the next two years.
  - VIII. Schemes have been reviewed, refreshed and rolled forward.

4.9.13 The Cabinet is proposing a three-year general fund Capital programme totalling £291.010m for the years 2022/23 to 2024/25 as set out in the tables below:

**General Fund - Summary Capital Expenditure Programme 2022/23 - 2024/25**

Programme Area	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
<b>Expenditure</b>				
Schools	13.526	17.700	2.770	33.997
Housing General Fund	7.256	3.891	3.073	14.220
Property	6.336	5.676	6.149	18.161
Flood Defence	0.250	0.250	0.250	0.750
Highways & Transport	49.970	5.650	5.494	61.114
Vehicles Plant & Equipment	1.988	0.708	0.400	3.096
Regeneration	41.910	27.298	22.125	91.333
ICT	2.605	3.144	1.590	7.339
Corporate	20.500	25.500	15.000	61.000
<b>Total</b>	<b>144.341</b>	<b>89.817</b>	<b>56.851</b>	<b>291.010</b>

Note: The 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.

4.9.14 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.

**4.9.15 Funding**

The programme is funded through £119.603m of external funding, £171.406m of council resources (including borrowing). The revenue consequences of the Council funding are included within the MTFP, however at this stage it will not include final slippage from 2021/22 which will not be known until 2021/22 out-turn is finalised.

The Summary of Capital Funding for 2021/22 to 2024/25 is outlined below:

### Summary Capital Funding 2021/22 -2024/25

Funding Source	2022/23 Revised £m	2023/24 Original £m	2024/25 Original £m	Total £m
Supported Capital Expenditure Capital (SCE C)	17.204	13.476	7.531	38.211
Devolved SCE C Direct to Schools	0.200	0.120	0.120	0.440
Government Grants	60.707	4.657	2.523	67.887
External contributions	4.757	3.682	0.550	8.989
Section 106	3.284	0.792	-	4.076
<b>Total External Funding</b>	<b>86.152</b>	<b>22.728</b>	<b>10.724</b>	<b>119.603</b>
<b>Funding Requirement</b>	<b>58.190</b>	<b>67.090</b>	<b>46.127</b>	<b>171.406</b>
<b>Funded By</b>				
Capital Receipts	8.868	4.634	2.120	15.622
Revenue Funding	-	-	0.250	0.250
Reserves	0.250	0.750	-	1.000
Serviced Financed Borrowing	7.520	0.708	0.400	8.628
Potential Borrowing	41.551	60.998	43.357	145.906
Total Internal Resources	<b>58.190</b>	<b>67.090</b>	<b>46.127</b>	<b>171.406</b>
<b>Total Funding</b>	<b>144.341</b>	<b>89.817</b>	<b>56.851</b>	<b>291.010</b>

4.9.16 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 (HM Treasury 5 case model where relevant), and gateway review process through the PMO Board.

#### 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 (see graph in para 4.3.2). 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 Localism Act 2011 makes provision for the Council and our council tax payers to have the power to instigate a local referendum on local issues and to veto excessive council tax increases. The Council Tax referendum thresholds for 2022/23 are 1.99% with the option to level an additional 1% social care precept.

4.10.3 The current strategy for Council tax is to take advantage of the allowances afforded by the Chancellor. The budget is therefore currently modelled on a level of Council Tax increase for 2022/23 of 2.99% which includes a 1% precept for social care. The MTFP models these increases in 2023/24 and 2024/25 as well, though these will be dependent on the financial settlement for these years and local political decisions.

4.10.4 The Council Tax base has increased by 867.5 Band D equivalent properties for 2022/23. This is in excess of the increase in properties forecast in February 2021. This has

generated an additional £1.2m of Council Tax before any proposed increases in Council Tax for 2022/23.

However, the Council Tax base report to be approved by Cabinet in January amends the potential collection rates down to reflect recovery 'lags' due to the availability of Court time and the impact of the pandemic, this reduces the net increase in Band D equivalent properties to 484.83. This was originally factored into the February MTFP at 97.5% and now is profiled as follows:

<b>Council Tax Forecasts</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Collection Rate	97.0%	97.2%	97.4%

The financial impact of reduced collection rate is shown in the table below:

<b>Council Tax Band D Equivalentents</b>	<b>2022/23 £</b>
Band D Equivalent Uplift	1,229,309
Reduction due to reduced Collection Rate	(542,270)
<b>Net increase</b>	<b>687,039</b>

This reduces the budgeted Council Tax yield and therefore is an additional pressure on the MTFP.

4.10.5 In recent years the Government has provided the flexibility to levy an additional social care precept. Given this is the major cost and demand pressure for this Council the Council plans to utilise this precept option in 2022/23 and for the following two years. For 2022/23 the precept limit is 1%. This generates an additional £1.1m of revenue in 2022/23.

4.10.6 The proposed Council Tax for 2022/23 are:

<b>Band</b>	<b>No. of Properties</b>	<b>% in receipt of Council Tax Support</b>	<b>2021/22 Derby City Council Tax</b>	<b>Proposed 2022/23 Derby City Council, Council Tax</b>	<b>Annual Increase</b>	<b>Weekly Increase</b>
			£	£	£	£
Band A	57,082	24.16%	1,031.43	1,062.27	30.84	0.59
Band B	21,737	9.27%	1,203.33	1,239.31	35.98	0.69
Band C	16,829	5.55%	1,375.24	1,416.36	41.12	0.79
Band D	8,721	2.80%	1,547.14	1,593.40	46.26	0.89
Band E	4,652	1.27%	1,890.95	1,947.49	56.54	1.09
Band F	2,318	1.42%	2,234.76	2,301.58	66.82	1.28
Band G	670	1.19%	2,578.57	2,655.67	77.10	1.48
Band H	52	-	3,094.28	3,186.80	92.52	1.78

4.10.7 Council Tax support is provided to 17,083 properties out of the total number of properties of 112,061. The support is for anyone with a Council Tax liability that is on a low income.



## **4.11 The Consultation Process**

- 4.11.1 It is proposed that consultation will begin on 22<sup>nd</sup> December and run until 28<sup>th</sup> January 2022. 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.

## **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 2021 Council), plus those new proposals requiring consultation. The final budget setting report is due to go to 16<sup>th</sup> February Cabinet for approval and subsequent recommendation to approve the Budget at Full Council on the 28<sup>th</sup> February 2021.

## **Other options**

- 6.1 The Council is required to set a balanced revenue and capital budget for 2022/23 by 11<sup>th</sup> March 2022.

## **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. What has also become clear during the recessionary period of the past decade is that the public and other stakeholders are becoming more aware of the impact of successive budget cuts. The need to consult before any final decisions are made that translate into a service delivery change is acknowledged within the report. Equally important is the need to ensure that the Council complies with the public sector equality duty and undertakes an assessment of the impact of the savings proposals that may be agreed across all impacted sectors prior to a final budget decision being made.
- 8.2 It is important to ensure that where changes to public services are proposed particularly in relation to welfare provision, whether that is in the manner of provision or as a result of the need to accommodate budget reductions, consultation with relevant stakeholders is undertaken and its outcome and implications are considered prior to a final decision being made.
- 8.3 Equally important is the need to demonstrate compliance with the public sector equality duty by undertaking an equality impact assessment and for its outcome and implications to be considered. The report identifies proposals which, if approved, will affect children, older adults and persons with disabilities, all of which are groups that are statutorily protected equality strands under the Equality Act 2010.

## **Climate 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 2022/23 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 51.17 fte of which 18.59 fte are by means of voluntary redundancy. The report also assumes the deletion of 19.21fte vacant posts (subject to further consultation) in the relevant areas. The Council has tried to ensure that staff reductions have been minimised by delivering the majority of its savings proposals from its transformation programme 'Working Smarter'.
- 11.2 **Equalities Impact** - Appropriate Equality impact assessments will be carried out with regard to the final budget proposals.
- 12.3 **Risk Management and Safeguarding** - Risks have been assessed throughout the budget process and where possible, reasonable mitigation has been made. When the budget is set the financial risk will be monitored throughout the year and reported to cabinet on a quarterly basis as part of the Forecast out-turn report. There are reserves that, if required, can be used to manage risks.

