Derby City Council

COUNCIL
27 February 2019

ITEM 12a

Leader of the Council - Chris Poulter

Medium Term Financial Plan 2019/20 – 2022/23, Revenue and Capital Final Budget Setting for 2019/20, Treasury Management Update and Strategy 2019/20, Housing Revenue Account Final Budget Setting 2019/20, Dedicated Schools Grant 2019/20, Capital Strategy and Pay Policy

Purpose

1.1 To set out proposals to recommend to Full Council a net budget requirement of £220,609,129 for 2019/20 and to recommend rent levels and service charges for council housing stock and to approve the 2019/20 Housing Revenue Account budget from the updated 30 year business plan.

1.2 To also set out budget proposals for 2019/20 and 2022/23 as part of the Council's Medium Term Financial Plan (MTFP).

1.3 The MTFP has outlined permanent savings requirements of £12.996m over the four year period to address the impact of funding reductions, meet rising costs, maintain priority services and invest for the future. These savings total £7.183m in 2019/20, £3.719m in 2020/21, £1.436m in 2021/22 and £0.658m in 2022/23. The intention is to use reserves to smooth the impact on budgets which will help ensure Council services can be delivered in a managed way.

1.4 The Council's 2019/20 and 2022/23 budget position includes a £1.732m contribution to the Council's Corporate Revenue Contingency budget to sustain the Treasury Management position and the Capital Programme commitments of the Council across the MTFP period.

1.5 Each section of the report deals with the various elements that require consideration before a final decision is reached. These key areas are:

- the budget process leading up to these proposals (Section 4.1)
- the resources available to the Council, including council tax and the local Government finance settlement (Section 4.11)
- directorate summaries (Section 4.22)
- the Derbyshire Business Rates one year pilot and reserve (Section 4.45)
- the Corporate Contingency transfer to reserves (Section 4.52)
- details of the impact assessments carried out on the Council's budget proposals (Section 4.55)
- the delivery of the Council Plan (Section 4.59)
- use of reserves (Section 4.62)
- feedback from the communication and consultation process (Section 4.64)
- the management of budget risks (Section 4.68)
- future outlook (Section 4.87)

1.6 The 2018/19 budgets used in this report have been restated to reflect all movements of budgets between Directorates approved during 2018/19, as approved by Cabinet to date, to reflect the latest budget position by directorate.

1.7 The 2019/20 budget has been able to include growth and budget pressures and the overall budget position shows a £2.827m (1.3%) increase over the 2018/19 budget, which includes a number of significant movements:

- Revenue Support Grant has been reduced by £6.4m
- Specific Grants have increased by £5.4m, mainly due to the Governments recognition of the funding shortfall for Adults and Children's Social Care services; however the funding the Government has provided is only one off funding for 19/20.
- A council tax increase of 2.99% which when considered with forecasted growth in the council tax base will positively affect the 2019/20 budget position by £4.3m.
- Forecasted business rates income has increased by £2.3m due to an increase in growth and the Governments Transitional Payment Protection funding.
- Business Rates is currently forecasting a deficit of £6.2m overall of which the Council's share is £6.1m the main reasons for this deficit are an increase in the provision for business rates appeals, a large proportion of this is due to the Rating Valuation Court ruling that removes certain types of Automatic Teller Machines (ATM's) from the rating list.

1.8 Further details of funding anticipated to be received by the Council are provided in Appendix 2.

1.9 Although the Government has announced their final funding settlement for 2019/20 further clarification is still required for 2020/21 - 2022/23. We are expecting the Government to announce their public sector Spending Review in Autumn 2019.

1.10 Included in the appendices is summarised budget information that, together with the text of the report, constitutes the full budget proposal.

1.11 The report sets out the 2019/20 to 2021/22 capital programme to recommend to Full Council. The main areas of the £370.767m programme over the next three years are:

- £18.7m for the Environmental Agency flood defence project Our City Our River.
- £41.4m for the People's Directorate programme, including the conclusion of the current secondary school expansion programme and repairs, maintenance and improvements to the fabric of school buildings. This is indicative, subject to confirmation of Government allocations.
- £92.3m Housing programme including refurbishment to Council-owned houses in the Housing Revenue Account (HRA) and an extensive new build programme. This is indicative subject to the approval of the HRA business plan. Housing General Fund schemes to deliver decent homes and assistance to vulnerable householders, disabled facilities grants, other repairs and assistance in the private sector and support for affordable housing.
- £38m for Highways and Transport - to improve the highway network and deliver major schemes such as the A52/Wyvern Transport Improvements.

- £59.5m for Property improvements and new construction to Council buildings and infrastructure, including the addition of a new scheme to build a New Swimming Pool Complex.
- £100.3m for Regeneration of the city centre and key regeneration areas, including Infinity Park Derby and the Innovation Centre.

1.12 The capital programme outlines assumptions made on future year's Government allocations which are still to be confirmed, as detailed in Section 4.100 to 4.102, 4.105 and 4.117.

1.13 The capital programme provides an update on the major projects that the council has pledged to deliver, including the A52 Highway Improvement Scheme, a New Swimming Pool Complex and the New Assembly Rooms, as detailed from Section 4.90.

1.14 **Capital Strategy** - The 2019/20 position gives a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability as detailed in Appendix 11.

1.15 To approve the Council's Treasury Management Strategy for the financial year 2019/20 and the Treasury Management Indicators derived from this strategy. The following is included in this report:

- Background and context
- The Treasury Management Strategy
- Treasury Management Indicators

1.16 The Housing Revenue Account (HRA) section sets out the 30 year updated Housing Revenue Account Business Plan for the management and maintenance of the Council's housing stock (Section 4.193).

1.17 The HRA remains in a relatively strong position. It can meet the immediate management and maintenance requirements of the Council's housing stock, as well as the projected requirements over the 30 years of the business plan and the required debt repayments.

1.18 **Dedicated Schools Grant -** On 18 December 2018 the Department for Education (DfE) announced the details of the School Funding Settlement. The Dedicated Schools Grant (DSG) for Derby is split into four blocks; Schools Block, Early Years Block, High Needs Block and a Central School Services Block. Final calculated Schools Budgets from the Schools Block element must be issued to individual schools by the 28 February 2019, High Needs budgets need to be issued by 31 March 2019.

1.19 The 2019-2020 allocation for the DSG is £234.766m and is made up of four blocks of funding:

- Schools Block £175.608m
- Central School Services Block £3.956m
- High Needs Block £36.020m (£34.032m net of EFA recoupment for places funded direct)
- Early Years Block £19.183m

1.20 Previously the Government announced its intention to move to a national funding formula (NFF) for schools, Schools Forum considered the approach Derby should take to the implementation of the NFF following a full consultation exercise with schools.

1.21 There are currently significant pressures on the High Needs Block with current forecast outturn projection for the financial year 2018/19 of a £3.4 million overspend. The Council has consulted on proposals for a balanced budget for 2019/20.

1.22 The Localism Act 2011 requires the council to prepare and publish a pay policy statement annually which sets out the authority's policy relating to the remuneration of its Chief Officers and how this compares with the policy on the remuneration of its lowest paid employees (Appendix 16).

Recommendations

2.1 To approve a budget requirement for Derby City Council for 2019/20 of £220,609,129 subject to the finalisation of the Council's Council Tax for 2019/20.

2.2 To approve the directorate revenue budget estimates and the use of reserves of £7.492m (3.4% of the budget) summarised in Appendix 3 of this report.

2.3 To approve the measures proposed to manage budget risks in 2019/20 and in future years in section 4.68.

2.4 To approve the commencement of appropriate procurement procedures to support the specific budget proposals listed in Appendix 4.

2.5 To approve implementation of detailed savings proposals included in Appendix 4 subject to the completion and consideration, where relevant, of any further consultation exercises, equality impact assessments and assessments under Section 17 of the Crime and Disorder Act 1998.

2.6 To note the changes made to the budget savings proposals as a result of feedback from the consultation process, detailed in paragraph 4.64.

2.7 To approve within the 2019/20 budget total **of £220,609,129**:

	£m
Net service estimates of:	
People Services	147.480
Communities and Place	38.799
Corporate Resources	31.627
Corporate Core	10.195
	228.101
Appropriations from reserves:	
Reserves	(7.492)
	220.609

2.8 To note the calculation of the Council's Tax Base for the year 2019/20 as 68,769.00 equivalent Band D properties that was fully approved by Full Council on 23 January 2019.

2.9 To note the calculation of the following amounts for the year 2019/20 in accordance with Sections 31A (1) of the Local Government Finance Act 1992, as amended by the Localism Act 2011, and for these figures to be taken forward and confirmed as part of the Council Tax setting report presented as a separate agenda item to this meeting..

a. £684,967,517 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) (a) to (f).

b. (£587,644,525) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) and (d) of the Act.

c. £97,322,992 as Council Tax requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act.

d. £1417.07 as the basic amount of its Council Tax for the year, being the amount at (c) above, divided by the amount at 4.1 below, calculated by the Council, in accordance with Section 31B of the act.

e. for the following Valuation bands:

	£		£
A	944.71	E	1,731.98
B	1,102.17	F	2,046.88
C	1,259.62	G	2,361.78
D	1,417.07	H	2,834.14

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

2.10 To note that details of the precepts to the Council for Derbyshire Police and Crime Commissioner and Derbyshire Fire Authority, in accordance with Section 40 of the Local Government Finance Act 1992, will be presented to Full Council on 27 February 2019.

2.11 To note that the Council Tax to be set for 2019/20 being the aggregate of the amount calculated by the Council at Appendix 1 and the precepts issued by the Council's major precepting authorities, in accordance with Section 30 of the Act, will be presented to Full Council on 27 February 2019.

2.12 To agree revenue budget plans for 2019/20 and 2022/23 set out in section 4.22 of this report.

2.13 To note the feedback from the budget consultation detailed in section 4.64 and Appendix 20 and approve the Council Cabinet responses to consultation recommendations.

2.14 To delegate approval to the Strategic Director of Corporate Resources to make necessary adjustments in order to retain a balanced budget for 2019/20.

2.15 To agree the additional funding forecast to be received from the Derbyshire Business Rates one year pilot and reserve forecast of £4.5m and to approve the delegated authority for allocating the use of the Business Rates Pilot Reserve to the Strategic Director of Corporate Resources, as detailed in section 4.45.

2.16 To approve the transfer of £1m from the Corporate Contingency Revenue Budget to the treasury management reserve from 01 April 2019 to fund Treasury Management borrowing requirements in future years and to delegate approval to the Strategic Director of Corporate Resources, as set out in section 4.52.

2.17 To approve the capital programme for 2019/20 and note the indicative capital programme for 2020/21 and 2021/22 as set out in section 4.90. A summary and detail is shown in Appendix 7.

2.18 To approve the commencement of the capital schemes presented in the 2019/20 capital programme detailed in Appendix 7.

2.19 To note assumptions made for Government funding allocations for the capital programme as detailed in section 4.100 to 4.102, 4.105 and 4.117.

2.20 To note the process of review undertaken on the current capital programme described in section 4.90.

2.21 To note the revenue budget implications of the proposed capital programme described in sections 4.118.

2.22 To approve additional borrowing outlined in section 4.110 and detailed in Appendix 8.

2.23 To approve the Minimum Revenue Position policy detailed in Appendix 9.

2.24 To approve the Prudential Indicators for 2019/20 to 2021/22 in paragraph 4.190 and detailed in Appendix 10.
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2.25 To approve the capital strategy attached at Appendix 11.

2.26 To approve the Treasury Management Strategy for 2019/20 outlined in section 4.124.

2.27 To approve the Treasury Management Indicators for 2019/20 to 2021/22 in section 4.183 and 4.189.

2.28 To delegate authority to the Strategic Director of Corporate Resources to amend investment levels following appropriate advice from the Council's treasury advisors as detailed in section 4.174.

2.29 To approve the 2019/20 update of the rolling 30 year HRA Business Plan, as set out in section 4.193.

2.30 To approve delegation of the Housing Revenue Account Estates Pride revenue budget to Derby Homes as set out in section 4.201.

2.31 To approve the 2019/20 management and maintenance fee paid to Derby Homes as set out in section 4.210.

2.32 To approve changes to rents and service charges as set out in section 4.212.

2.33 To approve the Housing Revenue Account capital programme for the years 2019/20 to 2021/22 in section 4.216 and to approve Derby Homes directly managing the schemes attributed to them in section 4.216.

2.34 To approve a transfer of £1.756m from the Schools Block to the High Needs Block, equivalent to 1.0%, as detailed in section 4.217.

2.35 To approve the following changes to the funding formula for schools, as detailed in section 4.217:

- To implement a minimum funding level per pupil of £3,300 for primary and £4,500 for secondary aged pupils.
- To scale back the National Funding Formula Factors to 98.8%
- To implement a cap on growth of 3.0%
- To set a Minimum Funding Guarantee of 0%

2.36 To approve a 3.04% increase on the base rate element of the Early Years Funding Formula, as detailed in section 4.223.

2.37 To approve a 7% reduction in the 2018/19 bandings for special schools, There will, however, be an overall increase in the number of funded commissioned places in Special Schools, as detailed in section 4.227.

2.38 To approve a transfer of £0.210m Brexit funding for Government to reserves to help fund additional planning and capacity, as detailed in section 4.88.

2.39 To note the Council's Pay Policy Statement as set out in Appendix 16.

Reasons

3.1 The Council has a legal obligation to set a balanced budget for 2019/20, as prescribed in the Local Government Finance Act 1992 and associated Regulations.

3.2 The 2019/20 to 2022/23 MTFP budget proposals included within this report provides the resources framework for the delivery of Council priorities over the next four years.

3.3 The Capital programme for 2019/20 and the indicative capital programme for 2020/21 and 2021/22 requires Full Council approval under Contract and Financial Procedure Rules to ensure that the programme meets the corporate outcomes.

3.4 In order to support the decision making process a review of the existing capital programme has been carried out to ensure that the limited funds available can be targeted appropriately to meet the Council's overall aims.

3.5 Under the Prudential Code 2017, the Council is required to produce a capital strategy to be approved by Full Council before the start of the new financial year.

3.6 Under the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) the Council is required to approve a treasury management strategy before the start of each financial year. This report also fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

3.7 Housing is a long-term asset and it is important that a longer term view is taken around asset management. Approval is sought for the proposed 2019/20 to 2049/50 update to the rolling 30 year HRA business plan that sets a strategy to manage the HRA into the future.

3.8 Consultation has taken place with schools on proposals to reduce pressures on the SEND High Needs Block (HNB) to set a balanced budget for 2019-20. Schools were invited to comment on the proposals and put forward alternative options for achieving a balanced budget. Following careful consideration of consultation responses, this report recommends approval of the proposals to apply 2018-19 bandings to Special Schools with a 7% reduction in those bandings from April 2019, to reduce the In-Year Fair Access Budget from £300,000 to £230,000 and restructure the STEPs and Inclusion Team to reduce the budget from £1,528,000 to £1,308,000, a reduction of £220,000.

3.9 It is important to note that, due to an increase in the number of Special School commissioned places, if the proposals are approved, the overall budget for Special Schools will remain broadly similar in 2019-20 as in 2018-19. The Council will continue to carefully monitor expenditure against the In-Year Fair Access Budget throughout the year.

Supporting information

4.1 **The Budget Process**

4.2 The budget process is an ongoing process which engages officers, members and the public on a cyclical basis to continuously update the medium term position of the Council once new information becomes available. This includes funding projections and any emerging pressures and savings.

4.3 The budget strategy was approved by Cabinet on 18 July 2018. A subsequent update to the Medium Term Financial Plan Cabinet report on 24 October 2018 approved the early progression of some operational savings and early consultation on further savings to enable savings optimisation from the beginning of the next financial year.

4.4 On 12 December 2018 Cabinet approved further proposals that required consultation to balance the budget for 2019/20. The findings of the consultation process and any further changes as a result of updated information including the 6 December 2018 provisional funding settlement have been incorporated into this budget setting report where appropriate.

4.5 The budget strategy approved by Cabinet 18 July 2018 outlined a number of key principles which would be applied and explored during the budget development stage prior to consultation. These were:

- A draft proposal to raise council tax by 2.99% in order to protect, as far as possible, services for the most vulnerable. The Government introduced the option to charge an additional levy on council tax by authorities with social care responsibilities which gave us the option to apply an additional 1% levy, over the 2% threshold, to help fund the rising cost of social care.
- Savings have been delivered from the Council's Treasury Management function and we will continue to optimise our cash management in order to identify further prudent savings where we can. The Council has substantial sums both borrowed and invested and therefore continually monitors the associated risks and opportunities. The review of Treasury Management will continue including debt profiling opportunities, arising from changes in market conditions, and the level of provision made to repay maturing debt.
- The Council already works with other authorities, public sector, NHS and private organisations on a range of activities. Opportunities to work more closely with these organisations to achieve shared outcomes, share costs and expertise and generate efficiencies will continue to be pursued.
- The Council has faced financial constraints in recent years; however the 2019 / 20 Budget and Medium Term has been able to afford financial growth to be able to fund the ‘New’ Assembly Rooms redevelopment and the proposed development of a new swimming pool complex on the Moorways site

- The financial landscape facing the Council continues to be challenging due to the forecast cuts in Government funding and increasing local demographic pressures. The Council will endeavour to close the current funding gap by delivering existing savings and continuing to identify new efficiencies. Where additional savings and reductions are required, we will continue to look for ways to protect the statutory services it delivers to the most vulnerable members of our community. We are to carry out a thematic review of particular service areas in the next budget planning process including:

    1. Procurement and Commissioning
    2. Income generation
    3. Demand management
    4. A more commercial approach to delivery of services
    5. Organisational structures and agency and overtime payments.

4.6 As part of the budget planning process, a series of Budget Challenge meetings were held between Cabinet and Chief Officers during the Summer and Autumn of 2018 to challenge base budgets, scrutinise budget savings, pressures and funding forecasts.

4.7 A detailed consultation exercise on the Budget proposals has been carried out between 13 December 2018 and 24 January 2019 with Councillors, key stakeholder groups, members of the public, Trade Unions and the business community. A separate consultation process was also undertaken by the Peoples directorate between 09 November 2018 and 01 February 2019 on the directorates proposed savings. Further details of the consultation process and feedback are included in Appendix 20. The consultation document can be found on the council's website.

4.8 There have been a number of key developments in the Medium Term Financial Plan since 12 December. A list of all proposed changes is outlined in the tables below, with the budget impact outlined at section 4.10.

Table: Changes to Budget Requirement

Changes to Budget Requirement:	**2019/20 £m**	**2020/21 £m**	**2021/22 £m**	**2022/23 £m**
Changes:				
Previous years adjustments to base	-	(0.289)	0.215	0.101
Changes to Savings:				
Peoples Directorate:				
Increased Public Health saving due to an reduction in staffing budgets to reflect a 5% budgeted turnover saving to reflect in year vacancies	(0.300)	-	-	-

Changes to Budget Requirement:	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m
Communities and Place Directorate:				
Reduction in the Neighbourhood working saving	0.035	0.085	-	-
Reduction to Review of the conservation and heritage function saving due to the recruitment of a Technical Officer/Apprentice	0.011	-	-	-
Increase saving due to further review of structures within the Traffic and Transportation Service saving	(0.020)	-	-	-
Removal of Saving: District Parking saving removed post consultation feedback		0.060		
Total Changes to Savings:	**(0.274)**	**0.145**	**-**	**-**
Changes to Pressures				
Corporate Resources Directorate:				
Increase in Corporate Revenue Contingency Budget	0.163	-	-	0.344
Peoples Directorate:				
Public Health Livewell Pressure (offset by saving above)	0.300	-	-	-
Communities and Place Directorate:				
Latest position regarding the Assembly Rooms projected revenue position	(0.172)	0.359	(0.114)	(0.269)
Updated Pay Inflation	(0.306)	-	-	-
Total Changes to Pressures:	**(0.015)**	**0.359**	**(0.114)**	**0.075**
Changes to Reserves				
Reduced use of reserves to balance budget gap	0.361	-	-	-
Use of Business Rates Levy Reserve (2018/19 funding announced in provisional settlement)	(0.871)	-	-	-
Use of Business Rates Pilot Reserve to fund Collection fund deficit affected by 100% pilot – £0.925m of Reserve to be funded from D2 element of pilot gain	(3.083)	-	-	-
Use of Business Rates Reserve to fund Collection fund deficit (overachievement in 18/19)	(1.117)	-	-	-
Adult Social Care funding included in use of reserves in December Cabinet Report, 2019/20 funding now confirmed and transferred into funding	3.109	-	-	-
Total Changes to Reserves:	**(1.601)**	**-**	**-**	**-**

Table: Changes to Funding

Changes:	**2019/20 £m**	**2020/21 £m**	**2021/22 £m**	**2022/23 £m**
Increase in Housing Benefit Admin Subsidy grant due to New methodology for allocating Housing Benefit Administration Subsidy to Local Authorities.	0.033	0.040	0.046	0.046
Business rates updated as part of four year settlement figures (final year 2019/20) as per provisional local Government finance settlement 2019/20	0.041	0.013	0.012	0.012
New Homes Bonus - updated forecast as Baseline remained at 0.04% for 2019/20 as per provisional local Government finance settlement 2019/20	0.070	0.230	0.293	0.356
Business Rates Collection fund deficit due to increase in appeals and ATM (automatic teller machines) provision	(5.656)	-	-	-
Updated Council Tax surplus forecast	0.588	-	-	-
Adult Social Care grant included in reserves in December cabinet Report - now moved in to funding as 2019/20 figures now confirmed	3.109	-	-	-
TOTAL CHANGES TO FUNDING ASSUMPTIONS:	**(1.815)**	**0.283**	**0.351**	**0.414**
Updated Council Tax Base as per Council Tax Base 16 January 2019 Cabinet Report	(0.075)	(0.064)	(0.052)	(0.039)
TOTAL CHANGES TO COUNCIL TAX FUNDING:	**(0.075)**	**(0.064)**	**(0.052)**	**(0.039)**

4.9 After taking into account all of the these changes and adjustments since the Council's four year MTFP Update agreed by Council 12 December 2018, this report shows a balanced revenue budget position for 2019/20. This is reliant on the delivery of permanent savings of £7.183m being delivered by the scheduled dates for delivery.

4.10 The table below summarises the final revisions that have been made to the 2019/20 to 2022/23 budget after receiving feedback from our consultation process and receipt of the provisional financial settlement. A year on year breakdown is provided in Appendix 19 which shows a balanced position in 2019/20, £4.843m gap in 2020/21, £2.570m gap in 21/22 and a balanced position in 22/23 (if the previous two years are met).

Table: Final changes to 2019/20 to 2022/23

Change (cumulative)	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Budget Requirement at Consultation (restated)	222.499	228.554	233.218	236.715
Previous years adjustments to base		(0.289)	0.215	0.101
Savings adjustments	(0.274)	0.145	-	-
Pressures adjustments	(0.015)	0.359	(0.114)	0.075
Change in use of Reserves	(1.601)	-	-	-
Revised Budget Requirement	**220.609**	**228.769**	**233.319**	**236.891**
Funding Available at Consultation (restated)	222.499	223.475	225.562	229.058
Change to funding assumptions	(1.815)	0.283	0.351	0.414
Change in Council Tax Income	(0.075)	(0.064)	(0.052)	(0.039)
Revised Funding Available	**220.609**	**223.694**	**225.861**	**229.433**
BUDGET GAP	**-**	**5.075**	**7.458**	**7.458**

4.11 **Resources Available**
The Council's net revenue budget, which supports Directorate services, is funded in the main from Government Grants, Business Rates and Council Tax income (which is paid by residential householders in the City).

4.12 The 2019/20 budget is based on a starting position of the latest 2018/19 budget. Base budget adjustments, to reflect the full year effect of changes approved in the existing budget strategy, along with further pressures and savings that have been identified to deliver a balanced budget for 2019/20

4.13 The Council retains 49% of Business Rates collected, and receives both a Top-Up Grant and a Revenue Support Grant from the Government, 2019/20 is the final year that this funding will be received on this basis. The Council was part of the 100% Business Rates Pilot in 2018/19 and retained 100% of Business Rates collected, but this was a one year pilot only. From 2020/21 the Government is proposing that the Council will retain 75% of their Business Rates collected and Revenue Support Grant is being abolished.

4.14 The latest financial settlement only includes firm figures for 2019/20. Whilst indicative figures for 2020/21, 2021/22 and 2022/23 have been received these will be dependent on further review. New funding changes will be implemented 2020/21 onwards (Fair Funding and Business rates). These are currently in consultation and allocations, funding formulas are not yet known. For budget planning purposes the Council have modelled future years on a continuing trajectory of reductions in line with the latest information provided by the Government.

4.15 There are a number of funding changes included in this report as summarised below:

- The Revenue Support Grant (RSG) has reduced by £6.374m in 2019/20. RSG will be phased out from 2020/21 and replaced by 75% Business Rates Retention.

- We have assumed Council Tax increases of 2.99% in 2019/20 and 1.99% in the following three years 2020/21 to 2021/22.
- The Business Rate estimates are based on the rateable values (RV) of business properties in the city. Increase in the city wide RV and the multiplier rate is estimated to generate an additional £2.272m in 2019/20.
- The allocation of the New Homes Bonus (NHB) Grant is determined by the number of new domestic properties built. However, despite anticipated housing growth, funding is forecast to decrease in future years because the Government is reducing the amount of funding available for NHB. We have been allocated £1.694m for 2019/20.
- Public Health funding has reduced by £0.509m in 2019/20; no further reductions in funding have been forecast in our MTFP beyond 2019/20.

4.16 Council Tax is calculated by reference to Band D, with Band A being 6/9 (two thirds) of Band D, and Band H being 18/9 (double) of Band D. Band A is by far the most common Band in Derby. Police and Fire increases will be added once the Council has been notified of these values.

4.17 Paragraph 2.9(e) shows the planned Council Tax by band for Derby City Council services before the inclusion of increases relating to Derbyshire Police and Fire Authorities who calculate their own Council Taxes in addition to these. Derby City Council's statutory Council Tax calculation for 2019/20 is shown in Appendix 1.

4.18 The Council's calculated Council Tax, plus the Derbyshire Police and Fire Authority amounts, will be presented to the Council on 27 February 2019 as part of the Council Tax setting report, in accordance with section 33 (1) of the Local Government Finance Act 1992.

4.19 The table below summarises the budget changes proposed to the 2018/19 base budget to arrive at the revenue budgets for 2019/20, 2020/21, 2021/22 and 2022/23.

Table: Summary Revenue Budget Position for 2019/20 to 2022/23.

	2019/20	**2020/21**	**2021/22**	**2022/23**
	£m	**£m**	**£m**	**£m**
Adjusted net opening Budget (before one-off use of reserves)	217.782	228.101	228.769	233.319
Add Inflation	5.114	3.499	3.574	3.651
Add Pressures	12.388	0.888	2.412	0.579
Less Permanent Savings	(7.183)	(3.719)	(1.436)	(0.658)
Net Budget	**228.101**	**228.769**	**233.319**	**236.891**
Less Use of Reserves	(7.492)			
Add Contribution to Reserves				
Proposed Budget Requirement	**220.609**	**228.769**	**233.319**	**236.891**
Budget Gap	**0**	**5.075**	**7.458**	**7.458**

- *2022/23 balanced budget assumes that the budget gap in years 2020/21 and 2021/22 are met.*

4.20 Directorates and Cabinet Members should plan on the basis that the budget totals included here for 2019/20 will be their working budget totals for that year and, therefore, it is very important that the savings proposals within the budget totals are implemented at the earliest opportunity. The MTFP update cabinet reports of 24 October and 12 December gave approval for early progression of some savings.

4.21 The 2019/20 budgets includes the planned use of £7.492m reserves to smooth the impact of required budget reductions. This enables reductions in budget to be delivered in a managed way.

4.22 Details of service budget strategies and key proposals for each Directorate are outlined below:

4.23 **Corporate Resources**

The Corporate Resources Directorate is managed by the Strategic Director of Corporate Resources and has a focus on ensuring robust financial and corporate governance arrangements for the Council. The Directorate also manages:

- Frontline Services – Revenues, Benefit and Customer Services.
- Finance and Exchequer Services.
- Human Resources, Legal, Procurement, Democratic, Governance & Risk and internal Audit services.
- Digital Services including the Council's Digital Strategy and Information Software Support.
- Business Support and Facilities Management.
- Property Design and Maintenance, Strategic Asset Management and Estates and Facilities Management.
- Treasury Management – Debt and Investments.

The Resources Directorate budgets, incorporates the Corporate Core which is managed by the Chief Executive. The Corporate Core manages:

- Communications, Consultation, the Programme Management Office plus Policy and Insight.

4.24 The net budget for the Directorate for 2019/20 is £41.822m, including Corporate Core. Some of these budgets are historically difficult to reduce or gain efficiencies from, including legacy pension payments and external audit fees and banking requirements.

4.25 The services within this Directorate have made significant savings since 2010. Further service savings will be delivered through service redesign including exploring the Digital Strategy Agenda which will lead to further future efficiencies in the medium term. In the medium term the Directorate will potentially need to reconfigure to meet the demands it faces but within the level of resources it will have at its disposal. A number of alternative service delivery models will continue to be explored.

4.26 This report is recommending Full Council to set a one year budget for 2019/20. For budget planning purposes the Directorate is continually reviewing these assumptions and will need to find further savings and efficiencies to help balance in the medium term.

4.27 **Peoples Directorate**

The People Services Directorate brings together Children and Young People Services and Adults and Health. The Directorate is a significant and complex service area for the Council, providing mainly statutory services to the people of Derby. The services include covering the provision of education and learning in Derby schools (and sometimes outside of Derby where specialist provision is required), specialist support including services to looked after children and care leavers, special educational needs and disabled children services, safeguarding of the most vulnerable children and adults and the associated regulatory duties.

4.28 Adult Social Care offers support services to vulnerable adults as well as information and advice about social care to the general public more broadly and to people who fund their own support. Specifically, adults' social care supports older people as the single largest group of individuals living in the city and also adults of working age with physical and mental health services. Our Public Health Team commission a range of services including sexual health services and services aimed at reducing drug and alcohol misuse.

4.29 The overall aim of the Directorate is to:

- Ensure that children achieve their full potential in school.
- Safeguard vulnerable children and adults at risk of harm.
- To provide information and advice that enables people to make positive choices about their own well-being and avoid the need for statutory support.
- Provide time-limited interventions to help people through a crisis and recover their independence.
- To empower people with long term care needs to exercise choice and control over their support to maximise their independence and enhance their quality of life.
- The assessment and monitoring of the health of communities and populations to identify health problems and priorities.
- The formulation of public policies designed to solve identified local health problems and priorities.
- To assure that all people have access to appropriate and cost-effective care, including health promotion and disease prevention services.
- To work in partnership and co-operate with other organisations and bodies to achieve positive outcomes for children and adults.

4.30 There are pressures outside of our control which are driving demand across adults and children's services and we are experiencing year on year demand for statutory services. Within adult services, the over 85s population is rising annually by 3%, coupled with the Council supporting more adults of working age with eligible social care needs. In 2017/18 there was a 10% increase in the numbers of adults of working age with severe and chronic learning and/or physical disabilities supported by adult social care. By 2030, over one quarter of the adult population of Derby shall be aged 65. In addition, Derby has the widest gap in life expectancy between the most and least deprived across the East Midlands.

4.31 We also have increased demand for early help and children's social care services, particularly the numbers of children subject to child protection plans, and latterly children coming into care, with a 41% increase in care applications in 2017/18. We have continued to see a rise in the numbers of children being admitted to care in 2018/19, and have increasing numbers of children placed in external foster placements which are more costly than placing with our own foster carers.

4.32 The Directorate is currently in the midst of a Council wide transformation programme; looking at delivering substantial efficiencies by reviewing the way that it delivers services. The Directorate is transforming its front line services which will focus on integration and early intervention; ensuring services are as efficient as possible with a focus on early support where needed. The Directorate's "customer journey" model is in place and it places an emphasis on:

- Giving good advice and information upfront so people with social care, health or housing needs, whether self-funded or state supported, can make informed decisions about the choices available to them.
- Promoting people's well-being through programmes that address smoking, obesity and excess drinking.
- Making increasing use of new technology to promote access to information, keep people safe, support people to manage their long term condition better and help our staff make more efficient use of their time.
- Making the most of people's own natural support networks and helping them build networks if they do not naturally have them.
- Developing and supporting communities to be strong and more resilient.
- Supporting people into work or closer to the world of work if that is their aspiration.
- Prevention, enablement and rehabilitation – giving people the skills to live as independently as possible and /or getting back on their feet as soon as possible after a crisis; preventing homelessness by early intervention.
- Promoting personal budgets as the mechanism by which people will access their long term care and support.
- Supporting carers and recognising carers have support needs in their own right.
- Working in partnership with residents, community groups, the faith sector, other public sector organisation and businesses to achieve the above.

4.33 The Council is keen to protect services for the most vulnerable adults, children and their families and takes its safeguarding and corporate parenting responsibilities very seriously (where children are placed in the care of the Council).

Our approach to managing budget pressures and the need for savings is to:

(i) Continue to invest in prevention, early intervention and enablement.
(ii) Reviewing decision-making to promote independence.
(iii) Sustain service levels by changing models of service.
(iv) Use effective procurement.
(v) Restructuring service functions and maximise integration with other agencies where we believe it is the right thing to do.

4.34 **Communities and Place**
The work of Communities and Place Directorate has a significant impact on Derby as a place, whether locally at a city, neighbourhood, community or individual street level or further afield to secure the best opportunities for Derby, working at a county, regional and national level.

4.35 The Directorate delivers a varied and broad range of different services to achieve local ambitions and contribute to the quality of life for all citizens in Derby. These services impact on the lives of everyone who lives works or visits Derby.

4.36 Working in partnership is essential in delivering the city and Council's ambitions and priorities. The Directorate has a strong culture of partnership engagement, collaboration and working. Key partners include local communities, neighbourhoods, voluntary sector organisations, local businesses and contractors as well as other public sector organisations and national and regional bodies.

4.37 The Directorate has a responsibility for developing and implementing key strategic plans covering Economic Development, Planning, Transport, Housing, Highways, Health and Safety and Waste Management. The Directorate also provides direct services in Leisure, Arts, Culture, Waste Collection, Street Cleansing, Grounds and Highway Maintenance, Community and Regulatory services, and works closely with Derby Homes, who deliver the Council's housing management responsibilities for 13,000 council houses.

4.38 Council priorities, set out in the delivery plan, that the Directorate is responsible for delivering include refurbishing and reopening of the Assembly Rooms, building a New Swimming Pool Complex, implementing a free garden waste recycling scheme, reviewing neighbourhood working and the regeneration of key sites in the city centre and beyond. Any additional funding requirements for these priorities, will be kept to a minimum, and have been built into the budget proposals detailed in this report.

4.39 The proposed total net controllable budget for the Directorate in 2019/20 is £38.8m. This includes service pressures for 2019/20 of £1.971m and savings totalling £1.646m to be realised in 2019/20. In the four year period of the MTFP (2019/20 to 2022/23), the Directorate will be required to deliver savings of £3.2m.

4.40 In developing the savings proposals as part of the MTFP, the Directorate has identified where these additional savings could be achieved, but recognises that they will undoubtedly affect service delivery, impacting on local people, communities and organisations.

4.41 In an ongoing effort to help deliver savings, minimise costs and deliver efficiencies, the Directorate is continuing to prioritise areas of statutory responsibility and consider the statutory minimum requirements. It is also continuing to ensure that efficiency is maximised, bureaucracy is removed and frontline services are protected as far as possible.

4.42 Savings have been proposed in a number of areas across the directorate and are largely related to achieving efficiencies in the way we deliver services, reviewing fees and charges across all of the functions, providing a continued focus on enforcement activities to improve the quality of life across the city and in neighbourhoods and identifying advertising and sponsorship opportunities to help protect some services, especially local non-statutory services that are important to local communities.

4.43 In addition, the Directorate also continues to work at a regional and sub-level with the public sector and other local authorities in particular. The Directorate will pursue opportunities through the established D2N2 LEP, the emerging regional Strategic Alliance and the developing Derby-Nottingham Metro Strategy, exploring ways to deliver services in different ways and maximising any opportunities to bring in external funding to the benefit of Derby.

4.44 As in all budget processes, prioritisation is a key requirement. Within Communities and Place this prioritisation reflects the need to deliver statutory services and also seeks to protect frontline services as far as possible. Services continue to develop and minimise costs through increased efficiency and transformation. Work will also be carried out to look at commercialisation of more areas of our work with the aim of generating surpluses to help support the budget position and the resilience of the service.

4.45 **Derbyshire Business Rates One Year Pilot and Reserve**
Eleven business rates authorities (including Derby) within the county of Derbyshire have been in the 100% Derbyshire Business Rates Pilot in 2018/19. Approval from Government was given on the basis of Derbyshire being a good pilot in a two-tier authority area which would be helpful on a proof of concept basis, to enable the Government to develop its Business Rate ambitions.

4.46 The pilot was for one year and enabled each authority to retain a higher proportion of its business rates (in the case of Derby City Council share 99%) however the Revenue Support Grant (RSG) was no longer allocated to the Council for the duration of this pilot.

4.47 Any final dividend from the pilot is to be allocated on the basis of 70% to be retained by each authority and 30% to be allocated to D2 and 'ring fenced' to support economic growth in the country.

4.48 Initial modelling estimated the gain to Derby City Council at circa £6.6m with final figures available once the NNDR3 return has been completed and audited (Estimated August 2019). The pilot gain is not without risk as there are several factors which can affect the final business rates retention to an authority and whilst we can retain 100% of the reward we also retain 100% of the risk on the gain.

4.49 In November 2018 the Court of Appeal has delivered a judgement in favour of retailers seeking to avoid ATM sites being treated as separate property units for business rates purposes. In Derby's case this has contributed to higher than anticipated appeals provision requirement together with unoccupied property relief being higher than anticipated (which is not funded from Central Government) which will reduce the originally modelled gain from being in the Business Rates Pilot.

4.50 The original early estimate for Derby is an increase of 'one off' funding in 2018/19 of circa £6.6m will potentially be reduced to circa £4.5m to take into account updated assumptions and this potential use of reserves is included in this latest iteration of the MTFP.

4.51 Any final adjustments to the gain and therefore reserve will be delegated to the Strategic Director of Resources.

4.52 **Corporate Contingency Transfer to Reserves**
The Council's current strategy is to use our temporary cash resources such as reserves, balances and cash flow to fund our borrowing requirement known as internal borrowing. Once our internal borrowing capacity is used we would have to externally borrow which will incur interest costs that form part of the Treasury Management revenue costs. The extent of reserves and balances held and actual cash flows are volatile and difficult to forecast.

4.53 The further revenue costs associated with Treasury Management are also affected by a number of factors including movements in interest rates, the timing of capital spending, which again can be volatile. There is current future expected need to borrow and it is recommended that £1m of the Corporate Contingency budget is transferred (in the medium term, £1m a year for the next 4 years in the first instance) to the Treasury Management reserve to finance borrowing requirements and in the capital programme in the medium term.

4.54 To delegate approval to the Strategic Director of Corporate Resources to make transfers and use this reserve as appropriate.

4.55 **Budget Equality Impact Assessments**
The Council has to ensure it pays due regard to the Public Sector Equality Duty during the budget planning process. In order to understand whether the budget proposals will have an adverse impact on any particular group of people or could result in direct or indirect discrimination, we complete Equality Impact Assessments – EIA's. These EIA's follow the guidance drafted by the Equality and Human Rights Commission.

4.56 We have completed an initial budget EIA and subsequently undertook a detailed screening process of all pressures and savings proposals identified as part of the 2019/20 budget setting process. This screening focuses on both financial and service factors to determine whether specific equality impact assessments were required. For the financial assessment a significance level or £0.200m as a nominal figure has been used. All relevant EIA's are published on the Council's website and have been considered as part of this report – councillors are reminded that they also need to consider the equality implications before a decision is made.
https://www.derby.gov.uk/community-and-living/equality-diversity/equality-impact-assessments/

4.57 This screening process has allowed the Council to identify key pressures and savings for which an EIA is required. The level of potential risk associated with each proposal has also been considered and all high risk areas were considered to require a specific equalities impact assessment. Lower risk proposals have been considered at a Directorate-wide level. For those service areas requiring a significant review, EIAs for specific proposals are currently being developed as part of the project planning work in each case.

4.58 The impact of some savings may affect certain groups disproportionately, given the scale of savings required and the level of existing budget supporting customers with a high level of need. However, the Council has considered the impact across all service areas and believes that the approach taken is appropriate in order to reach a balanced position.

4.59 **Delivery of the Council Plan**

Derby's partnership vision is to be a safe, strong and ambitious city by 2030, with 'closing the gap' as a specific goal (articulated in the Derby Plan and Cabinet Report March 2018). The vision, which is currently being reviewed as part of work to re-invigorate the City Leadership Board, is supported by five outcome boards where partners have agreed strategies and monitor delivery against key outcomes. The outcome boards are:

- Derby Renaissance Board
- Health and Wellbeing Board
- Children Families and Learners Board
- Safer Communities Board
- Leisure and Culture Board.

4.60 The Council Plan sets our strategic priorities which support the city vision and the outcomes we want to achieve. The Council is currently reviewing its Council Plan for 2019/20 to align with the Medium Term Financial Strategy, It is expected this will be developed over the coming months with presentation to Council Cabinet over the summer.

4.61 Considerations of the Council's Plan are reflected where appropriate in the budget plans included in this document. The Council will continue to will review and update the Council Plan in line with the budget plans and wider strategies.

4.62 **Use of Reserves**

The 2019/20 to 2022/23 budgets includes the planned use of £7.492m reserves.

4.63 The General Reserve of £10.933m has been maintained at around 4.9% of the budget requirement, including schools budgets (as at 31 March 2019). With increased risks and uncertainties with the budget it is prudent to continue with these same levels as previously maintained. A separate report assessing the robustness of estimates and adequacy of reserves held by the Council is presented as a separate agenda item to this meeting.

4.64 **Communication and Consultation**

The Council carries out consultation on its spending proposals on an on-going basis. The outcomes of many pieces of consultation have influenced what Cabinet Members and Officers have put forward as proposals in this budget. Therefore, when the Council budget proposals are made public each year, maximum effort goes in to communicating the proposals. We also carry out a detailed consultation process with Councillors through the Council's Scrutiny Boards and the meetings with statutory bodies including the Trade Unions and business community.

4.65 This year's process included …

a. Special meeting of the Council's Overview and Scrutiny. Appendix 17 summarises the recommendations of the Boards and the Cabinet's response to them.

b. Meetings including representatives from Business Ratepayers to young people through 'Voices in Action'. Details of these meetings are included in appendices 6 and 5.

c. Publishing of all relevant budget proposal information on the Council's website.

d. Meetings and forums with stakeholders potentially affected by the People Services proposals.

4.66 A summary of feedback of responses from the public is included in Appendix 20. The Council will continue to speak to interested parties and the public and business community to mitigate the impact of the savings which have to be applied. These conversations will be on-going. Following consultation on the Budget Report that was agreed by Cabinet on 12 December 2018, Cabinet have listened to feedback and made the following change:

- Removal of District Shopping Centre Parking saving £0.060m in 2020/21

4.67 The MTFP report agreed by Cabinet on 24 October featured a number of proposals for Peoples Services which have been subject to a separate consultation which closed on 1 February 2019. These proposals included plans to make changes to a number of public health or social care services that we deliver. A summary of responses is attached at Appendix 21. Following consultation, Cabinet have listened to feedback and made the following change to the Council's budget proposals for 2019/20 to 2022/23:

- Fostering - in total 122 responses were received in relation to the proposal to look for an alternative provider to undertake the recruitment and assessment of foster carers. Whilst both the scale of savings required and appreciation of growing demand in social care services were acknowledged, there were also strong views about keeping the existing process of recruiting foster carers internal to the Council. Following careful consideration of all suggestions and reasons put forward Cabinet has decided it will not pursue alternative providers for this area of work and will seek instead to improve the existing service model to address the current barriers in recruiting and assessing more foster carers for Derby. To this end, Cabinet propose to develop a high profile corporate strategy involving all relevant services from across the whole Council to take this forward at pace.

4.68 **Management of Budget Risks**
The budget proposals in this report represent the Council's estimated revenue position for 2019/20 to 2022/23. The identified pressures and savings in future years will inevitably change as new factors give rise to different financial consequences in the course of time. Further savings will need to be identified in future years to balance the medium term financial plan.

4.69 The forecast budget for 2019/20 - 2022/23 highlights the significant levels of savings required to balance the budget in the medium term.

4.70 Although the Government's 2019/20 spending review was a provisional three year settlement further clarification is still required for 2020/21 to 2022/23. Future levels of Government funding will be dependent on the spending review taking place in the autumn of 2019.

4.71 The budget is also modelled on a level of Council Tax increase for 2019/20 of 2.99% and 1.99% respectively which may change.

4.72 The Council must take a view on the risks detailed below and make sure reserves are set aside to address these. In relation to general risks the amount attributed to services includes a best estimate of service inflation and pressures. The Reserves and Adequacy report is also included on this agenda.

4.73 The current MTFP does not balance beyond 2020/21. The level of reserves will ensure that funds are available to meet in year pressures until permanent solutions and savings can be identified in the subsequent budget process.

4.74 **Specific Risks** - there are a number of specific risks associated with the planned budget.