### This report has been approved by the following people:

Role	Name	Date of sign-off
<b>Legal</b>	Olu Idowu – Head of Legal Services	
<b>Finance</b>	Toni Nash – Head of Corporate Finance	
<b>Service Director(s)</b>	Alison Parkin – Director of Financial Services	
<b>Report sponsor</b>	Simon Riley – Strategic Director of Corporate Resources	
<b>Other(s)</b>		

<b>For more information contact:</b>	Toni Nash, Head of Finance, Corporate Tel: 01332 641491 Email: <a href="mailto:toni.nash@derby.gov.uk">toni.nash@derby.gov.uk</a>
<b>List of appendices:</b>	Appendix 1 – MTFP Summary Appendix 2 – Savings – Existing and Proposed New by Portfolio Appendix 3 – Pressures – Existing and Proposed New by Portfolio Appendix 4 – Revenue Reserves Appendix 5 – Capital Appendix 6 – Capital Ambition

|Appendix 1

Medium Term Financial Plan 2022/23 to 2024/25	Previous year (Restated)	Draft MTFP		
	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
<b>FUNDING</b>				
- Retained Business Rates	62.709	67.551	68.042	68.042
- Core Government Grants	13.476	22.712	22.552	21.560
- Council Tax	107.597	111.587	116.573	121.361
- Estimated Surplus/(Deficit) on Collection Fund (one-off)	(1.967)	(4.158)	(1.552)	-
- Better Care Fund	24.583	25.603	25.603	25.603
- Public Health	19.756	19.756	20.156	20.756
- Other Grants	30.219	14.976	15.050	15.050
<b>Total Resources Available</b>	<b>256.373</b>	<b>258.027</b>	<b>266.424</b>	<b>272.371</b>
<b>BUDGET</b>				
<b>People Services:</b>				
<b>Adults &amp; Health:</b>				
- Employee Costs	19.023	19.023	19.968	20.199
- Running Costs	76.723	76.723	80.112	86.715
- Public Health	16.518	16.518	16.468	16.468
- Inflation Estimates		1.894	1.734	1.772
- Grant Income	(0.006)	(0.006)	(0.006)	(0.006)
- Other Income ( <i>Client Contributions, FNC, Joint Funding</i> )	(16.186)	(16.186)	(17.417)	(18.007)
- Pressures		3.587	4.760	4.550
- Savings		(2.428)	(0.250)	-
<b>Adults &amp; Health Net Budget:</b>	<b>96.072</b>	<b>99.125</b>	<b>105.369</b>	<b>111.691</b>
<b>Children's:</b>				
- Employee Costs	40.208	40.208	40.718	41.762
- Running Costs	313.125	313.125	318.539	317.712
- Inflation Estimates		1.337	1.005	1.022
- Grant Income	(279.324)	(279.324)	(279.324)	(279.324)
- Other Income	(4.934)	(4.934)	(5.192)	(5.201)
- Pressures		7.922	(0.400)	-
- Savings		(3.592)	(0.398)	-
<b>Children's Net Budget:</b>	<b>69.075</b>	<b>74.741</b>	<b>74.948</b>	<b>75.971</b>
<b>Peoples Total Net Budget:</b>	<b>165.146</b>	<b>173.866</b>	<b>180.317</b>	<b>187.662</b>
<b>Communities and Place:</b>				
- Employee Costs	34.386	34.386	34.837	35.163
- Running Costs	41.585	41.585	40.692	40.712
- Inflation Estimates		1.243	0.974	0.997
- Grant Income	(1.322)	(1.322)	(1.322)	(1.322)
- Other Income	(29.234)	(29.234)	(31.399)	(32.045)
- Pressures		(1.255)	(0.033)	0.446

- Savings		(2.596)	(1.240)	(0.560)
<b>Communities and Place Net Budget:</b>	<b>45.415</b>	<b>42.808</b>	<b>42.508</b>	<b>43.391</b>
<b>Corporate Resources:</b>				
- Employee Costs	31.177	31.177	31.718	31.842
- Running Costs - <i>includes Housing Benefits</i>	89.967	89.967	89.466	89.929
- Inflation Estimates		0.914	0.631	0.643
- Grant Income - <i>Includes Housing Benefit</i>	(69.532)	(69.532)	(69.532)	(69.532)
- Other Income	(15.640)	(15.640)	(16.669)	(16.560)
- Pressures		0.982	0.920	(0.016)
- Savings		(2.886)	(0.855)	(0.455)
<b>Corporate Resources Net Budget:</b>	<b>35.972</b>	<b>34.983</b>	<b>35.678</b>	<b>35.851</b>
<b>Corporate:</b>				
- Treasury Management	8.708	8.708	10.213	13.353
- Treasury Management Reserve		(0.950)	(0.670)	-
- Bank Charges	0.104	0.104	0.104	0.104
- Pension Cost	0.593	0.593	0.593	0.593
- Transport Act	0.081	0.081	0.081	0.081
- Schools DSG Grant Income - Corporate	(0.144)	(0.144)	(0.144)	(0.144)
- Corporate Contingency Fund	(0.388)	(0.388)	(0.146)	(0.146)
- Corporate Revenue Budget Contingency	0.181	0.181	0.181	0.181
- Scape Dividend	(0.250)	(0.250)	(0.500)	(0.250)
- Opportunity Fund	0.140	0.140	0.140	0.140
- Covid	2.780	2.780	1.150	-
- Pressures - <i>Including Council Wide pressures</i>		1.415	1.990	1.878
- Savings - <i>Including Council Wide pressures</i>		(1.548)	0.250	-
<b>Corporate Net Budget:</b>	<b>11.806</b>	<b>10.723</b>	<b>13.243</b>	<b>15.791</b>
<b>Net Budget (prior to movement in reserves)</b>	<b>258.340</b>	<b>262.379</b>	<b>271.747</b>	<b>282.694</b>

<b>Operating Surplus/(Deficit) before use of Reserve</b>	<b>(1.967)</b>	<b>(4.352)</b>	<b>(5.323)</b>	<b>(10.323)</b>
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<b>Reserves</b>				
- Trf to reserves - General Reserve			2.601	2.601
- Trf to reserves – Budget Risk Reserve			2.000	1.000
- Use of Budget Risk Reserves	(1.967)	(4.352)		
<b>Net Budget Requirement after use of Reserves</b>	<b>258.373</b>	<b>258.027</b>	<b>276.348</b>	<b>286.295</b>
<b>Budget Gap/(Surplus)</b>	<b>-</b>	<b>-</b>	<b>9.924</b>	<b>13.924</b>

<i>Total Savings Identified:</i>	<i>(7.183)</i>	<i>(13.050)</i>	<i>(2.493)</i>	<i>(1.015)</i>
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<b>Net Budget Requirement</b>	<b>256.373</b>	<b>258.027</b>	<b>276.348</b>	<b>286.295</b>
<b>Total Resources Available (Funding)</b>	<b>(256.373)</b>	<b>(258.027)</b>	<b>(266.424)</b>	<b>(272.371)</b>
<b>Budget Gap/(Surplus)</b>	<b>-</b>	<b>-</b>	<b>9.924</b>	<b>13.924</b>