4.75 **Staffing Savings** - the further reduction in staffing levels in 2019/20 could have an impact on service response which will need to be managed closely. To manage staff savings vacancy control will be considered in the first instance, the deletion of vacant posts and voluntary redundancy wherever possible. Compulsory redundancy will be kept to a minimum.

4.76 **Service Savings** – with a significant volume of savings required in 2019/20 there is a risk of slippage through unforeseen delays and the timing of savings delivery. Plans within Directorates 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.

4.77 **Income** – the budget is supported by external income and services. The Council therefore need to continually develop creative plans to ensure that this level of income is sustained. Service areas have included proposals within the MTFP to increase income which further increases this risk.

4.78 **Council Tax** – collection rates in Derby are forecast at 98.2% and this will need to be continually monitored. The budget also includes a level of known and assumed growth in the Council Tax base for 2019/20, 2020/21, 2021/22 and 2022/23, which is also not without risk.

4.79 **Pensions** – given the range of changes to the future workforce profile, market performance and potential changes to the scheme, this remains as a key risk, which will need to be monitored.

4.80 **Redundancy Payments** – It is anticipated that we have sufficient reserves to finance the required one-off payments for 2019/20 however the actual impact is only known when specific details come forward, this will need to be monitored throughout the year.

4.81 **Reserves** – The balance of using and holding reserves is a risk that is regularly reviewed.

4.82 **Treasury Management** – the current financial climate impacts on our borrowing and investment strategies, which support the revenue budget and capital programmes. The Council continue to monitor these on a regular basis.

4.83 **Contingencies** – the Council holds a corporate revenue contingency budget to mitigate the potential need to borrow.

4.84 **Inflation** – Levels of inflation will continue to be monitored to assess the level of risk exposure, and how any such risks could be addressed within existing budgets.

4.85 **Retained Business Rates** – The Council has been liable to pay 49% of the cost of any successful rating appeals. In 2018/19 the Council was part of the 100% Pilot and was liable for 100% of the cost of any successful rating appeals in 2018/19. Changes to budget and large appeals cause fluctuations in level of income the Council collects. The current provision to pay for appeals is £7.942m; the risk is that this provision may not be enough.

4.86 **Further Opportunities and Risks**
The current budget proposals show a balanced revenue budget position for 2019/20. With a legal requirement to set a balanced budget for 2019/20 this position is reliant upon delivering permanent savings of £7.183m during 2019/20 and the Council will face significant challenges in ensuring that these targets are met. The future outlook remains uncertain. The impact of moving to a 75% retained business rates system by 2020/21 is still being developed nationally. In all formula changes there are winners and losers across local authorities and this remains a concern.

4.87 **Future Outlook**
Brexit and the future of Social Care bring uncertainty to the National financial outlook as a whole, which could have significant impact on both the Councils funding, but also spending. The MTFP will be updated as certainty becomes clearer.

4.88 The Government has recently announced that they are committed to ensuring councils have the support and funding to prepare for an orderly exit from the EU and do appropriate contingency planning and Council's will receive funding of £0.210m to be transferred to reserves, whilst plans are drawn up to help fund additional planning and capacity.

4.89 Pressures, including inflation are predicted to continue to increase beyond 2020/21 whilst funding continues to fall. The current MTFP is not balanced in future years. Further savings of £5.873m have been identified and early indications are that there is a funding gap of £7.413m across the three year period 2020/21 to 2022/23.

4.90 **Development of Capital Programme**
In January 2018, Council approved a capital programme for the period from 2018/19 to 2020/21 with 2019/20 and 2020/21 as indicative allocations only. This provisionally allocated corporate resources available in order to meet significant investment needs for service improvement.

4.91 The Council's budget strategy report for 2019/20 was agreed by Council on 24 January 2018, and included details of the Council's proposed approach to development of the capital programme. Following adoption of this strategy, the proposed capital programme has been developed using the following methodology:

- The inclusion of the indicative funded programme for 2019/20 & 2020/21.
- The addition of a 2021/22 programme funded through Government grants, Single Capital Pot, S106, Major Repairs Allowance and Capital Receipts.

- The strategy previously assumed no new borrowing for future years, apart from the proposed New Swimming Pool Complex. Borrowing has been utilised on schemes of an enhancement nature in order to allow for borrowing costs to be spread over a longer life and with Single Capital Pot (SCP) funding being switched to be used on shorter term asset lives.
- No further new bids added apart from those which are self-funded or rolling programmes for transport, schools and the Housing Revenue Account.
- Addition of the council's priority for the contribution to the new enhanced assembly rooms funded from Council resources.

4.92 The Quarter 2 monitoring report agreed by Cabinet on 14 November 2018 was used as the basis for the indicative 2019/20 – 2020/21 capital programme planning. This has since been revised with all of the amendments approved at further Cabinets since this date including the Quarter 3 capital monitoring report approved at 13 February 2019 Cabinet.

4.93 The table below summarises the final revisions that have been made to the 2019/20 to 2021/22 capital programme since the consultation process and includes all cabinet changes and updated funding assumptions.

Table: Final changes to 2019/20 to 2021/22 capital programme since the Consultation process.

Change (cumulative)	**2019/20 £m**	**2020/21 £m**	**2021/22 £m**
Capital Programme Consultation	122.4	102.7	59.2
Changes due to slippage/re-profiling/reallocations from Q3	37.62	1.76	2.66
Increase in the New Swimming Pool Complex	4.907	5.197	0.595
Addition of Cathedral Green	4.109	4.856	-
Addition of project Mulberry	8.511	10.789	-
Addition of unallocated maintenance funding HRA	-	-	1.050
Addition of Energiesprong Partnership	-	0.900	-
Addition of Milestone House Refurbishment	0.380	-	-
Addition of Garden Waste Refuse vehicles	1.520	-	-
Addition of Brackensdale Infant & Junior - Expansion	1.550	-	-
Revised Capital programme	**181.0**	**126.2**	**63.5**
Funding Available at Consultation	122.4	102.7	59.2
Changes due to slippage/re-profiling/reallocations from Q3 (Various)	37.62	1.76	2.66
Additional self-financed borrowing	12.62	15.645	-
Additional corporate borrowing for the New Swimming Pool Complex	4.907	5.197	0.595
Additional Service Financed borrowing for the Garden Waste Refuse Vehicles	1.520	-	-
Additional S106 Brackensdale Expansion	1.550	-	-
Additional MRA for HRA maintenance			1.050
Additional RTB receipts and external contributions for Milestone House	0.380	**-**	**-**
Additional Government Grant and MRA for Energiesprong	-	0.900	**-**
Revised Funding Available	**181.0**	**126.2**	**63.5**

4.94 The provisional capital programme 2019/20 to 2021/22 was developed by the Council's Corporate Capital Programme Board (CCPB) in conjunction with Chief Officer Group and Council Cabinet.

4.95 **Major Schemes Update**

The A52 Wyvern Transport Improvements

The indicative programme includes further expenditure for the A52 transport improvements as reported to Cabinet September 2018, there were a number of issues identified with the original scheme design. The project team is now at an advanced stage in the resolution of outstanding issues and completion of the updated detailed design, with a view to developing a final scheme cost estimate, with construction costs and programme provided by the contractor.

4.96 The Improvements are designed to provide significant highway benefits on a congested part of Derby's principal road network. The scheme will improve road safety and reduce congestion and delays to transport accessing and egressing Wyvern / Pride Park from and to the A52, and to traffic using the A52 into Derby. The design also provides for new and improved access for sustainable transport modes and supports wider economic growth in Derby.

4.97 **Enhanced Assembly Rooms**

The revised capital programme now includes a scheme for the refurbishment of the Assembly rooms. Council cabinet approved the project in December including essential repairs and a series of enhancements to the building to improve its look and feel. The aim is to commence construction in September 2019 with a target date of opening the venue of Autumn 2020.

4.98 **New Swimming Pool Complex**

The revised programme includes the budget for a new Swimming Pool Complex with enhanced leisure water at Moorways. Currently the original scheme is at Royal Institute of British Architects (RIBA) Stage 4. Costs are currently more than the original construction budget and the Council continue to work with Mace, Bowmer & Kirkland and the design team to reduce the costs. The enhanced leisure water is at RIBA Stage 1 and the programme includes an indicative cost. Should the Council proceed with the new Swimming Pool Complex with enhanced leisure water then construction will not commence until this is at RIBA Stage 4, planning approval is obtained and delegated approval to commence to part 3 has been provided.

4.99 **Capital Strategy**

A new capital strategy is required under the prudential code and introduced in 2017 edition of the code. Authorities are required to produce this annually as part of the revenue, capital and balance sheet planning. The capital strategy demonstrates that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long term context in which capital expenditure and investment decisions are made and give due consideration to both risk and reward and the impact on achievement of priority outcomes. The capital strategy can be found at Appendix 11.

4.100 **New Allocations**
The Corporate Capital Programme Board received a number of requests for new capital schemes from Directorates, for 2019/20 to 2021/22. Rolling programmes attracting their own funding totalled £39m and extended the existing programme, allocating indicative annual funding in 2021/22 for Children and Young People the Housing Revenue Account and Highways.

4.101 Details of the finalised proposals for new capital schemes were included for Public Consultation between 13 December 2018 and 24 January 2019.

4.102 Further detailed updates on specific programme areas, as well as confirmation of funding allocations, for; Regeneration, Property Maintenance, Schools, Highways and Housing, will be reported to future Cabinet meetings. These will allocate funding to individual schemes within these areas and outline the objectives for the year.

4.103 Major projects are run using the Prince 2 methodology and carry individual risk registers. All risk implications are reported and monitored on a monthly basis at the appropriate Board.

4.104 **Funding**
The capital programme is financed from several resources, which are defined in Appendix 7.

4.105 All of the capital allocations for the Single Capital Pot (Supported Capital Expenditure Capital through Government grant allocations which are not ring-fenced) have not been received at the time of writing this report. Where confirmations of allocations have not been received, the previous year's allocations have been used. The programme will be amended if appropriate once these become available.

4.106 Broad levels of funding have been allocated to asset groups such as highways and schools. Detailed priority setting will follow to allocate this funding to specific schemes. This will be ultimately managed by the Corporate Capital Programme Board.

4.107 **Capital Receipts**
Only those capital receipts that have already been received have been added to the programme. Capital receipts for the years 2020/21 and 2021/22 are indicative and will be dependent on the success of future sales. Therefore the need to revisit the funding position for those years utilising receipts will need to be revisited during the future years MTFP setting. Any future capital receipts will be retained and held in a corporate reserve for allocation across the programme to those areas not attracting their own funding sources in accordance with the revised capital receipts policy with the exception of schools Our City our River and regeneration receipts as specified in the policy. This ensures best use of corporate resources across the different asset categories, e.g. capital receipts would be applied against the ICT programme as these are short life assets that mean it would be less cost effective to borrow for these types of assets.

4.108 **S106 Contributions**

It was agreed through the S106 working group that any allocation of S106 monies would be reported to Cabinet during the year to inform members what specific contributions are intended to be used for. Any in year allocations are reported through the monthly Compliance with Contract and Financial Procedure Rules reports, and quarterly Capital Monitoring reports, as they arise. The table below outlines the additional S106 contributions allocated in this report.

Additional S106 Allocations

Strategy Area	Scheme	Developer	Ward	£m	S106 ref no
Schools	Brackensdale Infants and Junior expansion	Kier Homes	Littleover	1.550	Mank 2-10

4.109 **Balancing the Programme**

The level of funding available is sufficient to support the existing programme.

4.110 **Borrowing**

The proposed programme includes total borrowing of £140.773m over the three years. New borrowing has been programmed to contribute to the build of a New Swimming Pool Complex over the next three years totalling £42m. In addition new service financed borrowing (through internal loans from working capital) has been added for two new regeneration schemes; Cathedral Green (provision of city centre office space) and project Mulberry (provision of industrial space on Infinity Park). The revenue budget also presented to this meeting includes the borrowing requirements.

4.111 This will be monitored closely and revised accordingly in future budget processes. The revenue implications of any additional borrowing will be reflected in the following year, i.e. the 2019/20 programme will require treasury management budget in 2020/21.

4.112 The proportion of the existing three year capital programme funded from borrowing is 29.2%. The proportion funded from borrowing for the next three years programme is 38.0%. A detailed breakdown of all projects forecast to be borrowed for can be found at Appendix 8.

4.113 **Proposed Capital Programme 2019/20 to 2021/22**

The overall proposed summary capital programme for 2019/20 to 2021/22 is £371m. A more detailed summary is presented in Appendix 7. The total includes slippage from the 2018/19 programme, the detail of which can be found in the separate Quarter 3 capital monitoring reported at 13 February 2019 Cabinet.

4.114 In addition to corporate borrowing, allocations of additional prudential borrowing can be made available to support additional capital schemes on a self-financing basis. Spend-to-save schemes are those where the financing cost of the capital investment is matched or exceeded by direct revenue savings. Other self-financing borrowing may occur where financing costs are funded by contributions from existing core revenue budgets. In both cases, there is a need for a revenue budget transfer from specific service department budgets to the corporate Treasury Management budget to fund these schemes.

4.115 Appendix 8 also sets out details of the prudential borrowing that has been approved for future years. This is in addition to those in progress in 2018/19.

4.116 More schemes are expected to be brought forward for approval during the year. Self-financing schemes can be approved at any point in the financial year, on a case-by-case basis, as they are not competing for limited corporate funding. Departments are being encouraged as part of service savings option appraisals to consider the use of self-financing unsupported borrowing to re-shape service delivery. The Corporate Capital Board is considering property solutions and opportunities as part of the property review programme.

4.117 Subsequent reports will be brought to Cabinet during the course of the year where block allocations have not been fully allocated to individual schemes. The programme for 2020/21 and 2021/22 remains indicative, with no future commitment beyond 2019/20 (other than those contractually committed) until the 2020/21 budget is agreed.

4.118 **Revenue Implications**
The cost of unsupported borrowing in the revenue budget is dependent on the profiled spend in each financial year and the useful economic life of each capital asset being funded. The revenue costs of the proposed capital programme have been included in the revenue budget within this report.

4.119 A revenue budget provision to cover lifecycle and on-going maintenance costs should be provided from departmental revenue budgets for all schemes in the capital programme, where relevant. The availability of such revenue budgets for capital schemes will need to be confirmed before capital schemes can commence.

4.120 The revenue budget provision for the current Medium Term Financial Plan includes sufficient treasury provision for the treasury management function including additional borrowing requirements.

4.121 The revenue implications of the 2019/20 programme which are programmed as borrowing will create a revenue pressure in the form of MRP (Minimum Revenue Provision) in 2020/21 as there is a one year time lag before the revenue consequences need to be taken into account within the Revenue Budget (provided the scheme has been completed within the financial year.

4.122 **Minimum Revenue Provision (MRP)**
The Council is required to declare its Minimum Revenue Provision (MRP set aside for the repayment of debt) Policy each year. 2019/20 policy is detailed at Appendix 9.

4.123 **NEXT STEPS**
The full capital programme will be considered for approval by Full Council on 27 February 2019. Subsequent to these decisions:

- For block programmes, approval will be needed to the content of programmes, where this is not set out in the initial programme. This will include the Local Transport Plan, Regeneration programme, the Schools programme, the Property programme and the HRA programme details of which will be reported to Cabinet in February/March 2019.

4.124 **Treasury Management**
Treasury Management is the management function of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore 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 financial risk are therefore central to the Council's prudent financial management.

4.125 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code).

4.126 In addition, the Ministry of Housing Communities and Local Government (MHCLG) issue Guidance on Local Authority Investments. The guidance requires the Council to approve an investment strategy before the start of each financial year. In February 2018 revised guidance was issued. The main change to the guidance was that investment held for service purposes or for commercial profit are now included. These changes are considered in a separate investment strategy report.

4.127 The Treasury Management position is influenced by the Council's capital plans and their funding. These capital plans provide a guide to the borrowing need of the Council, requiring longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

4.128 **External Context**
The information relating to the overall global position of the UK financial markets is provided by the Council's Treasury Management Advisers, Arlingclose. They continue to update the Council with information including on-going market activity surrounding inflation, interest rates and the banking sector.

4.129 **Economic background**
The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20.

4.130 UK Consumer Price Inflation (CPI) for October was up 2.4% year on year, slightly below the forecast and broadly in line with the Bank of England's November Inflation Report. The most recent labour market data for October 2018 showed the unemployment rate edged up slightly to 4.1% while the employment rate of 75.7% was the joint highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.3% as wages continue to rise steadily and provide some pull on general inflation. Adjusted for inflation, real wages grew by 1.0%, a level still likely to have little effect on consumer spending.

4.131 **Credit outlook**

The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ring fencing legislation. Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ring fenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ring fenced banks generally being better rated than their non-ring fenced counterparts.

4.132 European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.

4.133 **Interest rate forecast**

Following the increase in Bank Rate to 0.75% in August 2018, Arlingclose are forecasting two more 0.25% increases during 2019 that will take official UK interest rates to 1.25%. The Bank of England's Monetary Policy Committee (MPC) has maintained expectations for slow and steady rate rises over the forecast horizon. The MPC continues to have a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider both that ultra-low interest rates result in other economic problems, and that higher Bank Rate will be a more effective policy negotiating tool should downside Brexit risks crystallise when rate cuts will be required.

4.134 The UK economic environment remains relatively soft, despite seemingly strong labour market data. Arlingclose's view is that the economy still faces a challenging outlook as it exits the European Union and Eurozone growth softens. While assumptions are that a Brexit deal is struck and some agreement reached on transition and future trading arrangements before the UK leaves the EU, the possibility of a "no deal" Brexit still hangs over economic activity. As such, the risks to the interest rate forecast are considered firmly to the downside.

4.135 Gilt yields and hence long-term borrowing rates have remained at low levels but some upward movement from current levels is expected. 10-year and 20-year gilt yields are forecast to remain around 1.7% and 2.2% respectively over the interest rate forecast horizon, however volatility arising from both economic and political events are likely to continue to offer borrowing opportunities.

4.136 A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix 12.

4.137 For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.60%. This is based on the forecast average rate of return on investments expected to be achieved in 2018/19. This is consistent with Arlingclose's forecast for the 3 month LIBID rate with downside risk for 2019/20 which is for it to remain at a similar rate to 2018/19. No new long term borrowing has been assumed.

4.138 **Local Context**
As at 31 December 2018, the total debt portfolio of the Council (including HRA debt) was £447.774m offset by investments of £81.307m resulting in an overall net debt position of £366.467m. This is set out in further detail at Appendix 13.

4.139 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

4.140 The table below sets out the position as at 31 March 2018 from analysing the balance sheet and forecasts futures changes.

Table: Balance Sheet Summary and Forecast

	31/3/18 Actual £m	31/3/19 Estimate £m	31/3/20 Forecast £m	31/3/21 Forecast £m	31/3/22 Forecast £m
General Fund CFR	404.5	407.2	449.2	493.0	511.9
HRA CFR	231.4	231.7	231.7	231.7	231.7
Total CFR	**635.9**	**638.9**	**680.9**	**724.7**	**743.6**
Less: Other debt liabilities	(95.8)	(91.7)	(87.9)	(85.9)	(82.9)
Borrowing CFR	**540.1**	**547.2**	**593.0**	**638.8**	**660.7**
Less: External borrowing	(363.2)	(351.8)	(340.2)	(339.0)	(338.3)
Internal (over) borrowing	**176.9**	**195.4**	**252.8**	**299.8**	**322.4**
Less: Usable reserves	(239.0)	(235.5)	(213.2)	(199.3)	(194.8)
Less: Working capital	(37.1)	(44.5)	(64.5)	(64.5)	(64.5)
Investments (or New borrowing)	**99.2**	**84.6**	**24.9**	**(36.0)**	**(63.1)**

4.141 The Council has an increasing CFR due to the future planned unfunded capital programme, however it is forecast that this can continue be met internally through usable reserves, working capital and reducing investments in 2019/20. By the end 2020/21 it is forecast there will be a need to borrow and this borrowing need will increase in 2021/22. The associated costs for this level of borrowing have been provided for in the Medium Term Financial Plan.

4.142 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The balance sheet summary table above shows that the Council expects to comply with this recommendation during 2019/20.

4.143 **Liability benchmark**
To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest level of borrowing the Council would be required to have to enable cash and investment balances to be kept to a minimum level of £20m at each year-end to maintain sufficient liquidity but minimise credit risk. This assumes the same forecasts as in the balance sheet summary table above.

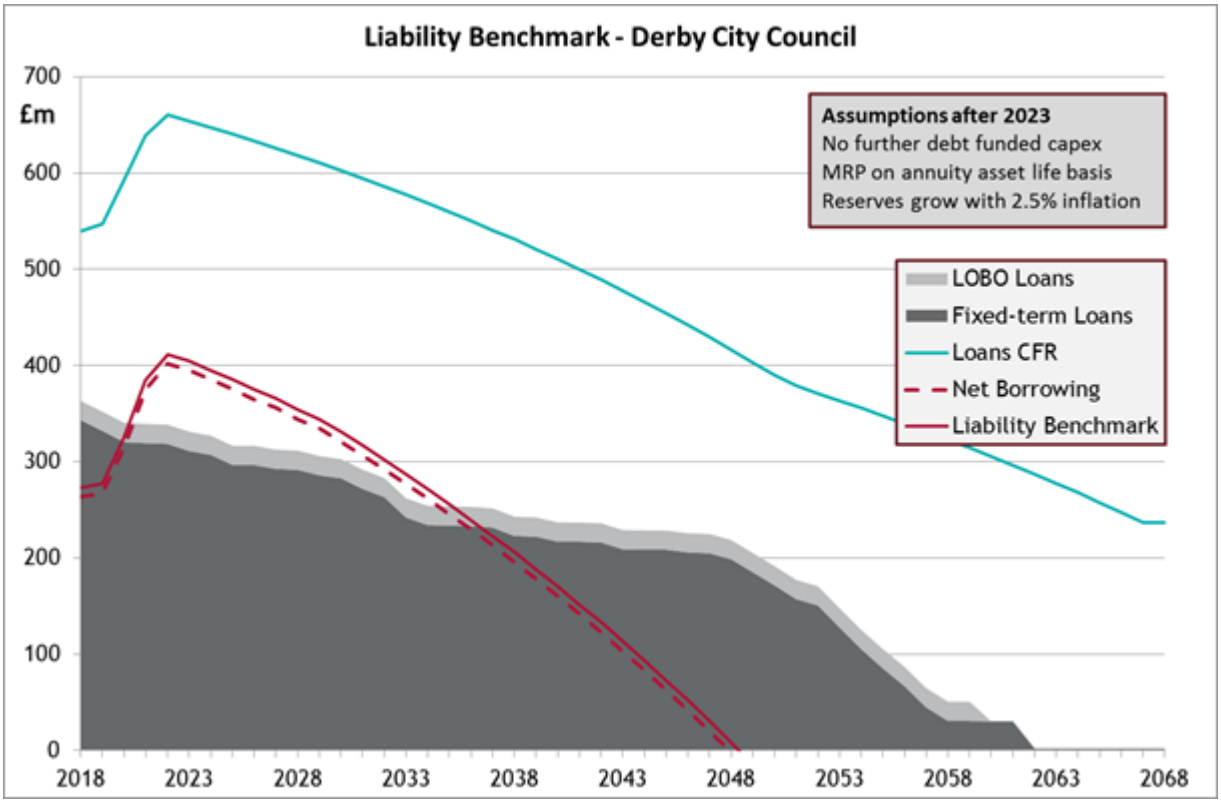
4.144 **Table: Liability benchmark**

	31/3/18 Actual £m	31/3/19 Estimate £m	31/3/20 Forecast £m	31/3/21 Forecast £m	31/3/22 Forecast £m
Borrowing CFR	540.1	547.2	593.0	638.8	660.7
Less: Usable reserves	(239.0)	(235.5)	(213.2)	(199.3)	(194.8)
Less: Working capital	(37.1)	(44.5)	(64.5)	(64.5)	(64.5)
Plus: Minimum investments	20.0	20.0	20.0	20.0	20.0
Liability Benchmark	**284.0**	**287.2**	**335.3**	**395.0**	**421.4**

4.145 Following on from the medium-term forecast in the liability benchmark table above, the long liability benchmark, which forecasts the Authority's need to borrow over a 50 year period is shown in the chart below. The benchmark assumes the following from 2018/19 to 2021/22:

- capital expenditure funded by borrowing of £136m
- Minimum Revenue Provision on new capital expenditure based on the Council's MRP policy
- decrease in reserves of £44.2m
- existing loans of £24.9m being repaid
- increase in working capital if £27.4m
- income, expenditure and reserves all increase by 2.5% inflation a year

4.146



4.147 The gap between the loan CFR and external borrowing represents internal borrowing. The gap between net borrowing and external borrowing represents the level of investments held. The liability benchmark takes into account a level of cash required to meet our liquidity needs, represented by the gap between net borrowing and the liability benchmark. If the liability benchmark rises above external borrowing this shows a need to borrow.

4.148 **Treasury Management Strategy - Annual Borrowing Strategy**
The Council currently holds £352.133m of loans, as part of its strategy for funding previous years' capital programmes. This is a decrease since the 31 March 2018, due to principal being repaid in year on annuity loans and a £10m Local Authority Loan maturing without replacement. The balance sheet table shows that the Council does not expect to need to borrow in 2019/20. The Council may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £854m.

4.149 The Council's chief consideration when borrowing money will be to strike an appropriate balance in terms of risk between securing low interest costs and achieving cost certainty over the period which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

4.150 The Council's borrowing strategy is also designed to address the key issue of affordability, especially given current restrictions to local authority funding, without comprising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

4.151 By doing so, the Council is able to reduce net borrowing costs (despite forgone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Our Treasury Advisers will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

4.152 The Council may arrange forward starting loans during 2019/20, where the interest rate is fixed in advance, but the cash is received later. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

4.153 The Council may borrow short-term loans to cover unplanned cash flows shortages.

4.154 The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- Any other UK public sector body
- Any institution approved for investments (see below)
- Any other bank or building society authorised to operate in the UK

- UK public and private sector pension funds (except our local Derbyshire CC Pension Fund)
- Capital market bond investors
- Special purpose companies created to enable local authority bond issues (Municipal Bonds Agency)

4.155 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Private Finance Initiative
- Sale and leaseback

4.156 The Council has previously raised the majority of its longer term borrowing from the PWLB. The Council continues to investigate other sources of financing and re-financing, both long and short term which may be available at more favourable rates and returns.

4.157 **Municipal Bond Agency**
UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet.

4.158 **LOBOs**
The Council holds £20m of LOBO (Lender's Option Borrower's Option) loans from the Royal Bank of Scotland. These are loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The options on the existing LOBO's are not due until 2020/21. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so. The option to take out new LOBO's is not part of our Treasury Management Strategy.

4.159 **Short-term and Variable Rate loans**
These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

4.160 **Debt Rescheduling**
The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

4.161 **Capital Market/Bond Funding**

There are different structures that can be obtained through the capital markets. Such as deferred bonds, CPI linked bonds, fixed rate bonds. This borrowing option would be evaluated with the support of the Treasury Advisors and would be the subject of a separate report to Cabinet.

The following includes issues that will be considered prior to undertaking any external borrowing:

- affordability
- maturity profile of existing debt
- interest rate and refinancing risk
- borrowing source
- internal cash balances
- borrowing need.

4.162 **Capital Market/Bond Funding**

There are different structures that can be obtained through the capital markets. Such as deferred bonds, CPI linked bonds, fixed rate bonds. This borrowing option would be evaluated with the support of the Treasury Advisors and would be the subject of a separate report to Cabinet.

4.163 **Treasury Management Strategy - Investment Strategy**

At 31 December 2018, the Council held £81.307m of invested funds in counterparties and institutions, as advised by our Treasury Advisors. In the past 12 months, the Council's investment balance has ranged between £71m and £129m. Lower levels are expected to be maintained in the forthcoming year, in line with the forecast capital expenditure funded by internal borrowing, reserves and capital receipts expected in the remaining months of 2018/19 and 2019/20, which will reduce the cash balances available for investment.

4.164 The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest interest return or yield. The Council's objective when investing money is to strike a balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

4.165 **Negative interest rates**

If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

4.166 **Strategy**

Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to invest surplus cash in short- fixed term deposits with other Local Authorities, as they are not subject to bail-in, and there is an insignificant risk of insolvency. Short term money market funds are also used as these diversify risk and have instant access. There is minimal use of unsecured bank deposits. This represents a continuation of the strategy adopted in previous years.

4.167 **Business models**

Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

4.168 **Recommended Counterparties**

The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Table: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£5m 5 years	£10m 20 years	£10m 50 years	£5m 20 years	£5m 20 years
AA+	£5m 5 years	£10m 10 years	£10m 25 years	£5m 10 years	£5m 10 years
AA	£5m 4 years	£10m 5 years	£10m 15 years	£5m 5 years	£5m 10 years
AA-	£5m 3 years	£10m 4 years	£10m 10 years	£5m 4 years	£5m 10 years
A+	£5m 2 years	£10m 3 years	£5m 5 years	£5m 3 years	£5m 5 years
A	£5m 13 months	£10m 2 years	£5m 5 years	£5m 2 years	£5m 5 years
A-	£5m 6 months	£10m 13 months	£5m 5 years	£5m 13 months	£5m 5 years
None	£1m 6 months	n/a	£10m 25 years	£1m 5 years	£5m 5 years
Pooled funds	The lower of 0.5% of the fund size or £8m				

This table must be read in conjunction with the notes below

4.169 **Operational bank accounts**
The Council's operational bank account is currently provided by Lloyds Bank. The maximum balance held in the operational bank account will be £15m for ease of operation due to the inclusion of Derby Homes balances.

4.170 **Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external credit ratings. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account. Types of investments are detailed in Appendix 14.

4.171 **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Council's Treasury Advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

4.172 **Other Information on the Security of Investments**
The Council recognise that credit ratings should not be the sole determinant of the quality of an institution. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

4.173 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

4.174 **Investment Limits**

The Council's revenue reserves available to cover investment losses are forecast to be £101m on 31st March 2019. In order that no more than 10% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table: Investment Limits

Provider	**Cash Limit**
The Councils Banking Provider - Lloyds	£15m
Any single organisation, except the UK Central Government (excluding the operational bank)	£10m
UK Central Government	Unlimited
Any group of organisations under the same ownership	£10m per group
Any group of pooled funds under the same management	£20m per manager
Negotiable instruments held in a brokers nominee account	£20m per Broker
Foreign Countries	£10m per Country
Registered Providers and registered social landlords	£20m in total
Unsecured investments with Building societies	£10m in total
Loans to unrated companies	£10m in total
Money Market Funds (MMF)	50% of total
Real estate investment trusts	£20m in total

It should be noted that although the Investment limits table shows the maximum amount that can be held in any counterparty or group to be agreed as part of the strategy, reduced limits may adhered to in year based on the advice of our Treasury Advisors.

4.175 **Liquidity management**

The Council uses a bespoke spreadsheet for its cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and longer term cash flow forecast.

4.176 **Treasury Management – Other Items**

The CIPFA Code requires the Council to include the following additional items in its Treasury Management Strategy.

4.177 **Policy on use of Financial Derivatives**
Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

4.178 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

4.179 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

4.180 **Policy on Apportioning Interest to the Housing Revenue Account (HRA)**
On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. The allocation of loans to the HRA was below the HRA Capital Financing Requirement, meaning the HRA is under borrowed. This represents a loan from the general fund to the HRA. The rate of interest charged for the under borrowing is to be the average rate of interest of the general fund notional loans at the time of the split. The HRA currently receives interest on the average value of its reserves; the interest rate this is based on is to be the 1 month UK Government Treasury Bill interest rate to reflect a credit risk free return. Investments are credit risk free to the HRA because if any credit losses are made on investments, the credit loss cannot be charged to the HRA, they would be a general fund charge.

4.181 **Markets in Financial Instruments Directive**
The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

4.182 **Financial Implications**
The budget for investment income in 2019/20 is £0.345m, based on an average investment portfolio of £57.5m at an interest rate of 0.60%. The total budget for debt interest paid in 2019/20 is £15.131m, based on an average debt portfolio of £358m and residual transferred debt. £10.573m of this debt interest is charged to the HRA based on the average HRA debt of £231.7m. If actual levels of investments, borrowing, and interest rates differ from those forecast, performance against budget will be different, the budget is monitored throughout the year and variances are reported.

4.183 **Treasury Management Indicators**
The Council measures and manages its exposures to treasury management risks using the following indicators.

4.184 **Security**
The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Actual as at 17 Jan 2019	**Target**
Portfolio average credit score	1.72	3.00

4.185 **Liquidity**
The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available in a rolling one month period to meet unexpected payments each day, without additional borrowing.

Liquidity risk indicator	**Target**
Total cash available within one month	£20m

4.186 **Interest rate exposures**
This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	**Limit £m**
Upper limit on one-year revenue impact of a 1% rise in interest rates	**£0.145**
Upper limit on one-year revenue impact of a 1% fall in interest rates	**£0.500**

4.187 **Maturity Structure of Borrowing**
This shows the amount of fixed rate borrowing maturing in each period, expressed as a percentage of total fixed rate borrowing. This indicator is designed to be a control over having large amounts of fixed rate debt falling to be replaced at the same time, exposing the Council to refinancing risk.

The upper and lower limits on the maturity structure of fixed rate borrowing will be:

Maturity structure of fixed rate borrowing	Forecast position for 31/03/2019 (%)	Lower Limit (%)	Upper Limit (%)
under 12 months	5.93	0	10
under 24 months	8.89	0	20
under 5 years	15.41	0	30
under 10 years	18.75	0	50
under 20 years	36.81	0	70
under 30 years	46.45	0	80
under 40 years	91.59	0	95
under 50 years	100	0	100
50 years and above	0	0	0

4.188 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

4.189 **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£20m	£10m	£5m

4.190 **The Prudential Indicators**
Following the Local Government Act 2003, the Prudential Code requires that the Council adopts a set of annual prudential indicators relating to capital expenditure and treasury management. The key objectives of the Prudential Code are to ensure that the capital investment plans are affordable, prudent and sustainable.

4.191 The prudential indicators adopted by the Council relate to:

- affordability, specifically with reference to the impact of the capital programme on council tax.
- prudence, comparing actual Council borrowing with its need to borrow.
- capital expenditure, highlighting the planned expenditure of the Council and its impact on the need to borrow.
- external debt, specifying the limit determined by Council above which further borrowing is not permitted.
- Treasury management, outlining the limits relating to interest rate exposure and principal exposure on both investments and borrowing.

4.192 The Prudential Indicators 2019/20 to 2021/22 are included at Appendix 10 and demonstrate that the Council has fulfilled the objectives of the code.

4.193 **Housing Revenue Account**
The HRA is a ring-fenced vehicle to control the Council's social housing stock which is managed on a day to day basis by its subsidiary, Derby Homes Ltd, an Arms' Length Management Organisation (ALMO).

4.194 The Housing Revenue Account remains in a financially robust position due to close management and control with a balance of £47.049m at the end of 2017/18. It is able to support investment and service delivery aspirations over and above the core management, maintenance and investment requirements. The lifting of the debt cap in 2018/19 gives greater flexibility in budget setting.

4.195 The priority of the housing service is to manage, maintain and invest in the existing stock at levels agreed with tenants. The Business Plan needs to facilitate this as its key priority. However effective management of the Plan should ensure that we are able to invest in areas such as new-build and acquisition, and estate improvements.

4.196 Derby City Council owns just under 13,000 homes, of which a third are flats and two thirds are houses. Almost half the stock is made up of three bedroom houses with the balance being mainly one or two bedroom homes. There are very few larger properties, with most of these being lost through Right to Buy (RtB) sales over the years. There is a pressure on four bedroom properties and a drive to increase stock.

4.197 There are risks to the current modelling of the Plan and there are future risks to the Plan as yet un-quantified. However as indicated the HRA is currently able to support additional aspirations, which is positive and also provides a cushioning for the core service delivery should net revenues be further squeezed.

4.198 That said, there are a number of challenges the HRA faces:

- Loss of housing rental income – from 2016/17 a 1% annual rent reduction has been imposed by Government. 2019/20 is the final year where rents will have to be reduced by 1%.
- Right to Buy stock losses – sales in 2017/18 were 185, up from 176 in 2016/17 and the number of sales to 31 December 2018 is 121. Right to Buy sales reduce the rental income the Council receives and therefore impacts on future years' budgets. The Council retains an element of the proceeds from every Right to Buy sale. If these funds aren't reinvested in affordable housing stock within a three year period they must be repaid to the Government. Within current assumptions, the HRA Business Plan has the financial capacity to deliver around 400 homes over the next five years subject to site availability. The budget has been set at a level to try to ensure repayment is avoided however limited land availability may prove to be the limiting factor.
- The Roll Out of Universal Credit – although it has recently been announced that the migration of existing claimants to Universal Credit has been delayed, the current model includes an assumed increase in bad debt. Although there is reasonable certainty bad debts will increase there is difficulty in estimated the scale of the increase. A prudent budget has been set and actual debt levels will be closely monitored against this.

4.199 The key objectives the Council remains committed to:

- Providing good value for money for tenants and the Council
- Maintaining investment in council housing to the Derby Standard
- Sustaining high quality management and reactive repairs service
- Maintaining affordable rent levels
- Delivering as many additional affordable homes as possible
- Working to support broader Council initiatives and priorities

Of these key objectives, a key driver has been the delivery of affordable new homes through new build and acquisition. This is supported by the retained Right to Buy receipts and, providing the challenging targets are met, prevents repayment to Ministry of Housing Communities and Local Government (MHCLG).

4.200 **Asset Management – maintenance**
It was previously anticipated there would be a significant increase in required spending from 2022 onwards as kitchens and bathrooms replaced as part of the Homes Pride programme again come up for renewal. In order to smooth out the peaks in activity and better manage delivery, it is planned to increase the budget from £2.5m in 2018/19 to £3m.

4.201 The Estates Pride budget was reduced in 2016/17 to help manage the impact of the 1% annual rent reduction which was imposed for a four year period. It is planned to keep the Estates Pride budgets at £0.750m in 2019/20. From 2019/20 it is recommended that the HRA Estates Pride revenue budget of £0.500m is added into the maintenance fee for Derby Homes. This HRA budget is already managed by Derby Homes on behalf of the Council, with schemes agreed by the Derby Homes Operational Board. By incorporating this into the core management fee it reduces administrative processes (between Derby Homes and the Council) and consolidates procurement arrangements within Derby Homes. Schemes will continue to be agreed by the Derby Homes Operational Board.

4.202 **Asset Management – development and acquisition of new homes**
The plan for new homes is to acquire or build around 400 homes within the HRA over the next five years. There is potential to increase this now the debt cap has been removed but the current 30 year budget assumes we work within the old debt cap. There is currently greatest demand for four bedroom properties and this is where the majority of development effort will be focussed.

4.203 There is also significant demand for bespoke accommodation adapted for residents with severe physical and learning disabilities. A significant element of the development and acquisition programme is focussed upon the delivery of specialist accommodation.

4.204 The ability to reinvest Right to Buy proceeds remains welcome. In the short term funds are available to broadly replace the homes being lost. The aim is to provide sufficient additions to the property stock to ensure full use of the Right to Buys receipts, avoiding repayments to MHCLG.

4.205 It is probable that the delivery timetable will need to be extended, which raises concerns around the ability of the HRA programme to absorb receipts. The Council will need to focus more on delivery with external partners.

4.206 There is a risk of having to repay the Right to Buy receipts if acquisitions and new build volume isn't maintained. There is a three year period in which to use Right to Buy receipts and the Council faces a significant challenge if it is to meet these deadlines.

4.207 **Right to Buy Grant Funding**
The Council has the ability to use Right to Buy receipts not only for direct investment in replacement council housing but also to give grants of up to 30% of cost to providers of social housing, including Registered Providers (except those in which an Authority holds an interest in, which prevents grant being paid to Derby Homes). Such grants could be given to enhance the number of affordable homes in Derby beyond the 400 planned to be delivered by HRA. A budget of £0.840m has been set for 2019/20 as part of the Housing General Fund capital programme.

4.208 The process remains a useful option for the Council to enhance its overall delivery programme in partnership with other local providers of social housing. It is prudent to develop external funding strategies in the event that the borrowing or delivery capacity within the HRA is not sufficient to absorb the required level of RtB receipts to prevent repayment to MHCLG.

4.209 Maintenance standards will be maintained into the future. Void levels have reduced and are being maintained at normal levels (approximately 75 per month) which ensure a maximisation of income.

4.210 **Management Fee**
The proposed management and maintenance fees to be paid to Derby Homes are set out in section 4.211. There is no approved formula for the calculation of the fee payable to Derby Homes for assigned management and maintenance services. There is simply a historic methodology that has been employed.

4.211 The proposed fees for 2019/20 are outlined below.

The settlement proposes an uplift to the management fee of £0.191m, which equates to a 1.8% increase.

The settlement proposes an uplift to the maintenance fee of £0.843m, of which £0.500m relates to the delegation of Estates Pride revenue to Derby Homes to facilitate operational efficiency. Excluding Estates Pride, which is simply a technical adjustment, the £0.343m change equates to a 2.0% increase.

Management fee	**Core fee £m**	**Service Charge £m**	**Total £m**
18/19 management fee	10.126	0.291	10.417
Inflation	0.217	0.005	0.222
Living wage uplift	0.053	-	0.053
Stock loss / adjustment	(0.084)	-	(0.084)
19/20 management fee	10.312	0.296	10.608

Maintenance fee	Core fee £m	Service Charge £m	Total £m
18/19 maintenance fee	15.983	1.159	17.142
Inflation	0.359	0.116*	0.475
Stock loss / adjustment	(0.132)	-	(0.132)
Estates Pride	0.500	-	0.500
19/20 maintenance fee	16.710	1.275	17.985

***** *this includes higher than RPI inflation on grounds maintenance and communal cleaning primarily due to the impact of the National Living Wage.*

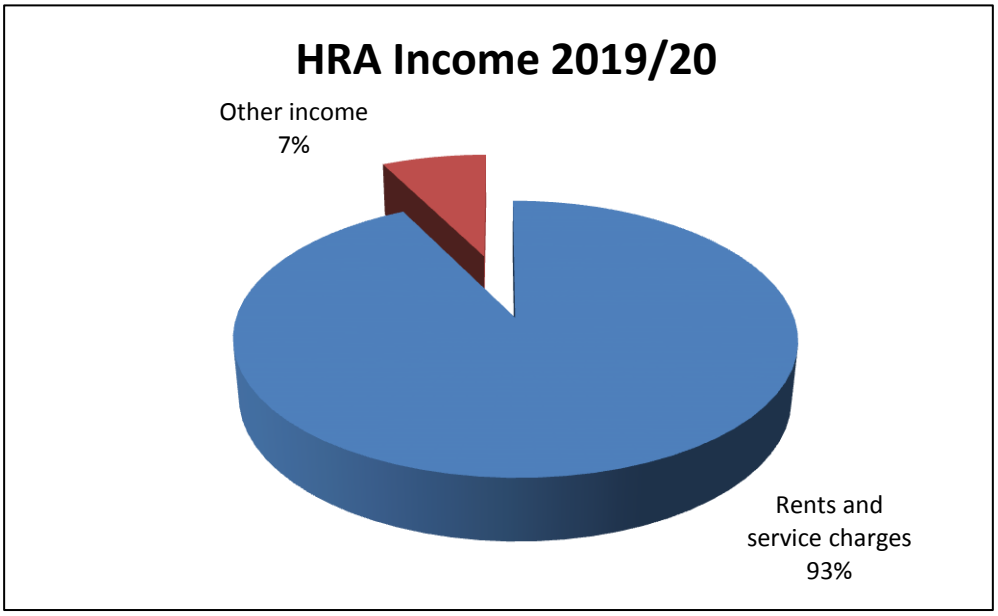
4.212 **Housing Revenue Account (HRA) budget proposals and rent/service charge increases for 2019/20**

The table below provides a summary of its operating surplus/(deficit) for the three years including the proposed budget for 2019/20:

	2017/18 Actual £m	2018/19 Forecast £m	2019/20 Budget £m
Expenditure	55.811	56.462	59.498
Income	(59.436)	(56.267)	(54.991)
(Surplus) / deficit	(3.625)	0.195	4.507
Capital expenditure	12.608	20.098	24.278

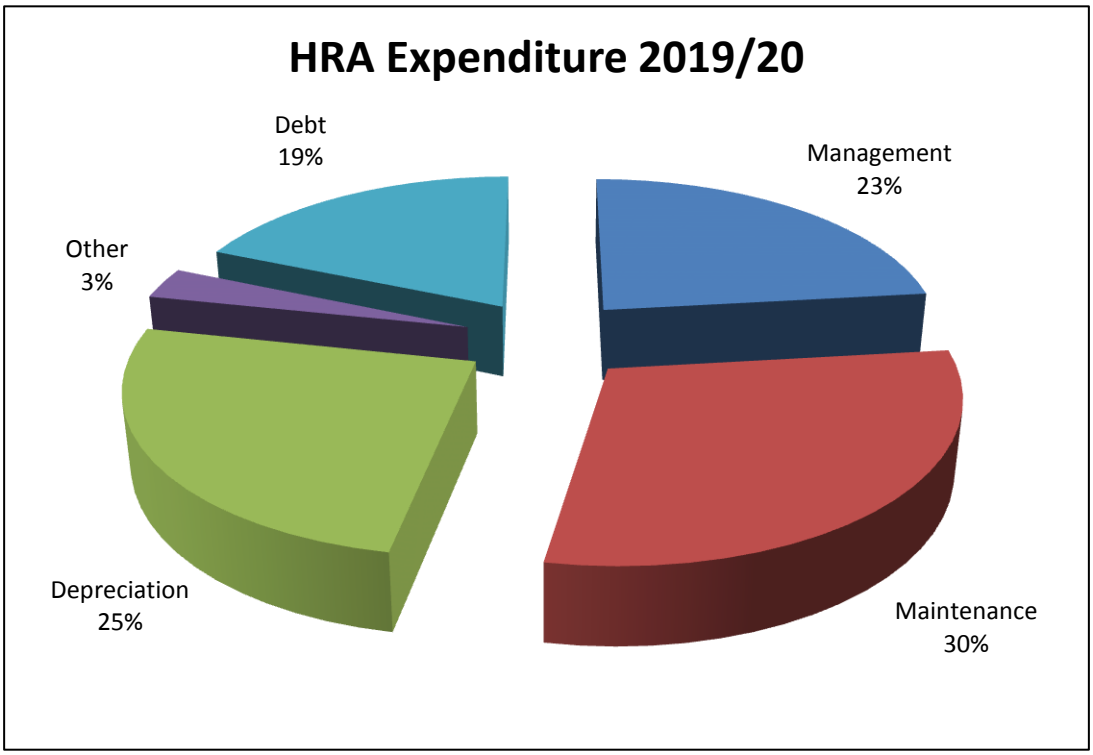
4.213 **Table: Income**

Income	£m
Rents and service charges	(50.905)
Other income	(4.086)
Total	**(54.991)**



4.214 **Table: Expenditure**

Expenditure	£m
Management	13.819
Maintenance	17.658
Depreciation	15.078
Other	1.850
Debt	11.093
Total	**59.498**



4.215 The Council is responsible for setting the rents and service charges to be applied to its dwellings for the 2019/20 financial year and the following increases are proposed for approval by Full Council:

- Council Housing rents – 1% decrease, as required by legislation. Council policy is for four "rent free" weeks in each year. As there are 53 Mondays in 2019/20 there will be 49 weekly charges raised in the year rather than the normal 48.
- Other Housing rents – 3.3% (RPI) increase, as allowable under relevant legislation. This includes Milestone House, Imari Park, Shelton Lock, garages and other Council set rents;
- Service charges - 3.3% (RPI) increase, to reflect rises in costs, except the following:
    - Cleaning and Grounds Maintenance service charges – 10% capped increase to reflect specific cost pressures associated with these services, including the National Living Wage
- Furnished tenancies / furniture packs – no change; offering better value for money.

4.216 The proposed capital programme for 2019/20 to 2021/22 is set out below. Approved new scheme acquisitions will be brought into programme as they become live.

Title	2019/20 £m	2020/21 £m	2021/22 £m
Major works (Delivered and managed by Derby Homes)			
Kitchens and Bathrooms	3.000	3.000	3.000
Disability Adaptions	0.700	0.700	0.700
Estates Pride – General	0.250	0.250	0.250
PVCU Windows & Doors	1.000	1.500	1.500
Capital Salaries Mods Liaison	0.700	0.700	0.700
One-off Mods/Major Refurbishments	0.700	0.700	0.700
Re-Roofing	1.500	1.500	1.500
Communal Door Entry Systems	0.050	0.050	0.050
New & Replacement Central Heating	1.955	2.055	2.055
Rewiring/Electrical Upgrades	0.500	0.500	0.500
Solid Wall Installation	0.350	0.350	0.350
Fire Safety Work	0.250	0.250	0.250
Communal staircases	0.250	-	-
Emergency call system replacement	0.125	-	-
Energiesprong Partnership	-	0.855	-
Rivermead refurbishments	-	1.000	1.000
HRA maintenance not yet allocated	-	-	1.050
New Build and Acquisitions			
Hackwood Farm	**-**	-	1.800
Further New Homes	6.000	3.000	10.000
The Knoll	1.250	2.500	-
New Build and Acquisitions	0.611	3.458	2.907
Perth Street	1.000	-	-
Barlow Street	0.500	1.000	-
Gerard Street	0.305	-	-
Carson Street	0.100	-	-
Hatfield Road	0.162	-	-
Britannia Court	1.000	4.000	-
Parliament Street	1.750	-	-
Bracknell	0.150	-	-
Berwick Avenue	0.120	-	-
Total HRA	**24.278**	**27.368**	**28.312**

4.217 **Dedicated Schools Grant 2019/20**

Schools Block (£175.608m)
As part of the national changes to schools funding, the Department for Education (DfE) launched a consultation (March 2016) on a new national school funding formula (NFF). While it remains the government's intention that a school's budget should be set on the basis of a single national formula, in 2019/20, local authorities will continue to determine final funding allocations for schools through a local formula. The changes considered affect the Schools Block funding only of the Dedicated Schools Grant.

4.218 The Schools Block is the only ring-fenced block of the DSG and for 2019/20 has increased by £7.012m from the 2018/19 allocation. The significant increase in the Schools Block is due to the fact that Derby schools gain significantly in this area from the introduction of a National Funding Formula (this isn't the case within the other blocks of the DSG).

Schools Forum have the powers to approve a transfer of up to 0.5% from the Schools Block to other areas of the DSG and at their meeting of 13 November 2018 agreed to a transfer of £0.870m (0.5%) from the Schools Block to the High Needs Block as a contribution to the budget deficit for 2019 20.

Any transfers over 0.5% are subject to the approval of the Secretary of State for Education. Following consultation with the schools sector an application was made in January 2019 for a further 1% transfer making the total transfer from the Schools Block to the High Needs Block of 1.5 % £2.634m. On 18 February the Council received notification that the additional 1% was not approved by the Secretary of State and that the approval for an additional 0.5% has been granted making a total topslice of 1% £1.756 million.

This has resulted in a net increase in the Schools Block of £6.099m and will be distributed to all schools through the Local Funding Formula.

4.219 A consultation exercise has been carried out seeking views from the schools community on how this funding should be distributed through the Local Funding Formula as we move to an implementation of the National Funding Formula (NFF); the funding available does not allow us to yet fully implement the NFF in Derby.

Three options were considered:

Option 1 - move as close to the National Funding Formula as funding allows
Option 2 - move as close to the National Funding Formula with the introduction of a new discretionary factor of a minimum per pupil funding level at Dfe recommended levels.
Option3 - move as close to the National Funding Formula as funding allows with the introduction of a minimum per pupil funding level at 2018 19 Dfe recommended rates.

The aim of the minimum funding level is to provide a minimum level per pupil funding, the Dfe recommended amount is £3,500 for primary and £4,800 for secondary schools. Derby does not currently use this factor within its funding formula. Per pupil funding varies significantly from school to school as some schools attract additional funding through additional needs factors such as deprivation and English as an additional language.

4.220 There were 17 responses to the consultation, 1 in favour of model 1, 10 in favour of model 2 and in favour of model 3. Although responses were very low and don't provide confidence in a whole hearted support of one particular option it is clear that from those that did response some introduction of a minimum funding level was favoured.

It is proposed to implement model 3; introduce a minimum funding level at 2018 19 recommended levels. This is the most affordable model and also allows the Council to move closer towards the NFF. We need to be mindful that it is the intention of the Dfe that within the next Comprehensive Spending Review a 'hard' National Funding Formula will be introduced with no local flexibility for distribution.

4.221 The proposals for the Schools Block and the Local Funding Formula changes are:

- To implement a minimum per pupil funding level of £3,300 primary and £4,500 secondary. These are the 2018/19 Dfe recommended levels.
- To scale back the National Funding Formula factors to 98.8% (necessary to remain within the total funding envelope)
- To implement a cap of any growth for an individual school per pupil of 3.0% and scale back anything above the cap at 50% (increases in pupil numbers are funded)
- To set a protection for schools of 0% MFG; this means that no school will lose as a result of these changes (subject to falling pupil numbers which is not protected).

4.222 The proposals for the Schools Block are detailed in the table below:

Schools Block	**2019/2020 £m**	**2018/2019 £m**	**Change £m**
Allocation	175.608	168.596	7.012
Transfer to the High Needs Block	(1.756)	(0.843)	(0.913)
Total Funding Available	**173.852**	**167.753**	**6.099**
Requirement			
Infant Class Size Funding	0.600	0.883	(0.283)
Growth Fund	0.292	0.167	0.125
Balance to be distributed to Schools through the Funding Formula	172.960	166.703	6.257
Total Spend	**173.852**	**167.753**	**6.099**

4.223 **Early Years Block (£19.183million)**

A new formula for Early years funding was implemented in 2017/18. The budget proposals for 2019/20 propose a 3.04% increase on the base rate within the formula to reflect the cost pressures faced by the sector.

The proposals for the Early Years Block are detailed in the table below:

Early Year Block	**2019/2020 £m**	**2018/2019 £m**	**Change £m**
Allocation	19.183	19.671	(0.488)
Requirement			
2 year old funding	2.940	3.186	(0.246)
3 and 4 Year Old Funding - Universal and Extended hours	14.239	14.548	(0.309)
Stand Alone Nursery Protection including Lump Sum funding and rates	1.168	1.211	(0.043)
Contingency	0.105	-	0.105
Central EY Services	0.200	0.231	(0.031)
SEN Locality Funding	0.250	0.250	-
Early Years Pupil Premium & DAF	0.281	0.245	0.036
TOTAL Spend	**19.183**	**19.671**	**(0.488)**

4.224 **High Needs Block**

National Context

On 14 November 2018, the Local Government Association (LGA) announced its findings of a national projected shortfall of £536 million in 2018-19 across local authorities for Special Educational Needs and Disabilities provision.The LGA's research shows that local authorities have overspent their allocated budgets for children with SEND, known as the High Needs Block (HNB) for the last four years.

A report recently published by the LGA 'Have we reached a 'tipping point'? 'Trends in spending for children and young people with SEND in England', provides further national context and can be viewed using the link below.

http://www.isospartnership.com/uploads/files/LGA%20HN%20report%20published%2012.12.18.pdf

In view of the pressures on SEND HNB funding nationally, the Department for Education recently called a round table meeting with the LGA and representatives from all Local Authorities, which took place in December 2018. This was a really useful opportunity to discuss the aspirations of the SEND reforms introduced in 2014, and the funding challenges.

Derby Context

There are significant pressures on the High Needs Block in 2018/19 which is forecast to increase in 2019-20. School Funding Regulations allow for a 0.5% transfer from the Schools' Block to other blocks within the Dedicated Schools Grant. In view of the extensive pressures within the HNB, at its meeting on 13 November 2018, the Schools' Forum approved the transfer of 0.5% which amounts to an approximate £0.870m transfer to the HNB, subject to final grant allocations.

4.225 Any additional transfers over and above the 0.5% require an application to the Secretary of State for a disapplication of the Schools Funding Regulations, with the prior approval of Schools' Forum. Schools' Forum on 13 November 2018 approved an application for an additional 0.5% transfer and, following further discussions with head teachers, this was increased to an application for an additional 1% transfer (1.5% transfer overall). Consultation also took place with all schools on the additional transfer as part of the wider consultation on the HNB proposals. On 18 February the Council received notification that the additional 1% was not approved by the Secretary of State and that the approval for an additional 0.5% has been granted making a total topslice of 1% £1.756 million.

4.226 **HNB – Proposals to Reduce Pressures**

With a 1% topslice there still remains a forecast funding shortfall of £3.5m within the HNB for 2019/20. Following careful consideration, proposals have been developed to reduce pressure on the HNB, focusing on the following areas. There is, however, still a shortfall to be identified following the implications of the approval of a 1% topslice from the Schools Block. The proposals for balancing this will be worked up through the remaining of the consultation period and work with the Sector and will be subject to further Cabinet approval in due course.

Proposal	**Current Allocation £m**	**Proposed Allocation £m**	**Est. Reduction in pressure £m**
Proposal A: change to the approach for funding TA hours. A part-year adjustment proposed from September 2019.	£3.032	£2.380	£0.652
Proposal B: Enhanced Resource School funding adjustments for surplus places. A part-year adjustment proposed from September 2019.	£3.332	£3.136	£0.196
Proposal C: to apply 2018-19 bandings to all Special School allocations for 2019-20, with a 7% reduction from April 2019. Additional commissioned places are being funding.	£17.469	£16.832	£0.637

Proposal	Current Allocation £m	Proposed Allocation £m	Est. Reduction in pressure £m
Proposal D: to consider a restructure of the Steps and Inclusion Team.	£1.528	£1.308	£0.220
Proposal E: Reduction in In-Year Fair Access Budget.	£0.300	£0.230	£0.070
Total reduction in HNB pressure			£1.775
Remaining Funding Gap			**£1.726**
Additional DSG Funding 2019-20 (announced December 2018)			**£0.889**
HNB Contingency			**£0.041**
Yet to be determined			**£0.878**

The consultation period ended on 28 January 2019 in relation to the proposal to apply 2018-19 bandings to Special Schools with a 7% reduction in those bandings from April 2019 (Proposal C above), the proposal to reduce the In-Year Fair Access Budget by £70,000 (Proposal E above) and the proposal to re-structure the Steps and Inclusion Team and reduce the budget by £220,000 (Proposal D above). With regard to the proposal to restructure the Steps and Inclusion Team, subject to approval, there will be a separate re-structuring consultation with the staff likely to be affected by these the proposals, and all consultation comments will be very carefully considered.

Appendix 18 sets out a summary of the consultation responses received. Copies of the full consultation responses have also been shared with the Cabinet Member for Children and Young People.

The other proposals are subject to separate and longer consultation periods. With regard to the proposed changes for TA hours funding (Proposal A above) and the proposal to make adjustments for surplus places in Enhanced Resource Schools (Proposal B above), the consultation period for these proposals ends on 8 March 2019 and the outcome will be presented to Council Cabinet for consideration in due course.

4.227 Following very careful consideration of the consultation responses, and the need to reduce pressure on the High Needs Block budget for 2019/20, this report recommends approval of the proposal to apply 2018/19 bandings to Special Schools in 2019/20, with a 7% reduction in those bandings. This is on the basis that if the proposals are approved, the overall budget for Special Schools will remain broadly similar in 2019/20 as in 2018/19, with an overall increase of £0.210m. This is due to an increase in the number of funded commissioned places.

4.228 The table below sets out overall funding for Special Schools in 2017-18, 2018-19 and 2019-20 (proposed).

Year	Total Commissioned Special School Places	Overall Special Schools Budget £m
2017-18	737	£15.908
2018-19	766	£16.622
2019-20 (proposed)	803	£16.832

A table showing a breakdown of proposed funding allocations for each Special School for 2019/20 is attached as Appendix 15. The commissioned place numbers are still to be confirmed with the schools and may vary slightly.

4.229 This report also recommends approval of the proposal to reduce the In-Year Fair Access Budget from £0.300m to £0.230m to reduce pressure on the HNB budget by £0.070m. This will have no direct implications as the forecast requirement for 2019/20 has reduced as year 11 pupils have left the Pupil Referral Unit where this funding is directed. The Council will continue to carefully monitor demands against this budget throughout the year. There is also a proposal to proceed with a re-structure of the Specialist Teaching and Education Psychology Service (STEPS) and Inclusion Team.

4.230 The table below summaries the proposed budget for the High Needs Block:

High Needs Block	**2019/2020 £m**	**2018/2019 £m**	**Change £m**
Allocation	34.032	32.660	1.372
Transfer from Schools Block	1.756	0.843	0.913
Import / Export Adjustment	(0.216)	**-**	**(0.216)**
Allocation including SB Transfer	**35.572**	**33.503**	**2.069**
Requirement			
Additional High Needs Top Up in Schools (TA support)	2.380	2.800	(0.420)
Enhanced Resource Schools	3.136	2.814	0.322
Special Schools and Pupil Referral Units	16.832	16.450	0.382
Independent Special Schools	9.300	8.100	1.200
Post 16 High Needs Other Providers	2.000	1.700	0.300
High Needs Contingency for new in year costs	0.820	0.755	0.065
Alternative Provision	0.420	-	0.420
Hospital Education Provision	0.254	0.249	0.005

High Needs Block	2019/2020 £m	2018/2019 £m	Change £m
Other High Needs Support including Specialist Teaching Support	1.308	1.497	(0.189)
TOTAL Spend	**36.450**	**34.365**	**2.085**
Use of DSG Reserves	**-**	**0.862**	**0.862**
Yet to be determined	**0.878**		

2019/20 Revenue Budget and MTFP 2019/20 -2022/23 - Public/stakeholder engagement

5.1 The Council carries out consultation on its spending proposals on an on-going basis. The outcomes of many pieces of consultation have influenced the proposals in this budget. Therefore, when the Council budget proposals are made public each year, maximum effort goes in to communicating the proposals. We also carry out a detailed consultation process with all Councillors through the Council's Scrutiny Boards and the meetings with statutory bodies including the Trade Unions and business community.

5.2 The Council carried out a detailed consultation exercise between 13 December 2018 and 24 January 2019 (02 February 2019 for Peoples Directorate) with Councillors, key stakeholder groups, members of the public, Trade Unions and the business community. Further details of the consultation process and feedback are included in Appendix 20. The consultation document can be found on the council's website.

Other options

6.1 The Council is required to set a balanced revenue and capital budget for 2019/20 by March 2019; therefore there are no other options available. Under the Prudential Code, established by the Local Government Act 2003, we must also demonstrate the affordability of our revenue budget for the two subsequent financial years, after taking into account our plans for capital expenditure. The current plan is affordable with temporary use of reserves.

6.2 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer having consulted the Cabinet Member for Finance believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed in the table below.

Table: Approved investment counterparties and limits

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Financial and value for money issues

7.1 The financial and value for money implications are outlined in detail within the report.

7.2 Revenue implications of capital schemes will need to be considered as part of the options appraisal undertaken before each scheme commence, and will be built into future revenue budgets as appropriate. Funding from unsupported borrowing in 2019/20 - 2021/22 is dependent on the approval of the revenue budget.

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 eight years 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 groups are statutorily protected equality strands under the Equality Act 2010.

8.4 The rules governing decisions on the capital programme are set out in the Local Government Act 2003 and in regulations and guidance issued under the Act, including the Prudential Code for Capital Finance in Local Authorities issued by CIPFA. This allows for additional unsupported borrowing provided that this is consistent with the Prudential Code, particularly in terms of affordability.

Other significant implications

9.1 **Personnel**
Subject to the approval of the recommendations, any proposal which may affect staff if implemented in 2019/20 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.

9.2 **Equalities Impact**
All appropriate Equality impact assessments will be carried out with regard to the proposals.

9.3 **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. The Council has reserves that if required can be used to manage risks.

9.4 **Corporate objectives and priorities for change**
The budget provides the financial resources to deliver key objectives and priorities.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal		
Finance	Toni Nash (General Fund, Capital and Treasury Management) Amanda Fletcher (Housing Revenue Account) Alison Parkin (Dedicated Schools Grant)	
Service Director(s)		
Report sponsor	Don McLure	30 January 2019
Other(s)		

For more information contact:	Toni Nash Head of Finance, Corporate Resources
Background papers:	Budget consultation documents and strategy reports
List of appendices:	Appendix 1 – Council tax statutory calculation 2019/20 Appendix 2 – Changes to Grant funding 2019/20 Appendix 3a – Revenue Budget Summary 2019/20 Appendix 3b – Revenue Budget Summary 2020/21 Appendix 3c – Revenue Budget Summary 2021/22 Appendix 3d – Revenue Budget Summary 2022/23 Appendix 4 – Schedule of Budget Pressures and Savings Appendix 5 – Extract from Voices in Action Minutes Appendix 6 – Non Domestic Rates Budget Consultation Minutes Appendix 7 – Summary of Capital Programme Appendix 8 – Summary of Unsupported Borrowing Appendix 9 – Minimum Revenue Position Statement 2019/20 Appendix 10 – Prudential Indicators Appendix 11 – Capital Strategy Appendix 12 – Arlingclose Economic & Interest Rate Forecast 31 December 2018 Appendix 13 – Current Debt & Investment Portfolio Position 31 December 2018 Appendix 14 – Definition of types of permitted Investments Appendix15 – Proposed 2019-20 Special School Allocations (Indicative) Appendix 16 – Pay Policy Appendix 17 – Extract of Minutes from Corporate Services Scrutiny Review Board Appendix 18 – Dedicated Schools Grant – Summary of consultation responses Appendix 19 – MTFP Summary Appendix 20 – Consultation Feedback Appendix 21 – People' Services Consultation Feedback

Appendix 1

COUNCIL TAX STATUTORY CALCULATON 2019/20

Derby City Council Budget Requirement 2019/20	**R**	**£220,609,129**
Retained Business Rates		£47,630,863
Business Rates Top Up Grant		£16,286,990
Revenue Support Grant		£12,523,850,
Collection Fund Deficit		(5,485,865)
New Better Care Fund		£21,864,289
Other Specific Grants		£30,466,010
	P	£123,286,137
Council Tax Requirement	**C= R-P**	**£97,322,992**
Tax Base for Tax Setting (Band D)	T	68,679.00
Basic Amount of Council Tax	**C / T**	**£1,417.07**

		Derby
Band A – (Disabled)	5/9	787.26
Band A	6/9	944.71
Band B	7/9	1,102.17
Band C	8/9	1,259.62
Band D	9/9	1,417.07
Band E	11/9	1,731.98
Band F	13/9	2,046.88
Band G	15/9	2,361.78
Band H	18/9	2,834.14

Council Tax 2018/19	**£1,375.93**
Unadjusted Increase Band D	**£41.14**
Unadjusted % Increase Band D	**2.99%**

Appendix 2

CHANGES TO GRANT FUNDING from 2018/19 to 2019/20

	2019/20 STATEMENT			
	Final	Final	Difference	
	2018/19 £m	2019/20 £m	£m	%
REVENUE SUPPORT GRANT, TOP UP AND BUSINESS RATES				
Revenue Support Grant	18.898	12.524		
Retained Business Rates	46.141	47.631		
Business Rates Top-Up Grant	15.783	16.287		
Prior Year Business Rates Collection Fund Surplus / (Deficit)	(3.025)	(6.074)		
REVENUE SUPPORT GRANT & BUSINESS RATES	**77.797**	**70.368**	**(7.429)**	**(9.5%)**
SPECIFIC GRANTS				
- Public Health Grant	19.258	18.749		
- Education Services Grant	0.605	0.605		
- Housing and Council Tax Subsidy Admin Grant	1.185	1.114		
- Better Care Fund	19.720	21.864		
- New Homes Bonus	1.885	1.694		
- Independent Living Fund	1.100	1.067		
- Extended Rights to Free Travel	0.083	0.083		
- Local Reform and Community Voices Grant	0.065	0.049		
- SFA s31 grant business rates cap, SBRR, Retail Relief	2.083	3.021		
- Troubled Families	0.960	0.960		
- Adult Social Care and Children's one off funding	0	3.109		
- Lead Local Flood	0.014	0.015		
Total Specific Grants	**46.958**	**52.330**		
REVENUE SUPPORT GRANT, BUSINESS RATES & SPECIFIC GRANTS	**124.755**	**122.698**	**(2.057)**	**1.6%**
-**COUNCIL TAX**				
Council Tax Requirement	**93.027**	97.323		
Prior Year Collection Fund Surplus / (Deficit)	0	0.588		
Council Tax	**93.027**	**97.911**	**4.884**	**5.2%**
Total Resources	**217.782**	**220.609**	**2.827**	**1.3%**

Appendix 3a

Overall Summary by Directorate – Revenue Budget 2019/20

SERVICE ACTIVITY	Controllable 2018/19 Base Budget £m	Budget Changes			Controllable 2019/20 Budget £m
		Inflation £m	Pressures £m	Savings £m	
People Services	**141.382**	2.867	7.690	(4.459)	**147.480**
Communities and Place	**37.064**	1.410	1.971	(1.646)	**38.799**
Corporate Resources	**39.336**	0.837	2.727	(1.078)	**41.822**
Total Directorate Budgets	**217.782**	**5.114**	**12.388**	**(7.183)**	**228.101**
Less transfer (from) / to reserves:					
To/(from) corporate reserves					**(7.492)**
NET BUDGET REQUIREMENT	**217.782**				**220.609**
Funded By:					
Retained Business Rates	**(48.224)**				**(47.631)**
Business Rates Top Up Grant	**(15.783)**				**(16.287)**
Revenue Support Grant	**(18.898)**				**(12.524)**
Collection fund (surplus)/deficit	**3.025**				**5.486**
Income raised from Council Tax	**(93.027)**				**(97.323)**
Other Specific Grants	**(44.875)**				**(52.330)**
TOTAL RESOURCES	**(217.782)**				**(220.609)**

Appendix 3b

Overall Summary by Directorate – Revenue Budget 2020/21

SERVICE ACTIVITY	Controllable 2019/20 Base Budget £m	Budget Changes			Controllable 2020/21 Budget £m
		Inflation £m	Pressures £m	Savings £m	
People Services	**147.480**	2.205	0.355	(1.948)	**148.092**
Communities and Place	**38.799**	0.715	0.425	(0.961)	**38.978**
Corporate Resources	**41.822**	0.579	0.108	(0.810)	**41.699**
Total Directorate Budgets	**228.101**	**3.499**	**0.888**	**(3.719)**	**228.769**
Less transfer (from) / to reserves:					
To/(from) corporate reserves	**(7.492)**				
NET BUDGET REQUIREMENT	**220.609**				**228.769**
Funded By:					
Retained Business Rates	**(47.631)**				**(49.903)**
Business Rates Top Up Grant	**(16.287)**				**(16.759)**
Revenue Support Grant	**(12.524)**				**(9.393)**
Collection fund (surplus)/deficit	**5.486**				**0**
Income raised from Council Tax	**(97.323)**				**(100.228)**
Other Specific Grants	**(52.330)**				**(47.411)**
TOTAL RESOURCES	**(220.609)**				**(223.694)**
BUDGET GAP					**5.075**

Overall Summary by Directorate – Revenue Budget 2021/22

SERVICE ACTIVITY	Controllable 2020/21 Base Budget £m	Budget Changes			Controllable 2021/22 Budget £m
		Inflation £m	Pressures £m	Savings £m	
People Services	**148.092**	2.251	0.400	(0.564)	**150.179**
Communities and Place	**38.978**	0.730	0.986	(0.344)	**40.350**
Corporate Resources	**41.699**	0.593	1.026	(0.528)	**42.790**
Total Directorate Budgets	**228.769**	**3.574**	**2.412**	**(1.436)**	**233.319**
Less transfer (from) / to reserves:					
To/(from) corporate reserves					
NET BUDGET REQUIREMENT	**228.769**				**233.319**
Funded By:					
Retained Business Rates	**(49.903)**				**(50.631)**
Business Rates Top Up Grant	**(16.759)**				**(17.245)**
Revenue Support Grant	**(9.393)**				**(7.045)**
Collection fund (surplus)/deficit	**0**				**0**
Income raised from Council Tax	**(100.228)**				**(103.497)**
Other Specific Grants	**(47.411)**				**(47.443)**
TOTAL RESOURCES	**(223.694)**				**225.861**
BUDGET GAP	**5.075**				**7.458**

Overall Summary by Directorate – Revenue Budget 2022/23

SERVICE ACTIVITY	Controllable 2021/22 Base Budget £m	Budget Changes			Controllable 2022/23 Budget £m
		Inflation £m	Pressures £m	Savings £m	
People Services	**150.179**	2.298	0.400	(0.364)	**152.513**
Communities and Place	**40.350**	0.745	(1.069)	(0.200)	**39.826**
Corporate Resources	**42.790**	0.608	1.248	(0.094)	**44.552**
Total Directorate Budgets	**233.319**	**3.651**	**0.579**	**(0.658)**	**236.891**
Less transfer (from) / to reserves:					
To/(from) corporate reserves					
NET BUDGET REQUIREMENT	**233.319**				**236.891**
Funded By:					
Retained Business Rates	**(50.631)**				**(52.103)**
Business Rates Top Up Grant	**(17.245)**				**(17.763)**
Revenue Support Grant	**(7.045)**				**(5.283)**
Collection fund (surplus)/deficit	**0**				**0**
Income raised from Council Tax	**(103.497)**				**(106.828)**
Other Specific Grants	**(47.443)**				**(47.456)**
TOTAL RESOURCES	**225.861**				**229.433**
BUDGET GAP	**7.458**				**7.458**

Appendix 4

Schedule of Budget Pressures and Savings

Corporate Resources Pressures

Directorate	Pressures	2019/20	2020/21	2021/22	2022/23	TOTAL
		£000	£000	£000	£000	£000
Pressures formally signed off by Cabinet Meeting on 12 December 18						
Corporate Core	Risk Management Staffing Resource.	48	-	-	-	**48**
Legal, Procurement and Democratic Services	Procurement – Permanent Staffing Structure requirement to meet operational requirements.	52	-	-	-	**52**
Legal, Procurement and Democratic Services	Insurance – Valuations of non HRA properties for insurance purposes, for example Leisure Facilities.	70	-	-	-	**70**
Legal, Procurement and Democratic Services	Legal Services – Increased workload in legal support in new service areas (environment enforcement strategy (e.g. CPNs), corporate fraud, education welfare and licensing, as well as emerging public law areas of challenge (e.g. SEND to EHCP conversions, age assessments, etc.).	80	80	-	-	**160**
Human Resources and Organisational Development	Job evaluation contract for training/Quality Assurance and bespoke work.	25	-	-	-	**25**
Corporate Core	Performance, Innovation and Communication – Corporate report writing to support major systems such as CRM, Acolaid.	23	-	-	-	**23**
Property Services	Property – Resilient staff structure.	100	-	-	-	**100**
Property Services	Property Maintenance – pressure caused by transfers of properties to third party service providers whilst retaining full responsibility for maintenance.	155	125	-	-	**280**
Corporate	Review of Treasury Management Policy (MRP).	41	(97)	1,026	(31)	**939**
Council Wide	2018/19 net Unachievable Staffing Saving.	1,680				**1,680**

Directorate	Pressures	2019/20	2020/21	2021/22	2022/23	TOTAL
		£000	£000	£000	£000	£000
Council Wide	Corporate Revenue Contingency Budget.	290			935	**1,225**
Total Pressures formally signed off by Cabinet Meeting on 12 December 18		**2,564**	**108**	**1,026**	**904**	**4,602**
Pressures to be Agreed						
Council Wide	Corporate Revenue Contingency Budget.	163			344	**507**
TOTAL CORPORATE RESOURCES PRESSURES		**2,727**	**108**	**1,026**	**1,248**	**5,109**

Peoples Pressures

Directorate	Pressures	2019/20	2020/21	2021/22	2022/23	TOTAL
		£000	£000	£000	£000	£000
Pressures formally signed off by Cabinet Meeting on 12 December 18						
Adult Services	Review of Commissioned Care Costs (Inflationary Increases in relation to the care we buy).	1,342	-	-	-	**1,342**
Adult Services	Demographic social care pressures.	457	355	400	400	**1,612**
Adult Services	Sustainable Adult Social Care Operational Service Pressures.	1,493	-	-	-	**1,493**
Children Services	Apprenticeship Manager.	28	-	-	-	**28**
Children Services	Looked After Children Pressures.	4,000	-	-	-	**4,000**
Children Services	Children's Services Inspections and Assessments (Performance).	37	-	-	-	**37**
Children Services	Children's Services Social Care Data Analysis (Performance).	33	-	-	-	**33**
Total Pressures formally signed off by Cabinet Meeting on 12 December 18		**7,390**	**355**	**400**	**400**	**8,545**
Pressures to be Agreed						
Public Health	Livewell Pressure.	300	-	-	-	**300**
TOTAL PEOPLES PRESSURES		**7,690**	**355**	**400**	**400**	**8,845**

Communities and Place Pressures

Directorate	Current Pressures	2019/20	2020/21	2021/22	2022/23	TOTAL
		£000	£000	£000	£000	£000
Pressures formally signed off by Cabinet Meeting on 12 December 18						
Arbore cultural	Tree Management (Part removal of pressure agreed in 18/19).	-	(100)	-	-	**(100)**
Leisure and Culture	Cultural Events and Christmas Lights (19/20 is a reduction of a one off allocation in 18/19).	(150)	-	-	-	**(150)**
Streetpride	Potential Additional Streetscene Work.	185	-	-	-	**185**
Waste	Waste Disposal – Additional costs associated with the recycling contract following the increase in costs in the dry recyclables Market.	135	-	-	-	**135**
Waste	Free Garden Waste Collection Service.	774	(184)	-	-	**590**
Leisure and Culture	New Swimming Pool Complex Potential Running Costs.	-	-	400	-	**400**
Leisure and Culture	New Swimming Pool Complex Pre-opening costs.	-	100	700	(800)	-
Leisure and Culture	New Assembly Rooms revenue support operational and property maintenance.	490				**490**
Leisure and Culture	Queens Leisure Centre Income Pressure.	210	-	-	-	**210**
Leisure and Culture	Allestree Golf Course Income and Operational Pressure.	100	-	-	-	**100**
Regeneration	Corporate Connectivity costs.	85	-	-	-	**85**
Leisure and Culture	Museums – Predicted shortfall in attracting third party funding for operational costs.	-	250	-	-	**250**
Regeneration	Shortfall in budget following a review of the business case, loan arrangements and income pressures.	114	-	-	-	**114**
Environmental Services	Bereavement Services – Increased competition following the opening of a new facility in the area.	200	-	-	-	**200**
Total Pressures formally signed off by Cabinet Meeting on 12 December 18		**2,143**	**66**	**1,100**	**(800)**	**2,509**

Directorate	Current Pressures	2019/20	2020/21	2021/22	2022/23	TOTAL
		£000	£000	£000	£000	£000
Adjustments to Pressures to be Agreed						
Leisure and Culture	**UPDATED PRESSURE** – New Assembly Rooms revenue support operational and property maintenance revised costings.	(172)	359	(114)	(269)	**(196)**
	TOTAL COMMUNITIES AND PLACE PRESSURES	**1,971**	**425**	**986**	**(1,069)**	**2,313**

Corporate Resources Savings

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Savings formally signed off by Cabinet Meeting on 24 October 2018								
Business Support	Implementing a new 'Mail Hybrid' system	Digitising out-going mail (Print to Post only).	(37)	-	-	-	**(37)**	0
Property Services	Savings in property management costs as a result of Property Rationalisation programme	Is dependent upon the closure of Queens Leisure Centre.	-	-	(225)	-	**(225)**	0
Corporate	Review of Treasury Management including Minimum Revenue Provision	This calculation has been identified following a review of the Minimum Revenue Position calculation to reflect recommendations by the Council's Treasury Management Advisers (Arlinglose Close) and External Audit (Ernst and Young) and by funding the indicative capital programme.	687	(235)	(158)	(154)	**140**	0

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Business Support	Staffing Efficiencies	Staffing Efficiencies within Business Support.	(118)	(62)	-	-	**(180)**	7
Business Support	Additional Income from Department of Work and Pensions and Lister House	Providing Document Management Support.	(5)	(5)	-	-	**(10)**	0
Business Support	Multi-Functional Device reduction & cost/copy savings	Reduction in Print Management Contract.	-	(50)	-	-	**(50)**	0
Digital and Customer Services	Digital services base budget efficiency review	Microsoft spend efficiencies - £350k Staffing Efficiencies - £70k Modernised backup arrangements in digital services - £40k Contract and licence management in digital services -£40k.	(500)	-	-	-	**(500)**	1
Property Services	Disposal of small land holdings	Identification and sale of small pieces of land to generate an ongoing revenue saving – this is 'one off' only for 3 years (£120k in total) as based on number of small land holdings.	(20)	(20)	(20)	60	**0**	0

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Property Services	Buildings Energy Conservation	Develop Buildings Energy Management Improvement Plan, accessing Salix and other funds to achieve energy saving efficiency of our core buildings. An initial plan to improve the top 10 high consumption or poor energy rating buildings.	(25)	(25)	-	-	**(50)**	0
Property Services	Review of Staff and Councillor Car Parking	Removal of free staff and Councillor car parking and implementing charges for permits.	(146)	(50)	-	-	**(196)**	0
Revenues, Benefits and Exchequer Services	Revenues and Benefits – Increase Council Tax and Business Rates court costs	Increase court fees when making an application for a Council Tax/Business Rates liability order against non- payers in the Magistrates Court.	(150)	-	-	-	**(150)**	0
Human Resources and Organisational Development	Organisational Development – Reduction in Future Service	Staffing efficiencies.	(22)	(22)	-	-	**(44)**	1

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Property Services	Unachievable Saving	Savings in property management for the demolishment of the Assembly Rooms. Because of the decision to proceed with refurbishment work to reopen the 'New Assembly Rooms', this saving will no longer be achievable in 19/20. This is shown for completeness as there is corresponding pressure requiring approval in Communities and Place pressures section.	(240)	-	-	-	**(240)**	0
Savings formally signed off by Cabinet Meeting on 12 December 18								
Property	Mileage Efficiencies	A review of the use of employee vehicles ("grey fleet") for business travel to generate savings in the cost of mileage reimbursement.	(35)	(35)	-	-	**(70)**	-
Property	Staffing Efficiencies	Staffing efficiencies and reviewing of delivery of Facilities Management functions.	(40)	(128)	-	-	**(168)**	7

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Property	Staffing Efficiencies	Using functionality of the Strategic Asset Management system to enable staffing efficiencies.	(25)	(25)	-	-	**(50)**	1
Property	Contract Efficiencies	More efficient use of Consultants and Contracts to deliver a percentage saving on spend.	-	(125)	(125)	-	**(250)**	-
Democratic Services	Staffing Efficiencies	Staffing Efficiencies with review of emerging technologies.	-	(28)	-	-	**(28)**	1
Legal	Base Budget review	Review of Solicitors and Legal Executives Professional Fees allocation.	(9)	-	-	-	**(9)**	-
Revenues, Benefits and Exchequer Services	Additional income	Additional income from selling Corporate Fraud Services and increasing the HRA recharge.	(18)	-	-	-	**(18)**	-
Revenues, Benefits and Exchequer Services	Base Budget Review	Review of Base budgets in the Benefits and Exchequer service.	(25)	-	-	-	**(25)**	-
Property Services	Efficiencies	Efficiencies in the Revenue Repairs and Maintenance budgets.	(250)	-	-	-	**(250)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Democratic Services	Review of Technology	Review of member's broadband provision.	(8)	-	-	-	**(8)**	-
Democratic Services	Base Budget review	Removal of minor operational budget no longer required.	(6)	-	-	-	**(6)**	-
Digital and Customer Services	Review of Technology	Review of mobile phones and using alternative digital technologies as appropriate.	(30)	-	-	-	**(30)**	-
Digital and Customer Services	Staffing Efficiencies	Staffing Reduction – Removal of vacant post in ICT.	(9)	-	-	-	**(9)**	1
Digital and Customer Services	Additional income	Additional Income from fees and charges for the provision of weddings.	(22)	-	-	-	**(22)**	-
Legal	Staffing Efficiencies	Removal of vacant post in the Insurance Team.	(20)	-	-	-	**(20)**	0.5
Business Support	Document Management Support	Document Management Support further additional income.	(5)	-	-	-	**(5)**	-
TOTAL CORPORATE RESOURCES SAVINGS			**(1,078)**	**(810)**	**(528)**	**(94)**	**(2,510)**	**19.5**

Peoples Savings

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Savings formally signed off by Cabinet Meeting on 24 October 2018								
Public Health	Refocus of provision to the Livewell service		(400)	-	-	-	**(400)**	9
Public Health	Reduction in the controllable public health grant	A reduction in the Public Health Offer within the City to reflect the reduction in the Public Health Grant.	(509)	-	-	-	**(509)**	-
Adults	Closure of remaining in house day centres- Morleston Street, Aspect & Inspire	Assist remaining adults eligible for day support to access community settings, closing empty day service buildings.	(624)	-	-	-	**(624)**	29.5
Adults	Review of Adults Care Packages	Undertake a review of Adult care packages where there is the potential to incorporate an asset based approach to meet eligible needs.	(350)	(500)	-	-	**(850)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Adults	Re-prioritising statutory work in adult social care	Review our approach to Deprivation of Liberty Safeguards which may reduce our need to undertake as many best interest assessments, reducing demand.	(165)	-	-	-	**(165)**	-
Adult	Efficiencies in workforce learning and development	A restructure within the Learning and Development Service to focus on essential learning needs only.	(100)	-	-	-	**(100)**	2.6
Adult	Efficiencies from review of Carelink Service	Restructure Carelink to meet the demands of the service and customers.	-	(100)	-	-	**(100)**	-
Adult	Re-modelling the universal offer to carers	Refocus the Carers service offer to comply with statutory requirements in relation to prevention, advice and information duty; and review the delivery model.	(200)	-	-	-	**(200)**	-
Childrens	Removal of Base Budget for Troubled Families corresponding Funding ending 19/10	Troubled Families programme comes to an end as the grant ends.	-	(852)	-	-	**(852)**	8

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Childrens	Remodelling of the Connexions Service	Staffing restructure of the Connexions Service.	(50)	-	-	-	**(50)**	3
Childrens	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.	(113)	(296)	(364)	(364)	**(1,137)**	-
Childrens	Redefining the local authority role in school improvement	A staffing reduction in the School Improvement Service.	(150)	-	-	-	**(150)**	3
Childrens	Youth Offending Service Restructure	Review the staffing structure of the Youth Offending Service.	(80)	-	-	-	**(80)**	3
Childrens	Remodelling of the service model for the provider of fostering	Consider an alternative delivery model for the recruitment of foster carers. Savings deliverable from an increased rate of recruitment and a reduction in the use of agency fostering placements.	-	(200)	(200)	-	**(400)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Childrens	Remodelling of the service model for the provider of residential provision for children in care	A review and reconfiguration of the Council run children's homes to respond to the changing needs of residential placements.	(200)	-	-	-	**(200)**	4.00
Childrens	Use of Dedicated Schools Grant to fund Central Early Years Services	The Early Years Block of the Dedicated Schools Grant is provided to fund all early years' provision including sufficiency and quality assurance services.	(200)	-	-	-	**(200)**	-
People	Management Review	Review the management structure of the Directorate.	(80)	-	-	-	**(80)**	1
Adult	Remodelling the remaining Council owned care homes	Rationalise the remaining Council Owned care homes to operate over two sites – retaining Arboretum House and Perth house and relocating Bonsal View.	(560)	-	-	-	**(560)**	56
Savings formally signed off by Cabinet Meeting on 12 December 18								
Childrens	Children's Centres	Deletion of contingency budgets within the Children's Centres Budgets.	(80)	-	-	-	**(80)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
People	Management Review	Review the management structure of the Directorate.	(50)	-	-	-	**(50)**	1
Adult	Local Area Coordination	To be funded from the Housing Revenue Account – there will be no impact on service delivery.	(160)	-	-	-	**(160)**	-
Childrens	Connexions Service	Additional Savings in the Connexions service.	(88)	-	-	-	**(88)**	2
Total Savings formally signed off by Cabinet Meeting on 24 October and 12 December 18			**(4,159)**	**(1,948)**	**(564)**	**(364)**	**(7,035)**	**122.1**
Savings to be Agreed								
Public Health	Savings to cover the Livewell Pressure	Reduction in staffing budgets to reflect a 5% budgeted turnover saving to reflect in year vacancies.	(300)	-	-	-	**(300)**	-
TOTAL SAVINGS			**(4,459)**	**(1,948)**	**(564)**	**(364)**	**(7,335)**	**124.1**