**WORKING SMARTER SAVINGS**

Programme	Directorate	Service	Working Smarter Savings	Saving £m				FTE Reduction 2022/23		
				22/23 £m	23/24 £m	24/25 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
<b>Existing Savings formally signed off by Full Council Meeting on 24th February 2021:</b>										
Property management savings	Corporate Resources	Property Services	Identification and sale of small pieces of land to generate a revenue saving (Removal of Saving).	0.060			<b>0.060</b>			
Property management savings	Corporate Resources	Property Services	Existing Saving Slipped - Planned closure of Queens Leisure Centre upon opening of the new swimming facility now not expected in 21/22, resulting in existing saving slipping to 22/23.	(0.225)			<b>(0.225)</b>			
Postage Savings	Corporate Resources	Business Support	Document Management Centre (DMC) Reduction In Postage Costs.	(0.075)			<b>(0.075)</b>			
Income Generation	Corporate Resources	Property Services	Increase in Identification and sale of small pieces of land to generate an ongoing revenue saving. This is one off over two years and therefore 2023/2024 has an associated pressure for the removal of the saving.	(0.020)	0.040		<b>0.020</b>			
Income Generation	Corporate Resources	Business Support	Document Management Centre (DMC) Additional Income Generation.	(0.010)	(0.010)		<b>(0.020)</b>			
Service Optimisation	Corporate Resources	Financial Services	Use of External Funding to fund accountancy support and releasing core revenue funding (Removal of Saving).	0.041			<b>0.041</b>			
Service Optimisation	Corporate Resources	Financial Services	Accounts Payable forensic Project - Accounts payable fiscal forensic project to identify and recover of duplicate payments (Removal of Saving).	0.100			<b>0.100</b>			
Service Optimisation	Corporate Resources	Digital Services	Emerging vacancy - Senior IT Officer - Review of IT project delivery capacity required (Removal of Saving).	0.040			<b>0.040</b>			
Service Optimisation	Corporate Resources	Digital Services	Emerging vacancy - IG Officer - Impact to Information Governance and Information Security compliance capacity to be reviewed (Removal of Saving).	0.027			<b>0.027</b>			
Treasury Management Savings	Corporate	Corporate	Treasury Management Review based on capital requirement (caveat treasury management/capital budgets will continue to be reviewed inline with the capital programme).	(0.750)			<b>(0.750)</b>			
Working Smarter	Corporate	All Directorates	Part of Digital Placeholder Saving - Reduction to Photocopying and Travel Expenditure Budgets - new ways of working (Part removal of Saving) A pressure is included in the pressures table for this unachievable saving.	0.060			<b>0.060</b>			
<b>Total Existing Savings:</b>				<b>(0.752)</b>	<b>0.030</b>	<b>-</b>	<b>(0.722)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Working Smarter Proposed Savings:</b>										
Demand Management/Commissioning	Peoples - Children's	Children's	To establish a new Derby specific external Children's residential placement block contract, which provides an opportunity to make savings. Supported external accommodation placement savings also proposed.	(0.400)			<b>(0.400)</b>			
Demand Management/Commissioning	Peoples - Children's	Children's	Increasing the inhouse Fostering capacity reduces the need to use more expensive external agency placements.	(0.350)	0.072		<b>(0.278)</b>			
Commercialisation	Communities & Place	Traffic and Transportation	Re-negotiation of Parksafes Bold Lane contract.	(0.158)			<b>(0.158)</b>			
Commercialisation	Communities & Place	Public Protection & Streetpride	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.	(0.800)	(0.250)	(0.250)	<b>(1.300)</b>			

Programme	Directorate	Service	Working Smarter Savings	Saving £m				FTE Reduction2022/23		
				22/23 £m	23/24 £m	24/25 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Commercialisation	Communities & Place	Bereavement Services	Robust modelling of bereavement services and indicative proposals around the future projections of an improved crematorium provision have enabled realistic targets to be set.	(0.300)	(0.200)	(0.200)	<b>(0.700)</b>	1.00	1.00	
Invest to Save	Communities & Place	Parking Services	Digital Parking Enforcement activity increased by investing in digital solutions.	(0.340)			<b>(0.340)</b>			
Commercialisation	Corporate Resources	Communications	Additional external advertising income.	(0.170)	(0.030)		<b>(0.200)</b>			
Commercialisation	Corporate Resources	Property Services	Connect Buildings Rental income increased.	(0.015)	(0.025)	(0.100)	<b>(0.140)</b>			
Commercialisation	Corporate Resources	Property Services	Health and safety income increased through traded activity.		(0.020)	0.020	-			
Commercialisation	Corporate Resources	Property Services	Additional income generated in Property Projects and Technical Services through extra external fee income.	(0.550)	0.350		<b>(0.200)</b>			
Contract Management	Corporate Resources	All Directorates	Contract Savings by reviewing contracts and improving contract management across the Council.	(0.650)	(0.250)		<b>(0.900)</b>			
Digital	Corporate Resources	Digital Services	Leveraging Digital Automation Technology to provide services to citizens fully online, and actively push digital take up, while retaining sufficient face to face and telephone assistance channels to ensure no citizen is excluded from services.	(0.100)	(0.100)		<b>(0.200)</b>	TBC		
Intelligence Led Council	Corporate Resources	All Directorates	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'.	(0.284)	(0.190)		<b>(0.474)</b>			
Intelligence Led Council	Corporate Resources	All Directorates	Data Infrastructure - Reduction in demands & reconfiguration of intelligence resource.		(0.125)	(0.375)	<b>(0.500)</b>			
Property Rationalisation	Corporate Resources	Property Services	Property Rationalisation associated revenue savings.	(0.125)			<b>(0.125)</b>			
Service Review	Corporate Resources	Digital Services	Review of the management structure of Revenues and Benefits Services, Customer Transactions, Back Office Processing, and Professional Policy.	(0.100)	(0.045)		<b>(0.145)</b>	2.00		2.00
Service Reviews	Corporate Resources	All Directorates	Centralising professional IT activity that has evolved within Service Directorates and rationalising by circa 25% while maintaining appropriate levels of support in line with Corporate priorities.		(0.100)		<b>(0.100)</b>			
Service Reviews	Corporate Resources	Digital Services & CM	Deletion of vacancies in the areas of Desktop Support, PC Building, and Small Project Support, and replacing with mandatory self-service for Password Reset, Laptop Deployment, and Self Help.	(0.091)			<b>(0.091)</b>	2.60	2.60	
Service Reviews	Corporate Resources	Digital Services & CM	Release of various roles through VR applications, facilitated by automation, user self-service, and absorbing residual support work into wider support teams with amended service offers.	(0.114)			<b>(0.114)</b>	2.60		2.60
Service Reviews	Corporate Resources	Financial Services	Delete 2.8 posts vacant posts from accountancy.	(0.105)			<b>(0.105)</b>	2.80	2.80	
Service Reviews	Corporate Resources	Property Services	Review of service provision.	(0.040)	(0.060)		<b>(0.100)</b>			
Service Reviews	Corporate Resources	Property Services	Deletion of a post facilitated by voluntary redundancy.	(0.050)	(0.100)		<b>(0.150)</b>	1.00		1.00

Programme	Directorate	Service	Working Smarter Savings	Saving £m				FTE Reduction 2022/23		
				22/23 £m	23/24 £m	24/25 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Service Reviews	Corporate Resources	Property Services	Delete 1 vacant post from estates professional services.	(0.050)			(0.050)	1.00	1.00	
Service Reviews	Corporate Resources	Property Services	1 Facilities Management post deleted and cleaning hours reduction.	(0.070)			(0.070)	2.35	2.35	
Commercialisation	Corporate	Property Services	Scape dividend increase for one year.	(0.250)	0.250		-			
Service Reviews	Corporate	All Directorates	A review of the senior management structure of the Council.	(0.500)			(0.500)	TBC		
Service Reviews	Corporate	All Directorates	Additional voluntary redundancies that are not linked to specific saving proposals. These relate to the additional savings arising from a voluntary request which has been supported by the service.	(0.108)			(0.108)	5.65		5.65
<b>Total Working Smarter Proposed Savings:</b>				<b>(5.720)</b>	<b>(0.823)</b>	<b>(0.905)</b>	<b>(7.448)</b>	<b>21.00</b>	<b>9.75</b>	<b>11.25</b>
<b>TOTAL WORKING SMARTER SAVINGS:</b>				<b>(6.472)</b>	<b>(0.793)</b>	<b>(0.905)</b>	<b>(8.170)</b>	<b>21.00</b>	<b>9.75</b>	<b>11.25</b>

### RESILIENT SAVINGS

Programme	Directorate	Service	Resilient Savings	Saving £m				FTE Reduction 2022/23		
				22/23 £m	23/24 £m	24/25 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
<b>Existing Savings formally signed off by Full Council Meeting on 24th February 2021:</b>										
Service Efficiencies	Peoples - Children's	Children's	A remodelling of Child Placement Service through Social Impact Bonds - A reduction in the costs of placements for looked after children as their care packages are stepped down from high cost residential packages to supported foster care.	(0.364)			(0.364)			
Service Efficiencies	Peoples - Children's	Children's	Foster Care - Recruitment of foster carers. Savings deliverable from an increased rate of recruitment and a reduction in the use of agency fostering placements.	(0.200)			(0.200)			
Service Efficiencies	Peoples - Children's	Children's	Edge of care services and reconfiguration of the 'front door' - Reconfiguration of the access and referrals into Children's Social Care.	(0.200)			(0.200)			
Service Review	Communities & Place	Leisure, Culture & Tourism	Queens Leisure Closure - Following the opening of the new swimming pool, there is an expectation that Queens Leisure Centre would be closed.	(0.200)			(0.200)			
<b>Total Existing Savings:</b>				<b>(0.964)</b>	<b>-</b>	<b>-</b>	<b>(0.964)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Resilient Proposed Savings:</b>										
Service Reviews	Peoples	All	Removal of vacant posts and non-essential surplus budgets from across the Peoples service Directorate.	(0.403)			(0.403)	3.50	3.50	
Service Reviews	Peoples	All	Cost savings in the adults and children training and development functions which will result in deletion of some roles.	(0.070)			(0.070)	1.11		1.11
Commercialisation	Peoples - Adults	Adults	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 debits.	(0.750)	(0.250)		(1.000)			
Commercialisation	Peoples - Adults	Adults	Review of HRA contributions for contributions towards Local area coordination work.	(0.150)			(0.150)			