Communities and Place Savings

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Savings formally signed off by Cabinet Meeting on 24 October 2018								
Libraries	Transfer of libraries service to a Community Managed Model	Second year of the transfer of 10 libraries – Saving Reprofiled to 2020/21. The council will continue to implement the actions from the Library Strategic Review.	-	(336)	-	-	**(336)**	18
Savings formally signed off by Cabinet Meeting on 12 December 18								
Grounds Maintenance	Removal of funding for Floral Features	Alternative funding will be sought through sponsorship and advertising opportunities or community adoption and engagement.	-	(50)	(55)	-	**(105)**	-
Grounds Maintenance	Parks Grounds Maintenance	Working with community organisations to have greater involvement in parks and playing pitch maintenance to reduce Derby City Council financial support.	-	(25)	(25)	-	**(50)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Grounds Maintenance	Rationalise Grounds Maintenance Officers	Delete 0.5 FTE in Grounds Maintenance Officers.	(17)	-	-	-	**(17)**	0.5
Highways Maintenance and Parks	Highways/Parks Inspectors	Creation of a hybrid Highway Inspector/Park Ranger/Arb Inspector role.	-	-	(114)	-	**(114)**	3
Traffic and Transportation	Parking Charges	The introduction of an increase in on-street and off-street parking as part of a phased approach. This follows a review of charging which has not changed since 2014.	(442)	-	-	-	**(442)**	-
Traffic and Transportation	Parking Charges	The introduction of planned on-street charges to specific sites at Chequers Road/Ascot Drive. The scheme was based on an assessment of the area and concerns raised by local businesses and has been consulted on locally.	(50)	-	-	-	**(50)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Traffic and Transportation	Parking Charges	Review of the usage of district centre parking to assess the impact on the transport network and understand the issues raised by local residents and businesses about restriction of access and impact on the vibrancy of the centres.	-	(60)	-	-	**(60)**	-
Traffic and Transportation	Network Management	Reduction of non-compliance of works carried out to the public highway and under the Traffic Management Act to ensure that it is reinstated appropriately.	(80)	-	-	-	**(80)**	-
Traffic and Transportation	B-Line Bus Service	Efficiencies introduced by the lead authority to the management and operating processes for this service, such as an improved IT system which will reduce operating costs.	(25)	-	-	-	**(25)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Traffic and Transportation	Bus Station	Review of bus station contract with proposed adjustments in 2019/20 this is part of an on-going review of the bus station management which will inform the budget over the coming year.	(80)	-	-	-	**(80)**	-
Regeneration	Economic Partnerships	A reduction in the Marketing Derby.	(40)	-	-	-	**(40)**	-
Regeneration	Economic Partnerships	Stop subscription and membership to the Key Cities Group.	(10)	-	-	-	**(10)**	-
Regeneration	Economic Partnerships	Reduction in the flexible element of the Economics Partnership budget.	(10)	-	-	-	**(10)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Environmental Protection	Neighbourhood Working	Extended approach to Neighbourhood working through an increase in number of Community Protection Officers and the addition of enforcement powers to incorporate parking offences. There will be a refocus of the Neighbourhood team to community engagement and development and the re-establishment of a small neighbourhood devolved fund.	(100)	(150)	(150)	-	**(400)**	-
Land Drainage and Flood Defence	Staffing Budget Review	Deletion of vacant post and review of agency budget.	(53)	-	-	-	**(53)**	1
Land Drainage and Flood Defence	In-House Drainage Team	Establish a small in-house team to complete repair works as opposed to procuring contractors.	(65)	-	-	-	**(65)**	-
Highways Maintenance	Highways Maintenance Winter Service Routes and Standby	Amendments to winter service treatment times and standby payments.	(35)	-	-	-	**(35)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Highways Maintenance	Highways Maintenance savings from previous efficiencies	Savings generated through transformational work over the last 5-6 years, risk of overspend remains if there is a severe winter.	(75)	-	-	-	**(75)**	-
Highways Maintenance	Efficiencies in Highway Maintenance resources	Efficiency generated by moving to new Code of Practice.	-	(20)	-	-	**(20)**	-
Housing	Strategic Housing Efficiencies	Review of charge out rates and closer working alongside Derby Homes to maximise efficiencies.	(200)	-	-	-	**(200)**	-
Housing Management	Carelink Service	Extend Carelink provision across all Council owned supported housing.	-	(280)	-	-	**(280)**	-
Leisure	Leisure	Generate additional income in Leisure through the development of activities and events.	(85)	(100)	-	-	**(185)**	-

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Leisure	Queens Leisure Centre closure	Following the opening of the New Swimming Pool Complex, there is an expectation that Queens Leisure Centre would be closed.	-	-	-	(200)	**(200)**	-
Grounds Maintenance	Markets Cleansing	Reduction in market cleansing requirements following the reduction in market provision.	(106)	-	-	-	**(106)**	-
Grounds Maintenance	Contract Review	Review of Derby Homes contract pricing relating to Grounds Maintenance and cleansing to cover the full cost of the service.	(90)	-	-	-	**(90)**	-
Leisure and Culture	Staffing Reductions	Revenue savings being identified from further staff efficiencies and vacancies.	-	(85)	-	-	**(85)**	2
Leisure	Deletion of a vacant post	Revenue savings being identified from further staff efficiencies and vacancies.	(20)	-	-	-	**(20)**	0.7

Service	Saving Proposal Title	Brief Saving Description	19/20 Proposed Saving £000's	20/21 Proposed Saving £000's	21/22 Proposed Saving £000's	22/23 Proposed Saving £000's	Total Saving	Potential number of FTE's reduction
Planning	Conservation	Review of the conservation and heritage function including working with the Conservation Area Advisory Committee.	(41)	-	-	-	**(41)**	1
Traffic and Transportation	Review of staffing structures in traffic and transportation	Review structures within the Traffic and Transportation Service to address the long standing temporary staffing arrangements and to remove vacant posts.	(48)	-	-	-	**(48)**	2
Total Savings formally signed off by Cabinet Meeting on 24 October and 12 December 18			**(1,672)**	**(1,106)**	**(344)**	**(200)**	**(3,322)**	**28.5**
Adjustments to Savings to be Agreed								
Environmental Protection	Neighbourhood Working	**SAVING REDUCED** – Extended approach to Neighbourhood working through an increase in number of Community Protection Officers and the addition of enforcement powers to incorporate parking offences. There will be a refocus of the Neighbourhood team to community engagement	35	85		-	**120**	

		and development and the re-establishment of a small neighbourhood devolved fund.						
Service	**Saving Proposal Title**	**Brief Saving Description**	**19/20 Proposed Saving £000's**	**20/21 Proposed Saving £000's**	**21/22 Proposed Saving £000's**	**22/23 Proposed Saving £000's**	**Total Saving**	**Potential number of FTE's reduction**
Planning	Conservation	**SAVING REDUCED** – Review of the conservation and heritage function including working with the Conservation Area Advisory Committee , due to the recruitment of a Technical Officer/Apprentice	11	-	-	-	**11**	
Traffic and Transportation	Review of staffing structures in traffic and transportation	**SAVING INCREASED** – Review structures within the Traffic and Transportation Service to address the long standing temporary staffing arrangements and to remove vacant posts.	(20)	-	-	-	**(20)**	
Traffic and Transportation	Parking Charges	**SAVING REMOVED POST CONSULTATION FEEDBACK -** Review of the usage of district centre parking to assess the impact on the transport network and understand the issues raised by local		60			**60**	

		residents and businesses about restriction of access and impact on the vibrancy of the centres.						
TOTAL COMMUNITIES AND PLACE SAVINGS			**(1,646)**	**(961)**	**(344)**	**(200)**	**(3,151)**	**28.5**

Appendix 5

Extract from Voices in Actions Minutes

Notes of Voices in Action Youth Council Meeting
Derby City Council

Monday 14 January 2019			
Who was there?			
Voices in Action Members	Frederico – Youth Mayor – Chair & Secretary	Adele Styles – Co-ordinator	Rufaro Hwindingwi –Signing in & Membership forms
Clive – Facilitating	Skye – Facilitating	Alice Sanghera – Facilitating	
Guests: • Don McLure – Strategic Director of Corporate Resources			
What we talked about			
1.	**Communities and Place Budget Consultation**		
	Don McLure gave a presentation on the Communities and Place Budget Consultation. Budget Consultation 2019 - 2020 to Voices Young people were asked: **1. Which are the good ideas and your reason?** The key themes were: • B-line – more efficient, more convenient, reduces costs, people who really need it will apply for it, environmentally friendly • More community protection officers people feel more safe, deterrent for anti-social behaviour, cleaner streets, saves police time, saves money, get community to volunteer, target certain areas where needed • More money for street cleaning – more people will visit a clean street, less crime on clean streets, people will maintain clean streets, helps with tourism, makes Derby more appealing, benefits the environment, helps boost local business • Roads maintenance – less damage to cars, benefits pedestrians; cars and cyclists • Libraries – students to volunteer to boost CV, community to invest, alternate branch opening times • More money for leisure – benefits of a new pool, improve Queens whilst new pool is being built, increase prices but means test, don't need to change price of swimming lessons		

	• Housing – encourage living in older houses, more money for housing young people • Money to museums – increase in tourism, increase education, inspiring for youth • Marketing Derby – other ways to advertise, should still help local businesses • Grounds Maintenance – environmental and good reputation for Derby **2. Which are the ideas you think are not so good and the reasons?** The key themes were: • B-line – no knowledge on how to apply, lack of internet access, more awareness, most young people use it for ID, needs to be well promoted, if young people don't know about it the risk of losing it altogether • Housing (New Builds) – less green open space, school will be over populated, demand for more facilities: local shops, GP, Dentist, Doctors • Leisure services – more expensive is harder for large families to pay, make sure leisure activities are still affordable so people can and will still go, those on low wage will miss out, raising prices will put people off, less money on Queens people will not want to attend due to safety and hygiene, better to have 2 pools to accommodate different areas of the city • Parking – increase in parking charges will cause people to avoid Derby, do not increase prices but do first one hour free, keep it low to support more businesses in term less investment needed from the Council • More street cleaning/recycling – requires more staff, more cost to council, noise pollution from equipment • Community Protection Officers - not effective unless target specific areas, need a lot of employees, won't be monetarily effective, could put cameras for more efficiency • Road Maintenance – if a lot of money is being spent already then it's a bad idea, there is a balance between a very high standard and cost • Ground Maintenance – rather than the Council spending money on flowers, grass cutting, litter the community should help • Reducing staff - means an increase in unemployment and claiming benefits, it would put people in debt • Marketing Derby – should already be well supported, bad idea to keep investing in businesses • Museums – there are more important things to spend money on • Libraries – maintain higher paid management roles to keep system and function, takes effort and time to recruit volunteers, trust and fund groups. Please see appendix 1 for full details.
Action	Don to feedback outcome from the consultation.

Appendix 1

1. Which are the good ideas and your reasons?

Blue Team	Orange Team
- **B-line** will be more efficient – more efficient, easy way to reduce costs potentially, more environmentally friendly (less bus use) - **Leisure centre** -> new pool -> more beneficial - **Roads more money on maintaining** -> less damage to cars – benefits pedestrians/cars & cyclists. How much are we already spending? Is it being used efficiently? - **More community protection officers** – help reduce costs of street cleaning, makes people feel safe, helps save police time - **More money for cleaning** – helps tourism, improves Derby's image, helps boost local business, environmental benefit - **More money from leisure** - **Less staff -> more community** – increase price of leisure, means tested prices? Easy way to raise funds. - **More money to museums** -> incorporate with marketing Derby – increase tourism, positive externalities, increase education, inspiring for youth	- **B-line** – good idea to choose whether you want it or not, good for people who want it, more convenient, have more staff for ground maintenance manages road situations better. - **More money for housing for young people** - **Good idea to have safe footpath** - **More community protection officers**/act as deterrent for antisocial behaviour, more people will visit a clean street, less crime, people will get used to clean streets and maintain it. - **Libraries** – if the community really wants to keep them, they can invest in them.
Green Team	**Purple Team**
- **B-line** – pay set amount to be printed, not losing service just engaging it, still access to it, a lot of people don't use them anyway. If you really wanted it you can still get it - **Community Protection Officer** – targeting certain areas could be effective – e.g. school and double yellows. - **More money for street cleaning and recycling** – makes Derby more appealing, helps tourism aspect, business aspect, positive outlooks, reduces carbon footprint, if not will push people out of the city (don't want to live in a horrible/dirty city. Environmentally beneficial - **More expensive swimming classes –** making money off something we already do so don't need to make changes.	- **B-line –** not everyone uses them some people do - **Put community officers** where they are needed e.g. where there might be high reputation of bad behaviour, still save money & have volunteers in less community. - **Ground maintenance** is important for environmental and citizens good reputation in Derby. - **Housing** – could encourage more people to live in older houses - **Queens** – with less investment there is more investments into Moorways, queens isn't very appealing so we should either improve and promise the innovations or not improve it anyway. We should be spending money on queens so that it is a

- **Libraries run by community –** pride in community, volunteer from community student etc. boosting C.Vs etc. will be willing, cutting staff but alternate opening days. E.g. Mickleover open when Littleover closed.	good level of decency whilst the new pool is being build. - **Marketing Derby** – there are other ways to advertise but it should still be there for help in local businesses

Appendix 6

Non Domestic Rates Budget Consultation Minutes

DERBY CITY COUNCIL

NOTES OF BUDGET CONSULTATION MEETING WITH REPRESENTATIVES OF NON-DOMESTIC RATEPAYERS AND THE BUSINESS COMMUNITY AND PARTNERS

HELD 15JANUARY 2019 AT COUNCIL HOUSE, CORPORATION STREET, DERBY

Present: Representing Derby City Council

Councillor Poulter – Leader of the Council
Councillor Roulstone – Cabinet Member for Finance and Procurement
Councillor Barker – Cabinet Member for Governance and Licensing
Don McLure – Strategic Director of Corporate Resources and S151 Officer

Representing Non-Domestic Ratepayers and the Business Community and Partners

Nick Chischniak – East Midlands Chamber
Paul Harris – Rolls Royce

- Introduction

Don McLure (Strategic Director of Corporate Resources and S151 Officer) and Councillor Poulter (Leader of the Council) outlined the budget position.

They explained that Council Cabinet would be meeting on 13 February 2019, to make recommendations to the City Council about setting the budget for the four financial years, 2019/20, 2020/21, 2021/22 and 2022/23. This meeting was part of the programme of consultation, which would help to inform the decisions made by the Council Cabinet and its recommendations to Council.

2 Budget Process

The Strategic Director of Corporate Resources explained the Council's priorities and budget for the 2019/20 onwards revenue budget. It was noted that over the four years the current estimated funding gap was £7.656m and therefore savings needed to be made. It was noted that the Capital Programme would not need to borrow for at least five years.

The Leader gave a brief update on some of the regeneration projects included in the capital programme.

3 Comments from the Meeting

Comments were invited from those present, both on the budget consultation document which was available before hand and on the information presented at the meeting. The substance of these and the replies given were:

Nick Chischniak on behalf of East Midlands Chamber welcomed the Council's commitment to economic regeneration and referred to the regular dialogue with the Economic Development team within the Council which was useful. He also referred to a procurement seminar which had taken place a few weeks previously which had proved successful and it was hoped to repeat it again during 2019.

The Leader referred to the international development work being undertaken with China, India and Japan.

Nick Chischniak asked if there could be an update on the Metro Strategy given to the Chamber and what was happening in relation to new business premises. It was agreed to arrange an update for the Chamber on the Metro Strategy. In respect on new business premises it was reported that Connect Derby still had some space available and Infinity Park had a 94% occupancy rate.

Councillor Barker referred to the decline in city centre retail and the clean air zone and asked if this was having an impact on businesses.

Nick Chischniak stated that investment in city centre needed to be encouraged, the retail position was not unique to the area but a national problem. He said that the Chamber would be happy to engage in any initiatives to help the position. He had been in contact with Nottingham City Council about clean air zones and would welcome a conversation with Derby City Council. In respect of congestion charging, the business community would be concerned about the impact this would have on businesses as it was a potential tax on businesses.

Councillor Barker stated that there were no plans currently to consider introducing congestion charging. The Council had looked beyond the initial criteria for clean air zones so that any works would look to elevate problems into the future. Input from the Chamber would be welcome.

Nick Chischniak explained that there were a number of platforms which would be used and that he would provide that information to the Council.

Councillor Poulter asked about the work place parking levy in Nottingham and if this was still an issue for businesses.

Nick Chischniak explained that this was stealth tax which had driven some businesses out of Nottingham and it had affected the long term prospects of the city, it was not just a short term problem.

Councillor Poulter referred to the use of retail space which had become vacant. The business rates pilot scheme was being used to help diversify the area. Planning guidance sometimes did not help the position but there was potential for a change in the dynamics in city centres. Footfall needed to be brought back into the city centre.

Paul Harris explained that retail was leaving city centres and was unlikely to be returning, this needed to be recognised so that businesses, city living and the service sector could be attracted to take up the space vacated by retail. He stated that the London position worked because people do not drive to work. Young people that Rolls-Royce and other businesses were trying to attract to jobs wanted a mixed city centre which gave them a choice of having a car or not. This could be a deciding factor for them in attracting them to come to Derby.

Councillor Poulter stated that there were good ties with the University and the Council were working with them to attract young people to Derby.

Paul Harris asked about savings the Council needed to make.

The Strategic Director of Corporate Resources explained about the total budget position of the Council and that the savings required amounted to circa 5% of the total budget. He also explained that approximately 70% of the budget related to children's and adults services where the pressures were growing and were not controllable.

Paul Harris asked about budget growth and if all sources of funding were being investigated. He suggested the third sector and businesses be engaged to help with the council acting as co-ordinator.

Councillor Roulstone referred to historic ways of making savings and the impact that this had had. She referred to various examples where working with the voluntary sector was working well.

Nick Chischniak stated the businesses had corporate social responsibility and were willing to be involved but information needed to be concise and not document led.

Councillor Poulter stated that the procurement process was being reviewed to try and simplify the process. There was Government funding available to encourage Councils to be more commercial.

Paul Harris suggested that the Council have some projects worked up so that when Government funding became available they could be ready to submit as a bid for funding.

There was also a discussion which included various examples of sustainable transport projects which could be considered going forward.

- <u>Conclusion</u>

The Strategic Director of Corporate Resources reported that the consultation was open on the Council website and that responses would be considered by Council Cabinet on 13 February 2019 and thanked the representatives and the businesses and partner representatives for attending the meeting.

MINUTES END

Appendix 7

Summary Capital Expenditure Programme 2019/20 – 2021/22 General Fund

Programme Area	2019/20 Revised	2020/21 Original	2021/22 Original	Total
	£m	£m	£m	£m
Expenditure				
Schools	13.627	21.633	6.180	41.440
Housing General Fund	6.587	2.640	3.050	12.277
Property	16.015	32.690	10.843	59.548
Flood Defence	0.250	0.250	0.250	0.750
Highways & Transport	25.868	6.270	5.900	37.351
Vehicles Plant & Equipment	32.032	0.562	2.520	35.114
Regeneration	60.061	34.814	6.454	101.329
ICT	2.198	-	-	2.198
Total	**156.637**	**98.859**	**35.197**	**290.007**

Summary Capital Funding 2019/20 -2021/22

Funding Source	2019/20 Revised	2020/21 Original	2021/22 Original	Total
	£m	£m	£m	£m
Supported Capital Expenditure Capital (SCE C)	21.275	23.643	9.117	53.349
Devolved SCE C Direct to Schools	0.501	1.200	0.400	2.101
Government Grants	26.766	8.233	4.669	39.668
External contributions	1.060	1.525	0.235	2.820
Lottery	0	-	-	0
Section 106	1.862	-	-	1.862
Total External Funding	**51.464**	**34.601**	**14.421**	**99.800**
Funding Requirement	**105.173**	**64.259**	**20.776**	**188.688**
Funded By				
Capital Receipts	11.933	10.250	3.600	25.783
Revenue Funding	21.102	2.050	0.500	23.652
Serviced Financed Borrowing	19.112	16.207	2.520	36.319
Service Financed Invest to Save Borrowing	6.375	0.023	-	6.398
Potential Borrowing	46.651	35.728	14.156	96.535
Total Internal Resources	**105.173**	**64.258**	**20.776**	**188.687**
Total Funding	**156.637**	**98.859**	**35.197**	**290.007**

Housing Revenue Account Capital Programme 2019/20 – 2021/22

Programme Area	2019/20 Revised £m	2020/21 Original £m	2021/22 Original £m	Total £m
Expenditure	24.393	27.368	28.312	80.073
Funding Source				
Capital Receipts RTB141	3.884	4.187	4.412	12.483
Capital Receipts RTB debt retained	3.696	3.774	0	7.470
Grant	0	0.385	0	0.385
Borrowing				
MRA	16.813	19.022	23.900	59.735
Total Funding	24.393	27.368	28.312	80.073

Schools 2019/20 -2021/22 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
Schools	Adaptions For Foster Carers	SCE C	0. 202	0.080	0.080
Schools	Basic Need/Additional Places	SCE C	1.420	10.953	3.800
Schools	Derby Moor Expansion	SCE C	1.130	0	0
Schools	Murray Park Expansion	SCE C	2.848	0	0
Schools	West Park Expansion	SCE C	0.995	0	0
Schools	Bemrose School secondary expansion	SCE C	0.200	0	0
Schools	Markeaton Primary Capital Programme Scheme	UBC	0.020	0	0
Schools	Brackensdale Infant & Junior – Expansion	S106	1.550	0	0
Schools	Buildings at Risk urgent condition and suitability schemes	SCE C/UBC	0.425	0	0
Schools	Brackensdale junior – fire risk assessment works	SCE C	0.001	0	0
Schools	Cherry Tree Hill Primary – Fire Risk Assessment work retention	SCE C	0.001	0	0
Schools	Ivy House School – Fire Risk Assessment improvements retention	SCE C	0.001	0	0
Schools	Littleover Community School – Fire alarm works retention	SCE C	0.002	0	0
Schools	Oakwood Junior School – Phase 3 retention	SCE C	0.002	0	0
Schools	Portway Junior School – Fire alarm and replacement boilers retention	SCE C	0.002	0	0
Schools	Redwood Primary School – Replacement windows and phase 1 rewiring retention	SCE C	0.002	0	0

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
Schools	Wren Park Primary School – Replacement gas main retention	SCE C	0.001	0	0
Schools	Rosehill School – Extension and Remodelling	SCE C/UBC	0.039	0	0
Schools	Springfield Primary – Additional Classroom 2017	UBC	0.060	0	0
Schools	Stonehill Nursery – FRA External Fire Escape Route	UBC	0.020	0	0
Schools	Ashgate Primary School – Final Phase Refurbishment	SCE C/EC	0.006	0	0
Schools	Hackwood Farm Primary	SCE C	0.100	0	0
Schools	Fellows Lands Way Primary S106	S106	0.300	0	0
Schools	Capital works delivered by schools	RCCO	0.500	0.500	0.500
Schools	Devolved Formula Cap	SCE C	0.500	1.200	0.400
Schools	School Condition work	SCE C	1.600	1.500	1.400
Schools	Derby Cathedral School – New Secondary School	SCE C	1.000	1.000	0
Schools	The Bemrose School – Special Educational Needs (SEN) Unit	SCE C/GG	0.400	2.720	0
Schools	St Clare's Special School – Redevelopment	SCE C/GG	0.300	3.680	0
	Total Schools Programme		**13.627**	**21.633**	**6.180**

Housing General Fund 2019/20 -2021/22 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
Housing General Fund	Disabled Facilities Grant 96 Act	GG/CR	2.675	1.915	1.915
Housing General Fund	Capitalised Salaries	EC	0.085	0.085	0.085
Housing General Fund	Healthy Housing Assistance	EC	0.150	0.150	0.150
Housing General Fund	Empty Property Assistance	EC/GG	0.150	0.150	0.150
Housing General Fund	Community Energy Savings Project (CESP)	EC	0.420	0.340	0.250
Housing General Fund	Works at Shelton Lock	GG	0.070	0	0
Housing General Fund	Temporary Accommodation	CR	1.245	0	0
Housing General Fund	Affordable Housing external RP	CR	1.412	0	0
Housing General Fund	Milestone House	CR/EC	0.380	0 0	
Housing General Fund	Grants (RTB receipts)		0	0	0.500
	Total Housing General Fund Programme		**6.587**	**2.640**	**3.050**

Property Improvement 2019/20 -2021/22 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
	Essential Maintenance				
Property	Planned Maintenance	UBC/SCE C	0.855	0.960	4.637
Property	Lift Replacement	UBC/SCE C	0.323	0.150	0.150
Property	Fire Precaution Works	UBC/SCE C	0.365	0.300	0
Property	Replacement Windows	UBC/SCE C	0.200	0.200	0
Property	Boiler Replacements	UBC/SCE C	0.300	0.200	0
Property	Electrical Rewiring	UBC/SCE C	0.100	0.100	0
Property	External Areas	UBC/SCE C	0.100	0.200	0
Property	Preliminary Design work for future years	UBC/SCE C	0.150	0.150	0
Property	Capitalised Valuer	UBC/SCE C	0.037	0.037	0.037
Property	Stores Road Tram Shed Demolition	UBC/SCE C	0.144	0	0
Property	Demolition Projects	SCE C	0.387	0.487	0
	Total Essential Maintenance		**2.961**	**2.784**	**4.824**
	Major Maintenance (£500k+)				
Property	Guild Hall roof covering and stonework replacements	UBC/SCE C/GG	1.125	0	0
	Total Major Maintenance Projects (£500k+)		**1.125**	**-**	**-**
	Property Improvement: Refurbishment				
Property	Arboretum Park Rosehill Lodge	SCE C	0.150	0	0
Property	Darley Park playing fields changing mess	SCE C	0.165	0	0
Property	Pickfords House Museum	SCE C	0.152	0	0
Property	Mackworth Road Allotment Garden Access Bridge	UBC	0.050	0	0
Property	Nottingham Road Cemetery – Toilets	UBC	0.094	0	0
Property	Chaddesden Park Pavilion	UBC	0.092	0	0
Property	Springwood leisure centre roof refurbishment	UBC	0.052	0	0
Property	Queens leisure Centre Temporary roof works	SCE C	0.060	0	0

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
Property	Derby Gym/Lancaster Sports	SCE C	0.085	0	0
Property	Ashtree House – 218 Osmaston Road	UBC	0.043	0	0
Property	Darley Park Changing Rooms-Pressurisation of the cold water system.	UBC	0.038	0	0
Property	Southgate West Youth and Community Centre	UBC	0.043	0	0
Property	Central Library conversion to Museum	UBC	0.117	0	0
Property	Children's Homes – Enhanced Care Provision (ECP) Building at Moorfields	UBC	0.247	0	0
Property	Homes for older People	GG	1.535	1.750	0
Property	City Centre Infrastructure	SCE C	0.183	0.100	0
Property	Spondon Library	SCE C	0.032	0	0
Property	Sinfin Library	SCE C	0.020	0	0
	Total Property Improvement: Refurbishment		**3.158**	**1.850**	**-**
	New Project Additions				
Property	**New Swimming Pool Complex/ Leisure Centre strategy**	**UBC/CR**	**7.506**	**27.919**	**4.219**
Property	**Corporate Capital Contingency S151 Approval only**		**0**	**0**	**1.800**
	Total New Project Additions		**7.506**	**27.919**	**6.019**
Property	**Libraries refurbishment project**	**SCE C**	**0.819**	**0.100**	**0**
	Parks Programme				
Property	**Chellaston Park**	**UBC**	**-**	**0.025**	**0**
Property	**Arboretum Park- Specialist Play Equipment**	**SCE C**	**-**	**0.012**	**0**
Property	**Heatherton Park**	**GG**	**-**	**0**	**0**
Property	**Darley Playing Fields**	**UBC**	**0.445**	**0**	**0**
	Total Parks Programme		**0.445**	**0.037**	**-**
	Future Years Considerations				
	Total Property Programme		**16.015**	**32.690**	**10.843**

Highways & Transport 2019/20 – 2021/22 Summary Expenditure

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
Highways & Transport	Integrated Transport Programme – smaller scheme	UBC	1.000	1.000	1.000
Highways & Transport	Asset Management - Highways Maintenance	SCE C/EC	5.373	4.900	4.900
Highways & Transport	Structures Maintenance	SCE C	0.171	0	0
Highways & Transport	Intelligent Transport Systems Maintenance	SCE C	0.147	0	0
Highways & Transport	Network Management	SCE C	0.036	0	0
Highways & Transport	Public Transport – Cleaner Taxis	SCE C	0.440	0	0
Highways & Transport	Active Travel –Cycle Derby	S106	0.200	0	0
Highways & Transport	A52 Strategic Transport Scheme	UBC/GG/S106	16.187	0	0
Highways & Transport	Active Travel – Smarter Choices	GG	0.813	0.370	0
Highways & Transport	Bus Station Improvements	GG	1.500	0	0
	Total Highways & Transport programme		**25.868**	**6.270**	**5.900**

Flood Defence 2019/20 -2021/22 Summary Expenditure

Title	Source Of Funding	Total Revised 2019/20 £	Total Revised 2020/21 £	Revised 2021/2022 £
Local flood alleviation scheme	SCE C	0.250	0.250	0.250
Total Flood Defence Programme		**0.250**	**0.250**	**0.250**

Vehicles Plant & Equipment 2019/20 -2021/22 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
Vehicles Plant and Equipment	Grounds Plant & Equipment	UBSF	0.350	0.400	0. 400
Vehicles Plant and Equipment	Highways Fleet	USBSF	1.400	0	0
Vehicles Plant and Equipment	Refuse Vehicles & Plant	UBSF	2.700	0	1.900
Vehicles Plant and Equipment	Street Cleaning Equipment	UBSF	0.322	0.162	0.220
Vehicles Plant and Equipment	Waste Treatment Plant	UBC	25.000	0	0
Vehicles Plant and Equipment	Garden Waste Refuse Vehicles	UBSF	1.520		
Vehicles Plant and Equipment	Garden Waste Recycling Bins	RES	0.740	0	0
	Total Vehicles Plant & Equipment		**32.032**	**0.562**	**2.520**

Regeneration 2019/20 -2021/22 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
Regeneration	Market Hall Refurbishments	SCE C/CR/UBC	2.873	1.860	2.600
Regeneration	Cathedral Green	UBCSF	4.109	4.856	
Regeneration	Project Mulberry	UBCSF	8.511	10.789	
Regeneration	Becketwell Colyer street acquisition	GG	3.792	1.620	0
Regeneration	Castleward Urban Village	SR	0.075		
Regeneration	Enhanced Assembly Rooms	GG/SR/CR	13.800	10.000	0
Regeneration	Alvaston District Centre	UBC	0	0.715	0
Regeneration	High Quality Office Space (Bold Lane)	UBCSF	6.375	0.023	0
Regeneration	Silk Mill	GG	1.300	0	0
Regeneration	Climate Change European Regional Development Fund	GG	0.053	0	0
Regeneration	Accelerated Development IPD	USB	0.080	0	0
Regeneration	Infinity Park Derby (IPD) – Initial Infrastructure	SCE C/UBC	0.212	0	0
Regeneration	IPD Wayfinding	UBC	0.200	0	0
Regeneration	T12 Phase 1	SCE C	0.050	0	0
Regeneration	T12 Phase 2	UBC	0.475	0	0
Regeneration	Ihub plot preparation	GG/SR/UBC	0.781	0	0
Regeneration	Townscape Heritage Initiative	GG/SCE C	0.100	0	0
Regeneration	Access Osmaston	SCE C/GG/RCCO	0.774	0	0
Regeneration	City Centre Living	CR	1.000	1.500	1.500
Regeneration	Derby Vibrant City Place making	GG/SCE C/CRES/UBC	0.095	0	0
Regeneration	Brook re-alignment/innovation drive extension	GG	0.943	0.894	0
Regeneration	Derby Enterprise Growth Fund – Recycled	CR	0.300	0.400	0
Regeneration	Our City Our River	GG	14.163	2.156	2.354
	Total Regeneration Programme		**60.061**	**38.814**	**6.454**

ICT 2019/20 -2021/22 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
ICT	ICT Stabilisation – Hardware Renewal	SCE C	1.049	0	0
ICT	Replacement/Retender Council Tax System	SCE C	0.089	0	0
ICT	OH system	SCE C	0.075	0	0
ICT	Major IT Systems Development	SCE C	0.464	0	0
ICT	Liquid logic	UBC	0.421	0	0
ICT	Business Support – 2 Scanners	GG (corp)	0.100	0	0
	Total ICT		**2.198**	**-**	**-**

HRA 2019/20 -2021/22 Summary Capital Programme

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
HRA	Kitchens and Bathrooms	MRA	3.000	3.000	3.000
HRA	Disability Adaptions	MRA	0.700	0.700	0.700
HRA	Hackwood Farm	MRA/CR	0	0	1.800
HRA	Unallocated General Maintenance Funding	MRA	0	0	1.050
HRA	Further New Homes	MRA/CR	6.000	3.000	10.000
HRA	The Knoll NB	MRA	1.250	2.500	0
HRA	New Build and Acquisitions	MRA	0.611	3.458	2.907
HRA	Perth Street NB	MRA	1.000	0	0
HRA	Barlow street	MRA/CR	0.500	1.000	0
HRA	Gerard street	MRA/CR	0.305	0	0
HRA	Carson Street	MRA/CR	0.100	0	0
HRA	Hatfield Road	MRA/CR	0.162	0	0
HRA	Estates Pride – General	MRA	0.250	0.250	0.250
HRA	PVCU Windows & Doors	MRA	1.000	1.500	1.500
HRA	Capital Salaries Mods Liaison	MRA	0.700	0.700	0.700
HRA	One-off Mods/Major Refurbishments	MRA	0.700	0.700	0.700
HRA	Re-Roofing	MRA	1.500	1.500	1.500
HRA	Communal Door Entry Systems	MRA	0.085	0.050	0.050
HRA	New & Replacement Central Heating	MRA	1.955	2.055	2.055
HRA	Rewiring/Electrical Upgrades	MRA	0.500	0.500	0.500
HRA	Solid Wall Installation	MRA	0.350	0.350	0.350
HRA	Fire Safety Work	MRA	0.250	0.250	0.250
HRA	Communal stair cases	MRA	0.300	0	0

Strategy Area	Title	Source Of Funding	Total Revised 2019/20 £m	Total Revised 2020/21 £m	Revised 2021/2022 £m
HRA	Emergency call system replacement	MRA	0.125	0	0
HRA	Energiesprong Partnership	GG/MRA	0	0.855	0
HRA	Rivermead refurbishments	MRA	0	1.000	1.000
HRA	Beaufort Business Centre	MRA	0.030	0	0
HRA	Britannia Court	MRA/CR	1.000	4.000	0
HRA	Parliament St	MRA/CR	1.750	0	0
HRA	Bracknell	MRA/CR	0.150	0	0
HRA	Berwick Avenue	MRA	0.120	0	0
	Total HRA		**£24.393**	**£27.368**	**£28.312**

Appendix 8

Summary of Unsupported Borrowing

Strategy Area	Scheme	2019/20 £m	2020/21 £m	2021/22 £m
	Corporate Borrowing			
Flood Defence	Local flood alleviation scheme	0.250	0.250	0.250
Highways & Transport	Integrated Transport Programme – smaller scheme	1.000	0.000	0.000
Highways & Transport	Asset Management – Highways Maintenance	4.900	2.100	2.100
Parks & Open Spaces	Chellaston Park	0.000	0.025	0.000
Parks & Open Spaces	Heatherton Park	0.000	0.012	0.000
Property Improvement	New Swimming Pool Complex	7.507	27.919	6.019
Property Improvement	Stores Road Tram Shed Demolition	0.144	0.000	0.000
Property Improvement	Libraries Refurbishment	0.514	0.000	0.000
Property Improvement	Homes for Older People – Reconfiguration, Redevelopment, Relocation, Remodelling	1.000	1.750	0.000
Property Improvement	Enhanced Care Provision (ECP) Building at Moorfields	0.247	0.000	0.000
Property Improvement	Mackworth Road Allotment Garden Access Bridge	0.050	0.000	0.000
Property Improvement	Nottingham Road Cemetery – Toilets	0.094	0.000	0.000
Property Improvement	Chaddesden Park Pavilion	0.092	0.000	0.000
Property Improvement	Arboretum Park – Rosehill Lodge	0.150	0.000	0.000
Property Improvement	Springwood Leisure Centre-Roof Repairs	0.052	0.000	0.000
Property Improvement	Darley Park Playing Fields:- Rangers Office/ Changing Mess	0.165	0.000	0.000
Property Improvement	Pickford House Museum	0.152	0.000	0.000
Property Improvement	Ashtree House – 218 Osmaston Road	0.043	0.000	0.000
Property Improvement	Darley Park Changing Rooms	0.038	0.000	0.000
Property Improvement	Southgate West Youth and Community Centre	0.043	0.000	0.000
Property Improvement	Central Library conversion to Museum	0.118	0.000	0.000
Property Improvement	City Centre Infrastructure	0.183	0.100	0.000
Property Improvement	Planned Maintenance	2.307	2.447	4.637

Property Maintenance & Refurbishment	Darley Playing Fields	0.445	0.000	0.000
Property Maintenance & Refurbishment	Lift Replacement/ Maintenance	0.113	0.150	0.150
Property Maintenance & Refurbishment	Preliminary Design- Structural and Buildings at risk	0.150	0.150	0.000
Regeneration	City Centre Accelerated Development	0.080	0.000	0.000
Regeneration	Infinity Park Derby (IPD) – Initial Infrastructure	0.008	0.000	0.000
Regeneration	T12 – Phase 2	0.475	0.000	0.000
Regeneration	iHub Plot Preparation	0.050	0.000	0.000
Regeneration	Market Hall Refurbishments	0.731	0.110	1.000
Regeneration	IPD Wayfinding	0.200	0.000	0.000
Regeneration	Alvaston DC	0.000	0.715	0.000
Schools	Markeaton Primary Capital Programme Scheme	0.020	0.000	0.000
Schools	Basic Need/Additional Places	0.237	0.000	0.000
Schools	Rosehill infant school extension and remodelling works	0.014	0.000	0.000
Schools	Springfield Primary School – 2017 Additional classroom accommodation	0.060	0.000	0.000
Schools	Stonehill Nursey – Fire Risk Assessment (FRA) – external fire evacuation route protection	0.020	0.000	0.000
Vehicles Plant and Equipment	Waste Disposal – New Treatment Plant	25.000	0.000	0.000
	Total Corporate borrowing	**46.651**	**35.728**	**14.156**
	Service Financed			
Regeneration	Project Mulberry	8.511	10.789	0.000
Regeneration	Becktwell Ice pad	0.200	0.000	0.000
Regeneration	Cathedral Green	4.109	4.856	0.000
Vehicles Plant and Equipment	Grounds Plant & Equipment	0.350	0.400	0.400
Vehicles Plant and Equipment	Garden Waste Recycling Vehicles	1.520	0.000	0.000
Vehicles Plant and Equipment	Refuse Vehicles & Plant	2.700	0.000	1.900
Vehicles Plant and Equipment	Street Cleaning Equipment	0.322	0.162	0.220
Vehicles Plant and Equipment	New Vehicle Fleet	1.400	0.000	0.000
	Total Service financed	**19.112**	**16.207**	**2.520**
	Spend to save service financed			
Regeneration	High Quality Office Space (Bold Lane)	6.375	0.023	0.000
	Total Spend to Save	**6.375**	**0.023**	**0.000**

Appendix 9

Minimum Revenue Provision Statement 2019/20

Annual Minimum Revenue Provision Statement 2019/20

An underpinning principle of the local authority financial system is that all capital expenditure has to be financed either from capital receipts, capital grants (or other contributions) or eventually from revenue. The amount charged to the revenue budget for the capital expenditure is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008.

The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing Communities and Local Government (MHCLG) '*Guidance on Minimum Revenue Provision'.* The latest guidance was issued in February 2018.

The broad aim of the MHCLG Guidance is to ensure a prudent provision is made from revenue over time to cover the total amount of capital expenditure needed to be met from revenue. A prudent provision is considered to be where the period over which MRP is charged is aligned to the period over which the capital expenditure provides benefits.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. However the guidance gives flexibility in how MRP is calculated, providing the calculation is 'prudent'.

The following policy included in the statement incorporates options recommended in the Guidance as well as locally determined prudent methods.

Minimum Revenue Provision Policy

- For capital expenditure incurred before 1st April 2008 and for supported capital expenditure incurred on or after that date, MRP will be determined by charging an appropriate annuity rate over the remaining life in respect of that expenditure.

- For unsupported capital expenditure incurred after 31st March 2008 MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments or as the principal repayment on an annuity basis, starting in the year after the asset becomes operational. For annuity basis the interest rate charged is 4.3% for unsupported capital expenditure incurred after 31st March 2017. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over the number of years specified in the CLG Guidance.

- For assets acquired by finance leases or Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

- For the transferred debt from Derbyshire County Council an appropriate annuity basis will be used over 50 years.

- Where loans are made to other bodies for their capital expenditure, no MRP will be charged. However, the capital receipts generated by the annual repayments on those loans will be put aside to repay debt instead.

- Where loans are accepted as funding for a specific project, the MRP charged will be equal the loan principal repayments.

- Voluntary MRP may be made at the discretion of the Section 151 Officer.

- No MRP will be charged in respect of assets held within the Housing Revenue Account.

Capital expenditure incurred during 2019/20 to be met from revenue will not be subject to a MRP charge until 2020/21 or the year after the asset becomes operational if later than.

Prudential Indictors 2018/19 to 2021/22

	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Capital Expenditure				
General Fund	66.8	156.6	98.8	35.2
HRA	23.0	24.4	27.4	28.1
Total Capital Expenditure	89.8	181.0	126.2	63.3
Capital Financing Requirement (CFR)				
General Fund	407.2	449.2	493.0	511.9
HRA	231.7	231.7	231.7	231.7
Total CFR	**638.9**	**680.9**	**724.7**	**743.6**
External Debt				
Borrowing	351.8	340.2	339.0	338.3
Other long-term liabilities	91.7	87.9	85.9	82.9
Gross Debt	**443.5**	**428.1**	**424.9**	**421.2**
Operational Boundary for External Debt				
Borrowing	591.7	657.5	703.3	725.2
Other long-term liabilities	91.7	87.9	85.9	82.9
Total	**683.4**	**745.4**	**789.2**	**808.1**
Authorised Limit for External Debt				
Borrowing	699.9	731.8	749.1	756.0
Other long-term liabilities	91.7	87.9	85.9	82.9
Total	**791.6**	**819.7**	**835.0**	**838.9**
Ratio of Financing Costs to Net Revenue Stream	**%**	**%**	**%**	**%**
General Fund				
HRA				
Notional Increase Impact of Capital Investment Decisions	**£**	**£**	**£**	**£**
Notional Impact on Band D Council Tax (Non HRA)				
Increase in Average Weekly Housing Rents (HRA)				

Capital Strategy 2019/20

1.1 Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.

For details of the Council's policy on capitalisation, follow link

https://iderby.derby.gov.uk/media/intranet/documents/finance/capitalandassets/procedure-notes-capitalisation-policy-P1.pdf

1.2 In 2019/20, the Council is planning capital expenditure of £178.824m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2017/18 Actual £m	2018/19 Forecast £m	2019/20 Budget £m	2020/21 Budget £m	2021/2022 Budget £m
General fund Services	52.276	66.784	156.637	98.859	35.197
Council Housing (HRA)	12.608	22.972	24.393	27.368	28.312
Capital Investments	0	0	0	0	0
TOTAL	64.884	89.756	181.030	126.228	63.509

1.3 The main General Fund capital projects include:

- £2m contribution to a new secondary school, the Derby Cathedral School which is being delivered by the DFE
- £3.120m for the development of a special needs unit at Bemrose Secondary School
- £3.980m for the redevelopment of St Clares Special School
- £3.285m for the redevelopment/remodelling of Homes for Older people.
- £33m for the A52 highway improvements
- £11.180 for the Market Hall refurbishment
- £24m for the refurbishment of a new and enhanced Assembly Rooms
- £42m for a New Swimming Pool Complex at Moorways
- £18.674m further expenditure for the Our City Our River flood defence project.

1.4 The Housing Revenue Account (HRA) is a ring fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and includes the building of 300 new homes over the forecast period.

1.5 The Government's lifting of the debt cap in October 2018 was intended to herald a new era for Council house delivery, with an expected 10,000 Council homes a year being delivered across the country. There remain, however, considerable challenges in bringing this about – not only financial: the scale of Right to Buy discounts being the prime one; but also the availability of land and appropriately trained building workers and development expertise.

1.6 The HRA Business Plan (HRABP) and capital programme do not yet reflect the lifting of the debt cap – current proposed funding plans would be contained within the previous cap and are already ambitious. The Council will consider whether there is an opportunity to invest even more in Council housing as a result of the lifting of the debt cap in order to accelerate delivery still further. If adjustments to the plans are then required, further reports will be brought back to the Cabinet.

1.7 **Governance**
Programme Managers put forward their proposed capital programme around September each year to include in the Council's capital programme. New bids for new schemes are also put forward and dependent on value will be subject to the Gateway process. This process includes going through a number of gateways to allow for acceptance of a new idea against service objectives and council need, feasibility, design full business case, financial appraisal and eventually new scheme. The Project Management Office (PMO) is looking to launch this process from 2019/20 onwards. Other new bids are of a lesser value are put forward and would be considered by the Corporate Capital Programme Board (CCPB) to put forward as schemes to be considered by members for corporate funds or are fully self-funded via grants and external contributions. The final capital programme is then presented to Cabinet in January following a consultation process and then to Council in February each year.

1.8 For full details of the Councils capital programme see the main Capital budget report that this strategy is appended to and detailed from section 4.90.

1.9 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

	2017/18 Actual £m	2018/19 Forecast £m	2019/20 budget £m	2020/21 Budget £m	2021/22 Budget £m
External Sources	48.251	48.717	51.464	34.986	14.421
Own resources	15.687	40.472	129.566	91.242	49.088
Debt	0.946	0.592	0	0	0
Total	64.884	89.781	181.030	126.228	63.509

1.10 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as (minimum revenue provision (MRP)) Alternatively proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned (MRP/repayments) and use of capital receipts are as follows:

Table 3:Replacement of debt finance

	2017/18 Actual £m	2018/19 Forecast £m	2019/20 Budget £m	2020/21 Budget £m	2021/22 Budget £m
Own resources	7.473	7.051	7.610	8.927	10.296

The Councils full MRP statement is available at: (see Appendix 9 of the capital budget report).

1.11 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with (MRP) and capital receipts used to replace debt. The CFR is expected to (increase by £42m) during 2019/20. Based on the above figures for expenditure and financing. The Council's estimated CFR can be found in Appendix 10.

1.12 **Asset Management:**
To ensure that capital assets continue to be of long-term use, the council has adopted a corporate approach to the planning and management of the property portfolio to support the delivery of the Council's service needs and achieve corporate objectives, an asset management strategy is in place. The Corporate Asset Management Plan (2018-2023) was adopted by Cabinet in September 2018 and sets the strategic direction for the use, management and development of Derby City Council's property assets.