Programme	Directorate	Service	Resilient Savings	Saving £m				FTE Reduction2022/23		
				22/23 £m	23/24 £m	24/25 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
Service Offer	Peoples - Adults	Adults	Undertake social work reviews across Community teams, Mental health teams and Learning Disability teams based on care and support needs of individuals eligible for support under the Care Act. Annual reviews of individuals care and support arrangements are a statutory requirement of the Care Act 2014.	(0.920)			(0.920)			
Service Reviews	Peoples - Adults	Adults	Review of strategic commissioning structure across all peoples services, deleting half of a Head of Service post ahead of transformation and integration in 2022/23 and efficiencies across the Better Care funded functions.	(0.135)			(0.135)	0.50	0.50	
Commercialisation	Peoples - Children's	Children's	Building on the work children's social care have been doing with Derby Homes where DH will pick up the strategic lead for all homelessness and temporary accommodation matters rather than the disparate way social workers source temporary accommodation. Savings would be generated by only using providers who accept Housing Benefits.	(0.020)			(0.020)			
Service Offer	Peoples - Children's	Children's	Review Home to School Transport contract efficiencies and opportunities for block contracts and strategic partnering, and independent travel training.	(0.370)	(0.470)		(0.840)			
Service Offer	Peoples - Children's	Children's	Reconfiguration of Early Help services in the areas of NEET/ Youth Work and the reconfiguration of the use of buildings.	(0.738)			(0.738)	17.40	1.80	15.60
Service Reviews	Peoples - Children's	Children's	Building on the demand management work in 2021/22 through continuation of challenge and review in children's social care. Preventing children, particularly teenagers from coming into care, by undertaking a review of early help to expand our Staying Together Team and target a specific reduction of LAC in foster placements through our exit from care team.	(0.800)			(0.800)			
Service Reviews	Peoples - Children's	Children's	Review of HRA contributions for contributions towards care leavers personal assistants.	(0.150)			(0.150)			
Service Reviews	Communities & Place	Cross Service	Where services overlap service reviews have been initiated looking at the best use of vacant post in the first instance and wider reviews where alignments are obvious. Any service reviews will be carried out with Change Derby and HR support.	(0.100)			(0.100)	2.00	1.00	1.00
Service Reviews	Communities & Place	Cross Service	Removal of non-essential surplus budget in the Communities and Place Directorate.	(0.150)			(0.150)			
Service Reviews	Communities & Place	Leisure	The focus will be within the leisure and business development service area where income generation and efficiencies will be reviewed in key areas. The main approach will include improving the catering offer to generate growth, improved customer experiences and service delivery. Economies of scale will be explored by streamlining purchase and supply agreements.	(0.088)			(0.088)			
<b>Total Resilient Proposed Savings:</b>				<b>(4.844)</b>	<b>(0.720)</b>	<b>-</b>	<b>(5.564)</b>	<b>24.51</b>	<b>6.80</b>	<b>17.71</b>
<b>TOTAL RESILIENT SAVINGS:</b>				<b>(5.808)</b>	<b>(0.720)</b>	<b>-</b>	<b>(6.528)</b>	<b>24.51</b>	<b>6.80</b>	<b>17.71</b>



## VIBRANT AND GROWTH SAVINGS

Programme	Directorate	Service	Vibrant & Growth Savings	Saving £m				FTE Reduction 2022/23		
				22/23 £m	23/24 £m	24/25 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
<b>Vibrant and Growth Proposed Savings:</b>										
Housing	Communities & Place	Housing	In relation to the Strategic Housing service, two separate but related approaches have been taken to identify potential revenue budget savings – these are (1) a review of the current structure and resources and (2) exploration of opportunities to better utilise any in year surplus generated by Derby Homes to support delivery of housing related services.	(0.264)			(0.264)	3.66	1.66	2.00
Partnerships/sponsorships	Communities & Place	Leisure, Culture & Tourism	Event opportunities will be developed to generate new enquiries, explore potential coproduction and incorporate outside catering offers where appropriate.	(0.010)	(0.010)		(0.020)			
Service Review	Communities & Place	Economic Growth	For the Economic Growth service, savings proposals focus on international and inward investment activities, and reduced consultancy spend.	(0.086)	(0.130)	(0.010)	(0.226)	2.00	1.00	1.00
Service Review	Communities & Place	Cross Service	Consideration of greater alignment of regeneration related activities across Planning, Property and Regeneration/Major Projects, especially in relation to the city centre, are also to be considered, but unlikely to generate savings in the immediate term.		(0.100)		(0.100)			
Service review	Corporate Resources	Land Charges	Review of Land Charges Service post completion of migration of Local Land Charges Register to HM Land Register, currently forecast for April 2023.		(0.050)		(0.050)			
<b>TOTAL VIBRANT AND GROWTH SAVINGS:</b>				<b>(0.360)</b>	<b>(0.290)</b>	<b>(0.010)</b>	<b>(0.660)</b>	<b>5.66</b>	<b>2.66</b>	<b>3.00</b>

## GREEN SAVINGS

Programme	Directorate	Service	Green Savings	Saving £m				FTE Reduction 2022/23		
				22/23 £m	23/24 £m	24/25 £m	Total £m	Total number of FTE reduction	Vacant Posts	VR/CR
<b>Green Proposed Savings:</b>										
Service Review	Communities & Place	Cross Service	Redesign Staff resource / Climate/ Waste / Property Services.			(0.100)	(0.100)			
Service Review	Communities & Place	Cross Service	Where services overlap service reviews have been initiated looking at the best use of vacant post in the first instance and wider reviews where alignments are obvious. Any service reviews will be carried out with Change Derby and HR support.		(0.500)		(0.500)			
Service Review	Communities & Place	Fleet	Review of Fleet management.	(0.050)			(0.050)			
Service Review	Communities & Place	Waste	Waste Strategy - waste diversion from education programme and waste and resources national strategy direction.		(0.050)		(0.050)			
Staff T&C	Communities & Place	All Directorates	Reduce grey mileage and rationalise approach to hire car booking.	(0.050)			(0.050)			
Maximise income/service review	Corporate Resources	All directorates	Council House rental income - additional income generated by letting parts of the Council House to partner organisations.	(0.210)	(0.140)		(0.350)			
Staff T&C	Corporate Resources	All directorates	Reducing budgets for Travel and Subsistence across all services necessitating managers to maximise the use of remote meeting technology where face to face meeting is not essential.	(0.100)			(0.100)			
<b>Total Green Proposed Savings:</b>				<b>(0.410)</b>	<b>(0.690)</b>	<b>(0.100)</b>	<b>(1.200)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL PORTFOLIO SAVINGS:</b>				<b>(13.050)</b>	<b>(2.493)</b>	<b>(1.015)</b>	<b>(16.558)</b>	<b>51.17</b>	<b>19.21</b>	<b>31.96</b>