The Councils asset management strategy can be found at https://www.derby.gov.uk/housing/land-and-premises/corporate-asset-management-plan/

1.13 **Asset Disposals**
When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The council plans to receive £51.1m of capital receipts in the coming financial years as follows including RTB receipts:

Table 5: Capital receipts

	2017/18 Actual £m	2018/19 Forecast £m	2019/20 Budget £m	2020/21 Budget £m	2021/22 Budget £m
Asset Sales	13.861	10.029	12.243	12.582	11.635
Loans Repaid	3.589	0.571	1.301	1.668	1.141
TOTAL	**17.450**	**10.600**	**13.544**	**14.250**	**12.776**

1.14 **Treasury Management**
Treasury Management is concerned with keeping sufficient but not excessive cash available to meet the Councils spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank's current account. The Council is typically cash rich in the short term as revenue income is received before it is spent, but cash poor in the long term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing. Due to the decisions taken in the past the Council currently has £447.774m borrowing at an average interest rate of 4.33% and £81.307 treasury investments at an average rate of 0.55%.

1.15 **Borrowing Strategy:**
The Councils main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

1.16 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases can be found in Appendix 10.

1.17 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The gross debt indicator and CFR can be found in section 4.148 of the Treasury Management Strategy.

1.18 **Liability Benchmark**
To compare the Councils actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £20m at each year end. This benchmark is currently £284m and is forecast to rise to £395m over the next three years. The Treasury Management Strategy provides full details of this on section 4.143 of the report.

1.19 **Affordable Borrowing Limit:**
The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit. See section 4.148 of the Treasury Strategy for these limits.

1.20 Further details on borrowing are in Sections 4.190 of the Treasury Management Strategy and Appendix 10.

1.21 **Investment Strategy**
Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

1.22 The Councils' policy on treasury investments is to prioritise security and liquidity over yield that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely,

including bonds, shares and property to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the council may request its money back at short notice.

Further details on treasury investments are included in section 4.163 of the Treasury Management Strategy.

1.23 **Governance**
Decisions on treasury management and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by Council/Cabinet. Quarterly reports on the treasury management budgets are presented to Cabinet, along with a midyear report on the treasury management activities presented to Cabinet. The audit committee is responsible for scrutinising treasury management decisions.

1.24 **Investments for Service Purposes**
The Council makes investments to assist local public services, including making loans to local service providers, local small businesses to promote economic growth. In light of the public service objective, the Council is willing to take more risk than with treasury investments; however it still plans for such investments to breakeven/generate profit after all costs.

1.25 **Governance**
Decisions on service investments are made by the relevant service manager in consultation with the Director of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

1.26 **Commercial Activities**
With Central Government financial support for local public services declining, the Council does not invest in commercial property purely or mainly for financial gain.

1.27 **Liabilities**
In addition to debt of £447.774m detailed above, the council is committed to making future payments to cover its pension fund deficit valued at £376.936m; It has also set aside £3.1m to cover risks of Business Rates appeals and Insurance losses. The Council also has potential liabilities for the Derby Homes pension deficit and Business rates losses pending the outcome of a national legal case brought by the NHS, but have not put aside any money due to the level of uncertainty around the liability.

1.28 **Governance**
Decisions on incurring new discretional liabilities are taken by service directors in consultation with the Strategic Director of Corporate Resources. The risk of liabilities crystallising and requiring payment is monitored by corporate finance and reported in the Council's year-end financial statements.

Further details on liabilities and guarantees are on pages 29 and 111 of the 2017/18 Statement of Accounts.

1.29 **Revenue Budget Implications**

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants. The proportion of financing costs to net revenue stream can be found in the Treasury Management Strategy in section 4.124 and Appendix 10.

1.30 **Sustainability**

Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Director of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable because of the rigorous budget setting process undertaken during the last six months in conjunction with members programme officers and the finance team.

1.31 **Knowledge and Skills**

The council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Strategic Director of Corporate Resources is a qualified accountant with 27 years post qualification experience, the Director of Property is suitably qualified and experienced. The Council pay for junior staff to study towards relevant professional qualifications including CIPFA, and AAT.

1.32 Where Council staff do not have the knowledge and skills required, use is made of external advisors and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as Treasury Management Advisors, the District Valuer's Office (DVO) as property consultants and valuers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

1.33 **Public/Stakeholder Engagement**

This report has been prepared with engagement from the Estates section, Housing and the treasury section to comply with the requirements of the code.

Arlingclose Economic & Interest Rate Forecast December 2018

Underlying assumptions:

- Our central interest rate forecasts are predicated on there being a transitionary period following the UK's official exit from the EU.
- The MPC has a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. We believe that MPC members consider that: 1) tight labour markets will prompt inflationary pressure in the future, 2) ultra-low interest rates result in other economic problems, and 3) higher Bank Rate will be a more effective policy weapon if downside risks to growth crystallise.
- Both our projected outlook and the increase in the magnitude of political and economic risks facing the UK economy means we maintain the significant downside risks to our forecasts, despite the potential for slightly stronger growth next year as business investment rebounds should the EU Withdrawal Agreement be approved. The potential for severe economic outcomes has increased following the poor reception of the Withdrawal Agreement by MPs. We expect the Bank of England to hold at or reduce interest rates from current levels if Brexit risks materialise.
- The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in the middle quarters of 2018, but more recent data suggests the economy slowed markedly in Q4. Our view is that the UK economy still faces a challenging outlook as the country exits the European Union and Eurozone economic growth softens.
- Cost pressures are easing but inflation is forecast to remain above the Bank's 2% target through most of the forecast period. Lower oil prices have reduced inflationary pressure, but the tight labour market and decline in the value of sterling means inflation may remain above target for longer than expected.
- Global economic growth is slowing. Despite slower growth, the European Central Bank is conditioning markets for the end of QE, the timing of the first rate hike (2019) and their path thereafter. More recent US data has placed pressure on the Federal Reserve to reduce the pace of monetary tightening – previous hikes and heightened expectations will, however, slow economic growth.
- Central bank actions and geopolitical risks have and will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

- The MPC has maintained expectations of a slow rise in interest rates over the forecast horizon, but recent events around Brexit have dampened interest rate expectations. Our central case is for Bank Rate to rise twice in 2019, after the UK exits the EU. The risks are weighted to the downside.
- Gilt yields have remained at low levels. We expect some upward movement from current levels based on our central case that the UK will enter a transitionary period following its EU exit in March 2019. However, our projected weak economic outlook and volatility arising from both economic and political events will continue to offer borrowing opportunities.

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	**0.17**
Arlingclose Central Case	**0.75**	**0.75**	**1.00**	**1.00**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.25**	**1.13**
Downside risk	0.00	-0.50	-0.75	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	**-0.85**
3-mth money market rate														
Upside risk	0.10	0.10	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	**0.17**
Arlingclose Central Case	**0.90**	**0.95**	**1.10**	**1.30**	**1.40**	**1.40**	**1.40**	**1.35**	**1.35**	**1.35**	**1.35**	**1.35**	**1.35**	**1.27**
Downside risk	-0.20	-0.45	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	**-0.76**
1-yr money market rate														
Upside risk	0.20	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	**0.33**
Arlingclose Central Case	**1.15**	**1.25**	**1.35**	**1.50**	**1.70**	**1.60**	**1.50**	**1.40**	**1.35**	**1.35**	**1.35**	**1.35**	**1.35**	**1.40**
Downside risk	-0.35	-0.50	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	**-0.77**
5-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.37**
Arlingclose Central Case	**1.15**	**1.25**	**1.35**	**1.50**	**1.50**	**1.40**	**1.35**	**1.35**	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**	**1.33**
Downside risk	-0.50	-0.60	-0.65	-0.80	-0.80	-0.70	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	**-0.66**
10-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.37**
Arlingclose Central Case	**1.50**	**1.65**	**1.70**	**1.80**	**1.80**	**1.75**	**1.75**	**1.70**	**1.70**	**1.70**	**1.70**	**1.70**	**1.70**	**1.70**
Downside risk	-0.55	-0.70	-0.70	-0.80	-0.80	-0.75	-0.75	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	**-0.71**
20-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.37**
Arlingclose Central Case	**2.00**	**2.10**	**2.20**	**2.20**	**2.20**	**2.20**	**2.20**	**2.20**	**2.20**	**2.20**	**2.20**	**2.20**	**2.20**	**2.18**
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	**-0.73**
50-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	**0.37**
Arlingclose Central Case	**1.90**	**1.95**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**1.99**
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	**-0.73**

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix 13

Current Debt and Investment Portfolio Position 31 December 2018

	£m
External Borrowing:	
- Fixed Rate PWLB	303.443
- Fixed Rate Market (LOBO's)	20.000
- Other Local Authorities	25.000
- Local Enterprise Partnership (LEP)	1.638
- SALIX Energy Efficiency	1.252
- University of Derby	0.800
Other Long-term Liabilities:	
- PFI Financing	94.687
- Finance Leases	0.501
- Transferred Debt from other Local Authorities	0.453
Total Gross External Debt	**447.774**
Treasury Investments:	
- Money Market Funds	(40.443)
- Local Authority Fixed Term Deposits	(31.000)
- Unsecured Banks	(9.864)
Total Treasury Investments	**(81.307)**
Total Net External Debt	**366.467**

Definitions of Types of Permitted Investments

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £1m per company as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing, as providers of public services; they retain the likelihood of receiving government support if needed.

Pooled Funds: Shares or units in diversified investment vehicles consisting of any of the previously outlined investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Operational bank accounts: The Council may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Glossary of Treasury Management Terms	
Term	**Description**
Bail-in	Investors take a loss on their investment to rescue a failing bank. It is alternative to a bail- out of a failing bank, where the loss is made good by the governments and taxpayers.
Bank Rate	The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate".
Call Accounts	A call account is a bank account for investment funds it has no fixed deposit period, provides instant access to funds and allows unlimited withdrawals and deposits.
Capital Expenditure	Expenditure on the acquisition, creation or enhancement of capital assets.
Capital Financing Requirement (CFR)	The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not yet been financed.
Credit Default Swap	A financial instrument for swapping the risk of debt default; the buyer effectively pays an insurance premium against the risk of default.
Credit Ratings	A formal opinion issued by a registered rating agency of a counterparty's (or a country's) future ability to meet its financial liabilities; these are opinions only and not guarantees.
Gilts	Gilts are a UK government liability in sterling, issued by HM Treasury and listed on the London Stock Exchange. Being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.
London Interbank Bid Rate (LIBID)	The London interbank market is a wholesale money market in London where banks exchange monies. The bid rate is the rate London banks are willing to pay for deposits and other banks' unsecured funds from other banks in the London interbank market.
Money Market Fund (MMF)	Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.
Monetary Policy Committee (MPC)	The Monetary Policy Committee (MPC) is a committee of the Bank of England who decides what monetary policy action to take. The MPC sets and announces policy eight times a year.

Minimum Revenue Provision (MRP)	An annual provision that the Council is statutorily required to charge to the Revenue Account to finance capital expenditure funded by unsupported borrowing that has not yet been financed.
Public Works Loan Board (PWLB)	The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. PWLB's function is to lend money from the National Loans Fund to local authorities, and to collect the repayments.

Appendix 15

Proposed 2019-20 Special School Allocations <u>(Indicative)</u>

School	No of Places E1&2	No of pupils E3	Top Up rate 2018/19 banding less 7%	Place Funding E1&2 £	Top up Funding E3 £	Adjust banding to meet MFG	Total Funding £	Reduction in funding 2019/20 to 2018/19
Ivy House School	92	86	£14,802	£920,000	£1,272,962		£2,192,962	£7,850
St Andrews School – Day	101	100	£9,765	£1,010,000	£975,686		£1,985,686	(£21,814)
St Andrews School – Residential	12	12	£19,530	£120,000	£234,360	£12,348	£366,708	(£5,292)
St Clare's School	130	130	£6,045	£1,300,000	£785,850		£2,085,850	£122,350
St Giles School	117	117	£10,230	£1,170,000	£1,196,910		£2,366,910	(£27,090)
St Martins School & Horizons	165	165	£8,370	£1,650,000	£1,381,050		£3,031,050	£4,050
The Kingsmead School	90	90	£16,494	£900,000	£1,484,420		£2,384,420	£165,620
				£0	£0			
KS 1/2 PRU	36	36	£13,201	£360,000	£475,230	£22,995	£858,225	(£12,775)
KS 3/4 PRU	60	60	£15,242	£600,000	£914,530	£46,218	£1,560,748	(£22,617)
TOTAL	**803**	**796**		**£8,030,000**	**£8,720,999**	**£81,561**	**£16,832,560**	**£210,283**

Appendix 16

Pay Policy Statement 2019/20

Purpose

To set out the Council's Pay Policy to support the recruitment and retention of a capable and high performing workforce committed to the Council's Values in line with the requirements of the Localism Act 2011.

1 Policy application

This Policy Statement sets out the Council's policy with regards to:

- the remuneration of Chief Officers
- the remuneration of the lowest paid employees
- the relationship between Chief Officers' remuneration and that of other employees

'Remuneration' for the purposes of this statement includes the following elements:

- basic salary
- bonuses
- pension increase or enhancement
- benefits in kind
- all other allowances arising from employment
- severance payments

For the purposes of this Statement the Council regards its 'Chief

Officers' as: Chief Executive and Head of Paid Service
Strategic Directors
Service Directors

This Policy Statement does not include teaching staff in community schools as they fall outside of the scope of the Localism Act. As terms and conditions for non-teaching support staff were harmonised as part of the Single Status Agreement in 2016 this statement now includes non-teaching support staff.

Salary data for the purpose of this statement reflects the period from the 1 April 2018 to the 31 December 2018. A senior management review is moving into phase 3 of implementation.

2 Principles

Sections 38 – 43 of the Localism Act 2011 require that the authority produce a Policy Statement that covers a number of matters concerning the pay of the authority's employees, principally Chief Officers.

This Policy Statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for the Ministry of Housing, Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. Any decision under powers delegated in the Council Constitution with regard to remuneration to be taken in 2019/20 must comply with this Statement.

The Monitoring Officer must be consulted prior to any decision impacting on remuneration where there is a question regarding compliance with this Statement.

2.1 Publicity

This Policy also has some connection with the data on pay and rewards for staff which the Council publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under the Accounts and Audit (England) Accounts and Audit Regulations 2011. It should be noted that the requirements to publish data under the Secretary of State guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Appendix 2.

2.2 Remuneration subject to national and local determination

The Council is a member of the Local Government Employers' Organisation for national collective bargaining in respect of Chief Executive and Head of Paid Service, Chief Officers and other employees. There are separate negotiations and agreements in respect of each of these groups of employees and changes to rates of pay arising from these negotiations normally take effect from 1 April each year.

2.3 Policy on remunerating Chief Officers

The Council's policy on remunerating Chief Officers is set out in the schedule attached to this Policy Statement at Appendix 3. It is the policy of the Council to establish remuneration packages for Chief Officer posts which are sufficient to attract and retain senior managers with the appropriate skills, knowledge, experience, abilities and qualities that are consistent with the Council's requirements of the post at the time in question.

2.4 Policy on remunerating the lowest paid in the workforce

The Council applies terms and conditions of employment that have been negotiated and agreed through recognised collective bargaining mechanisms (national or local) or as a consequence of Council decisions, these are then incorporated into contracts of employment. The lowest pay point applied by the Council is Grade A which equates to a full time equivalent annual salary of £17,007.

Grade A is the Council's minimum earnings level which currently equates to £8.82 an hour.

On 1 June 2016, the Council implemented a job evaluation scheme as part of its commitment to the Single Status Agreement. Implementation of the Job Evaluation Scheme meant that remuneration for each job role was subjected to an objectively evaluated role profile. The evaluated score was used to determine the grading level paid within a locally agreed pay spine based on the median value. The Council uses the Hay Methodology for NJC job roles.

Policy on the relationship between Chief Officer remuneration and that of other staff

The highest paid salary in the Council is £166,480 which is paid to the Chief Executive and Head of Paid Service. The average salary level for a 'full time equivalent' employee in the Council, including school support staff, is £ 25,091. The ratio between these two salaries, the 'pay multiple' is 1:6.6.

The Council does not have a policy on maintaining or reaching a specific 'pay multiple' as this cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required. However the Council is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the Council as expressed in this Policy Statement.

The Council's approach to the payment of other employees is to pay that which the Council needs to pay to recruit and retain a workforce which has the skills, knowledge, experience, abilities and qualities required for each post at the relevant time, and to ensure that the Council meets all of its contractual commitments for employees, including the application of any local or national collective agreements. Additionally the Council is committed to ensuring that its rates apply to all workers over 18 – in recognition that young people face the same living costs as everyone else.

2.6 Policy on other aspects of Chief Officer remuneration

Other aspects of Chief Officer remuneration are covered by this Policy Statement, these other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, bonuses, termination payments, transparency and re-employment when in receipt of an Local Government Pension Scheme (LGPS) pension or a redundancy/severance payment. These matters are addressed in the schedule attached to this Policy Statement at Appendix 4.

2.7 Approval of Salary Packages in excess of £100,000

Guidance issued by the Ministry for Housing, Communities and Local Government (February 2013) suggests that an Authority should allow full Council to vote before "large salary packages" are offered in respect of a new appointment. The amount to be treated as a threshold for this is suggested at £100k. As reported in this Pay Policy Statement, only the posts of Chief Executive and Head of Paid Service, Strategic Director of People and Strategic Director of Communities and Place and Director of Public Health attract salaries above this threshold. The appointment to the post of Chief Executive and Head of Paid Service is approved by Full Council and the remaining two posts are approved by Council Cabinet and taken to Full Council for consideration upon conclusion of the recruitment/selection appointment process. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

2.8 Termination Payments

The Council's policy on redundancy payments and the discretionary powers it applies under pension regulations will be applied fairly and consistently across the organisation. Any termination payment in excess of £95,000 will require formal approval by the Leader of the Council, with a subsequent report to Council to note the decision. Further guidance is given in Appendix 4.

2.9 Policy for future years

This Policy Statement will be reviewed annually and will be presented to Full Council each year for consideration in order to ensure that a Policy is in place as soon as possible to the start of each financial year.

3 Roles and responsibilities

The roles and responsibilities of key stakeholders are summarised in Appendix 1.

Appendices

1. Roles and Responsibilities
2. Other Data Publication requirements
3. Policy on remunerating Chief Officers
4. Policy on other aspects of Chief Officer remuneration
5. Senior Officer Salaries over £50k (excel spreadsheet)

Appendix 1 -
Roles and Responsibilities

Chief Executive & Chief Officers	Managers	Employee	Human Resources
Every employee must use the procedure and guidance on iDerby			
Fairness and equality			
To ensure this policy is implemented in a fair, consistent and non-discriminatory manner	To provide reasonable adjustments as required	To notify managers of reasonable adjustments required	Provide advice and guidance to managers and employees
General operation of the scheme			
To ensure managers carry out their responsibilities			Provide advice and guidance to managers and employees.

Appendix 2 -
Other Data Publication Requirements

The Secretary of State for Housing, Communities and Local Government Transparency Code 2015 indicates that local authorities should publish the following data concerning staff:

- Salaries, names (with an option for individuals to refuse consent to this), responsibilities, budgets, (including overall cost of staff reporting) and numbers of reporting staff for employees in receipt of a salary of more than £50,000
- An organizational chart with details of the top three levels of the organization, i.e. Chief Executive, Directors and Heads of Service.
- The 'pay multiple' – the ratio between the highest paid salary and the median average salary of the whole authority workforce

The Accounts and Audit (England) Regulations (2011) require that the following data is included in the Council's accounts:

- Numbers of employees with a salary above £50,000 per annum (pro-rata for part-time staff) in multiples of £5,000
- Job title, remuneration and employer pension contributions for senior officers. Senior officers are defined as Head of Paid Service, Statutory Chief Officers and Non-Statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act
- Names of employees paid over £150,000 per annum

For the above remuneration is to include:

- Salary, fees or allowances for the current and previous year
- Bonuses paid or receivable for the current and previous year
- Expenses paid in the previous year
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment
- Total estimated value of non-cash benefits that are emoluments of the person

For the above pension contributions to include:

- The amount drive by the Council's set employer contribution rate
- Employer costs incurred relating to any increased membership or award of additional pension

Policy on Remunerating Chief Officers – Appendix 3

Post	Base Salary	Expenses	Bonuses	Performance Related Pay (PRP)	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive and Head of Paid Services – Carole Mills	£166,480	Travel and other expenses are reimbursed through normal Council procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do not provide for PRP, however, strong performance management arrangements are in place to ensure high performance from the post holder	Honoraria payments for any increased duties and responsibilities do not apply	There are no plans for the post holder to receive any ex-gratia payments	The post holder acts as Returning Officer for local and national elections and referendum and she is paid the standard rate for that role for a local election. A Deputy Retuning Officer fee is paid by the Returning Officer for all non-local elections and referendum. The Returning Officer fee is set by Central Government and therefore not related to Derby City Council's terms and conditions. Local election fees are approved by Full Council.	There are no payments related to joint authority duties	The Council's normal policies regarding redundancy and early retirement apply to the post holder. No payment is anticipated for 2018/19.
Director of Public Health	£100,928.97	Travel and other expenses are reimburs ed through normal Council procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do not provide for PRP, however, strong performance management arrangements are in place to ensure high performance from the post holder	Honoraria payments for any increased duties and responsibilities do not apply	There are no plans for the post holder to receive any ex-gratia payments	The post holder receives no special payment for elections but if he participates he will be paid the standard for that role. All election fees are approved by Full Council	There are no payments related to joint authority duties	The Council's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year and none are anticipated for 2018/19.

Post	Base Salary	Expenses	Bonuses	Performance Related Pay (PRP)	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Strategic Directors (3 posts)	Salary range for Strategic Directors of Corporate Resources and Communities and Place £112,462 - £123,706 Strategic Director of Peoples Service is on a fixed salary of £132,144. An additional payment of £5,343 is paid to the Deputy Chief Executive designation to Strategic Director of Communities and Place	Travel and other expenses are reimbursed through normal Council procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do not provide for PRP, however, strong performance management arrangements are in place to ensure high performance from post holders	Honoraria payments for any increased duties and responsibilities do not apply	There are no plans for post holders to receive any ex-gratia payments	Post holders receive no special payment for elections but if they participate they will be paid the standard for that role. All election fees are approved by Full Council.	There are no payments related to joint authority duties	The Council's normal policies regarding redundancy and early retirement apply to post holders. No payments were made in the last year and none are anticipated for 2018/19.

Service Directors (16 posts of which 3 are Acting up and 2 are interim, 1 is on secondment and 1 is vacant)	Salary range £71,839 - £84,887	Travel and other expenses are reimbursed through normal Council procedures	The terms of the contract of employment do not provide for the payment of bonuses	The terms of the contract of employment do not provide for PRP, however, strong performance management arrangements are in place to ensure high performance from post holders	Honoraria payments for any increased duties and responsibilities do not apply	There are no plans for post holders to receive any ex-gratia payments	Post holders receive no special payment for elections but if they participate they will be paid the standard fee for the role they perform. These fees are approved by Full Council.	There are no payments related to joint authority duties	The Council's normal policies regarding redundancy and early retirement apply to post holders. Two payments were made in the last year and none are anticipated for 2018/19.

Appendix 4
Policy on other aspects of Chief Officer Remuneration

Aspect of Chief	Council Policy
Recruitment	Vacant posts are advertised and appointed to at the appropriate approved salary for the post in question level, unless there is demonstrable evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the Council's policy and any variation will be approved through the appropriate Council decision making process.
Pay Increases	The Council will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The Council will also apply any pay increases that are as a result of Council decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are inherent in senior posts.
Additions To Pay	The Council would not make additional payments beyond those specified in the contract of employment.
Performance Related Pay	The Council does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under-performance are addressed rigorously.
Bonuses	The Council does not pay bonus payments to senior officers.
Termination Payments	The Council applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers. The Council also applies the appropriate Pensions regulations when they apply. The Council has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred by the Council regarding senior officers are published in the Council accounts as required under the Accounts and Audit (England) Regulations 2011.
Transparency	The Council meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.
Re-employment of staff in receipt of an LGPS Pension or a redundancy/severance payment	The Council is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The Council will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post. The Council will therefore consider all applications for candidates to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not preclude them from being re-employed by the Council. Clearly where a former employee left the Council on redundancy terms than the previous post has been deleted and the individual cannot return to that post as it will no longer exist. The Council will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

Appendix 5: Derby City Council Senior Officer Pay Report

Derby City Council Senior Officer Pay Report – 2019

The Local Government Transparency Code 2015 (the Code) sets out a statutory duty to publish "public data" i.e. data held which should be accessible to the public (unless it is defined to be of a sensitive nature or disclosure would contravene the Data Protection Act 1998). This includes specific information about the pay, duties and responsibilities of all senior officers within Derby City Council.

The Council publishes its pay policy every year, which brings together its approach to pay and remuneration and includes its pay multiple. This senior officer pay report sets out detailed information on the salaries, duties and responsibilities of all its senior officers and the Council's organisational structure, in line with the requirements of the Code.

Contents are set out below:

1 Detailed information about senior officers – The Council is required to publish detailed information about each senior officer. This has been presented by Directorate, in descending order based on salary. It includes:

- a brief description of the roles main responsibilities,
- the value of budget responsibility held,
- number of direct and indirect reports
- payments additional to basic salary received from April – December 2018 i.e. honoraria or market rate supplements.

2 Number of senior officers earning over £50,000 per annum – The Council is required to publish a list of senior officers earning over £50k. Full Time annual salary is used for this. Derby City Council's employer pension contribution rates are also detailed here. [link to Appendix 6]

3 Organisation chart – The Council is required to publish an organisation chart with details of the top three levels of the organisation, i.e. Chief Executive, Directors and Heads of Service. These are published here by Directorate on Derby City Council's website. [link to org charts on DCC website]

Note: the data and information in this document aims to reflect an accurate picture of the organisational structure and senior staff in post as at the 31 December 2018.

Section 1: Detailed Information about Senior Officers
Derby City Council

Post Title:	Chief Executive and Head of Paid Service	**Service Function**	Derby City Council
FTE Annual Salary:	£166,480	**Additional Payments**	N/A
No. of Employees reporting to post:	3869	**Budget Responsibility:**	
Role Description:	• To provide clear, strong and motivational leadership including overall management and operational responsibility (which includes overall management responsibility for all officers). • To act as the Council's Head of Paid Service and will exercise this function at all times in line with the law and with the Council's constitution. • To have overall responsibility for promoting the Council's values, delivering its strategic aims and priorities and for promoting a positive culture across the organisation. • To promote high standards of governance and ensure that robust systems are in place for budgeting, planning, performance management and risk management and that the organisation complies with all of its statutory responsibilities. • Improve the quality of life of Derby's residents, through the development of high quality, innovative, efficient, customer focused services, delivered through partnerships and relationships with the public and private sectors. • Deliver high quality, impartial policy advice and support to the Leader and all elected members and to promote high standards of governance and strong and transparent Member/officer relationships.		

Post title:	Strategic Director for People Services	**Service Function:**	People Services Directorate
FTE Annual Salary:	£132,144	**Additional Payments:**	N/A
No. of Employees reporting to post:	1759	**Budget responsibility:**	£142,000,000
Role description:	• To act as the Council's designated 'Director of Children's Services' and 'Director of Adult Social Care' in accordance with legislation ensuring the Council fulfils its statutory responsibilities in relation to Children and appropriately positioned to meet Government and inspection requirements. • Under the direction of the Chief Executive and in conjunction with other members of the Corporate Management Team, support the political leadership in developing the vision and strategic vision for the Council. • To provide the vision, focus and leadership for the people Directorate ensuring the achievement of the Council's strategic goals and the delivery of better outcomes for people. • Under the direction of the Chief Executive, to work with the members of the Corporate Membership Team to deliver a balanced budget and create a three year Medium Term Financial Plan – promoting the Council's values, delivering its strategic aims and priorities, promoting a positive culture across the organisation. • Improve the quality of life of Derby's residents through the development of high quality, innovative, efficient, customer focussed services, delivered through partnerships and relationships with the public and private sectors. • Deliver high quality, impartial policy advice and support to the Chief Executive and the Leader and all elected Members and to promote high standards of governance and strong and transparent Member/Officer relationships.		
Post title:	Director of Public Health	**Service Function:**	Public Health
FTE Annual Salary:	£100,928	**Additional Payments:**	N/A
No. of Employees reporting to post:	27	**Budget responsibility:**	£16,601,856

<table>
<tr><td>Role description:</td><td colspan="3">The Director of Public Health is a statutory chief officer of their authority and the principal adviser on all health matters to elected members and officers, with a leadership role spanning all three domains of public health: health improvement, health protection and healthcare public health. Section 73A(1) of the NHS Act 2006, inserted by section 30 of the Health and Social Care Act 2012, gives the Director of Public Health responsibility for:

• All of their local authority's duties to take steps to improve public health
• Any of the Secretary of State's public health protection or health improvement functions that s/he delegates to local authorities, either by arrangement or under regulations – these include services mandated by regulations made under section 6C of the 2006 Act, inserted by section 18 of the 2012 Act.
• Exercising their local authority's functions in planning for, and responding to, emergencies that present a risk to public health
• Their local authority's role in co-operating with the police, the probation service and the prison service to assess the risks posed by violent or sexual offenders
• Such other public health functions as the Secretary of State specifies in regulations</td></tr>
<tr><td>Post title:</td><td>Consultant In Public Health Medicine</td><td>Service Function:</td><td>Public Health</td></tr>
<tr><td>FTE Annual Salary:</td><td>£85,514</td><td>Additional Payments:</td><td>N/A</td></tr>
<tr><td>No. of Employees reporting to post:</td><td>0</td><td>Budget responsibility:</td><td>£16,601,856</td></tr>
<tr><td>Role description:</td><td colspan="3">• Lead the provision of Professional Public Health advice to the department particularly relating to Public Health commissioned services. Lead of the Public Health Consultancy resource group.
• Lead the Professional Public Health input into the local NHS, including core offer, contribution to Right care programmes and the STP process.
• Lead the Professional Public Health support for Health Protection within Derby City
• Training Network Coordinator for Derbyshire and Educational Supervisor for Speciality Registrars on the speciality programme and supervisor for Junior Doctors/ GP Registrars during their 4 month Public Health placement.
• To deputise for the DPH as required. To contribute to the corporate requirements of the team including line and team management and working with/ responding to elected member</td></tr>
</table>

Post title:	Director of Adult Social Care Services	**Service Function:**	Adult Social Care Services
FTE Annual Salary:	£84,887	**Additional Payments:**	N/A
No. of Employees reporting to post:	202	**Budget responsibility:**	£63,138,772
Role description:	• To be accountable for creating the effective design and delivery of an adult social care assessment and support planning service. • To be accountable for creating the effective design and delivery of an adult safeguarding and workforce learning service. • To deliver the achievement of corporate objectives through effective leadership and partnership working particularly with the NHS. • To contribute to developing and delivering the Council's vision and strategy for Derby City.		
Post title:	Director of Children's Integrated Services	**Service Function:**	Children's Integrated Services
FTE Annual Salary:	£84,887	**Additional Payments:**	N/A
No. of Employees reporting to post:	331	**Budget responsibility:**	£12,631,247
Role description:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget. • To deliver the achievement of corporate objectives through effective leadership and management and partnership working. • To contribute to developing and delivering the Council's vision and strategy.		
Post title:	Director of Early Help and Children's Safeguarding	**Service Function:**	Early Help and Children's Safeguarding
FTE Annual Salary:	£84,887	**Additional Payments:**	N/A
No. of Employees reporting to post:	459	**Budget responsibility:**	£17,677,886

Role description:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget. • To deliver the achievement of corporate objectives through effective leadership and management and partnership working. • To contribute to developing and delivering the Council's vision and strategy.		
Post title:	Director of Integration & Direct Services (Adults)	**Service Function:**	Integration & Direct Services (Adults)
FTE Annual Salary:	£84,887	**Additional Payments:**	N/A
No. of Employees reporting to post:	512	**Budget responsibility:**	£12,023,008
Role description:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget. • To deliver the achievement of corporate objectives through effective leadership and management and partnership working. • To contribute to developing and delivering the Council's vision and strategy.		
Post title:	Director of Learning & Skills (on secondment)	**Service Function:**	Learning & Skills
FTE Annual Salary:	£84,887	**Additional Payments:**	N/A
No. of Employees reporting to post:	0	**Budget responsibility:**	£512,486
Role description:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget.		

	• To deliver the achievement of corporate objectives through effective leadership and management and partnership working. • To contribute to developing and delivering the Council's vision and strategy.		
Post title:	Director of Commissioning	**Service Function:**	Commissioning
FTE Annual Salary:	£77,061	**Additional Payments:**	N/A
No. of Employees reporting to post:	62	**Budget responsibility:**	£18,919,096
Role description:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget. • To be accountable for the commissioning functions within CYP and merged approach with SDCCG. • To deliver the achievement of corporate objectives through effective leadership and management and partnership working. • To contribute to developing and delivering the Council's vision and strategy.		
Post title:	Head of Inclusion and Intervention	**Service Function:**	Inclusion Team
FTE Annual Salary:	£66,405	**Additional Payments:**	N/A
No. of Employees reporting to post:	87	**Budget responsibility:**	£664,223
Role description:	• To lead the service described in the post details above. • To deliver value for money for the people of Derby through the effective design and delivery of their service. • To ensure that customer needs are reflected in services and service plans to secure improved outcomes for stakeholders, in line with the Council's budget. • Contribute to the achievement of corporate objectives through effective leadership, management and partnership working. • To contribute to developing and delivering the Council's vision and strategy.		

Post title:	Head of Children's Quality Assurance	**Service Function:**	Children's Quality Assurance
FTE Annual Salary:	£66,321	**Additional Payments:**	N/A
No. of Employees reporting to post:	37	**Budget responsibility:**	£1,262,286
Role description:	• To provide strategic and operational leadership, vision and direction in an area of work or locality area to improve positive outcomes for children and young people in Derby City and; • To develop, support and promote a culture of continuous improvement and customer-focus within the services, with an emphasis on the delivery of excellent frontline statutory public services, value for money and cost-effective systems for setting targets, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	Head of Children's Safeguarding Management	**Service Function:**	Children's Safeguarding Management
FTE Annual Salary:	£66,321	**Additional Payments:**	N/A
No. of Employees reporting to post:	170	**Budget responsibility:**	£10,255,839
Role description:	• To provide strategic and operational leadership, vision and direction in an area of work or locality area to improve positive outcomes for children and young people in Derby City and; • To develop, support and promote a culture of continuous improvement and customer-focus within the services, with an emphasis on the delivery of excellent frontline statutory public services, value for money and cost-effective systems for setting targets, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	Head of Commissioning & Market Management	**Service Function:**	Integrated Commissioning
FTE Annual Salary:	£64,571	**Additional Payments:**	N/A
No. of Employees reporting to post:	73	**Budget responsibility:**	£2,452,817

Role description:	• To lead the Commissioning & Market Management function to ensure the Council's fulfils its market shaping duties in relation to the social care market and as set out by the Care Act, including delivering interventions where the market is failing. • The role will develop strategic commissioning plans and associated services including joint commissioning with the NHS. • The role will also support social work and health colleagues with operational commissioning including organising and quality assuring care providers and care packages. • The post holder will act as the Programme Lead for the integration agenda with the NHS, including delivery of the Better Care Fund which givens £30m of health and care activity per annum.		
Post title:	Head of Mental Health & Local Area Co-ordination	**Service Function:**	Mental Health and Local Area Coordination
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	50	**Budget responsibility:**	£6,144,154
Role description:	To lead the Mental Health Service and Local Area Coordination by delivering value for money for the people of Derby through the effective design and delivery of the service, ensuring that customer needs are reflected in services and service plans to secure improved outcomes for stakeholders and by contributing to the achievement of corporate objectives through effective leadership and management.		
Post title:	Head of Safeguarding Adults & Professional Standards	**Service Function:**	Safeguarding Adults & Professional Standards
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	38	**Budget responsibility:**	£1,703,214
Role description:	To plan, supervise and control the Council's safeguarding, professional standards and workforce development functions for all vulnerable adults. Safeguarding means the legal responsibility of the Council for adult protection.		

Post title:	Head Of Transitions, Ordinary Lives & Deaf Services	**Service Function:**	Transitions, Ordinary Lives & Deaf Services
FTE Annual Salary:	£62,865	**Additional Payments:**	
No. of Employees reporting to post:	45	**Budget responsibility:**	£21,600,286
Role description:	To lead the Younger Adults care and Support service by delivering value for money for the people of Derby through the effective design and delivery of the service, ensuring that customer needs are reflected in services and service plans to secure improved outcomes for stakeholders and by contributing to the achievement of corporate objectives through effective leadership and management.		
Post title:	Head of Integrated Disabled Children's Service	**Service Function:**	Integrated Disabled Children's Service
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	135	**Budget responsibility:**	£5,433,337
Role description:	To provide strategic and operational leadership, vision and direction in an area of work or locality area to improve positive outcomes for children and young people in Derby City and; develop, support and promote a culture of continuous improvement and customer-focus within the services, with an emphasis on the delivery of excellent frontline statutory public services, value for money and cost-effective systems for setting targets, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	Head of Fostering and Adoption	**Service Function:**	Children's Integrated Services
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	52	**Budget responsibility:**	£4,433,224
Role description:	To provide strategic and operational leadership, vision and direction in fostering and adoption to improve positive outcomes for children and young people in Derby City. To develop, support and promote a culture of continuous improvement and customer-focus within the services, with an emphasis on the delivery of excellent frontline statutory public services, value for money and cost-effective systems for setting targets, managing and monitoring performance, identifying weaknesses and delivering outcomes.		

Post title:	Head of Integrated Commissioning	**Service Function:**	Integrated Commissioning
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	20	**Budget responsibility:**	£52,909
Role description:	Lead the integrated commissioning function to ensure the development of effective services that deliver outcomes and value for money. Overall third tier responsibility to manage the integrated commissioning programme for children and young people across universal, targeted and specialist services. This includes commissioning of services for Children in Care and external placements, disabled children and young people, Priority Families and services commissioned to deliver locally agreed health priorities. • Deliver value for money for the people of Derby through the effective design and delivery of their service. • To ensure that customer needs are reflected in services and service plans to secure improved outcomes for stakeholders. • To contribute to the achievement of corporate objectives through effective leadership and management.		
Post title:	Head of School Organisation & Provision	**Service Function:**	School Organisation & Provision
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	40	**Budget responsibility:**	£4,736,850
Role description:	Head of Service for the School Organisation and Provision Team. Responsibility to provide high quality strategic management of the Schools Capital Programme, Building Schools for the Future Programme, School Admissions, Commissioning of School places, and Childcare and Family information within the Children and Young People's Directorate.		
Post title:	Head of Early Help Locality 2	**Service Function:**	Early Help Locality 2
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	160	**Budget responsibility:**	£2,844,466

Role description:	To provide strategic and operational leadership, vision and direction in an area of work or locality area to improve positive outcomes for children and young people in Derby City and; develop, support and promote a culture of continuous improvement and customer-focus within the services, with an emphasis on the delivery of excellent frontline statutory public services, value for money and cost-effective systems for setting targets, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	Head of Business Intelligence	**Service Function:**	Business Intelligence
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	29	**Budget responsibility:**	£880,185
Role description:	To direct and lead the Adult Social Care Finance Teams to fairly and accurately apply the Council's charges for Adult Social Care and to pay providers promptly and accurately; to direct and lead the Information Team to ensure that processes and systems for Adult Social Care are maintained and supported and that information provided to staff and customers is accurate, consistent and complete; to be the Directorate lead for Emergency Planning, Information Governance, IT, and Performance Management.		
Post title:	Head of Direct Services	**Service Function:**	Direct Services
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	289	**Budget responsibility:**	£3,487,314
Role description:	To plan, supervise and control the provision of the Council's seven care homes and day centre for older people, the Council's Deaf Services plus the Blue Badge disabled parking permit service and the Council's appointeeship responsibilities in order to provide safe and appropriate support for older and disabled people		
Post title:	Head of Home First	**Service Function:**	Home First
FTE Annual Salary:	£62,865	**Additional Payments:**	N/a
No. of Employees reporting to post:	172	**Budget responsibility:**	£4,685,477
Role description:	To plan, supervise and control the provision of community social care services that support and rehabilitate older and disabled people when they are in crisis		

Post title:	Principal Educational Psychologist	**Service Function:**	Educational Psychology
FTE Annual Salary:	£62,774	**Additional Payments:**	N/A
No. of Employees reporting to post:	15	**Budget responsibility:**	£548,626
Role description:	• To provide statutory psychological advice for CYP, in accordance with the SEN Code of Practice. • To assist the LA with their statutory duties. • To provide additional statutory and LA duties as requested, when appropriate, including attendance at mediation and tribunals. • To deliver services to settings that purchase EPS support- assessment, intervention, consultation, training and research • To deliver line management duties as a senior EP- supervision to main grade Eps and to contribute to the development of the service. • To work strategically on LA priorities		
Post title:	Senior School Improvement Officer	**Service Function:**	School Improvement
FTE Annual Salary:	£61,978	**Additional Payments:**	N/A
No. of Employees reporting to post:	3	**Budget responsibility:**	N/A
Role description:	Specific Responsibilities will include some or all of the following: 1. To demonstrate a commitment to safeguarding and promoting the welfare of children and young people 2. To work closely with a number of schools to bring about improvements in quality of teaching and pupil outcomes 3. To provide an objective review of the school's performance by considering its most recent national test results, trends over time, other pupil achievement and well-being data, and by analysing all evidence provided by the school 4. To support leadership teams in the self-evaluation process and quality assure evidence for evaluation judgments 5. To help build the schools' capacity to improve and to sustain improvements and to lead intervention strategies in under-performing schools as required 6. To challenge and support the senior leadership team, staff and governors in order to improve pupil outcomes 7.To provide information to governing bodies on their school's performance and development		

	8. To ensure timely specialist advice to schools to assist them in their preparations for Ofsted/HMI visits 9. To identify and respond with specific support to schools according to need 10. To provide training to schools/groups of schools as required (dependent on skills and expertise of post-holder) 11. To lead on specific areas within the team as agreed with the post-holder at interview		
Post title:	Head of Community Support	**Service Function:**	Community Support
FTE Annual Salary:	£61,205	**Additional Payments:**	N/a
No. of Employees reporting to post:	70	**Budget responsibility:**	£32,432,040
Role description:	To plan, supervise and control the Council's social work function for adults, including initial access in the community and in hospital for all age groups and long-term management for older people.		
Post title:	Head of Early Help Locality 1 – 5	**Service Function:**	Early Help Locality 1 – 5
FTE Annual Salary:	£61,205	**Additional Payments:**	N/A
No. of Employees reporting to post:	84	**Budget responsibility:**	£2,454,955
Role description:	To provide strategic and operational leadership, vision and direction in an area of work or locality area to improve positive outcomes for children and young people in Derby City and; develop, support and promote a culture of continuous improvement and customer-focus within the services, with an emphasis on the delivery of excellent frontline statutory public services, value for money and cost-effective systems for setting targets, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	Head of Adult Learning	**Service Function:**	Adult Learning
FTE Annual Salary:	£61,205	**Additional Payments:**	N/A
No. of Employees reporting to post:	175	**Budget responsibility:**	£-435,000
Role description:	To lead and manage the provision of community based adult learning (aged 16+) including careers information, advice and guidance and apprenticeships across the council.		