**WORKING SMARTER PRESSURES**

Programme	Directorate	Service	Working Smarter Pressures	Pressures			
				22/23 £m	23/24 £m	24/25 £m	Total £m
<b>Existing Pressures formally signed off by Full Council Meeting on 24th February 2021:</b>							
Better Together	Corporate Resources	Benefits & Exchequer	Single Discretionary Allowance Budget (Removal of one off pressure).	(0.500)			<b>(0.500)</b>
Better Together	Corporate Resources	Income Management	PCI compliance software requirement (Removal of one off pressure).	(0.050)			<b>(0.050)</b>
Working Smarter	Corporate Resources	Policy, Insight & Communications	Local Government non-structural reform (Removal of temporary pressure).	(0.050)			<b>(0.050)</b>
Working Smarter	Corporate	Corporate	Treasury Management Base budget pressure to reflect capital programme requirement updated pressure for future years.	0.655	3.070		<b>3.725</b>
Working Smarter	Corporate	Corporate	Prudential Borrowing - Treasury Management flexibility to fund emerging priorities.	1.000			<b>1.000</b>
Working Smarter	Corporate	All Directorates	Annual Leave Saving - one off reduction in uptake due to Covid (Removal of one off pressure).	(0.050)			<b>(0.050)</b>
<b>Total Existing Pressures:</b>				<b>1.005</b>	<b>3.070</b>	<b>-</b>	<b>4.075</b>
<b>Working Smarter Proposed Pressures:</b>							
Better Together	Corporate Resources	Coroners	Coroners pressure due to review of partner sharing costs.	0.430			<b>0.430</b>
Better Together	Corporate Resources	Democratic	Members Allowances.	0.149			<b>0.149</b>
Better Together	Corporate Resources	Human Resources	HR Saving not unachievable saving of £0.124m. Saving is for a review and potential redesign of the absence management process - delayed for a further year. This is now proposed for 2023/2024.	0.124	(0.124)		<b>-</b>
Better Together	Corporate Resources	Property	Property rationalisation Unachievable Saving.	0.100	(0.100)		<b>-</b>
Better Together	Corporate Resources	Property	Derby City Council's contribution towards the Derbyshire One Public Estate Program.	0.020			<b>0.020</b>
Better Together	Corporate Resources	Property	Property Grey Fleet Unachievable Saving.	0.070			<b>0.070</b>
Working Smarter	Corporate Resources	IT	Renewal of Microsoft Desktop Licenses required for operation of all Council Services. Increased cost reflects nationally negotiated agreement, enabling the replacement of end of life telephony, intelligence facilities, and enhancement of essential cyber and information security measures.	0.366	0.106	0.124	<b>0.596</b>
Working Smarter	Corporate Resources	IT	Implementation of essential advanced Cyber Defence measures to protect the Council, Citizens and Partnership.		0.450		<b>0.450</b>
Working Smarter	Corporate Resources	IT	Increased skills and contract resources to support and manage advances in cyber security requirements, emerging threats and counter-measures.		0.130		<b>0.130</b>
Working Smarter	Corporate Resources	IT	New license and support contract costs for the new Financial Management System, replacing the end of life system, and providing advances in automated processing.	0.100			<b>0.100</b>
Working Smarter	Corporate Resources	IT	Implementing updated telephony and call centre into the MS Teams platform. Essential due to end of life of existing technology.		0.318		<b>0.318</b>
Working Smarter	Corporate Resources	IT	Unavoidable costs associated with "dual running" of legacy telephony systems and new solution during 6 month transition period.		0.140	(0.140)	<b>0.000</b>
Working Smarter	Corporate Resources	Legal	Legal Team - Increase internal capacity to reduce the cost of outsourcing children's safeguarding legal cases.	0.223			<b>0.223</b>
Working Smarter	Corporate	All Directorates	Unachievable Saving Travel and Printing (cross directorate).	0.060			<b>0.060</b>
Working Smarter	Corporate	All Directorates	National Insurance Levy Pressures.	0.780			<b>0.780</b>
Working Smarter	Corporate	Treasury Management	Treasury Management Review based on capital requirement (caveat treasury management/capital budgets will continue to be reviewed inline with the capital programme).	0.600	0.070	1.878	<b>2.548</b>
<b>Total Working Smarter Proposed Pressures:</b>				<b>3.022</b>	<b>0.990</b>	<b>1.862</b>	<b>5.874</b>
<b>TOTAL WORKING SMARTER PRESSURES:</b>				<b>4.027</b>	<b>4.060</b>	<b>1.862</b>	<b>9.949</b>

**RESILIENT PRESSURES**

Programme	Directorate	Service	Resilient Pressures	Pressures			
				22/23 £m	23/24 £m	24/25 £m	Total £m
<b>Existing Pressures formally signed off by Full Council Meeting on 24th February 2021:</b>							
Joined up care	Peoples - Adults	Adults	Demographic social care pressures.	0.900	0.900		<b>1.800</b>
Joined up care	Peoples - Adults	Adults	National Living Wage pressures.	0.500	0.500		<b>1.000</b>
Stronger Families	Peoples - Children's	Children's	DSG - Central Services Schools Block pressure - a reduction to this pressure is included in new pressures.	0.500	0.500		<b>1.000</b>
Stronger Families	Peoples - Children's	Children's	Looked after Children demographic pressure.	0.125			<b>0.125</b>
Stronger Families	Peoples - Children's	Children's	Children's Placements/Residential Homes Project Officer - one off funding (Removal of Pressure).	(0.035)			<b>(0.035)</b>
Stronger Families	Peoples - Children's	Children's	Financial Support to Families during School Holidays - To implement a support package to the 31st December 2021 to ensure access to food support for children at risk of food poverty (Removal of one off pressure).	(0.573)			<b>(0.573)</b>
Health	Communities & Place	Leisure and Culture	Moorways Swimming Pool Pre-opening costs (Removal of pressure).	(0.800)			<b>(0.800)</b>
Health	Communities & Place	Leisure and Culture	Queens Leisure Centre Income Pressure removal.		(0.210)		<b>(0.210)</b>
Better Together	Corporate	All Directorates	Covid Scarring - Additional loss of income - place holder (Removal of one off pressure).	(1.150)	(1.150)		<b>(2.300)</b>
Better Together	Corporate	All Directorates	Emerging Covid Pressures Fund (Removal of one of pressure).	(0.480)			<b>(0.480)</b>
<b>Total Existing Pressures:</b>				<b>(1.013)</b>	<b>0.540</b>	<b>-</b>	<b>(0.473)</b>
<b>Resilient Proposed Pressures:</b>							
Joined up care	Peoples - Adults	Adults	Demographic Social Care Pressures and NLW.	0.900		0.950	<b>1.850</b>
Joined up care	Peoples - Adults	Adults	Demand Pressures.		3.000	3.000	<b>6.000</b>
Joined up care	Peoples - Adults	Adults	Allocation of the 2021/22 Better care fund inflation funding across ASC priority outcome areas.	0.512	(0.040)		<b>0.472</b>
Joined up care	Peoples - Adults	Adults	Market Sustainability and Fair Cost of Care Fund Pressure.	0.775			<b>0.775</b>
Health & Equalities	Peoples - PH	Public Health	Increase Livewell Service.		0.400	0.600	<b>1.000</b>
Stronger Families	Peoples - Children's	Children's	DSG - Central Services Schools Block - Existing pressure reduced.	(0.200)	(0.200)		<b>(0.400)</b>
Stronger Families	Peoples - Children's	Children's	Adoption - Pressure on placements budget.	0.500			<b>0.500</b>
Stronger Families	Peoples - Children's	Children's	Agency Residential - Pressure on placements budget.	2.375	(1.200)		<b>1.175</b>
Stronger Families	Peoples - Children's	Children's	Agency Fostering - Pressure on placements budget.	1.000			<b>1.000</b>
Stronger Families	Peoples - Children's	Children's	Fostering Allowances - Pressure on placements budget.	0.600			<b>0.600</b>
Stronger Families	Peoples - Children's	Children's	Kinship - Pressure on placements budget.	0.200			<b>0.200</b>
Stronger Families	Peoples - Children's	Children's	Residence Order & Child Arrangement Orders - Pressure on placements budget.	0.280			<b>0.280</b>
Stronger Families	Peoples - Children's	Children's	Special Guardianship Orders - Pressure on placements budget.	0.550			<b>0.550</b>
Stronger Families	Peoples - Children's	Children's	Home to School Transport - demand pressures.	1.700			<b>1.700</b>
Stronger Families	Peoples - Children's	Children's	Children's Safeguarding Legal Costs.	0.400			<b>0.400</b>
Stronger Families	Peoples - Children's	Children's	Revenue budget for staffing & running of new children's residential cluster homes.	0.500	0.500		<b>1.000</b>
<b>Total Resilient Proposed Pressures:</b>				<b>10.092</b>	<b>2.460</b>	<b>4.550</b>	<b>17.102</b>
<b>TOTAL RESILIENT PRESSURES:</b>				<b>9.079</b>	<b>3.000</b>	<b>4.550</b>	<b>16.629</b>