Post title:	Senior School Improvement Officer	**Service Function:**	School Improvement
FTE Annual Salary:	£60,939	**Additional Payments:**	N/A
No. of Employees reporting to post:	4	**Budget responsibility:**	N/A
Role description:	1. To raise the educational attainment and achievement of Derby's Looked After Children by ensuring that all children and young people in the Council's care participate in education and make positive transitions at key educational milestones and have equal access to education, training and employment opportunities and services; 2. To act as the Head teacher of the Derby Virtual School and to make sure that the Council's statutory responsibilities and duty to promote the educational achievement of its Looked After Children is properly discharged; 3. Champion the needs of Looked After Children, promoting their continued attendance in schools and education & training and ensure that all children have the opportunity to achieve; 4. Ensure up to date information is maintained and monitored on educational provision and admissions for all school age looked after children, to ensure they have school and other placements which best meet their needs and have an up to date and appropriate Personal Education Plan (PEP). In addition, as Virtual Head lead on quality assurance of PEPs; 5. Ensure social workers adequately consider the educational needs of Looked After Children when making decisions about moving placements and promote the importance of stability in schooling; 6. Ensure the views of children and young people are fully considered in decision making and developments relating to service provision; 7. Report regularly on the attainment of Looked After Children through the authority's corporate parenting structures; 8.Manage the Virtual School budget effectively to ensure improving the education outcomes for looked after children; 9.Produce an annual Virtual School report, self-evaluation documentation and a development plan for the Virtual School, setting out an assessment of its impact, the progress of all children in care in the area, and proposed actions to achieve future targets; 10.Develop the LA response to all Statutory Guidance on Looked after Children, in collaboration with the Head of SEND & Vulnerable Pupils; 11.Ensure that effective support and challenge are provided to professional staff in schools/ settings, and governing bodies, so that all children in care make good progress and achieve;		

	12. Disseminate good practice on working with schools which have Looked After Children on roll, especially in relation to supporting schools and social workers to have high aspirations of them during their school career and in progression to further and higher education; 13. Ensure the Pupil Premium is allocated appropriately and that schools are held to account for the impact of the additional funding for children in the care of the local authority; 14.Work closely with other local authorities to develop appropriate support for Looked after Children in schools outside of Derby. 15. To ensure the new statutory responsibilities in the Children and Social Work Act 2017 with regard to Post LAC are discharged		
Post title:	Team Manager And Senior Educational Psychologist	**Service Function:**	Early Intervention Team
FTE Annual Salary:	£60,420	**Additional Payments:**	N/A
No. of Employees reporting to post:	23	**Budget responsibility:**	N/A
Role description:	Managing the delivery of the LA specialist teaching support service for children with SEND from 0-16 years of age.		
Post title:	Deputy Director Of Corporate Public Health	**Service Function:**	Public Health
FTE Annual Salary:	£59,964	**Additional Payments:**	N/A
No. of Employees reporting to post:	14	**Budget responsibility:**	£16,601,856
Role description:	To provide strategic leadership and direction for all corporate and knowledge affairs across all areas of Public Health. To strategically lead and direct effective business planning, performance, knowledge and intelligence and financial management arrangements (budget £14+ million) to ensure Derby City Council appropriately fulfils its duties to discharge its new public health functions ensuring health protection, health improvement and health services are effectively delivered to the population of Derby City and wellbeing and independence are promoted. The post provides leadership to ensure that strategic planning and business intelligence supports commissioning for population health and is developed and embedded within Public Health, Adults Health and Housing Directorate, wider council and partner agencies (e.g. Clinical Commissioning Group). This will ensure that the Council's statutory duties and policy objectives are met and		

	that public health resources available in Derby are used in the most efficient and effective way to improve outcomes for individuals, communities and whole populations.		
Post title:	Assistant Director of Public Health – Head of Substance Misuse	**Service Function:**	Public Health
FTE Annual Salary:	£59,964	**Additional Payments:**	N/A
No. of Employees reporting to post:	10	**Budget responsibility:**	£16,601,856
Role description:	To strategically lead and direct Public Health Commissioning generally across Adults, Sexual health and Young persons – and specifically the substance misuse strategies – ensuring health protection, health promotion and health services are effectively delivered to the population of Derby City and wellbeing and independence are promoted. The post provides leadership to ensure that a strategic commissioning approach for population health is developed and embedded within Public Health, the strategic procurement function and the Adults Health and housing directorate. This will ensure that the Council's statutory duties and policy objectives are met and that public health resources available in Derby are used in the most efficient and effective way to improve outcomes for individuals, communities and whole populations.		
Post title:	Senior School Improvement Officer	**Service Function:**	School Improvement
FTE Annual Salary:	£56,891	**Additional Payments:**	N/A
No. of Employees reporting to post:	0	**Budget responsibility:**	N/A
Role description:	1. To demonstrate a commitment to safeguarding and promoting the welfare of children and young people 2. To work closely with a number of schools to bring about improvements in quality of teaching and pupil outcomes 3. To provide an objective review of the school's performance by considering its most recent national test results, trends over time, other pupil achievement and well-being data, and by analysing all evidence provided by the school 4. To support leadership teams in the self-evaluation process and quality assure evidence for evaluation judgments 5. To help build the schools' capacity to improve and to sustain improvements and to lead intervention strategies in under-performing schools as required 6. To challenge and support the senior leadership team, staff and governors in order to improve pupil outcomes 7. To provide information to governing bodies on their school's performance and development		

	8. To ensure timely specialist advice to schools to assist them in their preparations for Ofsted/HMI visits 9. To identify and respond with specific support to schools according to need 10. To provide training to schools/groups of schools as required (dependent on skills and expertise of post-holder) 11. To lead on specific areas within the team as agreed with the post-holder at interview		
Post title:	Senior School Improvement Officer	**Service Function:**	School Improvement
FTE Annual Salary:	£56,891	**Additional Payments:**	N/A
No. of Employees reporting to post:	0	**Budget responsibility:**	N/A
Role description:	Specific Responsibilities will include some or all of the following: 1. To demonstrate a commitment to safeguarding and promoting the welfare of children and young people 2. To work closely with a number of schools to bring about improvements in quality of teaching and pupil outcomes 3. To provide an objective review of the school's performance by considering its most recent national test results, trends over time, other pupil achievement and well-being data, and by analysing all evidence provided by the school 4. To support leadership teams in the self-evaluation process and quality assure evidence for evaluation judgments 5. To help build the schools' capacity to improve and to sustain improvements and to lead intervention strategies in under-performing schools as required 6. To challenge and support the senior leadership team, staff and governors in order to improve pupil outcomes 7.To provide information to governing bodies on their school's performance and development 8. To ensure timely specialist advice to schools to assist them in their preparations for Ofsted/HMI visits 9. To identify and respond with specific support to schools according to need 10. To provide training to schools/groups of schools as required (dependent on skills and expertise of post-holder) 11. To lead on specific areas within the team as agreed with the post-holder at interview		
Post title:	Senior Practitioner	**Service Function:**	Educational Psychology
FTE Annual Salary:	£55,754	**Additional Payments:**	N/A
No. of Employees reporting to post:	5	**Budget responsibility:**	N/A

Role description:	1. To provide statutory psychological advice for children and young people in Derby City, in accordance with the SEND Code of Practice. 2. To assist Derby City Council with their statutory duties as part of the education, health and care assessment process. 3. To provide additional statutory and LA duties as requested, when appropriate, including attendance at mediation and tribunals. 4. To deliver educational psychology support to children and young people with special educational needs in Derby City nurseries and schools through a sold service, comprising assessment, intervention, consultation, training and research. 5.To deliver line management duties as a senior EP, including supervision to main grade Eps and contribution to the development of the service 6. To work strategically on LA priorities, such as developing the Graduated Response offer. 7. My role has elements of a main grade and a senior EP. So I carry out the duties as any EP would but also have responsibility for jointly managing the team and the service, as well as line management duties.		
Post title:	Principal Service Manager	**Service Function:**	Children's Quality Assurance
FTE Annual Salary:	£55,056	**Additional Payments:**	N/A
No. of Employees reporting to post:	20	**Budget responsibility:**	N/A
Role description:	To provide strategic and operational leadership, deputise for the Head of Service when required in an area of work or locality to safeguard and improve positive outcomes for children and young people in Derby. The role promotes continuous improvement and customer focus with an emphasis on delivering excellent frontline statutory services, value for money, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	Principal Service Manager	**Service Function:**	Children In Care
FTE Annual Salary:	£55,056	**Additional Payments:**	N/A
No. of Employees reporting to post:	46	**Budget responsibility:**	£2,513,277
Role description:	To provide strategic and operational leadership, deputise for the Head of Service when required in an area of work or locality to safeguard and improve positive outcomes for children and young people in Derby. The role promotes continuous improvement and customer focus with an emphasis on delivering excellent frontline statutory services, value for money, managing and monitoring performance, identifying weaknesses and delivering outcomes.		

Post title:	Principal Service Manager	**Service Function:**	Integrated Disabled Children's Service
FTE Annual Salary:	£55,056	**Additional Payments:**	N/A
No. of Employees reporting to post:	18	**Budget responsibility:**	£1,062,290
Role description:	To provide strategic and operational leadership, deputise for the Head of Service when required in an area of work or locality to safeguard and improve positive outcomes for children and young people in Derby. The role promotes continuous improvement and customer focus with an emphasis on delivering excellent frontline statutory services, value for money, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	Principal Service Manager	**Service Function:**	Children's Safeguarding Locality 1 – 5
FTE Annual Salary:	£55,056	**Additional Payments:**	N/A
No. of Employees reporting to post:	39	**Budget responsibility:**	£1,375,022
Role description:	To provide strategic and operational leadership, deputise for the Head of Service when required in an area of work or locality to safeguard and improve positive outcomes for children and young people in Derby. The role promotes continuous improvement and customer focus with an emphasis on delivering excellent frontline statutory services, value for money, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	Principal Service Manager	**Service Function:**	Children's Safeguarding Locality 2
FTE Annual Salary:	£55,056	**Additional Payments:**	N/A
No. of Employees reporting to post:	38	**Budget responsibility:**	£1,564,384
Role description:	To provide strategic and operational leadership, deputise for the Head of Service when required in an area of work or locality to safeguard and improve positive outcomes for children and young people in Derby. The role promotes continuous improvement and customer focus with an emphasis on delivering excellent frontline statutory services, value for money, managing and monitoring performance, identifying weaknesses and delivering outcomes.		

Post title:	Principal Service Manager	**Service Function:**	Children's Safeguarding Locality 3 – 4
FTE Annual Salary:	£55,056	**Additional Payments:**	N/A
No. of Employees reporting to post:	38	**Budget responsibility:**	£2,041,202
Role description:	To provide strategic and operational leadership, deputise for the Head of Service when required in an area of work or locality to safeguard and improve positive outcomes for children and young people in Derby. The role promotes continuous improvement and customer focus with an emphasis on delivering excellent frontline statutory services, value for money, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	MAT Manager/Principal Education Welfare Officer	**Service Function:**	Early Help Locality 3 – 4
FTE Annual Salary:	£55,056	**Additional Payments:**	N/A
No. of Employees reporting to post:	20	**Budget responsibility:**	£832,268
Role description:	To take a strategic lead on behalf of the Local Authority in setting and reviewing strategy for school attendance in the city to include close work with Department for Education and other government officials. To provide operational management and leadership in areas of work to ensure positive outcomes and the safety of children and young people in Derby through complex decision making, application of service expertise and knowledge, development and maintenance of effective operational partnerships and effective management of professional staff groups.		
Post title:	Principal Service Manager	**Service Function:**	Reception Services
FTE Annual Salary:	£55,056	**Additional Payments:**	N/A
No. of Employees reporting to post:	60	**Budget responsibility:**	£1,800,176
Role description:	To provide strategic and operational leadership, deputise for the Head of Service when required in an area of work or locality to safeguard and improve positive outcomes for children and young people in Derby. The role promotes continuous improvement and customer focus with an emphasis on delivering excellent frontline statutory services, value for money, managing and monitoring performance, identifying weaknesses and delivering outcomes.		

Post title:	Educational Psychologist	**Service Function:**	Educational Psychology
FTE Annual Salary:	£52,439	**Additional Payments:**	N/A
No. of Employees reporting to post:	0	**Budget responsibility:**	N/A
Role description:	1. To provide statutory psychological advice for CYP, in accordance with the SEN Code of Practice. 2. To assist the LA with their statutory duties. 3. To provide additional statutory and LA duties as requested, when appropriate, including attendance at mediation and tribunals. 4. To deliver services to settings that purchase EPS support- assessment, intervention, consultation, training and research 5. To deliver line management duties as a senior EP- supervision to main grade Eps and to contribute to the development of the service. 6. To work strategically on LA priorities		
Post title:	Educational Psychologist	**Service Function:**	Educational Psychologist
FTE Annual Salary:	£52,439	**Additional Payments:**	N/A
No. of Employees reporting to post:	0	**Budget responsibility:**	N/A
Role description:	1. To provide statutory psychological advice for children and young people in Derby City, in accordance with the SEND Code of Practice. 2. To assist Derby City Council with their statutory duties as part of the education, health and care assessment process. 3. To provide additional statutory and LA duties as requested, when appropriate, including attendance at mediation and tribunals. 4. To deliver educational psychology support to children and young people with special educational needs in Derby City nurseries and schools through a sold service, including assessment, intervention, consultation, training and research		
Post title:	Senior Educational Psychologist	**Service Function:**	Educational Psychology
FTE Annual Salary:	£52,439	**Additional Payments:**	N/A
No. of Employees reporting to post:	3	**Budget responsibility:**	N/A

Role description:	1. To provide statutory psychological advice for children and young people in Derby City, in accordance with the SEND Code of Practice. 2. To assist Derby City Council with their statutory duties as part of the education, health and care assessment process. 3. To provide additional statutory and LA duties as requested, when appropriate, including attendance at mediation and tribunals. 4. To deliver educational psychology support to children and young people with special educational needs in Derby City nurseries and schools through a sold service, including assessment, intervention, consultation, training and research. 5. To deliver early intervention support to children in the early years with complex needs in the home and in nurseries through liaison with the Early Intervention Team. 6. To deliver line management duties as a senior EP, including supervision to main grade Eps and contribution to the development of the service 7. To work strategically on LA priorities, such as developing the Graduated Response offer.		
Post title:	Senior Educational Psychologist	**Service Function:**	Educational Psychology
FTE Annual Salary:	£52,439	**Additional Payments:**	N/A
No. of Employees reporting to post:	0	**Budget responsibility:**	N/A
Role description:	1. To provide statutory psychological advice for children and young people in Derby City, in accordance with the SEND Code of Practice. 2. To assist Derby City Council with their statutory duties as part of the education, health and care assessment process. 3. To provide additional statutory and LA duties as requested, when appropriate, including attendance at mediation and tribunals. 4. To deliver educational psychology support to children and young people with special educational needs in Derby City nurseries and schools through a sold service, including assessment, intervention, consultation, training and research.		
Post title:	Principal Service Manager	**Service Function:**	Integrated Disabled Children's Service
FTE Annual Salary:	£51,964	**Additional Payments:**	N/A
No. of Employees reporting to post:	42	**Budget responsibility:**	£1,062,290

Role description:	To provide strategic and operational leadership, deputise for the Head of Service when required in an area of work or locality to safeguard and improve positive outcomes for children and young people in Derby. The role promotes continuous improvement and customer focus with an emphasis on delivering excellent frontline statutory services, value for money, managing and monitoring performance, identifying weaknesses and delivering outcomes.		
Post title:	Service/Team Manager	**Service Function:**	Reception Services
FTE Annual Salary:	£50,364	**Additional Payments:**	N/A
No. of Employees reporting to post:	0	**Budget responsibility:**	N/A
Role description:	To provide operational management and leadership in an area of work or locality to ensure positive outcomes and the safety of children and young people in Derby through complex decision making, application of service expertise and knowledge, development and maintenance of effective operational partnerships and effective management of a professional staff group.		
Post title:	Strategic Director for Communities and Place	**Service Function:**	Communities and Place Directorate
FTE Annual Salary:	£120,892	**Additional Payments:**	N/A
No. of Employees reporting to post:	745	**Budget responsibility:**	£39,321,395
Role description:	As a member of the Senior Management Team the post holder will be accountable to the Chief Executive and elected members for developing the Council's vision, objectives and priorities including; • developing and shaping corporate strategy that meets the political priorities of the Council; • taking a strategic lead on the regeneration and the sustainable economic growth of the city; • ensuring the Council takes a proactive and leading role in the development and operation of a combined authority for the sub region; • be proactive in identifying and securing all available opportunities to enable the Council to develop added value partnership working and attract resourcing to benefit residents. In the absence of the Chief Executive to act as the Council's Deputy Head of Paid Service.		

Post title:	Director of Leisure Culture and Tourism	**Service Function:**	Leisure Culture and Tourism
FTE Annual Salary:	£84,887	**Additional Payments:**	N/A
No. of Employees reporting to post:	515	**Budget responsibility:**	£5,904,035
Role description:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services • To Ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for citizens of Derby. • To deliver to the achievement of corporate objectives through effective leadership and management. • To lead the services and functions they are responsible for in the Post Details above. • Contribute to the One Derby One Council Vision		
Post title:	Director	**Service Function:**	Communications & Delivering Differently Services
FTE Annual Salary:	£84,887	**Additional Payments:**	N/A
No. of Employees reporting to post:	22	**Budget responsibility:**	£65,941
Role description:	• To provide senior leadership, direction and best professional practice to major projects and initiatives, ensuring maximum value for money for the Council and the people of Derby. • To ensure effective and efficient delivery of services as and when determined across the Communities and Place Directorate including the development and delivery of major projects and initiatives based on financially sound, consistent, prudent and achievable principles from planning and approval through to delivery and, where appropriate, into the operational phase. • To ensure that customer needs are reflected in all aspects of the role and to secure improved outcomes for the Council and stakeholders. • To deliver the achievement of corporate objectives in major projects and initiatives through effective leadership, management and partnership working. • To contribute to developing and delivering the Council's vision and strategy.		

Post title:	Director of Public Protection and Street pride	**Service Function:**	Public Protection and Street pride
FTE Annual Salary:	£79,662	**Additional Payments:**	N/A
No. of Employees reporting to post:	425	**Budget responsibility:**	£26,593,223
Role description:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget • To deliver the achievement of corporate objectives through effective leadership and management and partnership working. • To lead the services and functions they are responsible for in the Post Details above. • To contribute to developing and delivering the Council's vision and strategy.		
Post title:	Director of Regeneration Property and Housing	**Service Function:**	Regeneration Property and Housing
FTE Annual Salary:	£77,061	**Additional Payments:**	N/A
No. of Employees reporting to post:	103	**Budget responsibility:**	£2,656,192
Role description:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget. • To deliver the achievement of corporate objectives through effective leadership and management and partnership working. • To lead the services and functions they are responsible for in the Post Details above • To contribute to developing and delivering the Council's vision and strategy.		

Post title:	Director of Planning and Transportation	**Service Function:**	Planning and Transportation
FTE Annual Salary:	£71,839	**Additional Payments:**	N/A
No. of Employees reporting to post:	201	**Budget responsibility:**	£4,102,004
Role description:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget. • To deliver the achievement of corporate objectives through effective leadership and management and partnership working • To lead the services and functions they are responsible for in the Post Details above. • To contribute to developing and delivering the Council's vision and strategy.		
Post title:	Head of Culture, Events and Tourism	**Service Function:**	Culture, Events and Tourism
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	175	**Budget responsibility:**	£3,442,286
Role description:	To lead and develop the Culture, Events and Tourism Section to deliver value for money for the people of Derby through the efficient; effective design and delivery of the service that meets corporate objectives.		
Post title:	Head of Planning	**Service Function:**	Planning
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	40	**Budget responsibility:**	£111,919
Role description:	To provide effective leadership and management of the Planning Division, with support from five group managers, to lead the delivery of a range of services including spatial/ land use planning,		

Post title:	Head of Traffic & Transportation	**Service Function:**	Traffic & Transportation
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	129	**Budget responsibility:**	£3,944,737
Role description:	To lead and manage the Traffic and Transportation Division which is made up of the Traffic Management and Parking Services, Network Management, Highway Development Control, Passenger Transport Procurement and Sustainable Transport Groups, ensuring that the movement of people and traffic across the whole city is managed, coordinated, planned and procured safely, efficiently and effectively.		
Post title:	Head of Economic Regeneration	**Service Function:**	Economic Regeneration
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	15	**Budget responsibility:**	£1,996,648
Role description:	Lead the Economic Regeneration Division in the creation, resourcing, delivery, monitoring and evaluation of the Derby Economic Strategy to: • Create a culture of enterprise in Derby • Raise the quality of life of residents • Align workforce skills to business needs.		
Post title:	Head of Regeneration Projects	**Service Function:**	Regeneration Projects
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	49	**Budget responsibility:**	£-375,952
Role description:	Lead the Regen Projects Division responsible for the development of Regeneration Strategy in accordance with the Derby Plan and the conception, development and delivery of major projects and initiatives in order to: • create a culture of enterprise in Derby; • Raise the quality of life of residents.		

Post title:	Head of Strategic Housing	**Service Function:**	Strategic Housing
FTE Annual Salary:	£62,865	**Additional Payments:**	N/A
No. of Employees reporting to post:	37	**Budget responsibility:**	£1,035,496
Role description:	Responsible for the effective operation of the Strategic Housing Service, the corresponding corporate objectives, for contributing to the realisation of corporate change initiatives and for leading change as it impacts on this area of the service, to ensure that the Council meets its statutory responsibilities in terms of provision of housing policy, strategy, development and home improvement works.		
Post title:	Head of Highways, Assets & Engineering	**Service Function:**	Highways, Assets & Engineering
FTE Annual Salary:	£61,205	**Additional Payments:**	N/A
No. of Employees reporting to post:	29	**Budget responsibility:**	£45,348
Role description:	To lead and manage the Highway Asset Management and Structures Service which is made up of the Highway Asset Management, Street Lighting, , Structures and Engineering Design Groups, to ensure that the highway and associated assets are managed using asset management best practice and maintained in a safe condition for all users.		
Post title:	Head of Environmental Protection, Housing Stds, Licensing & Emergency Planning	**Service Function:**	Environmental Protection, Licensing & Housing
FTE Annual Salary:	£61,205	**Additional Payments:**	N/A
No. of Employees reporting to post:	30	**Budget responsibility:**	£1,366,540
Role description:	To lead on strategic, tactical and operational management of Environmental Protection, Housing Standards, Licensing and Emergency Planning service areas in line with DCC objectives and priorities to ensure the effective and efficient delivery of statutory services for the citizens of Derby, to meet their needs and to protect and maintain their health and wellbeing.		

Post title:	Head of Highways, Grounds & Trees	**Service Function:**	Highways Grounds and Trees
FTE Annual Salary:	£61,205	**Additional Payments:**	N/A
No. of Employees reporting to post:	123	**Budget responsibility:**	£7,762,105
Role description:	To lead and manage the Highway and Grounds Maintenance Service which is made up of the Highway Maintenance,, Flood Defence, Grounds Maintenance and Arboriculture Groups, to ensure that highway and green infrastructure is maintained in a safe condition for all users.		
Post title:	Head of Waste Management (Refuse) Street Cleansing & Fleet Management	**Service Function:**	Waste Management (Refuse), Street Cleansing & Fleet Management
FTE Annual Salary:	£61,205	**Additional Payments:**	N/A
No. of Employees reporting to post:	212	**Budget responsibility:**	£16,583,158
Role description:	To lead and manage the Street Cleansing and Waste Management Service which is made up of the Street Cleansing, Refuse and Recycling collection services, Waste disposal, Fleet Management ,Workshops and Depot Management		
Post title:	Head of Leisure and Business Development	**Service Function:**	Leisure and Business Development
FTE Annual Salary:	£59,589	**Additional Payments:**	N/A
No. of Employees reporting to post:	252	**Budget responsibility:**	£1,920,189
Role description:	To lead and develop the Leisure and Business Development section to deliver value for money for the people of Derby through the efficient; effective design and delivery of the service that meets corporate objectives.		

Post title:	Head of Community Safety and Integration	**Service Function:**	Community Safety and Integration
FTE Annual Salary:	£56,568	**Additional Payments:**	N/A
No. of Employees reporting to post:	16	**Budget responsibility:**	£1,156,289
Role description:	To manage and lead the neighbourhood teams, Local Strategic Partnership and Community Safety at strategic, tactical and operational levels.		
Post title:	Head of Trading Standards, Food and Safety, Bereavement Services & Building Consultancy	**Service Function:**	Trading Standards, Food and Safety, Bereavement Services & Building Consultancy
FTE Annual Salary:	£53,542	**Additional Payments:**	N/A
No. of Employees reporting to post:	41	**Budget responsibility:**	£-274,869
Role description:	To lead on strategic, tactical and operational management of Trading Standards, Bereavement Services, Food and Health and Safety and Building Consultancy service areas in line with DCC objectives and priorities to ensure the effective and efficient delivery of both statutory and non-statutory services for the citizens of Derby, to meet their needs and to protect and maintain their health and wellbeing.		
Post title:	Head of Parks and Active Living	**Service Function:**	Parks
FTE Annual Salary:	£51,964	**Additional Payments:**	N/A
No. of Employees reporting to post:	97	**Budget responsibility:**	£541,560
Role description:	To lead and develop the Parks and Active Living section to deliver value for money for the people of Derby through the efficient; effective design and delivery of the service that meets corporate objectives.		
Post title:	Principal Regeneration Manager	**Service Function:**	Regeneration Projects
FTE Annual Salary:	£50,364	**Additional Payments:**	N/A
No. of Employees reporting to post:	4	**Budget responsibility:**	£0

Role description:	To lead on, and manage the team responsible for, the initiation and delivery of major and complex regeneration projects and initiatives, to agreed financial and performance targets which contribute to the implementation of the Economic Strategy, Core Strategy and Derby Plan		
Post Title:	Director of Property Services	**Service Function:**	Property Services
Annual FTE salary:	£84,887	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	187	**Budget Responsibility:**	£8,038,000
Role Responsibilities:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget • To deliver the achievement of corporate objectives through effective leadership and management and partnership working • To lead the services and functions they are responsible for in the Post Details above. • To contribute to developing and delivering the Council's vision and strategy.		

Post Title:	Director	**Service Function:**	Monitoring Officer
Annual FTE salary:	£83,223	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	0	**Budget Responsibility:**	£3,532,000
Role Responsibilities:	• Accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned service • Ensure that the customer needs are reflected in the services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget. • Deliver the achievement of corporate objectives through effective leadership and management and partnership working • Lead the services and functions they are responsible for in the Post Details below. • Contribute to developing and delivering the Council's vision and strategy • Act as the Council's Chief Legal officer in accordance with the Constitution.		

	• Act as the Council's Monitoring Officer and will exercise this function at all times in line with the law and with the Council's Constitution.		
Post Title:	Director of HR, Organisational Development and Occupational Health	**Service Function:**	HR, Organisational Development and Occupational Health
Annual FTE salary:	£79,662	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	75	**Budget Responsibility:**	£2,018,000
Role Responsibilities:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget • To deliver the achievement of corporate objectives through effective leadership and management and partnership working • To lead the services and functions they are responsible for in the post details below. • To contribute to developing and delivering the Council's vision and strategy.		
Post Title:	Director of Digital and Customer Services	**Service Function:**	Digital and Customer Services
Annual FTE salary:	£71,839	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	168	**Budget Responsibility:**	£7,349,000
Role Responsibilities:	• To be accountable for creating value for money for the people of Derby through managing the effective design and delivery of an allocated group of direct and commissioned services. • To ensure that customer needs are reflected in services and strategic priorities and to secure improved outcomes for the citizens of Derby, in line with the Council's budget • To deliver the achievement of corporate objectives through effective leadership and management and partnership working • To lead the services and functions they are responsible for in the Post Details above. • To contribute to developing and delivering the Council's vision and strategy.		

Post Title:	Head of Internal Audit (DCC) and Audit Partnership	**Service Function:**	Audit
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	17	**Budget Responsibility:**	£2,130,000
Role Responsibilities:	To fulfil the role of Chief Audit Executive for Derby City Council and provide the strategic management of the Central Midlands Audit Partnership being the key contact point for the host authority and the CMAP Boards and to be the lead officer for partnership's business strategy and development.		
Post Title:	Head of Customer Service	**Service Function:**	Customer Management
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	77	**Budget Responsibility:**	£1,034,000
Role Responsibilities:	To ensure that customer needs are reflected in the delivery of value for money services across a range of organisations and multiple access channels. To contribute toward the achievement of corporate objectives, business plans and agreed service outcomes through effective leadership and management.		
Post Title:	Head of ICT – Technology and Service Delivery	**Service Function:**	Technology and Service Delivery
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	41	**Budget Responsibility:**	£3,639,000
Role Responsibilities:	To provide, maintain and develop a reliable, secure, cost efficient and effective technology service that meets the needs of the Council and its partners. The technology might be provided directly or via a managed service.		
Post Title:	Head of ICT – Transformation and Business Application Support	**Service Function:**	Transformation and Business Application Support
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	36	**Budget Responsibility:**	£2,676,000

Role Responsibilities:	To support services in their adoption of modern, innovative digital solutions to improve service delivery and reduce costs and to ensure that the Council's applications are fit for purpose and meeting the needs of the business.		
Post Title:	Head of Business Support	**Service Function:**	Business Support
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	116	**Budget Responsibility:**	£3,150,000
Role Responsibilities:	To provide a responsive and efficient council wide support service that delivers value for money on all the essential statutory and general administrative functions required to ensure the effective delivery and smooth running of all council services.		
Post Title:	Head of Finance – Corporate Resources	**Service Function:**	Finance – Corporate Resources
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	25	**Budget Responsibility:**	£8,631,000
Role Responsibilities:	To lead a team of professional finance officers in providing a comprehensive accountancy service to comply with statutory obligations and to act as a strategic finance lead for the Council, providing high level strategic financial support and advice to senior Council Officers and Members including advice around compliance and financial sustainability.		
Post Title:	Head of Finance – Communities & Place	**Service Function:**	Finance – Communities & Place
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	14	**Budget Responsibility:**	N/A
Role Responsibilities:	To lead a team of professional finance officers in providing a comprehensive accountancy service to comply with statutory obligations and to act as a strategic finance lead for the Council, providing high level strategic financial support and advice to senior Council Officers and Members including advice around compliance and financial sustainability.		

Post Title:	Head of Finance – People	**Service Function:**	Finance – People
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	21	**Budget Responsibility:**	N/A
Role Responsibilities:	To lead a team of professional finance officers in providing a comprehensive accountancy service to comply with statutory obligations and to act as a strategic finance lead for the Council, providing high level strategic financial support and advice to senior Council Officers and Members including advice around compliance and financial sustainability.		
Post Title:	Head of Revenues Benefits & Exchequer Services	**Service Function:**	Revenues Benefits & Exchequer Services
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	106	**Budget Responsibility:**	£2,631,000
Role Responsibilities:	To deliver value for money for the people of Derby through the effective design and delivery of Housing Benefit (including Council Tax Support & Free School Meals), Council Tax, Business Rates (including Business Improvement Districts), Sundry Debt, Housing Benefit Overpayment and Creditors services. To contribute to the achievement of corporate objectives trough effective leadership and management.		
Post Title:	Head of Legal Services	**Service Function:**	Legal Services
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	32	**Budget Responsibility:**	£1,098,000
Role Responsibilities:	To provide strong strategic management and operational senior management to the Legal Services Team ensuring the delivery of a high quality, resilient and robust legal advisory service to Officers, Elected Members and Partner Agencies and others and to competently manage risk across all work areas undertaken by the Team. To have personal conduct of and represent the Council in complex high risk casework.		

Post Title:	Head of Procurement	**Service Function:**	Procurement
Annual FTE salary:	£62,865	**Additional Payments:**	,N/A
No. of Employees Reporting to Post:	10	**Budget Responsibility:**	£466,000
Role Responsibilities:	To lead a team of procurement professionals in providing a strategic procurement service, this includes the development, implementation and review of procurement strategies, policies and procedures to provide a best value procurement environment for Derby City Council which will incorporate best practice Category Management, compliance with UK and EU Procurement legislation and the Council's contract procedure rules, alongside providing a strategic advice service to Directorate professionals and Management on appropriate procurement routes when considering service spending and entering into contracts.		
Post Title:	Head of Property Design & Maintenance	**Service Function:**	Property Design & Maintenance
Annual FTE salary:	£62,865	**Additional Payments:**	£11,366
No. of Employees Reporting to Post:	0	**Budget Responsibility:**	£5,050,000
Role Responsibilities:	To provide effective leadership and management of the Property Design and Maintenance Division, with support from three group leaders and a corporate capital programme manager, to lead the delivery of a range of services to give high quality, safe and fit for purpose corporate and allocated schools buildings from which the council can deliver its services to its customers; key service areas include the delivery of property design and maintenance projects, building maintenance and servicing requirements and building compliance, energy management and programme management; overall the post holder is required: • to deliver value for money through effective design and deliver of the service, • to ensure that customer needs are reflected in services and service plans to secure improved outcomes for stakeholders, • to contribute to the achievement of corporate objectives through effective leadership and management		

Post Title:	Head of Strategic Asset Management and Estates	**Service Function:**	Strategic Asset Management & Estates
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	13	**Budget Responsibility:**	£556,000
Role Responsibilities:	To provide effective leadership and management of the Strategic Asset Management and Estates Division, with support from two group managers and a major projects manager, to lead the delivery of a range of services that provide comprehensive estate management, strategic property advice and a valuation service and specific major projects management; overall the post holder is required: • to deliver value for money through effective design and deliver of the service, • to ensure that customer needs are reflected in services and service plans to secure improved outcomes for stakeholders, • to contribute to the achievement of corporate objectives through effective leadership and management		
Post Title:	Head of HR	**Service Function:**	HR
Annual FTE salary:	£62,865	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	56	**Budget Responsibility:**	£894,000
Role Responsibilities:	To lead, manage and co-ordinate all aspects of the strategic Human Resources (HR) and Organisational Development (OD) service for the Council. To provide members and Chief Officers advice and support to ensure the Council responds appropriately to national policy/ legislation/negotiations relating to workforce and employment matters. The service includes strategic HR support, OD, projects, including reward and recognition, Employee relations and equality for the Council.(HR operations/transactions are managed separately by Director of HR and BS)		
Post Title:	Head of Facilities Management	**Service Function:**	Facilities Management
Annual FTE salary:	£56,568	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	130	**Budget Responsibility:**	£2,432,000

Role Responsibilities:	To provide effective leadership and management of the Facilities Management Division, with support from two service managers, to lead the delivery of a range of services providing a corporate approach to the Councils facilities management, including health and safety legislative requirements for building management, cleaning and caretaking at agreed levels for different types of building across the Council, coordination of the Councils city centre travel plan, cleaning in older peoples residential homes, catering contract management for external contracts and catering advice to staff delivering meals in older peoples and children residential homes; overall the post holder is required: • to deliver value for money through effective design and deliver of the service, • to ensure that customer needs are reflected in services and service plans to secure improved outcomes for stakeholders, • to contribute to the achievement of corporate objectives through effective leadership and management		
Post Title:	HR Shared Services Manager	**Service Function:**	HR Shared Services
Annual FTE salary:	£55,056	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	33	**Budget Responsibility:**	£635,000
Role Responsibilities:	Key member of the HR management Team, leading the HR Operations Service providing payroll, pensions, recruitment and workforce information and ensuring HR Information Systems, policies and procedures are developed to guide and support the council and customers through the employee lifecycle.		
Post Title:	Head of Democracy	**Service Function:**	Democratic Services
Annual FTE salary:	£55,056	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	16	**Budget Responsibility:**	£190,3000
Role Responsibilities:	To lead, plan and develop a range of services, ensuring both compliance and innovation, taking full account of associated risk, including acting as an ambassador/public face of the council in its relationship with many external organisations; namely: • Democratic Services (constitutional support, overview and scrutiny, committee support including executive, non-executive and regulatory meetings)		

	• Executive Support (support services to Leader, Council Cabinet, shadow cabinet and backbench members, and chief officers, as well as professional level research support to elected members) • Civic Services (mayoralty) • School Admission Appeals (including compliance for all LA schools and development of sold service to academies and trusts) And to act as the council's Deputy Monitoring Officer in respect of any committee and/or ethical framework matters as required.		
Post Title:	Projects Group Leader/Engineering and Surveying Group Leader	**Service Function:**	Property Design & Maintenance
Annual FTE salary:	£50,364	**Additional Payments:**	£9,629
No. of Employees Reporting to Post:	5	**Budget Responsibility:**	N/A
Role Responsibilities:	Management and leadership of two compliance teams and the technical support team containing in total 19 full time equivalent staff that Provide a comprehensive Building Construction Design/Maintenance and Programme Management service relating to all the Council owned and similar buildings and other external third party buildings as instructed. Act as the corporate contract administrator/project manager to ensure work on buildings are carried out in an efficient and safe manner to the required specification and quality standard. As a senior officer in the division contribute to the management of the overall Property Design and Maintenance Division.		
Post Title:	Building Surveying and Engineering Manager	**Service Function:**	Property Design & Maintenance
Annual FTE salary:	£50,364	**Additional Payments:**	£9,629
No. of Employees Reporting to Post:	8	**Budget Responsibility:**	£20,000
Role Responsibilities:	Provide a comprehensive property compliance service for all Council owned and similar 3rd party customers' buildings and land. Act as the key advisor to the Corporate Landlord on compliance of the Corporate Estate. Manage a portfolio of building projects ensuring that all works are carried out in an efficient manner, setting performance specifications and standards and ensuring works meet the required quality standards.		

	Develop policies, processes and procedures that improve and manage compliance and support Derby City Councils Corporate Landlord approach.		
Post Title:	Estates Manager	**Service Function:**	Strategic Asset Management & Estates
Annual FTE salary:	£50,364	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	8	**Budget Responsibility:**	N/A
Role Responsibilities:	To manage the Estates Team within the Strategic Asset Management and Estates Section, to ensure the provision of a comprehensive estate management and valuation service to Derby City Council.		
Post Title:	Head of Performance and Intelligence	**Service Function:**	Performance & Intelligence
Annual FTE salary:	56568	**Additional Payments:**	N/A
No. of Employees Reporting to Post:	28	**Budget Responsibility:**	£1,100,000
Role Responsibilities:	To lead the Council's strategic planning and performance framework and ensure effective delivery of the Council's corporate priorities through appropriate support, challenge and the provision of robust business intelligence that meets both local needs and statutory requirements.		

Appendix 17

Time commenced – 6.03pm
Time finished – 6.11pm

Corporate Services Scrutiny Review Board
4 October 2018

Present: Councillor Marshall (Chair)
Councillors Bettany, Cooper, A Pegg, P Pegg, Shanker and Wood

In Attendance: Steven Mason – Democratic Services Officer
Pop Gill – Cohesion and Prevent Manager

08/18
09/18
10/18
11/18
12/18
13/18

14/18 The Budget Setting Process 2019/20 – 2022/23

The Board considered a report of the Strategic Director of Corporate Resources detailing the timeline for setting the council's Medium Term Financial Strategy (MTFP) for the period 2019/20 to 2022/23.

Key steps in the process of setting the MTFP included continual review and updating of the current MTFP; confirming the Medium Term Financial Strategy; investigating the national context for local government as part of the next Government Spending Review; reviewing and agreeing alignment with Council Plan priorities; reviewing and incorporating the capital programme and consequential Revenue Budget consequences; reviewing and incorporating the Treasury Management Strategy; highlight risks and mitigation with the final budget; reviewing the adequacy of reserves; and, determining consultation arrangements.

The Board noted the timetable attached at Appendix 2 of the report and welcomed the detail provided for giving greater clarity to members with regards to the budget setting process.

The Corporate Services Scrutiny Review Board resolved to note the report.

15/18

Appendix 18

Proposals to reduce pressures on the SEND High Needs Block (HNB) to achieve a balanced budget for 2019-20 - Summary of Consultation Responses

The following schools / trusts submitted individual responses to the consultation:

- Brackensdale ER Primary School
- Carlyle Infant and Nursery School
- Ivy House School
- Kingsmead School and Pupil Referral Units
- Rosehill Infant and Nursery School
- St Andrew's School
- St Giles School
- St Martin's School
- Silverhill Primary School
- The Harmony Trust

In addition, a joint response was received from Special School Headteachers (St Martin's School, St Clare's School, St Giles Schools, St Andrews School, Ivy House School and Kingsmead School and PRU).

Total: 11 Responses

Summary of Consultation Responses

The consultation responses are summarised by theme as follows in the table below.

a. Special Schools Bandings Proposal.
b. In-Year Fair Access Budget Proposal.
c. Additional top slice from Schools Block to HNB.
d. Consideration a restructure of the Steps and Inclusion Team.
e. Special Schools – Commissioned Places
f. Special Schools - Accommodation Pressures.
g. Pupil Referral Unit and Kingsmead School.
h. Bandings – Special Schools and Enhanced Resource Schools.

i. Placement Criteria.
j. Key thoughts and suggestions to further improve citywide SEND provision / Consultation & Partnership Working.

<table>
<tr><th>Summary of Consultation Comments</th><th>Derby City Council Response</th></tr>
<tr><td>

- **Special School Bandings Proposal**

<u>St Giles School Comments</u>

- The school has already experienced a reduction in funding as a result of the SEND banding review. The 7% reduction will create further pressures.
- The proposal would dilute the quality of provision and hinder the ability of School Leaders and Governors to plan effectively.
- The proposal will impact on staffing and the resources required to fulfil the legal requirements as set out in each Child's Education Health and Care Plan.
- Parental preference may not be met and there could be an increase in exclusions and out of authority placements.
- We strongly oppose these recommendations.

<u>Other comments</u>

- We agree with this proposal as per the Government Guidelines.

</td><td>

With regard to SEND fund bandings, the Council has approved the implementation of a single per pupil SEND fund banding for each Special School and Enhanced Resource School from April 2018. The new bandings were established to create a more consistent and equitable funding approach across the city's special schools, where a child with SEND at one school would attract the same level of funding as a child with similar needs at another school.

For schools where budgets were expected to reduce as a result of the banding changes, transitional funding arrangements were put in place so that the reductions would be made on a gradual basis.

With regard to St Giles School, the school would have received a lower banding in 2019-20 compared with 2018-19. However, the proposal is to retain the higher 2018-19 banding with the 7% reduction that is being proposed for all special schools.

The table below sets out overall funding for Special Schools in 2017-18, 2018-19 and 2019-20 (proposed).

<table>
<tr><th>Year</th><th>Total Commissioned Special School Places</th><th>Overall Special Schools Budget</th></tr>
<tr><td>2017-18</td><td>737</td><td>£15,908,000</td></tr>
<tr><td>2018-19</td><td>766</td><td>£16,622,000</td></tr>
<tr><td>2019-20 (proposed)</td><td>803</td><td>£16,832,000</td></tr>
</table>

</td></tr>
</table>

a. In-Year Fair Access Budget Proposal • The In Year Fair Access Team has done a lot of tangible work to reduce the number of exclusions in the city and although it may be necessary to reduce the funding, it will be missed. • Cannot agree or disagree with this proposal as we have no clear detail of the impact and reduction of services within this budget. • There needs to be an analysis of impact on children and families.	The comments are noted. In view of HNB budget pressures, the proposal is to reduce the budget and carefully monitor demands against this budget throughout the year.
b. Additional top slice from Schools Block to HNB • In the capacity of a Schools Forum Member, I would like to confirm my support of the increased top slice to 1.5% for 2019/20. • Support is given to the additional top-slice being increased to 1% of the Schools Block (1.5% transfer overall). • Schools need to consider growth against pressures. We need to work to protect funding for high needs across the city and within our budget resources. • This is very much needed due to the growth of SEND across the city. • Governors are in agreement that the top-slice should be increased to 1% in order to support the HNB in 2019-2020.	The comments are noted.

• There is little alternative but to look at transfer across the blocks of funding in the very short term – but clearly this is not sustainable in the longer term without compounding other funding pressures on schools. • Agree with the top-slice.	
c. Consideration of a restructure of the Steps and Inclusion Team • The Steps and Inclusion team play a vital role in enabling schools to support pupils with more complex needs. This figure of £220,000 seems minimal in terms of project work and reduction of costs, versus actual impact and loss. • We do not agree with this reduction, as the impact will be detrimental to pupils who we aim to remain included. With numbers rising and pupils needing greater support, we must focus on the most appropriate support. • The STEPs and Inclusion Team make a contribution to schools, but we must try and keep as much funding in schools as possible. • Unclear on how the STEPS team will be able to support an increase in pupil placements. • There needs to be an analysis of impact on children and families.	The important role played of the Steps and Inclusion Team is recognised and valued by the Council. The proposal to consider a restructure in this area is due to the significant pressures on the SEND HNB budget for 2019-20. Very careful consideration will be given to minimising any impact on schools and pupils as far as possible, as the proposals are developed. Subject to approval, there will be a separate re-structuring consultation with the staff likely to be affected by these the proposals, and all consultation comments will be very carefully considered.
• **Special Schools - Commissioned Places** • The number of pupils on roll at the school is higher than the number of places commissioned by the Council. • The number of commissioned places for all special schools is different to that set out in the consultation document.	For 2019-20, the Council is proposing to commission an additional 37 places in City Special Schools. A number of consultation responses were received in relation to the specific number of commissioned places for 2019/20, which determine the calculation of each special school's individual budget for next year.

• School budget indicative figures are expected to be with schools towards the middle of February 2019. This would not leave suitable timeframes for schools to plan ahead and carefully consider the implications of the proposed reductions in funding. • The school's budget will remain largely the same, whilst the class sizes will be increasing. • Further pressures will need to be carefully considered.	With regard to the indicative numbers included in the consultation document, the Council will continue to engage with schools in the usual way to clarify placement numbers, including any placements that were not made by the Council. This process will continue between now and 31 March 2019, in readiness to issue final individual school budgets for 1 April 2019. This period will help ensure robustness and clarity in relation to the specific number of commissioned places for each school in 2019/20. As approved by Council Cabinet on 10 October 2018, it is absolutely essential that going forward, Derby City Council is responsible for co-ordinating all SEND placements in Derby. This will help ensure that funding can be discussed and agreed with schools prior to places being offered and will help ensure consistency and accuracy in relation to the number of agreed commissioned places for each special school for 2019/20. With regard to funding for commissioned places, as set out in the Department for Education's High Needs Funding 2019-20 Operational Guide (Paragraph 73), local authorities should not automatically be charged an extra £10,000 per pupil if all commissioned places have been filled (irrespective of which local authority has filled them). Where a placement is made that is above the number of commissioned places, the Council will discuss funding with the school in the context of meeting the individual needs of the pupil and considering the school's overall budget position. It is important to note that for 2019-20, if the Special School banding proposal is approved, Ivy House School, Kingsmead School, St Clare's School and St Martin's School will receive increases in their 2019-20 budgets compared with 2018-19, and this is predominantly due to increases in commissioned pupil places. There will be small reductions to budgets at St Andrews, St Giles and Kingsmead Pupil Referral Unit.

d. Special School Accommodation Pressures • The Council directs schools to take pupils over commissioned numbers with no capital investment to increase classroom space to accommodate the additional pupils with highly complex SEND. • It is important to have specific school based discussions on the capacity of the school to continue to expand placements.	With regard to primary special school places, proposals are being developed to change the age range / phasing of St Clare's School from a secondary school to a primary school to significantly increase primary SEND capacity in the city. An estimated £4m capital investment is proposed. Any decision to direct a school to take a child or young person is not taken lightly and is only done so after considering all of the facts, including meeting the pupil's needs, parental preference, school accommodation and funding.
e. Pupil Referral Unit and Kingsmead School • Concerns over Service Level Agreement with the Council due to funding reductions. • Concerns that additional pupil places over the course of the year will not be funded. • In Year Fair Access process for managed moves should be strengthened to increase inclusion and reduce pressure on Newton's Walk and Kingsmead PRUs. • It is absolutely essential that funding is linked to pupil numbers. • A strategy is needed to return pupils from out of authority places. If this does not happen, numbers at Kingsmead Special School will continue to grow. • Proposal to re-designate Newton's Walk, to become a Special School and PRU. • Proposal to make Kingsmead School an all-through school. • Proposal for Kingsmead School and Newton's Walk to be provided with funding to help support pupils to stay within a Derby school.	The Council continues to consult and engage with all schools. For Kingsmead School and the PRU, the Dedicated Schools Grant has covered the reducing income for exclusions to protect the school and the school, this year, has received an additional £611,000. The school is funded for a full year despite pupils not being there for a full year and this has, historically, provided some stability for the school, allowing it to operate above the number of commissioned places at some points during the year. The Council will continue to work closely with the school, including consideration of a movement to actual admission periods, if that would be helpful. All proposals will be very carefully considered by the City's strategic SEND groups, with ongoing engagement with all schools.

f. Bandings – Special Schools and Enhanced Resource Schools • Bandings across St Martins School, St Andrew's School, St Clare's School and St Giles School, should continue to be brought into line, following recommendations of the recent SEND Reform Review. • This would mean an average Top Up funding of £8,745 per student is applied across all 4 Special Schools. • This would result in no further saving but makes the position fair across the schools. • A review of Top Up Funding for Enhanced Resource Schools should take place. In some cases, this funding exceeds that of the Special Schools and does not support a graduated response.	As set out in the consultation document, the proposal is to continue with implementing the new Special Schools bandings but, for those schools with increases in their bandings, these will be introduced more gradually, with no increase for 2019-20. Under the new arrangements, all four special schools would eventually receive a consistent level of per pupil top-up funding (£10,500 per pupil). The funding changes are being implemented over a transitional period, with each school receiving a gradual increase or decrease in their banding as part of the move towards a single banding. This is being done to help protect those schools receiving a reduction in funding. With regard to Enhanced Resource School bandings, these are all lower than the proposed Special School banding of £10,500 per pupil for St Martins School, St Andrew's School, St Clare's School and St Giles School, with the exception of the banding for primary pupils with a visual impairment. All bandings will, of course, remain under review.
g. Placement Criteria • The placement criteria devised by the Council is very vague and open to interpretation.	In terms of placement criteria, these are consistent across St Andrew's School, St Clare's School, St Giles School and St Martin's Schools. The aim is to ensure that a range of specialist provision is offered at each special school with the flexibility to meet the individual needs of as many of Derby's children and young people as possible, in local school settings. This is also to help with transparency for parents and carers. The placement criteria were, of course, part of the previous comprehensive citywide SEND review consultation process.

• **Key thoughts and suggestions to further improve citywide SEND provision / Consultation** <u>Thoughts and Suggestions</u> • All of the Special School Headteachers recognise the need to reduce spending from the High Needs Block, in order that this budget balances and is viable moving forwards. • A full review of pupils going out of authority should take place and there is a need to improve gatekeeping procedures. • A three year plan should be developed with the specialist sector to accommodate pupils with more complex needs. • To form a panel to include all Special School Headteachers, ER Headteachers, directors of finance, teaching + learning and commissioning – to look at all out of local authority requests. • Given the appropriate resources, the school has the expertise to support the most complex of students and feel we could be part of a solution to keep students within the city. • 'Hub' or 'Base' provision in mainstream schools that reflects joint accountability between specialist and mainstream providers. • A workforce strategy that looks city wide at the types of skills and provision needed to meet the local area needs assessment for children with SEND. • Explore the opportunities for commissioning school-based support services. • Proposal for Enhanced Resource provision to be directly under the Special School umbrella, and run as 'satellite hubs', in conjunction with the mainstream school.	The Council welcomes the positive and helpful suggestions submitted through this consultation exercise and will continue to work in close partnership with all schools in relation to the SEND reforms and complex SEND matters. With regard to the two-week consultation period, this was set in order to ensure timescales for calculating and issuing school budgets could be met. It is important to emphasise that all suggestions are very welcome as we work together to meet the requirements of the wider SEND reforms, and improve outcomes for children and young people, and listen to the voice of the child and parents. As part of the Citywide SEND review, a number of engagement meetings took place with special school headteachers as well as representative headteachers from all categories of schools (mainstream, enhanced resource, nursery, primary and secondary). Initial discussions took place on some of the suggestions in those meetings and there will be further opportunity to explore these and other ideas as part of the Council's ongoing dialogue with the sector. Further partnership and engagement meetings are scheduled to scope and consider the suggested options and solutions. The next engagement meeting is currently being scheduled for the middle of March 2019. In addition to this, to help ensure an integrated and close partnership approach between the Council and schools, a joint strategic forum is also proposed to be established with Chairs of Primary and Secondary Strategy groups, representative headteachers and the Council to consider SEND issues and proposals for improving citywide provision.

• Suggestion that the surplus places in Enhanced Resource Schools (35 places) are decommissioned. • Suggestion to remove the in-year Enhanced Resource School contingency of £143,000 and invest in mainstream inclusion. • To compile a clear provision map of City specialist provision. To look at gaps and whether any provision should be decommissioned. • To explore dual roll placements and consider as part of the overall provision map within the City. • Further lobbying should take place with central government. <u>Consultation & Partnership Working</u> • Any ideas with regard to scoping out provision and school development to retain pupils within the city, should come from schools and from those with educational leadership, knowledge and expertise. • It would have been advantageous to have seen future plans for the development and growth within the HNB, as this seems to be very immediate in its vision. • Special School Headteachers see this as an opportunity to radically restructure 'special' provision and HNB funding. • For special school staff to contribute positively to improved systems and better outcomes for SEND pupils within the City. • As a designated teaching school we are committed to supporting schools and colleagues across the city and this work will be increasingly significant moving forward.	This strategic forum will include the Strategic Director of People Services, and Service Directors from the People Services Directorate to help ensure a joined up and integrated local area wide approach to meet the SEND reforms. In addition to the above, there is an existing and well established SEND Partnership Board, which includes representatives from parental groups (Parent Carers Together, SENDIASS and Umbrella) and wider partners such as Health, Social Care and Schools. There is also a well-established SEND Improvement Board which is focused on ensuring the Council is meeting the requirements of the SEND reforms in accordance with the SEND Code of Practice, and development of the Council's Self-Assessment process in readiness for Ofsted SEND inspections. This forum includes senior representatives from Social Care, Health, Learning and Skills, Commissioning and Performance to ensure a joined up and integrated local area approach to the requirements of the SEND reforms.

• More time needs to be given to develop an Inclusion Strategy. • Suggestion that the consultation deadline needs to be extended to enable further cross-sector discussions to take place. • For such an important change to provision for children in the city, there should have been a longer period of dialogue available. • Concern regarding the very short time scale given to respond to this consultation as we would like to have been in a better position to contribute to innovative and creative solutions. • Thank you for taking the opportunity to consult with schools in partnership. It is very important that we know you value our voice as those on the 'front line'. We do understand the budget constraints of the Government and appreciate this opportunity. • We welcome any positive and constructive dialogue with the local authority and as always are keen to work in partnership to support positive outcomes for all students across the city. • Firm commitment to work in partnership with DCC and other Derby schools in seeking solutions to what are complex problems.	

Appendix 19

Derby City Council

Medium Term Financial Plan 2019/20 - 2022/23 - Year on Year Movement

	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
Government Funding				
Reduction in RSG Funding - from 2020/21 assumed 25% reduction year on year pending move to Fair Funding Review	6.374	3.131	2.348	1.761
Reduction in Public Health Grant	0.509	-	-	-
Reduction in New Homes Bonus	0.191	0.617	(0.005)	0.101
Reduction in Education Services Grant	-	0.205	-	-
Reduction in Housing Benefit Admin Grant	0.071	0.088	0.080	-
Reduction in Local Reform and Community Voices	0.016	0.012	-	-
Reduction in Independent Living Fund	0.033	0.032	-	-
Increase in Improved Better Care Fund (IBCF1)	(3.800)	-	-	-
Reduction in Improved Better Care Fund (IBCF2) - assumed to continue to 2022/23	1.655	-	-	-
Removal of Troubled Families Grant - ending 31 March 2020	-	0.960	-	-
Adult Social Grant Funding - One off	(3.109)	3.109	-	-
Total Government Funding Adjustments	**1.940**	**8.154**	**2.423**	**1.862**
Local Funding Sources				
Council Tax - 2.99% in 19/20, 1.99% in future years	(2.825)	(1.956)	(2.019)	(2.084)
Council Tax Base Uplift	(1.470)	(0.949)	(1.250)	(1.246)
Business Rates Tax Base Growth	(2.932)	(2.848)	(1.321)	(2.103)
Collection Fund Adjustment	2.461	(5.486)	-	-
Fees and Charges	(0.688)	(0.708)	(0.730)	(0.752)
Total Local Funding Adjustments	**(5.454)**	**(11.947)**	**(5.320)**	**(6.185)**
Estimated Total Movement in Overall Funding	**(3.514)**	**(3.793)**	**(2.897)**	**(4.323)**
Inflation Assumptions				
Pay Inflation - 1% had been assumed in 18/19, then agreed 2% settlement for 18/19 and 19/20, therefore 3% allowed for in 19/20. 2% assumed for 19/20 onwards	3.617	2.186	2.229	2.274
Contractual inflation	1.575	1.612	1.650	1.688
Energy and Supplies & Services Inflation	0.609	0.409	0.425	0.440

Budget Pressures					
Pressures to be Agreed	11.935	0.888	2.412	(0.700)	
Corporate Revenue Contingency Budget	0.453	-	-	1.279	
Total Pressures	**18.189**	**5.095**	**6.716**	**4.981**	
Sum Required to Balance Budget	**14.676**	**1.302**	**3.819**	**0.658**	
Savings	(7.183)	(3.719)	(1.436)	(0.658)	
Total Savings	**(7.183)**	**(3.719)**	**(1.436)**	**(0.658)**	
Reserves:					
Use Of Better Care Fund Reserve	(2.421)	2.421	-	-	
Business Rates Levy	(0.871)	0.871	-	-	
Business Rates Reserve	(1.117)	1.117	-	-	
Business Rates Pilot Reserve (£0.925m of Reserve to be funded from D2 element of pilot gain)	(3.083)	3.083	-	-	
					Total
Current Budget Gap	**-**	**5.075**	**2.383**	**-**	**7.458**

Derby City Council

Consultation on the Medium Term Financial Plan 2019/20 – 2022/23

CONSULTATION RESULTS AND CABINET FEEDBACK

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Appendices

Appendix 1 – Data tables

1. Introduction

This report outlines the findings of the 2019/20 Budget Consultation for Derby City Council. Every year the Council undertakes a consultation regarding the Council's budget proposals with the objective to understand the views of those who work and live in the city.

2. Methodology

2.1 A six week consultation was undertaken from 13 December 2018 to 24 January 2019.

2.2 The consultation was primarily conducted through an online survey with paper versions and translations available on request. People were also given the opportunity to write in with any other comments they had.

3. Data in the report

Data from the closed questions is presented in the report as a % score. This data in the text of the report is rounded up or down to the nearest whole percentage point. Charts or tables therefore may result on occasions adding up to 99% or 101%. If a table or chart does not match exactly to the text in the report this occurs due to the rounding up or down when responses are combined. Results that differ in this way should not have a variance that is any larger than 1%.

When reading the data, please note that there is a base number against all charts and tables; this is the valid number of responses for that particular question and the figure that the percentages are calculated from.

In total there were **324** responses to the survey with 26 additional responses submitted by letter and email. A summary of how consultees responded is set out in Table 1 below.

Table 1: How responses were received

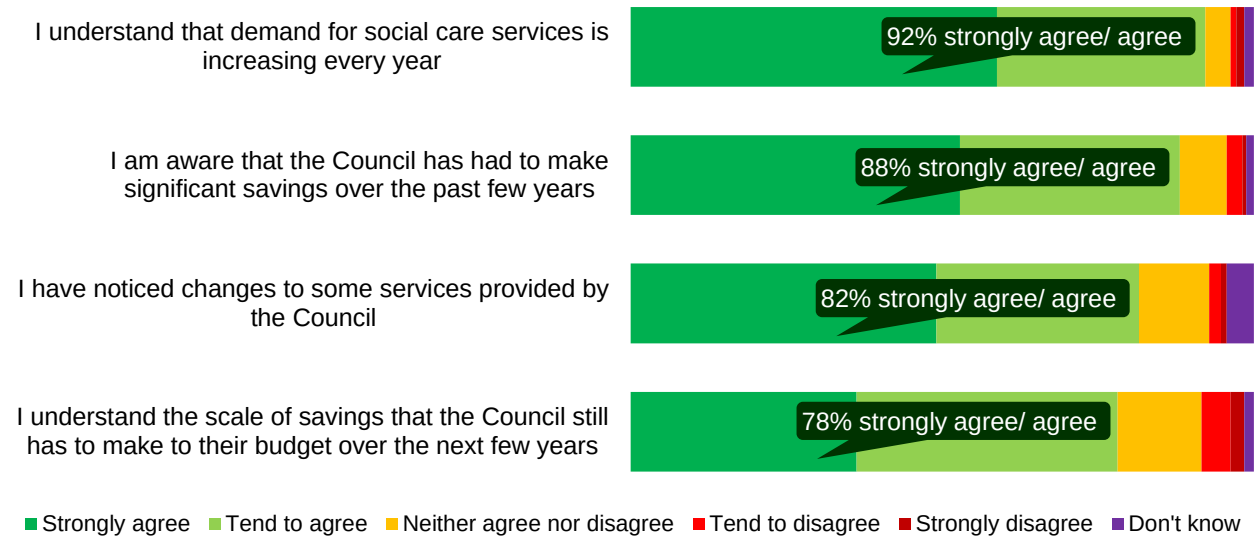
Method	Number
Online Survey	323
Paper Questionnaire	1
Letters and emails	26

Main findings

Budget context

The vast majority of those that responded were aware of the Council's financial situation and of the challenges faced (Chart 1). Awareness amongst respondents was higher than when feedback on this was last given in January 2017. In that door to door resident's survey, 64% understood the scale of savings still to be made compared to 78% in this consultation.

Chart 1: Understanding the scale of the challenge

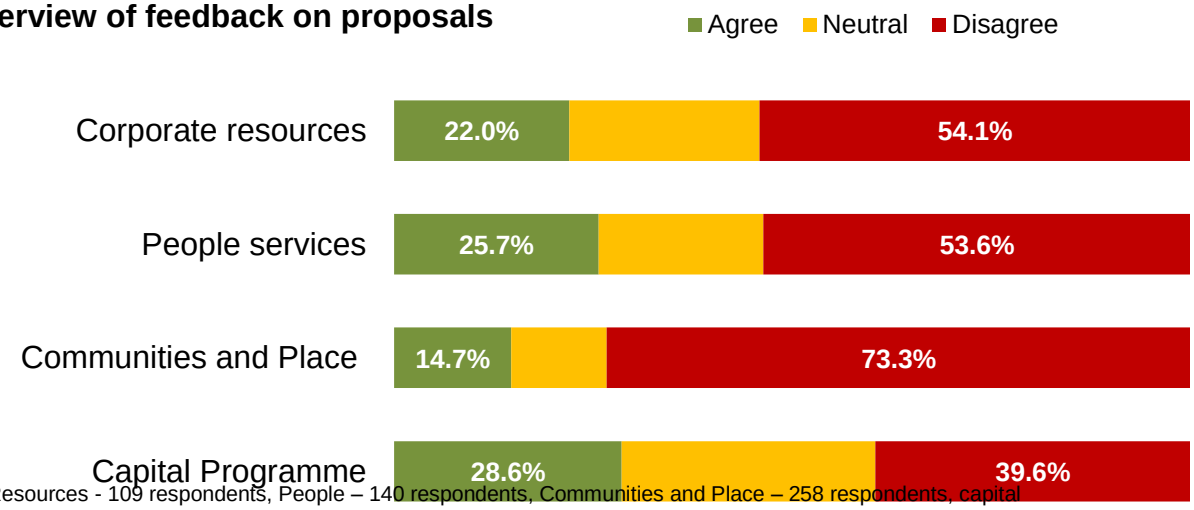


Base: 320 respondents

Feedback on proposals: An overview

Respondents could choose the budget areas they wanted to give their view on. The majority of those completing the survey (258) chose to give their view on the Communities and Place proposals with smaller numbers giving feedback on the People Services (140), Corporate Resources (109) and capital programme (91) proposals. *Much of the savings proposed by People Services were consulted upon separately in a different consultation and these results are set out in a separate results report.*

Chart 2: Overview of feedback on proposals



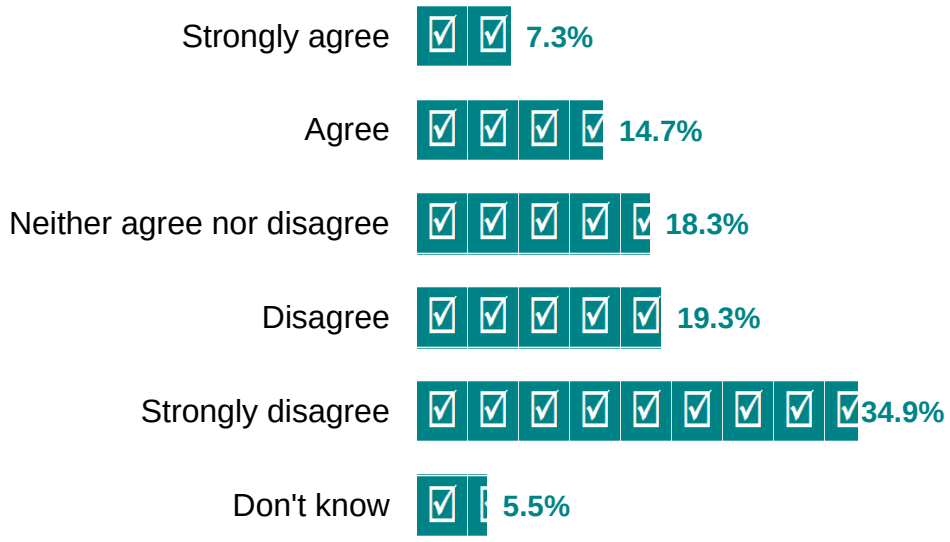
Base: Corporate Resources - 109 respondents, People – 140 respondents, Communities and Place – 258 respondents, capital programme – 91 responses.

Overall the strongest disagreement was for the Communities and Place proposals where almost three quarters of respondents (73.3%) either disagreed or strongly disagreed. The capital programme received the most support (28.6% agreed/ strongly agreed) [Chart 2]. The feedback on each set of proposals is summarised in the following sections.

Feedback on proposals: Corporate Resources
Just over a third of respondents (109 individuals) gave their views on the proposals affecting services within the Corporate Resources directorate.

Over half (54.1%) disagreed with these proposals, a smaller proportion than for the Communities and Place proposals [Chart 3].

Chart 3: Agreement with Corporate Resources proposals



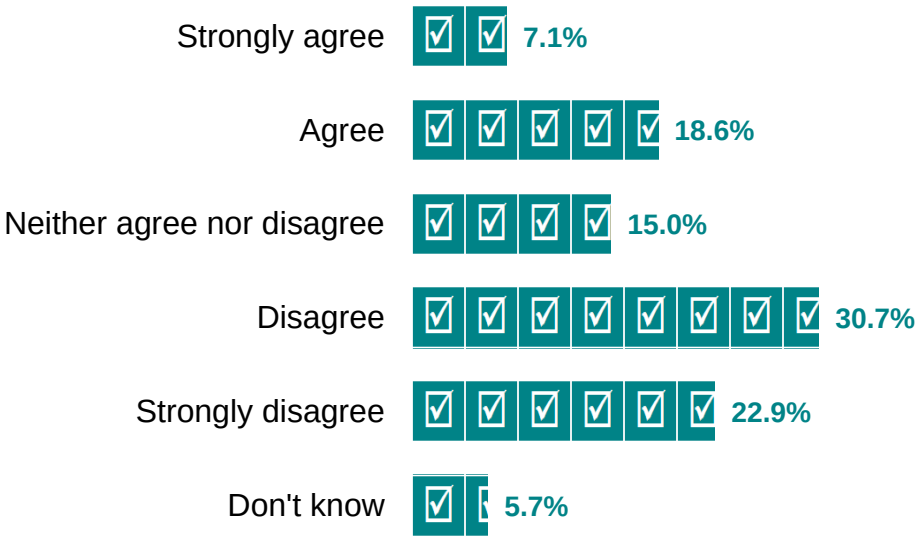
Base: 109 respondents

Fewer than 50 individuals took the opportunity to make further comments on the proposals relating to services provided by the Corporate Resources directorate. These comments overwhelmingly related to the staff car parking proposal. A summary of the views expressed can be found in section 4.7 of this report.

4.4 Feedback on proposals: People Services
Just under half of respondents (140 individuals) gave their views on the proposals affecting services within the People Services directorate.

A quarter (25.7%) supported the proposals but over half (53.6%) disagreed, almost a quarter strongly [Chart 4]. This is similar to the level of agreement on the Corporate Resources proposals as detailed in 4.3.

Chart 4: Agreement with People Services proposals



Base: 140 respondents

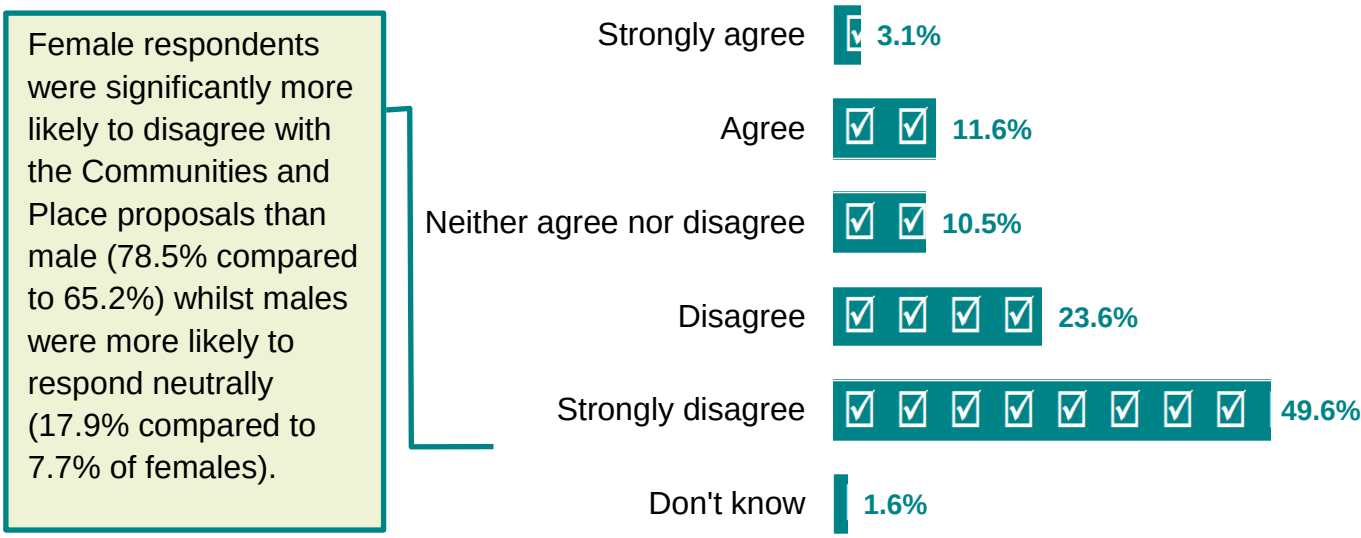
Over 80 individuals took the opportunity to make further comments on the proposals relating to People Services, giving feedback on multiple proposals. Amongst these, there were many comments relating to staff car parking and the Communities and Place proposals. The comments about People Services related to savings about early years, fostering, mental health, respite care and Livewell. A summary of all the views expressed in this consultation can be found in section 4.7 of this report. *Further views on the savings proposals for People Services were expressed in the dedicated consultation and are set out in that report.*

4.5 Feedback on proposals: Communities and Place

The majority of respondents (258 individuals) gave their views on the proposals affecting services within the Communities and Place directorate, by far the most of all the proposals.

Almost three quarters of respondents (73.3%) disagreed with these proposals, half strongly [Chart 5]. These proposals received the most contention of all those set out in the consultation document.

Chart 5: Agreement with Communities and Place proposals



Base: 258 respondents

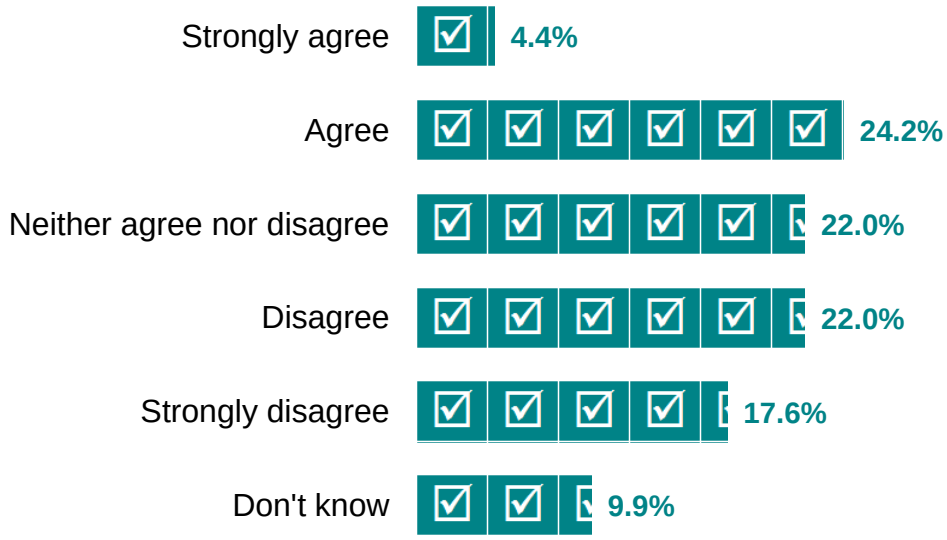
172 respondents took the opportunity to comment on these proposals, giving multiple views. The vast majority of comments made were in opposition to the proposal to make savings against the museums budget. There was also significant opposition to the proposal to review the conservation and heritage function. A summary of all the comments made in this consultation can be found in section 4.7 of this report.

4.6 Feedback on proposals: the capital programme

Over a quarter of respondents (91 individuals) gave their views on the capital programme.

Under a third (28.6%) supported these proposals, but 39.6% disagreed [Chart 6]. A large number (22%) also responded neutrally, neither agreeing nor disagreeing with the ideas set out. Overall these proposals received a more favourable response than the savings proposals outlined under each directorate.

Chart 6: Agreement with the Capital Programme proposals



Just 20 individuals chose to give further comments in this section although many gave their views on the capital programme in other sections of the consultation. These views are all summarised in section 4.7 below. Some raised concerns about the way the capital programmes are run, in particular the Assembly Rooms; where delays and the decision making process came in for criticism.

Base: 91 respondents

3.7 Comments on the proposals

Respondents were given opportunities throughout the survey to comment on the various proposals and also give their overall feedback or suggestions. For the purpose of analysis and interpretation these comments have been coded into themes. The top three themes emerging from the analysis were opposition to the;

1. proposals affecting museums (140 comments)

Cabinet Response
Many of the 140 comments appear to have misunderstood that the Council is considering increasing the Museum Trust's budget by £250,000 from 2020/21. We will not be making any final decisions on this until the next budget round later in 2019.

2. proposed changes to staff car parking (70 comments)

Cabinet Response
Officers are still in negotiations with the trade unions and consulting with all employees in order to reach an acceptable agreement.

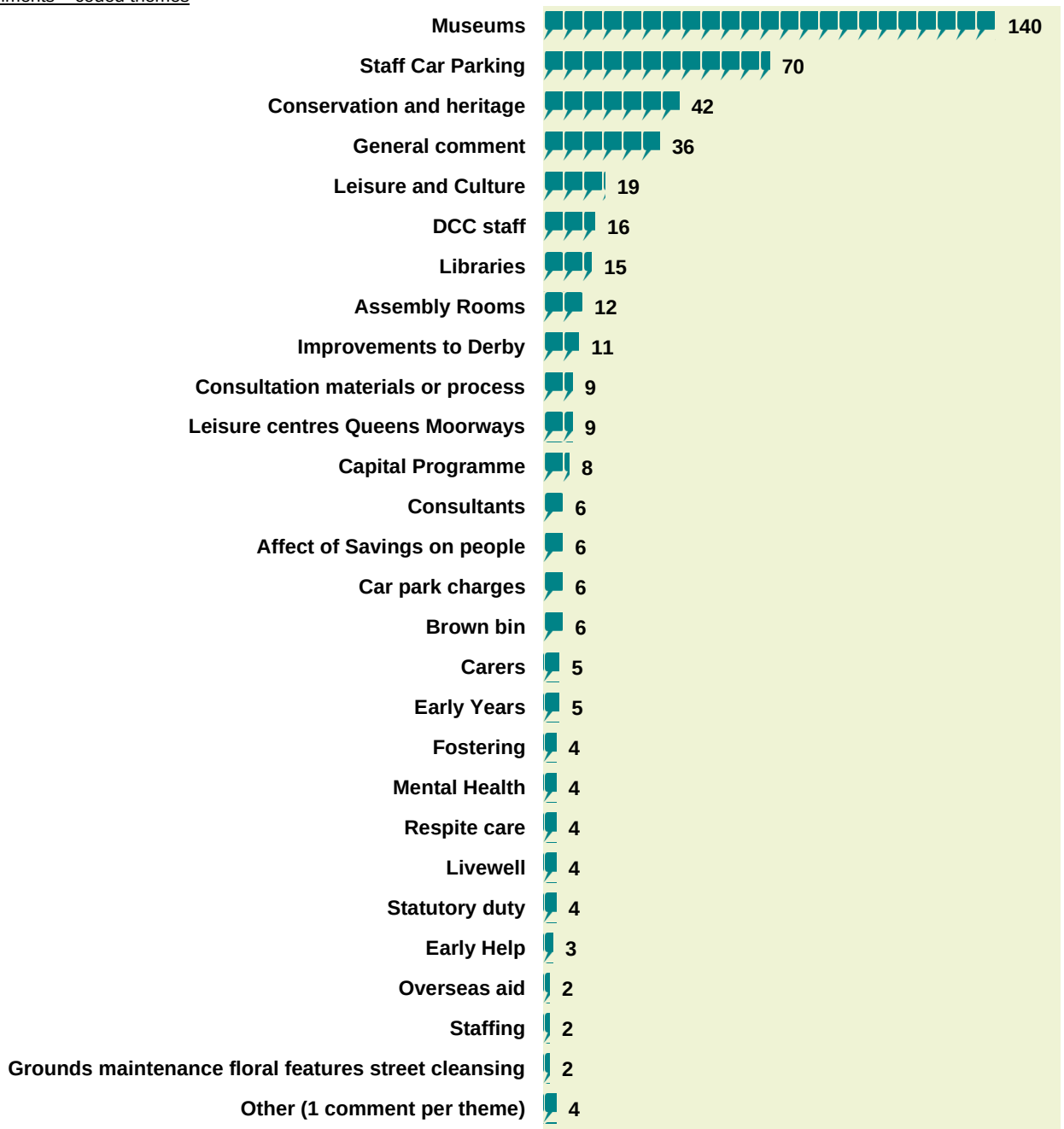
Our plans also include charging councillors for car parking.

3. proposal to reduce the conservation and heritage resource (42 comments)

Cabinet Response
We still plan to make savings in this area although listening to the consultation feedback we are looking to explore the option to introduce an apprentice in this service area who we can train and become experienced to support the service.

A summary of all the themes emerging from the comments made in the survey can be found at Chart 7. Comments were generally in opposition to the proposals.

Chart 7: Comments – coded themes



Base: 239 respondents (many making multiple comments so chart numbers will not total 239)

The feedback given on the top three themes is summarised below.
Museums: The proposal is to work to identify opportunities to attract further external funding so that the Council grant could be reduced to a minimum level. The majority of comments about Derby Museums related to money being cut from the museums budget which was not part of the proposal.

Comments relating to Derby Museums ranged from those requesting that funding is not halted to the need to celebrate and retain heritage in Derby. Some respondents reflected on the importance of the museum to Derby and how it contributed to civic pride and tourism. Some were concerned that the perceived removal of funding would have a considerable impact on externally funded programmes/projects which were already in progress; partnerships and opportunities that would alleviate pressures on Derby City Council's services and on the Council's ability to apply for future investment. Others cited the involvement of people in Derby Museums and its role in delivering community cohesion; its volunteer programme and its ability to deliver on wellbeing agendas.

Staff car parking: Comments ranged from concerns on the ability to undertake jobs effectively and efficiently if free car parking is removed to those who expressed concern that the use of their own vehicle was essential to their employment. Others stated that the proposed cost savings may be over-ridden by mileage and public transport claims. Some however were in favour of the proposal, citing the current permit scheme was inequitable.

Conservation and heritage function: A review of the conservation and heritage function was set out in the budget proposal. The comments however largely related specifically to the Conservation Officer post.

Comments included the importance to retain and protect heritage and Derby's unique heritage offer in terms of the World Heritage Site. Comparison was made by some respondents to Derby's provision of conservation staff against other cities within the region. It was asserted by several respondents that were one full time equivalent post deleted the remaining part time post would not have the capacity to deliver all of the necessary functions. A number of comments were received from key partners, stakeholders and funders.

Other feedback on the proposals

26 emails and letters were submitted in response to the budget proposals. These came from private individuals, local businesses and other local organisations across the area. Organisations giving their views this way included local architects and chartered surveyors; the Institute of Historic Building Conservation; the Royal Lancers Museum Trust; the Association of the Royal Lancers; Heritage Lottery Fund East Midlands; the Civic Society; Derbyshire Historic Buildings Trust; and Darley Abbey Society.

All but one of the letters and emails received related to the proposed reduction in conservation and heritage function or the museums proposals. These responses largely reflected the comments made in the survey as summarised above and were in strong opposition to the proposals.

Comments received in relation to the conservation and heritage function included:

- Local Authorities have substantial statutory and non-statutory duty to provide specialist advice.
- Culture and heritage is a critical factor in sustainable economic development, business growth and job stability – deletion of a post jeopardises ability to deliver.

- Concerns about a potential reduction in support for the Conservation Area Advisory Committee.
- A small input from the Council is a much needed enabler to larger volunteer or partnership initiatives to improve heritage assets in Derby.
- Removal of resources reflects badly with external funders.
- Conservation and Heritage initiatives in the Cathedral Quarter are regularly cited as a national exemplar to lever in funding to high street renewal.

Comments received in relation to the museums proposals included:

- The timing given that the Silk Mill project is mid-way through.
- Concern over existing exhibition partnerships such as the Royal Lancers Soldiers' Story.
- Museum of making – contributors of collections and displays concerned that without this funding the project will be unable to be completed.
- Concern that reduced funding will mean closures of museum sites and reduction in services to families and young people.
- Praise for the exhibitions as a draw to visitors to the city.
- Derby Museums celebrates Derby's diverse population.

Feedback from young people

In addition to the feedback given by the Youth Council (Voices in Action) as referenced in the Cabinet report; feedback was also received from pupils at Derby Moor Academy. On 22 January 2019 officers from Derby City Council were also invited to talk to Year 9 students from Derby Moor Academy about the proposals in the mi- term financial plan. Key points raised in the discussion were as follows:

Connexions: Participants discussed the proposed reductions to this service and agreed that if fewer students needed support then this could be a way to potentially save money.

Participants did, however, raise concerns that savings in this service could impact on young people. In particular, they were concerned that young people would not have access to the same levels of support and that this would affect them getting a job or moving on to other aspects of education.

"It's not a good idea because they might be struggling and not know what to do with their life"

"We need the staff to make sure children have the best future"

School Improvement Team: Participants were positive about some of the savings in the School Improvement Teams. They could see the benefits of schools supporting each other to improve and they commented that this would have a positive impact on the ways schools worked.

"helps not only your school but others"

There were some concerns expressed about the potential impact of this saving on young people in Derby.

It's not a good idea because losing staff could mean students not getting the full experience and not reaching their full potential. More bad behaviour and discourages teachers from teaching"

Youth Offending Team
There were mixed responses to the proposed changes in the Youth Offending Team. The participants could see the benefits of reducing staff if there was a reduction in crime figures.

"It saves money – less young people committing crime"

They did voice concerns that the reduction in crime may be affected by any savings.

"The amount of youth offending could rise at any time; there might not be enough staff when this happens"

Fostering, Children's Homes and child placement service through social impact bonds: The participants were concerned that young people either in care or on the edge of care were looked after. They supported looking at ways to make sure young people could stay with their own families, and were supportive of interventions to help young people to do this. They also expressed concerns that children leaving care had support systems to do this.

About those that responded to the survey

A slightly higher proportion of respondents were female than male.

Table 2: Gender

	Number	%
Male	130	43.2%
Female	171	56.8%

Base: 301 respondents

Those taking part in the survey ranged from 17 to 84 with an average age of 51.

A breakdown of the ethnicity of respondents is set out in Table 3.

Table 3: Ethnic Group

	Number	%
Asian or Asian British - Indian	9	3.1
Asian or Asian British - Pakistani	2	.7
Black or Black British - African	2	.7
Dual Heritage - White and Asian	3	1.0
Any other Dual Heritage background	4	1.4
White - English / Welsh / Scottish / Northern Irish / British	250	85.9
White - Gypsy or Irish Traveller	2	.7
Any other White background	15	5.2
Other ethnic group - Arab	1	.3
Any other ethnic group	3	1.0

Base: 291 respondents

9% of those responding to the consultation consider themselves to be a disabled person.

A breakdown of the sexuality of respondents is set out in Table 4.

Table 4: Sexuality

	Number	%
heterosexual/straight	237	82.3
bisexual	6	2.1
a gay man	5	1.7
a gay woman/lesbian	2	.7
Other	5	1.7
Prefer not to say	33	11.5

Base: 288 respondents

5.6 **Religion:** Over a third (39.9%) have religious beliefs and of these 81% were Christian, 3.4% Muslim with 6.9% preferring not to say.

Results in summary

- In December 2018 a consultation was launched by Derby City Council in order to understand the views of residents and local stakeholders towards budget proposals in the Medium Term Financial Plan 2019/20 – 2022/23. A total of 324 people chose to take part in the survey with others contributing emails and letters.
- The majority of respondents gave their view on the Communities and Place proposals and there was particular contention for the proposals relating to museums, conservation and heritage. This came from local organisations, individual residents, and Council employees. Other respondents also raised concerns about how the projects in the capital programme are being run.
- The other theme that strongly emerged from the consultation was the opposition amongst Council employees to the proposal to review free staff car parking.
- Whilst some individuals gave their views on People Services proposals such as fostering recruitment and assessment and Livewell; the vast majority of feedback on the People Services proposals has been captured in the dedicated consultation that ran simultaneously to this one. These findings are set out in a separate results report.

Appendix 1: Data Tables

Table 1: I am aware that the Council has had to make significant savings over the past few years

	No.	%
Strongly agree	169	52.8
Tend to agree	113	35.3
Neither agree nor disagree	24	7.5
Tend to disagree	8	2.5
Strongly disagree	2	.6
Don't know	4	1.3
Total	320	100.0

Table 2: I have noticed changes to some services provided by the Council

	No.	%
Strongly agree	157	49.1
Tend to agree	104	32.5
Neither agree nor disagree	36	11.3
Tend to disagree	6	1.9
Strongly disagree	3	.9
Don't know	14	4.4
Total	320	100.0

Table 3: I understand the scale of savings that the Council still has to make to their budget over the next few years

	No.	%
Strongly agree	116	36.3
Tend to agree	134	41.9
Neither agree nor disagree	43	13.4
Tend to disagree	15	4.7
Strongly disagree	7	2.2
Don't know	5	1.6
Total	320	100.0

Table 4: I understand that demand for social care services is increasing every year

	No.	%
Strongly agree	188	58.8
Tend to agree	107	33.4
Neither agree nor disagree	13	4.1
Tend to disagree	3	.9
Strongly disagree	4	1.3
Don't know	5	1.6
Total	320	100.0

Table 5: Corporate Resources - How strongly do you agree or disagree with the proposals …?

	No.	%
Strongly agree	8	7.3
Agree	16	14.7
Neither agree nor disagree	20	18.3
Disagree	21	19.3
Strongly disagree	38	34.9
Don't know	6	5.5
Total	109	100.0

Table 6: People - How strongly do you agree or disagree with the proposals …?

	No.	%
Strongly agree	10	7.1
Agree	26	18.6
Neither agree nor disagree	21	15.0
Disagree	43	30.7
Strongly disagree	32	22.9
Don't know	8	5.7
Total	140	100.0

Table 7: Communities and Place - How strongly do you agree or disagree with the proposals …?

	No.	%
Strongly agree	8	3.1
Agree	30	11.6
Neither agree nor disagree	27	10.5
Disagree	61	23.6
Strongly disagree	128	49.6
Don't know	4	1.6
Total	258	100.0

Table 8: Capital Programme - How strongly do you agree or disagree with the proposals ...

	No.	%
Strongly agree	4	4.4
Agree	22	24.2
Neither agree nor disagree	20	22.0
Disagree	20	22.0
Strongly disagree	16	17.6
Don't know	9	9.9
Total	91	100.0

Derby City Council

People Services Savings Proposals

CONSULTATION RESULTS

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Appendices

Appendix 1 – Data tables

Appendix 2 – List of meetings, events and groups where consultation was discussed or highlighted

Introduction

1.1 This report outlines the findings of the consultation on the savings proposals outlined by People Services as part of the Medium Term Financial Plan 2019/20 – 2022/23.

1.2 As part of the annual budget setting process a number of proposals have been put forward which would affect services across public health and social care.

1.3 In addition to the consultation on the Council's budget overall, a separate consultation was undertaken in order to understand views on the specific proposals affecting People Services. This consultation was open to anybody who lives, works or studies in the city but responses were particularly welcomed from all those who could be impacted either directly or indirectly by the proposals.

Methodology

2.1 A twelve week consultation was undertaken from 9 November 2018 to 1 February 2019. The consultation was primarily conducted through an online survey with paper versions and translations available on request. People were also given the opportunity to write in with any other comments they had.

2.2 Stakeholders also had the opportunity to give their view at various meetings and forums across the consultation period. A summary of feedback given at these sessions can be found in Section 4 of this report alongside the survey findings.

4. Data in the report

Data from the closed questions is presented in the report as a % score. This data in the text of the report is rounded up or down to the nearest whole percentage point. Charts or tables therefore may result on occasions adding up to 99% or 101%. If a table or chart does not match exactly to the text in the report this occurs due to the rounding up or down when responses are combined. Results that differ in this way should not have a variance that is any larger than 1%.

When reading the data, please note that there is a base number against all charts and tables; this is the valid number of responses for that particular question and the figure that the percentages are calculated from.

In total there were **954** responses to the consultation. A summary of how consultees responded is set out in Table 1 below.

Table 1: How responses were received

Method	No.
Online Survey	683
Paper Questionnaire	250

Letters and emails	21

Main findings

4.1 Overall budget context

4.1.1 Overall respondents understand the context in which these proposals have been made with the vast majority (88.9%) appreciating that demand for adult social care services is increasing. 83.2% were aware of the significant savings that had already been made over the past few years.

4.1.2 Fewer respondents, however, understood the level of savings still to come. Just over two thirds (69.7%) agreed or strongly agreed that they understood the scale of the savings that the Council still has to make over the next few years. 13.5% neither agreed nor disagreed and overall 14.3% disagreed with this statement.

4.1.3 Respondents were asked the extent to which they agreed or disagreed with the proposals set out for People Services overall. Positively, over two thirds (66.9%) agreed with at least some of the proposals in the consultation document. Over one in four (27.5%), however, stated that they disagreed with all the proposals made [Table 2].