**VIBRANT AND GROWTH PRESSURES**

Programme	Directorate	Service	Vibrant & Growth Pressures	Pressures			
				22/23 £m	23/24 £m	24/25 £m	Total £m
<b>Existing Pressures formally signed off by Full Council Meeting on 24th February 2021:</b>							
Culture	Communities & Place	Leisure and Culture	New Assembly Rooms revenue support operational and property maintenance (Removal of Pressure).	(0.269)			<b>(0.269)</b>
Housing	Communities & Place	Housing	High Rise Buildings assessment (Removal of Pressure).	(0.091)			<b>(0.091)</b>
<b>Total Existing Pressures:</b>				<b>(0.360)</b>	-	-	<b>(0.360)</b>
<b>Vibrant and Growth Proposed Pressures:</b>							
City Centre	Communities & Place	Markets	Market Hall mobilisation expenses.	0.076	0.177		<b>0.253</b>
<b>Total Vibrant &amp; Growth Proposed Pressures:</b>				<b>0.076</b>	<b>0.177</b>	-	<b>0.253</b>
<b>TOTAL VIBRANT AND GROWTH PRESSURES:</b>				<b>(0.284)</b>	<b>0.177</b>	-	<b>(0.107)</b>

**GREEN PRESSURES**

Programme	Directorate	Service	Green Pressures	Pressures			
				22/23 £m	23/24 £m	24/25 £m	Total £m
<b>Green Proposed Pressures:</b>							
Waste	Communities & Place	Waste	Increased waste tonnages.	0.200			<b>0.200</b>
Waste	Communities & Place	Waste	Increased cost of vehicle hire – centralised budget.	0.075			<b>0.075</b>
Mobility	Communities & Place	Traffic and Transportation	One off Removal of Full Street Car Park Pressures due to delay in closure.	(0.446)		0.446	-
<b>TOTAL GREEN PRESSURES:</b>				<b>(0.171)</b>	-	<b>0.446</b>	<b>0.275</b>
<b>TOTAL PRESSURES:</b>				<b>12.651</b>	<b>7.237</b>	<b>6.858</b>	<b>26.746</b>

## Appendix 4

Statement of Reserves	2021/22 Opening Balance £m	In Year Movement £m	2021/22 Commitments £m	2021/22 Closing Balance £m	Future Years Commitments £m	Ringfenced £m	Future Years Closing Balance £m
<b>General Fund</b>							
Unallocated General Fund Balance	(8.933)	-	-	(8.933)	(5.202)	-	(14.135)
Balances Held By Schools	(8.868)	(1.578)	-	(10.446)	-	10.446	-
Budget Risk Reserve	(18.269)	-	5.802	(12.467)	5.348	-	(7.119)
<b>TOTAL</b>	<b>(36.070)</b>	<b>(1.578)</b>	<b>5.802</b>	<b>(31.846)</b>	<b>0.146</b>	<b>10.446</b>	<b>(21.254)</b>
<b>Revenue Earmarked Reserves</b>							
Covid-19 Reserve	(4.041)	-	4.041	-	-	-	-
Central Schools Budget Reserve	(3.233)	0.600	2.400	(0.233)	-	0.233	-
General Insurance Reserve	(2.656)	-	-	(2.656)	-	-	(2.656)
Trading Services Reserve	(0.155)	-	0.117	(0.038)	0.038	-	-
Year end grants with restrictions	(10.654)	(0.027)	10.173	(0.508)	0.409	0.099	-
DEGF Interest Reserve	(0.483)	(0.078)	0.561	-	-	-	-
Regeneration Fund Reserve	(1.135)	-	0.383	(0.752)	0.752	-	-
Assembly Rooms Reserve	(2.030)	(0.120)	2.150	-	-	-	-
Delivering Change Reserve	(1.074)	-	0.642	(0.432)	0.019	-	(0.413)
Business Rate Pilot Reserve	(0.134)	-	0.051	(0.083)	0.083	-	-
Business Rates Smoothing Reserve	(0.759)	-	0.759	-	-	-	-
Collection fund deficit smoothing reserve	(21.444)	-	21.444	-	-	-	-
Treasury Management Reserve	(1.619)	-	(0.925)	(2.544)	2.544	-	-
Public Health Reserve	(1.334)	-	-	(1.334)	-	1.334	-
Adult Social Care Reserve	(1.011)	-	0.755	(0.256)	0.256	-	-
Capital Feasibility Reserve	(0.660)	-	0.211	(0.449)	-	-	(0.449)
Other Service Reserves	(11.717)	(1.517)	6.630	(6.604)	2.854	0.120	(3.630)
PFI Reserves	(30.175)	-	(0.315)	(30.490)	30.490	-	-
Earmarked Reserves to support the capital programme	(1.911)	0.120	0.281	(1.510)	-	1.372	(0.138)
<b>TOTAL</b>	<b>(96.225)</b>	<b>(1.022)</b>	<b>49.358</b>	<b>(47.889)</b>	<b>37.445</b>	<b>3.158</b>	<b>(7.286)</b>

## The Indicative Capital Programme

## Appendix 5

### Enablers Programme 2022/23 -2024/25

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
Property	Enablers	Better Together/Team Derby	Planned Maintenance	UBC	1.424	1.524	1.692	4.787
Property	Enablers	Better Together/Team Derby	MEND	UBC	1.250	-	-	1.250
Property	Enablers	Better Together/Team Derby	GEN - Capitalised Salaries - Valuer	SCE C	0.037	0.037	0.037	0.111
Property	Enablers	Better Together/Team Derby	Various sites boundary improvements	UBC	0.430	0.470	0.520	1.420
Property	Enablers	Better Together/Team Derby	Various sites fire precaution	UBC	0.265	0.290	0.320	0.875
Property	Enablers	Better Together/Team Derby	Darley Playing Fields	UBC	0.250	0.275	0.300	0.825
Property	Enablers	Better Together/Team Derby	Preliminary Design- Structural and Buildings at risk	UBC	0.200	0.220	0.240	0.660
Property	Enablers	Better Together/Team Derby	Various Electrical Rewiring	UBC	0.415	0.460	0.500	1.375
Property	Enablers	Better Together/Team Derby	HOP - Reconfiguration, Redevelopment, Relocation, Remodelling	UBC	0.650	0.700	0.770	2.120
Property	Enablers	Better Together/Team Derby	Council House - Detailed Survey	UBC	0.200	0.220	0.240	0.660

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
Property	Enablers	Better Together/Team Derby	Littleover Community School - Bungalow	UBC	0.100	-	-	0.100
Property	Enablers	Better Together/Team Derby	Energy Projects	UBC	-	0.250	0.300	0.550
Property	Enablers	Better Together/Team Derby	Disabled Access	UBC	-	0.100	-	0.100
Property	Enablers	Better Together/Team Derby	Kedleston Road - Heating System	UBC	0.350	0.400	0.440	1.190
Property	Enablers	Better Together/Team Derby	Various Boiler Replacement	UBC	0.606	0.680	0.740	2.026
Property	Enablers	Better Together/Team Derby	Various Lighting Protection	UBC	-	0.050	0.050	0.100
ICT	Enablers	Working Smarter	Major IT Hardware Developments	CR/GG	0.520	2.379	1.295	4.194
ICT	Enablers	Working Smarter	Major IT Systems Developments	CR	1.250	-	-	1.250
ICT	Enablers	Working Smarter	Advance Cyber Defence of the Council		0.250	0.250	-	0.500
ICT	Enablers	Working Smarter	Digital Services Build Capability		0.195	0.195	0.195	0.585
ICT	Enablers	Working Smarter	Line of Business Applications Development & Compliancy		0.100	0.100	0.100	0.300
ICT	Enablers	Working Smarter	Council House Network Security Compliance Refresh		0.100	0.100	-	0.200
ICT	Enablers	Working Smarter	Unified Telephony (Teams, Office and Call Centre) - Implementation		0.090	0.090	-	0.180

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
ICT	Enablers	Working Smarter	Unified Telephony (Teams, Office and Call Centre) - Devices	CR	-	0.030	-	0.030
ICT	Enablers	Working Smarter	Phase 2 - Collaborative Enablement of Meeting Facilities and Virtual Face to Face citizen channel	CR	0.100	-	-	0.100
	<b>Total Enablers</b>				<b>8.782</b>	<b>8.820</b>	<b>7.739</b>	<b>25.488</b>



**Green Programme 2022/23 -2024/25**

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
Flood Defence	Green	Climate & Energy	Local flood alleviation scheme	UBC	0.250	0.250	0.250	0.750
Highways & Transport	Green	Climate & Energy	Highways Trees	CR	0.156	0.156	-	0.312
Regeneration	Green	Climate & Energy	DE-Carbonise	GG	0.197	-	-	0.197
Regeneration	Green	Climate & Energy	Carbon Reduction Fund	SCE C	2.900	-	-	2.900
Regeneration	Green	Climate & Energy	Our City Our River	UBC	0.395	-	-	0.395
Regeneration	Green	Climate & Energy	Our City Our River - Package 1	UBC	0.752	-	-	0.752
Regeneration	Green	Climate & Energy	Our City Our River - Package 2	SCE C/UBC	1.469	-	-	1.469
Regeneration	Green	Climate & Energy	Our City Our River - Munio	GG	7.180	-	-	7.180
Highways & Transport	Green	Mobility	Integrated Transport Programme - smaller scheme	SCE C	1.000	1.000	1.000	3.000
Highways & Transport	Green	Mobility	Asset Management - Highways Maintenance	SCE C/UBC	3.034	3.509	3.509	7.590
Highways & Transport	Green	Mobility	Asset Management - Structures Maintenance	SCE C	0.610	0.610	0.610	1.830
Highways & Transport	Green	Mobility	Asset Management – Integrated Transport Strategy (ITS) Network Management Maintenance	SCE C/GG	0.850	0.375	0.375	1.600
Highways & Transport	Green	Mobility	Transforming Cities Fund (TCF)Tranche 2 - Interchangeable Hubs	GG	5.938	-	-	5.938
Highways & Transport	Green	Mobility	TCF Tranche 2 - Public Realm	GG	2.824	-	-	2.824
Highways & Transport	Green	Mobility	TCF Tranche 2 - Cycle Expressway	GG	1.347	-	-	1.347
Highways & Transport	Green	Mobility	TCF Tranche 2 - Bus Priority	GG	1.093	-	-	1.093

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
Highways & Transport	Green	Mobility	TCF Tranche 2 - Park & Ride	GG	7.091	-	-	7.091
Highways & Transport	Green	Mobility	TCF Tranche 2 - Bus & Rapid Transit Links	GG	20.289	-	-	20.289
Highways & Transport	Green	Mobility	TCF Tranche 2 – Local Cycling & Walking Infrastructure Plan (LCWIP)	GG	5.738	-	-	5.738
Vehicles Plant and Equipment	Green	Mobility	Grounds Plant & Equipment	UBSF	0.400	0.400	0.400	1.200
Vehicles Plant and Equipment	Green	Mobility	Street Cleaning Equipment	UBSF	0.638	0.308	-	0.946
Vehicles Plant and Equipment	Green	Waste	Refuse Vehicles & Plant	UBSF	0.950	-	-	0.950
	<b>Total Green</b>				<b>65.101</b>	<b>6.608</b>	<b>6.144</b>	<b>75.391</b>

**Growth Programme 2022/23 - 2024/25**

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
Housing General Fund	Growth	City Centre	Performance Venue - Padley Centre	GG/UBC	0.932	-	-	0.932
Housing General Fund	Growth	Climate & Energy	Home Energy Improvements	EC	0.400	0.400	0.240	1.040
Schools	Growth	Education & Skills	Devolved Formula Cap	SCE C DFC	0.200	0.120	0.120	0.440
Schools	Growth	Education & Skills	Adaptions For Foster Carers	SCE C	0.140	-	-	0.140
Schools	Growth	Education & Skills	School Condition work & place planning requirements funding pot	SCE C SCA	1.200	1.100	2.000	4.300
Schools	Growth	Education & Skills	Capital works delivered by schools	SR	0.250	0.250	0.250	0.750
Schools	Growth	Education & Skills	Brackensdale Infant and Junior – Expansion Design	S106	0.300	-	-	0.300
Schools	Growth	Education & Skills	Fellows Lands Way Primary s106	S106	0.900	-	-	0.900
Schools	Growth	Education & Skills	Chellaston Secondary School - Homeleigh Way Contribution	S106/SCE C BN	1.576	2.000	-	3.576
Schools	Growth	Education & Skills	SEND Provision - Schools	SCE C BN/SCE C SPF	0.834	7.565	-	8.399
Schools	Growth	Education & Skills	Landau Forte Expansion Scheme	SCE C BN/SCE C SCA	5.606	6.211	-	11.816
Schools	Growth	Education & Skills	Ravensdale Infant School - New Build	SCE C/SCE C SCA	1.689	0.004	-	1.693
Schools	Growth	Education & Skills	Shelton Junior - Roof, Windows & Fire Risk Assessments (FRA)	SCE C/SCE C SCA	0.005	-	-	0.005
Schools	Growth	Education & Skills	Roe Farm Primary - New Boiler	SCE C/SCE C SCA	0.003	-	-	0.003
Schools	Growth	Education & Skills	Murray Park Community School - Windows, Doors & External Partitions	SCE C/SCE C SCA	0.003	-	-	0.003

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
Schools	Growth	Education & Skills	Becket Primary - Window & Doors	SCE C/SCE C SCA	0.003	-	-	0.003
Schools	Growth	Education & Skills	Ridgeway Infant - Windows, Drainage Works & Fencing	SCE C/SCE C SCA	0.002	-	-	0.002
Schools	Growth	Education & Skills	Oakwood Infant - Windows, Roof & Doors	SCE C/SCE C SCA	0.002	-	-	0.002
Schools	Growth	Education & Skills	Silverhill Primary - Windows & Roof	SCE C/SCE C SCA	0.002	-	-	0.002
Schools	Growth	Education & Skills	Wren Park Primary - Windows & Roof	SCE C/SCE C SCA	0.002	-	-	0.002
Schools	Growth	Education & Skills	Portway Infant - Drainage & External Works	SCE C/SCE C SCA	0.001	-	-	0.001
Schools	Growth	Education & Skills	Littleover S106 Expansion - 2021 to 2023	S106	0.349	-	-	0.349
Schools	Growth	Education & Skills	Central Nursery Boiler Replacement	SCE C/SCE C SCA	0.010	-	-	0.010
Schools	Growth	Schools	Children's Homes Accommodation Strategy	UBC	0.200	0.400	0.400	1.000
Schools	Growth	Schools	D2N2 Children's Homes matched funding	UBC	0.250	0.050	-	0.300
Housing General Fund	Growth	Housing	Capitalised Salaries	EC	0.085	0.085	0.085	0.255
Housing General Fund	Growth	Housing	Healthy Housing Assistance	EC/GG	0.315	0.265	0.200	0.780
Housing General Fund	Growth	Housing	Empty Property Assistance	EC	0.200	0.150	0.200	0.550
Housing General Fund	Growth	Housing	Affordable Housing External Registered Provider	EC	1.000	-	-	1.000
Housing General Fund	Growth	Housing	Works at Shelton Lock	EC	0.055	-	-	0.055
Housing General Fund	Growth	Housing	Milestone House Capital Works	CR/EC	0.415	-	0.025	0.440

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
Housing General Fund	Growth	Housing	Grants - Right to Buy Receipts	CR	0.800	0.500	-	1.300
Housing General Fund	Growth	Housing	Green Home Grant Local Authority Delivery - Phase 1	CR	0.200	-	-	0.200
Housing General Fund	Growth	Housing	Care link Equipment	GG	0.176	0.176	-	0.352
Regeneration	Growth	Housing	Castleward - CPO	CR/EC/GG	3.174	3.482	-	6.656
HRA	Growth	Housing	Estates Pride - General	MRR	0.250	0.250	-	0.500
HRA	Growth	Housing	PVCU Windows & Doors	MRR	1.500	1.500	-	3.000
HRA	Growth	Housing	Capital Salaries Mods Liaison	MRR	0.700	0.700	-	1.400
HRA	Growth	Housing	Kitchens and Bathrooms	MRR	4.225	3.925	-	8.150
HRA	Growth	Housing	One-off Mods/Major Refurbishments	MRR	1.700	1.700	-	3.400
HRA	Growth	Housing	Re-Roofing	MRR	1.500	1.300	-	2.800
HRA	Growth	Housing	Disability Adaptions	MRR	0.700	0.700	-	1.400
HRA	Growth	Housing	Communal Door Entry Systems	MRR	0.050	0.050	-	0.100
HRA	Growth	Housing	New & Replacement Central Heating	MRR	2.000	2.000	-	4.000
HRA	Growth	Housing	Rewiring/Electrical Upgrades	MRR	0.500	0.500	-	1.000
HRA	Growth	Housing	Solid Wall Installation	MRR	0.540	-	-	0.540
HRA	Growth	Housing	New Build and Acquisitions	CR/MRR	8.390	6.130	-	14.520
HRA	Growth	Housing	The Knoll NB	CR/MRR	0.250	0.663	-	0.913
HRA	Growth	Housing	Riverview Site (Previously Brit Court)	MRR	0.150	1.000	-	1.150
HRA	Growth	Housing	Berwick Avenue	CR/MRR	0.165	-	-	0.165
HRA	Growth	Housing	Barlow Street	CR/MRR	1.000	0.650	-	1.650
HRA	Growth	Housing	Aida Bliss	CR/MRR	2.054	6.997	-	9.051
HRA	Growth	Housing	HRA Fire Safety	MRR	0.250	0.250	-	0.500
HRA	Growth	Housing	Rivermead Refurbishment	MRR	1.000	0.525	-	1.525
HRA	Growth	Housing	Unallocated Maintenance Funding	MRR	2.100	2.819	-	4.919
HRA	Growth	Housing	HRA Shops	MRR	0.250	0.250	-	0.500
HRA	Growth	Housing	Oakland Avenue	CR/MRR	0.100	0.525	-	0.625
HRA	Growth	Housing	Crompton Street	CR/MRR	0.600	-	-	0.600

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
HRA	Growth	Housing	The Grange	CR/MRR	2.000	4.000	-	6.000
HRA	Growth	Housing	Chesapeake - NB	CR/MRR	0.800	-	-	0.800
HRA	Growth	Housing	Whitaker Street	CR/MRR	0.280	-	-	0.280
HRA	Growth	Housing	Cummings Street Car Park	CR/MRR	0.400	-	-	0.400
HRA	Growth	Housing	Elmwood	CR/MRR	0.270	0.270	-	0.540
HRA	Growth	Housing	Green Homes Grant Programme	MRR	0.855	-	-	0.855
HRA	Growth	Housing	Water Service - HRA	MRR	0.150	0.050	-	0.200
HRA	Growth	Housing	Osmaston - HRA	CR/MRR	0.920	-	-	0.920
HRA	Growth	Housing	Falcon - HRA	CR/MRR	0.270	0.270	-	0.540
HRA	Growth	Housing	Brentford Drive - HRA	MRR	-	0.666	-	0.666
HRA	Growth	Housing	Warwick House - HRA	MRR	-	0.500	-	0.500
Regeneration	Growth	Investment	Derby Enterprise Growth Fund - Recycled	CR	0.083	-	-	0.083
Regeneration	Growth	Investment	iHub plot preparation	EC/SCE C	1.467	-	-	1.467
Regeneration	Growth	Investment	MRC Midlands (NAMRC)	SCE C/EB/UBC	8.982	0.158	-	9.140
Regeneration	Growth	Investment	Smartparc	CR/UBC	2.750	2.568	-	5.318
Regeneration	Growth	Investment	Ascend Capital	SCE C	1.250	1.750	-	3.000
Regeneration	Growth	Investment	ERDF GIP3	GG	0.252	-	-	0.252
Corporate Resources	Growth	Investment	Future Investments Provision	UBC	20.500	25.500	15.000	61.000
	<b>Total Growth</b>				<b>92.481</b>	<b>90.924</b>	<b>18.520</b>	<b>201.925</b>

**Resilient Programme 2022/23 - 2024/25**

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
Property	Resilient	Stronger Communities	Heatherton Community Centre	S106	0.037	-	-	0.037
Property	Resilient	Stronger Communities	Chellaston Community Centre	S106	0.039	-	-	0.039
Property	Resilient	Stronger Communities	Bridgden Avenue Allotments	S106	0.016	-	-	0.016
Regeneration	Resilient	Stronger Communities	Access Osmaston	EC/GG/UBC	0.700	-	-	0.700
Housing General Fund	Resilient	Stronger Families	Disabled Facilities Grant 96 Act	GG	2.678	2.315	2.323	7.316
	<b>Total Resilient</b>				<b>3.470</b>	<b>2.315</b>	<b>2.323</b>	<b>8.108</b>

**Vibrant programme 2022/23 – 2024/25**

Strategy Area	Outcome	Area of Outcome	Title	Funding Source	Revised 2022/23 £m	Revised 2023/24 £m	Original 24/25 £m	Total £m
Regeneration	Vibrant	City Centre	City Centre Accelerated Development	EC/SCE C/UBC	0.617	-	-	0.617
Regeneration	Vibrant	City Centre	Market Hall Refurbishments - Phase 1	UBC	1.098	-	-	1.098
Regeneration	Vibrant	City Centre	Market Hall Refurbishments - Phase 2	UBC	0.298	0.211	-	0.509
Regeneration	Vibrant	City Centre	Eastern Gateway	GG	2.440	1.966	-	4.406
Property	Vibrant	Culture	Oakwood Park Improvements	S106	0.067	-	-	0.067
Regeneration	Vibrant	Culture	Becket Well Regeneration	CR/UBC	1.415	-	-	1.415
Regeneration	Vibrant	Culture	Alvaston District Centre Improvement	UBC	0.731	-	-	0.731
Regeneration	Vibrant	Culture	Becketwell Performance Venue Fees	UBC	0.176	0.123	0.110	0.409
Regeneration	Vibrant	Culture	New Performance Venue at Becketwell	CR/UBC	3.584	17.040	22.015	42.639
	<b>Total Vibrant</b>				<b>10.426</b>	<b>19.340</b>	<b>22.125</b>	<b>51.892</b>

**Capital Ambition**

<p>Potential Schemes to be funded from Borrowing</p> <ul style="list-style-type: none"> <li>• Waste Disposal</li> <li>• OCOR Council Investment</li> <li>• Infinity Park Derby Brook Realignment</li> <li>• Becketwell - Further Stages</li> <li>• City Centre office redevelopment,</li> <li>• Bold Lane</li> <li>• Civil service relocation including opportunity for Great British Railways HQ</li> <li>• City Centre re-purposing / ARG Phase 2</li> <li>• St James Street Demonstrator</li> <li>• City Centre public realm- Osnabruck Square</li> <li>• City Centre public realm programme</li> </ul>
<p>Potential Schemes to be funded Externally</p> <ul style="list-style-type: none"> <li>• Future High Streets Fund</li> <li>• Make and Trade Zone</li> <li>• Heritage Schemes</li> <li>• Civil Service Relocation including opportunity for Great British Railways HQ</li> <li>• OCOR (Environment Agency/Others)</li> <li>• New primary School Snelsmoor</li> </ul>
<p>Potential Hybrid Schemes (DCC Funding/External Funding)</p> <ul style="list-style-type: none"> <li>• Guildhall</li> <li>• Market Place</li> <li>• Parklife</li> <li>• City Centre Cultural Offer</li> <li>• Blue Corridor (River) and Green Corridor (Open Spaces)</li> <li>• SEN reprovion</li> <li>• Rykneld road New primary school</li> </ul>
<p>Potential Schemes – Regeneration</p> <ul style="list-style-type: none"> <li>• Regeneration Fund</li> <li>• Strategic Acquisitions</li> <li>• South Derby Growth Zone</li> <li>• Infinity Park</li> <li>• Derby Riverside</li> <li>• Northern Gateway</li> <li>• Project Assemble</li> <li>• Cultural Heart</li> <li>• Derby Canal - Derby Arm</li> <li>• Opening up Markeaton Brook</li> </ul>
<p>Potential Schemes – Council Buildings</p> <ul style="list-style-type: none"> <li>• Depot Reorganisation/Relocation</li> <li>• Northern Quarter &amp; Chapel Street Gateway</li> <li>• Markeaton Crematorium</li> <li>• Carbon Neutral Investment in our property estate</li> <li>• Royal Oak House</li> </ul>

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