Table 2: The extent to which respondents agreed or disagreed with the savings proposals identified by People Services

Response	No.	%
I agree with all of the proposals	16	2.2
I agree with most of the proposals	63	8.8
I agree with some of the proposals	403	56.0
I disagree with all of the proposals	198	27.5
Don't know	40	5.6

Base: 720 respondents

4.2 Proposal to refocus the Livewell service

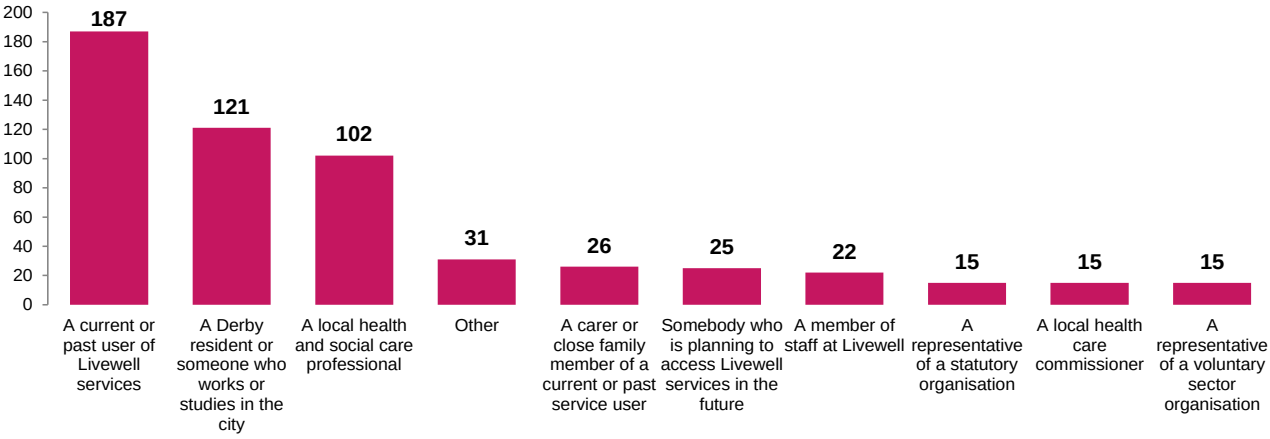
4.2.1 Who responded

559 respondents chose to give their views on the Livewell proposals as part of the survey.

Many of those that gave their feedback were directly impacted by the proposals with a third (33.5%) being current or past service users and just over a fifth (20.9%) working as health and social care professionals or commissioners in the city [Chart 1].

This is reflected in the responses with large numbers giving personal testimonials or referencing their experience of using or referring in to the service.

Chart 1: The capacity in which people responded

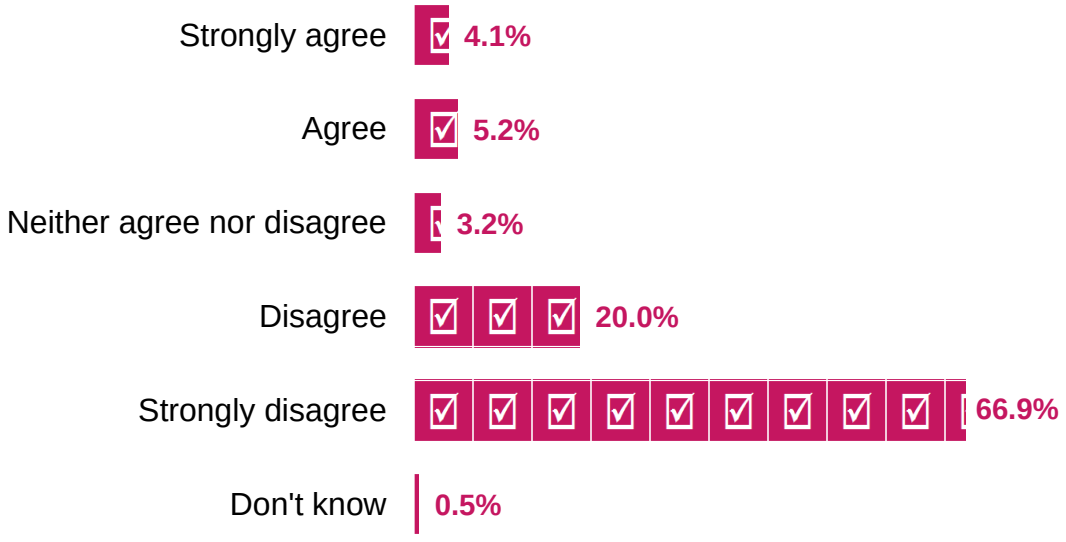


Base: 559 respondents

4.2.2 Feedback on proposals

Overall there was strong opposition to the proposals with the vast majority (86.9%) either disagreeing or strongly disagreeing that the Council should reduce the service currently provided [Chart 2].

` Chart 2: Strength of agreement/ disagreement with the proposals for Livewell



Base: 559 respondents

4.2.3 Feedback on different parts of the proposals

The three areas of the proposal that received the most opposition were:

- Reductions to the child weight management programme (86.2% disagreed)
- Reductions to the adult weight management programme (86.0% disagreed)
- Stopping the cardiac rehabilitation phase 4 programme (85.7% disagreed)

Whilst there was very little support for any aspect of the proposals, more than 1 in 10 respondents agreed with the proposals to:

- Reduce the smoking cessation service (12.7% agreed)
- Stop GP out of hours stop smoking and weight management services (12.5% agreed)
- Reduce the number of NHS health checks delivered in the community (10.7% agreed)

4.2.4 Impact of the proposals

Nearly all respondents (91.6%) stated that if the proposals were implemented it would have a big impact on Derby as a whole.

Chart 3: Perceived impact that implementation of the proposals would have

Base: 558 respondents (me personally), 558 (someone I know), 557 (people across Derby)

Almost half (48.7%) of those that responded stated that the proposals, if implemented, would have a big impact on them personally and over two thirds (69.7%) reported that they would have a big impact on somebody they know [Chart 3].

4.2.5 Other ideas and suggestions

Many respondents volunteered alternative suggestions or ideas about how these services could be delivered differently in the future whilst still making the savings needed. These suggestions have been coded into themes. The top ten themes were:

1. A nominal charge or subsidy or charge particular individuals / means test
2. Find funding from elsewhere in Council
3. Comments which generally opposed the proposal or messages of support for the service
4. Wait to see the long term savings from this service before making a decision
5. Reduce management staff
6. Make greater use of volunteers or third sector providers
7. Be more commercial or take opportunities to work with businesses
8. Prioritise the most vulnerable or narrow the criteria
9. Reconfigure the service or reduce certain aspects
10. Make more links with other existing services and deliver together

"I have personal experience of the Livewell and stop smoking services, they are amazing programmes and life changing to help people become healthier. It is important to continue these services. Rather than reduce why don't you ask people to contribute to cover the cost and pay for the service?"

"While I'm aware you are looking at short term saving I don't believe you have considered the long term savings to health and social care that some of these programmes can provide. While it means investment now Active Schools and Child Weight management programmes will help to reduce the strain on health & social care in the future by helping to reduce the upward trend in obesity levels and the health issues associated"

4.2.6 Other comments

When giving further comments on the Livewell proposals the vast majority made statements opposing the proposal. These comments were coded into themes in order to get an overall picture of the feedback. The most comments urged the Council to consider the long term and take a 'whole system' view when making a decision. Many felt that the proposals were short sighted and didn't take into account the savings that were made elsewhere in the NHS and social care due to the prevention services provided by Livewell. These respondents felt that making reductions to the service would just increase costs and resource pressures in other services and organisations, particularly within the NHS.

"What Livewell is doing for so many people is reducing future impact on the already over stretched NHS, the cost of which would far outweigh the cost of the Livewell services…. I don't think it's any exaggeration to say that Livewell actually saves people's lives !"

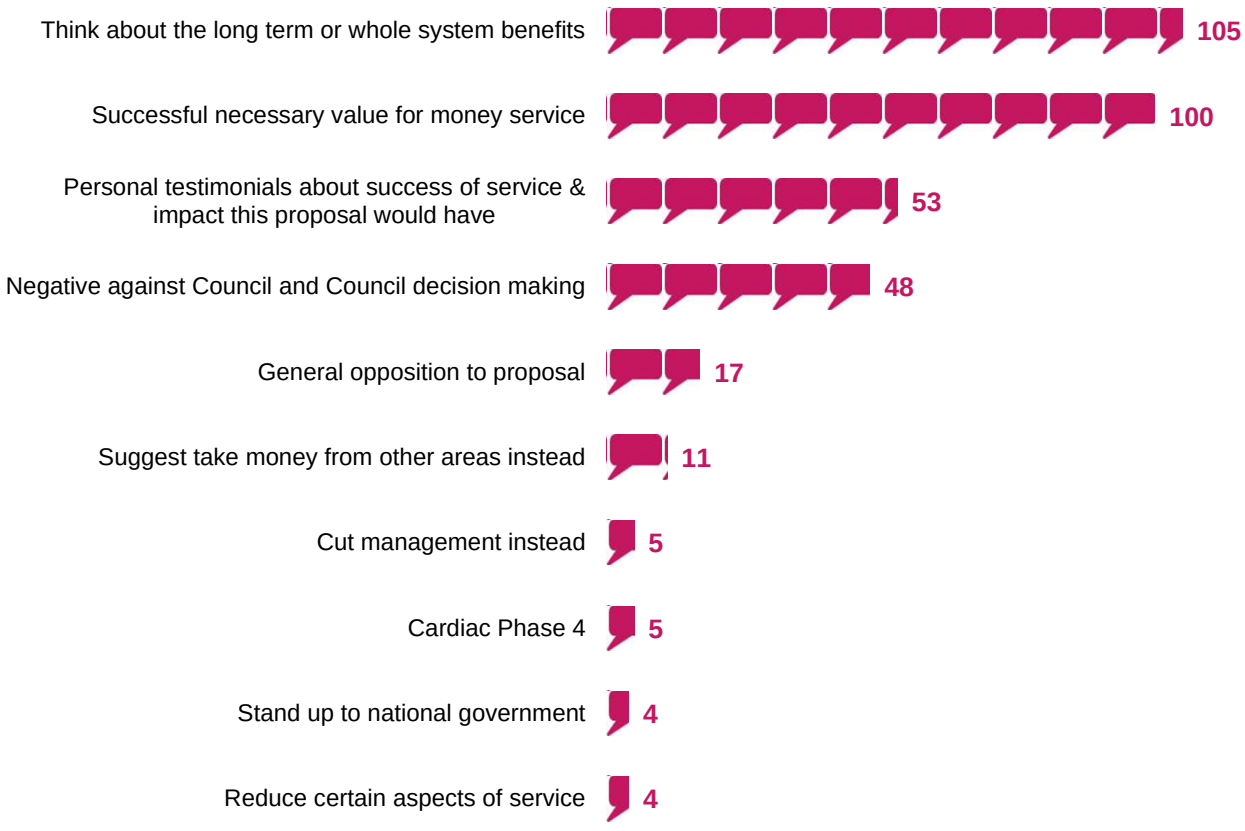
Over 100 comments were also made about how successful the Livewell service is and that it didn't make sense to make changes to a service that was working well and already providing value for money in terms of the outcomes it achieves for local people.

There were also many personal testimonials about the impact the Livewell service had had on respondent's lives and the lives of their families and friends.

"This service seriously saved my life. Cuts to service mean less people supported and health put at risk. Please don't cut this lifeline service".

Several respondents also expressed their anger that the Council were considering this decision. A summary of the top 10 themes emerging from this feedback can be found in Chart 4.

Chart 4: Number of comments made in opposition to the proposals - the top ten themes



Base: 313 respondents who made additional comments on the Livewell proposals (respondents made multiple comments)

4.2.7 Emails, letters and responses in other formats

In addition to the survey responses, a number of consultees sent in emails and letters giving their feedback. The majority of these came from organisations and professionals from across health and social care services and organisations in Derby. This included feedback from North Derbyshire Clinical Commissioning Group (CCG) and different departments within University Hospitals of Derby and Burton (UHDB).

Alongside this, 20 comments were received by the Livewell service via social media sites.

Comments received in relation to these proposals included:

- Concerns from professionals about the potential impact on the health of the Derby population and the benefits of being able to refer service users into Livewell, especially in tackling health inequalities.
- Concerns that the saving will have a cost impact elsewhere (namely on the NHS) if the smoking cessation service is reduced.
- Support from individuals for the impact that the service has made on either their lives or on the lives the people they know.
- Respondents highlighted the importance of partnership working to tackle health inequalities, social mobility and education.
- Comments on the value of the Workwell scheme in helping to support colleagues, and to help reduce stress levels, health and absenteeism.

4.2.8 Summary of feedback from forums, events or meetings

The People Services budget proposals were discussed at a number of events and forums. Where appropriate, comments were sought and recorded to be fed back into the consultation. Some events also signposted the participants to the survey so that they could take part and give their views. The Livewell proposals received feedback via the following meetings.

Health & Wellbeing Board: A meeting of the Health and Wellbeing Board took place on 22 November 2018. Strategic leads from across the health and social care system took part in the meeting where the proposed changes to Livewell services were discussed. Feedback included:

- Concerns that reduced capacity could lead to programmes being full quickly so patients would be unable to be referred; implications of locality of services in relation to accessibility for clients; and the potential for decline in partnership in-kind contributions.

- The board felt that in making decisions on the future of Livewell, Derby City Council should consider practicalities such as how referrals are prioritised (either professional referral or self-referral) and setting up a quota per quarter to ensure that the service did not get immediately saturated. It was also considered important that some work was undertaken to focus on ensuring the items that are delivered are the most effective, most needed and/or offered the highest return on investment.

- Suggestions and ideas were also given. An example was the potential to direct some clients to paid services where possible (e.g. slimming classes). Some were concerned whether it was reasonable to 'refer' to non-commissioned delivery with no quality or performance checks and there was concern that low socio-economic groups would be impacted. Another suggestion concerned voluntary sector colleagues that already support some of this work and could potentially do more. A benefit of this might be that the voluntary sector is able to bid into wider funding opportunities.

Voices in Action Youth Council meeting: A meeting of the Voices in Action (ViA) Youth Council took place on 12 November 2018. Members of ViA, the Youth Mayor, the Strategic Director of People's Services and the Head of Finance for Children and Young People were in attendance.

Discussion regarding Livewell focused specifically on smoking cessation and weight loss programmes. Young people were asked to identify positive and negative aspects of the proposals.

- The young people felt that it was good that targeted support should focus on people who have the most serious health conditions and that alternative provision could be accessed through signposting.

- Negative impacts of the proposals according to the young people in attendance were the long term impact of removing preventative measures and subsequent increased costs to the NHS.

Liveability focus group meeting: This user group met on 24 January 2019 to discuss the proposed changes to the Livewell service. The Livewell Treatment Manager, a Public Health Manager and a member a consultation team were in attendance alongside members of the Livewell team.

- None of the participants supported the proposals. Particular elements that the group opposed were the smoking cessation, weight loss programme and the cardiac rehabilitation programme proposals. The concern was that the NHS would be impacted by these.

- Suggestions and ideas that could be considered included merging existing groups together and paying contributions towards their own sessions. Although they noted that this could have an adverse impact on the most deprived.

CABINET RESPONSE:

Cabinet recognises the significant response particularly from service users, local residents and local health and care professionals to the proposed changes to Livewell provision with 60% of all feedback commenting on Livewell. The responses we have received through the consultation include some impacts identified, useful suggestions and opportunities which we will give further consideration to, in discussion with key partners and stakeholders, as we finalise the shape of Livewell's provision in 2019/20 to ensure that we are able to deliver the best possible service.

Although both the Equalities Impact Assessment and Quality Impact Assessments completed highlight a number of risks and impacts associated with the proposals a range of mitigating actions have been identified. It is anticipated that this will reduce the potential negative impact and allow Livewell services to be targeted to ensure they remain accessible to those in greatest need.

The strength of response to the consultation has reinforced our view that we need to maintain Livewell provision in the coming years, and we will be considering how to achieve this within our ongoing financial challenges.

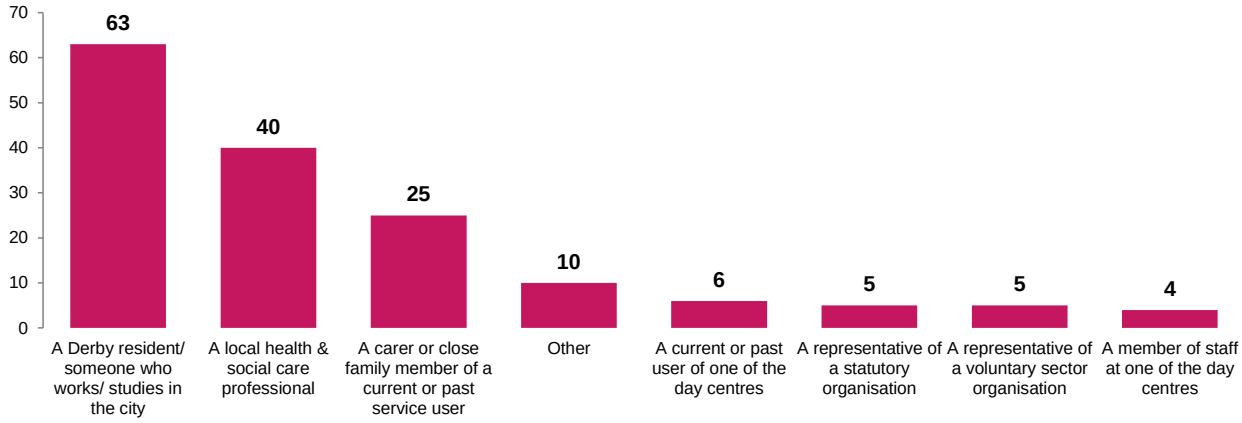
4.3 Proposal to close Council run day centres

4.3.1 Who responded

159 respondents chose to give their views on the day centre proposals as part of the survey.

A quarter (25.3%) of those that gave their feedback were local health and social care professionals. Just 3.8% were current or past users of the three day centres affected by the proposals but 15.8% were carers or close family members of those potentially affected [Chart 5].

Chart 5: The capacity in which people responded

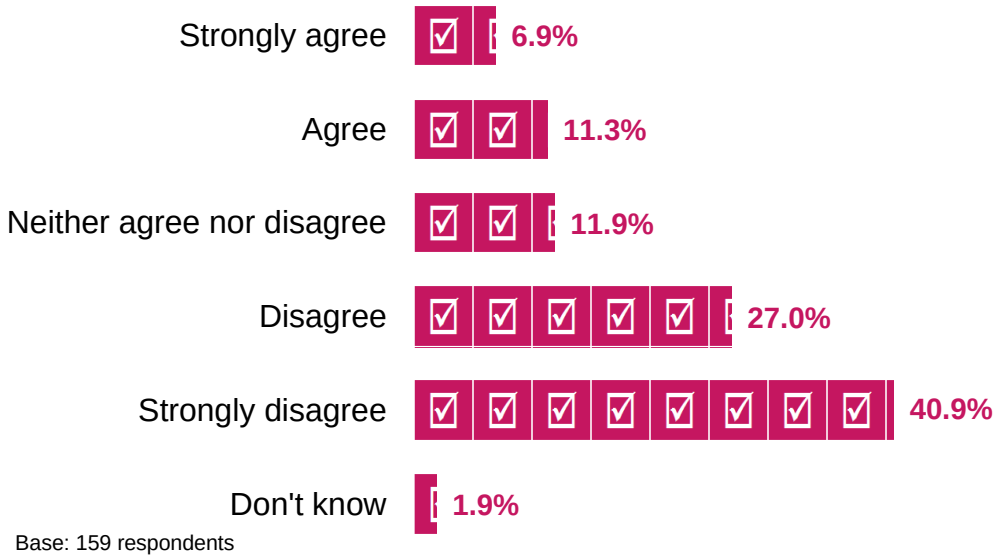


Base: 158 respondents (me personally), 159 (someone I know), 158 (people across Derby)

4.3.2 Feedback on proposals

Overall the majority of respondents were opposed to the proposals with 67.9% either disagreeing or strongly disagreeing that the Council should cease running the day centres [Chart 6]. Almost 1 in 5 of those responding did support the proposals however.

Chart 6: Strength of agreement/ disagreement with the proposals for day centres



Base: 159 respondents

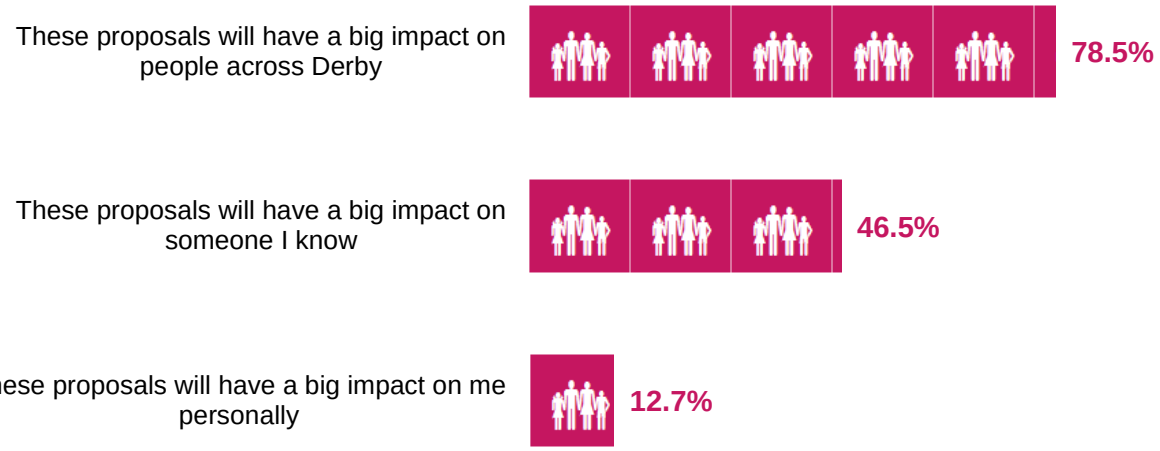
4.3.3 Feedback on different parts of the proposals

Over three quarters (78%) of respondents disagreed that it was acceptable that the Council reduce costs by closing the three day centres. Whilst the majority disagreed that the Council should stop running these services directly, 17.6% did agree that there are other services in the city that could be a suitable alternative.

4.3.4 Impact of the proposals

Over three quarters of respondents (78.5%) stated that if the proposals were implemented it would have a big impact on Derby as a whole.

Chart 7: Perceived impact that implementation of the proposals would have



Base: 159 respondents

Almost half (46.5%) of those that responded stated that the proposals, if implemented, would have a big impact on somebody they know, 12.7% believed that they would be affected personally [Chart 7].

4.3.5 Other ideas and suggestions

Some respondents volunteered alternative suggestions or ideas on how these services could be delivered differently in the future whilst still making the savings needed. These suggestions have been coded into themes. The top three themes were:

1. Find alternative third party providers or volunteers to run them and keep them open
2. Find funding from elsewhere in Council
3. Run them more efficiently

"Could it be possible to have volunteers who are professionals in their field be approached to help? Or retired professionals who would give their time to help?"

4.3.6 Other comments

When giving further feedback on the day centre proposals the vast majority made statements raising concerns about the impact of the potential closures. These comments were coded into themes in order to get an overall picture of the feedback. The most comments (17) were concerned with the potential impact on current vulnerable service users.

> *"Day centres are a vital lifeline to many vulnerable or older service users across Derby, often the only source of personalised care to people which can also act as extra support with elements of accessing GPs or opticians through the centre."*

There was also general opposition to the concept of the Council no longer running these services directly and concern about the pressure that the proposed changes could put on other existing services in the community.

> *"The fact is that tendering services out or seeking alternative providers does not always end up saving the council money. I realize only too well that the council needs to save money, but the fact is that across the UK there are many examples of council's having to bring back services within the council due to concerns about low quality of service provision"*

4.3.7 Emails, letters and responses in other formats

An additional response to the consultation set out a proposal on how one of the day centres could be run in the future should these proposals go ahead.

CABINET RESPONSE:

Overall it is considered that the proposals should go forward. Since the consultation began the numbers attending all three day centres has further reduced and there are now between 5 and 7 people attending on any given day. The number of people in total attending Council run adult day services is less than 20 and therefore the proposal is considered to be acceptable, and we will ensure that mitigating actions are in place and support offered to all those affected, including their families. This will include assisting people to find alternative arrangements so they can continue to benefit from daytime support.

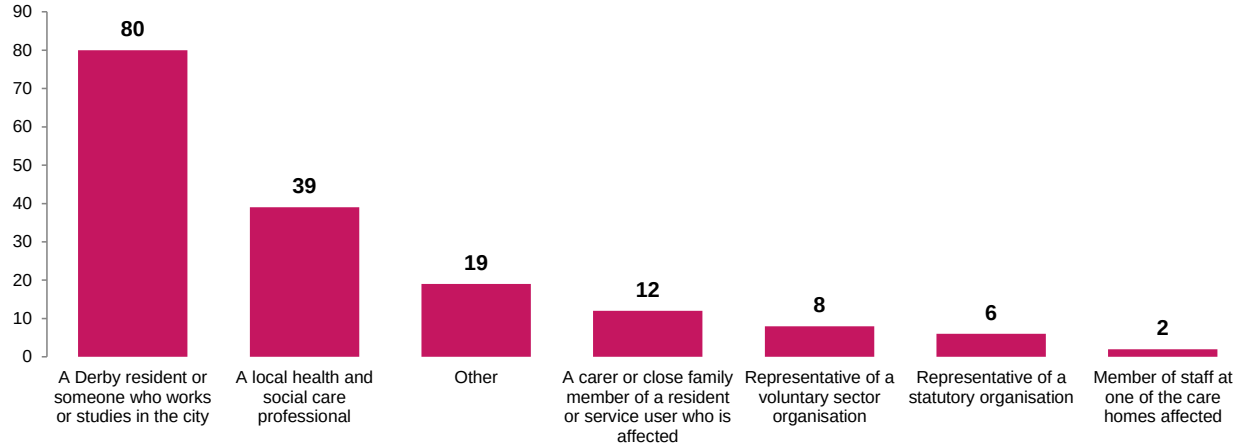
4.4 Proposal to make changes to Council run care homes

4.4.1 Who responded

169 respondents chose to give their views on the care home proposals as part of the survey.

Just under a quarter (23.5%) of those that gave their feedback were local health and social care professionals. 7.2% were carers or close family members of those potentially affected [Chart 8].

Chart 8: The capacity in which people responded

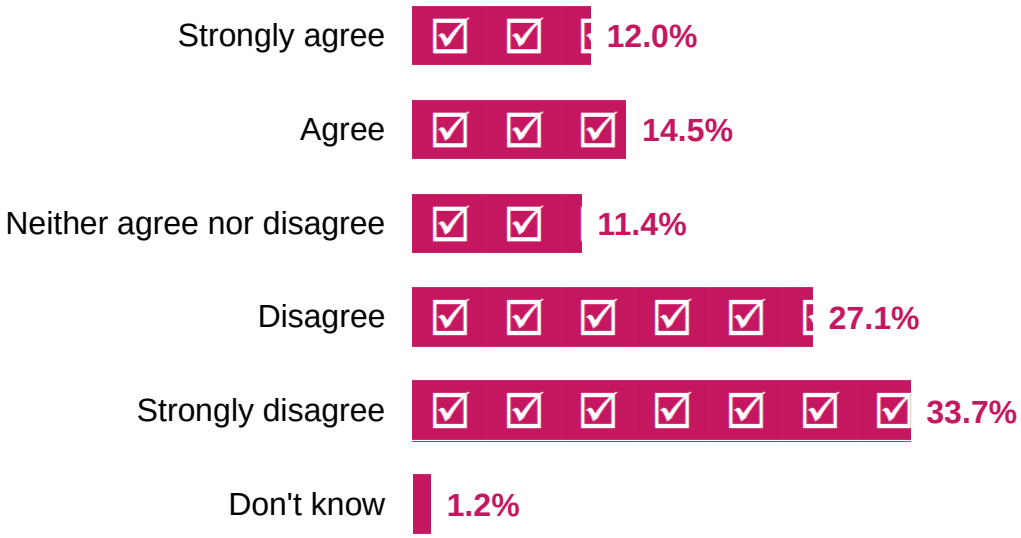


Base: 166 respondents

4.4.2 Feedback on proposals

Whilst the majority of respondents were opposed to the proposals (27.1% disagreed, 33.7% strongly disagreed) more than 1 in 4 respondents agreed with the proposals set out in the consultation document [Chart 9]. In fact these proposals received the most agreement of all those put forward and this was reflected in some of the comments made.

` Chart 9: Strength of agreement/ disagreement with the proposals for care homes

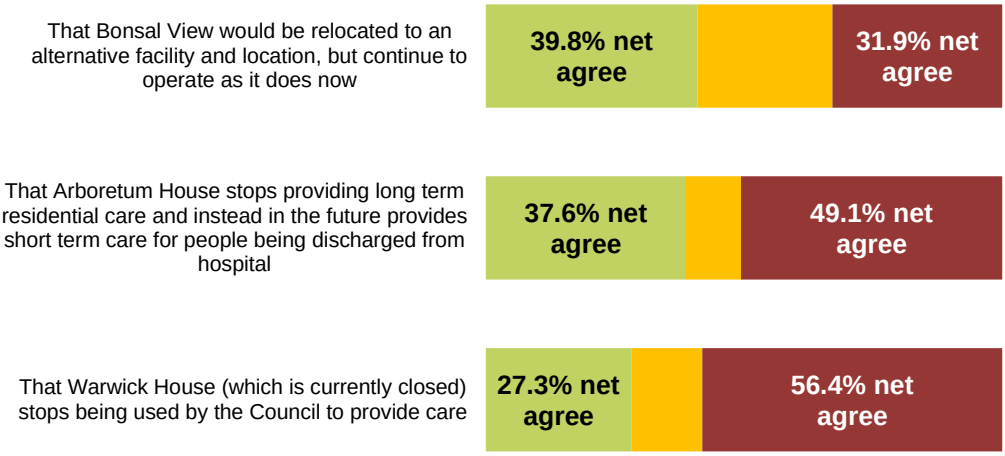


Base: 166 respondents

4.4.3 Feedback on different parts of the proposals

The element of the proposal that received the most opposition was that the currently closed Warwick House would stop being used by the Council to provide care. Over half of those that responded (56.4%) disagreed with this. More than 1 in 3, however, agreed with the proposals to use Arboretum House differently and to relocate Bonsal View [Chart 10].

Chart 10: Strength of agreement/ disagreement on the different parts of the proposal



Base: 166 respondents (Bonsal View), 165 respondents (Arboretum House), 165 respondents (Warwick House)

4.4.4 Impact of the proposals

Few respondents feel that the proposals would affect them or someone they know but three quarters (74.7%) believe that if the proposals were implemented it would have a big impact on Derby as a whole [Chart 11].

Chart 11: Perceived impact that implementation of the proposals would have

Base: 166 respondents across (across Derby), 167 respondents (someone I know), 166 respondents (me personally)

4.4.5 Other ideas and suggestions

A small number of respondents volunteered alternative suggestions or ideas on how these services could be delivered differently in the future whilst still making the savings needed. These suggestions varied between respondents and have been coded into themes. The most common suggestions can be categorised as follows:

1. The Council should retain some control over care homes/ the market
2. The Council should not make the changes and carry on as is
3. Warwick House should be reopened and run by Council
4. Suggestions on different ways care homes could be configured/ redesigned
5. Outsource as many of these services as possible to other providers

"I am a Derby resident with a close family member in a private care home. Although the quality of the care home has been assessed as 'good' by the CQC my experience of my family member's care has left me questioning what this really means. From my point of view, I think the Council needs to retain a hand in care homes within the city area and focus on savings through improvement of existing services."

4.4.6 Other comments

Two thirds of those who gave further feedback made statements in opposition to the proposals. 20 comments were received which ranged from a general dislike of the idea to others who had concern about private providers and assuring the quality of care.

"in my opinion if DCC stop providing placements and respite care for customers funded by DCC, I predict that the private sector will in turn push up there charges knowing that DCC will have to foot the bill due to no alternatives being available .By keeping some DCC beds available this provides a bench mark in price structures to the private sector."

Five comments were made in support of the proposals.

"This seems to be a sensible progression of previous decisions. Using estate to provide supported discharge will help the system in the longer term."

CABINET RESPONSE:

It is considered that the proposals should go forward given that Warwick House has not been open for over 18 months, and the number of permanent residents in Arboretum House is at an all time low. Whilst 59.8 % of respondents disagreed, more than 1 in 4 agreed with the proposals. Indeed, this proposal received the most support of all proposals in the consultation process for People Services. 1 in 3 respondents agreed with the proposals to use Arboretum House differently and to relocate Bonsall view.

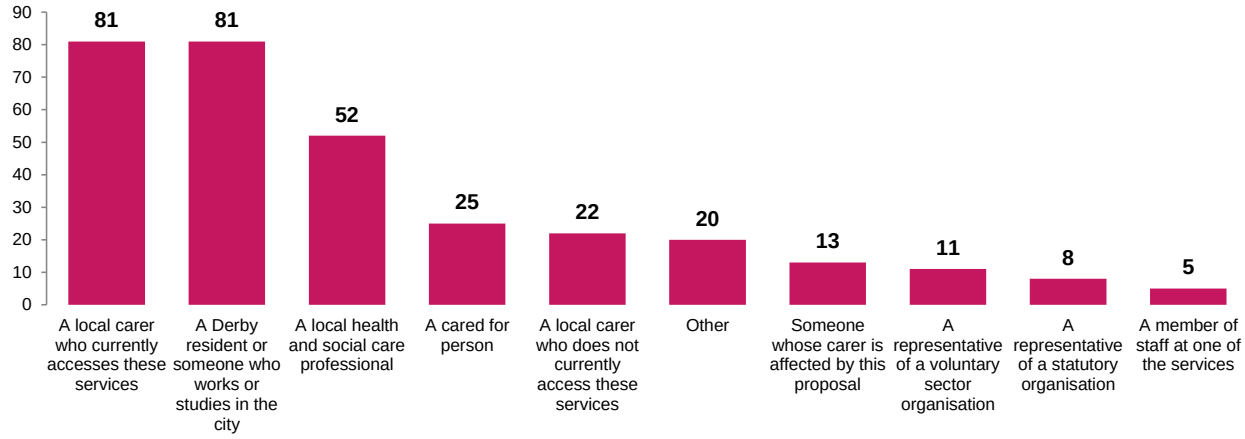
4.5 Proposal to make changes to services for Carers

4.5.1 Who responded

329 respondents chose to give their views on the proposals affecting Carers services as part of the survey.

Over a quarter (25.5%) of those who gave their feedback were local Carers who would be directly affected by the proposals [Chart 12].

Chart 12: The capacity in which people responded

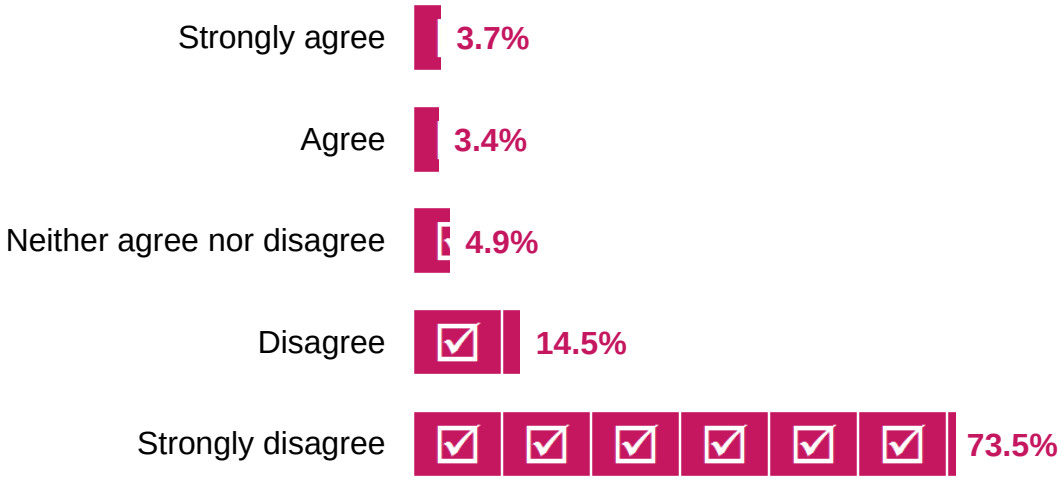


Base: 318 respondents

4.5.2 Feedback on proposals

There was strong opposition amongst respondents to these proposals. Almost three quarters (73.5%) stated that they strongly disagreed with 88% disagreeing overall [Chart 13]. Opposition to the proposals cut across all groups that took part, although unsurprisingly strength of feeling was significantly higher amongst those that could be directly affected (86.2% of this group strongly disagreed).

` Chart 13: Strength of agreement/ disagreement with the proposals for Carers services

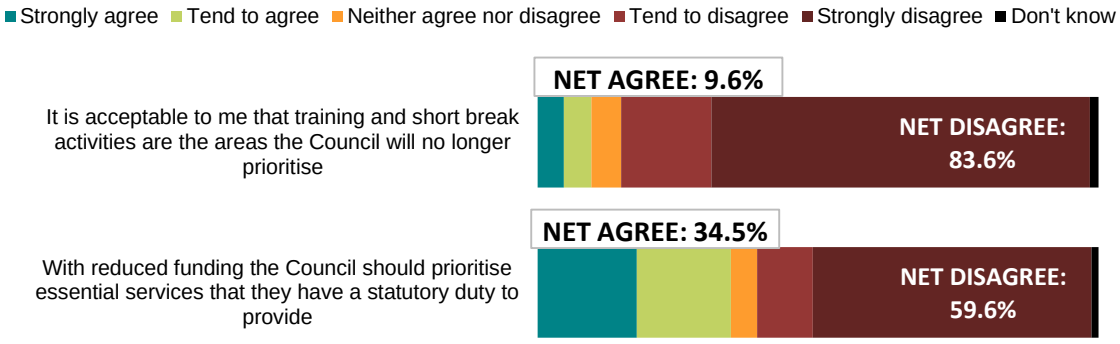


Base: 325 respondents

4.5.3 Feedback on different parts of the proposals

1 in 3 respondents agreed that with reduced funding the Council should prioritise essential services that they have a statutory duty to provide. There was however, strong opposition to the idea that the Council no longer prioritises training and short break activities. Over two thirds of respondents (67.5%) strongly disagreed that this was acceptable with 83.6% disagreeing in total [Chart 14].

Chart 14: Strength of agreement/ disagreement on the different parts of the proposal



Base: 322 respondents (prioritise essential services), 323 respondents (no longer prioritise training/ short break activities)

4.5.4 Impact of the proposals

Almost two thirds (64.8%) of respondents felt that the proposals, if implemented, would have an impact on them personally, in fact almost half (45.5%) felt that these proposals would have a big impact on them. The biggest perceived impact, however, was on Derby as a whole. The majority (86.8%) of those that responded felt that reducing the services on offer to Carers would have an impact on the city [Chart 15].

Chart 15: Perceived impact that implementation of the proposals would have

Base: me personally – 321 respondents, someone I know – 316 respondents, people across Derby – 317 respondents

4.5.5 Other ideas and suggestions

98 respondents said they had alternative suggestions or ideas about how these services could be delivered differently in the future whilst still making the savings needed. These suggestions varied between respondents and have been coded into themes. The most common suggestions can be categorised as follows:

1. Consider cost benefits further down the line or whole system benefits of maintaining these services
2. Suggestions of finding alternative providers to continue these services
3. Statements of opposition to the proposals
4. Suggestions to make savings from other areas instead
5. Be more efficient across the Council
6. Make savings to other aspects of Carers services not the ones suggested (e.g. not short break activities)
7. Narrow the service offer but don't withdraw it

> *"Investment in these services avoids other higher costs. Continue to operate the Haven House model to support carers. The services are hardly extravagant."*

> *"Could the council not give some budget to organisations such as Age UK to provide the support? Having used them they are excellent and already have staff with good experience & knowledge & am sure would welcome a budget which could reduce the council's current expenditure but still provide much needed support"*

4.5.6 Other comments

111 respondents gave further comments on these proposals in the survey. These ranged from concerns that the Council were not considering the long term impact of reducing the service offer for Carers through to concern about current service users and comments on individual providers.

- There were 31 comments about the potential impact of these proposals on other services and the pressure that reducing Carers services could cause across the system if adequate services are not provided to support Carers in their caring role.

> *"Support for Carers has been almost hidden from the public. As I get older, my duties as a Carer will increase, as my own abilities to act in this role will reduce. Without the support services for Carers, it is apparent that my caring role will unfortunately have to diminish, leading to much more demands on the council services, and also on the NHS to replace the support I can presently supply."*

- There were 21 comments about particular providers. These were principally in support of Creative Carers and the services that they provide. Many respondents felt that this particular provider was at risk because of these proposals.

> *"As an employee, working & training with carers, I know that carers have benefitted greatly & have been told many times that Creative Carers help their isolation, mental health & general wellbeing - even so far as to say, prevented them from giving up caring for their loved one."*

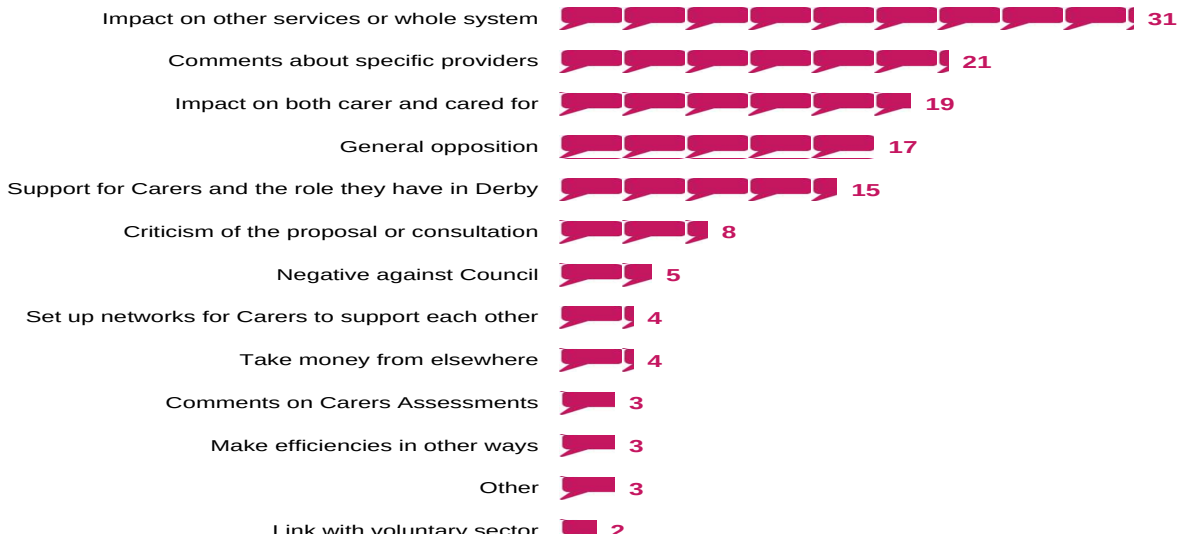
- 19 comments were made about the potential impact these proposals would have on Carers or the person they cared for should they be implemented. Many of these were personal concerns raised by those who would be directly affected by a change to these services.

> *"I feel that by reducing the amount of support in the form of training and carer breaks it will ultimately lead to a break-down of carers and will, in fact, increase the need for more services to be put in place for the cared for. As these services will cost more than giving the carer an opportunity for a break it will actually increase spending. I feel that this proposal is a false economy"*

- 17 comments were general statements opposing the proposals
- 15 comments were also made in support of carers and the role they play in society
- Other themes emerging included criticism for the consultation, the proposals, and the Council; and arguments that the Council should make savings from other areas instead.

The key themes emerging from all the comments on the Carer's proposals are summarised in Chart 16.

Chart 16: No. of comments made in opposition to the proposals - the top ten themes



Base: 111 respondents who made additional comments on the Carer's proposals (respondents made multiple comments)

4.5.7 Emails, letters and responses in other formats

Two consultation responses were also received in a letter or email format. Key points included:

- Suggestions for alternative models and other ideas.
- Concern that some of the terminology used in the consultation documents were incorrect or misleading e.g. 'short break activities'
- A preference was shown for the model at 'Haven House' (an existing Carer's service run by a third party provider)
- A plea that points already raised in a previous consultation are also taken into consideration.

4.5.8 Summary of feedback from forums, events or meetings

The People's Services budget proposals were discussed at a number of events and forums. Where appropriate, comments were sought and recorded to be fed back into the consultation. Some events also signposted the participants to the survey so that they could take part and give their views.

The Carers Forum: Members of the Carers Forum were invited to a focus group event held on 7 January 2019 to discuss the proposals for Carers services as set out in the consultation document. The session was introduced by the Strategic Commissioning and Partnerships Manager and facilitated by members of the consultation team and the integrated commissioning team.

Groups were asked to consider what areas of the proposals they supported/ opposed, impacts that the proposals might have, things that Derby City Council should consider when making a decision, any other ideas or suggestions and key questions that were asked.

- Members of the focus groups strongly opposed the proposals and did not support the Council or the consultation process. They were however, keen to discuss the value of the type of services they fear would be cut as part of these proposals.
- They asserted that the services that they perceive the Council deem 'non-essential' are very much essential to them and their ability to fulfil their role as a Carer.
- Carers raised concerns that the notes made during the session would be overly summarised and wanted to ensure that their views were fed back to senior leaders in their entirety to ensure that the Council was aware of the breadth of feeling rather than identifying the top points. The full notes from the meeting have been shared in their entirety.

CABINET RESPONSE:

After considering the range of responses from the consultation it is the view that despite the reduced financial envelope, essential support for carers will continue to be made. There will continue to be a general “universal” offer to carers to provide advice and information that may assist them to fulfil their caring role. Carers assessments will also remain available to those who require them. The Equalities Impact Assessment identified a number of mitigations that could be put in place to reduce any adverse impacts such as: being clear with all carers about the service that will be on offer; working with voluntary organisations and partners representing all diversity strands to reduce any barriers of access for carers who need support; ensuring equalities outcomes are met by any commissioned services for carers; using feedback from customers and carers in the development and evaluation of support services. Taking into account these mitigations, and with the remaining available budget, there is an informed view that the Council can still continue to meet its statutory duties under the Care Act.

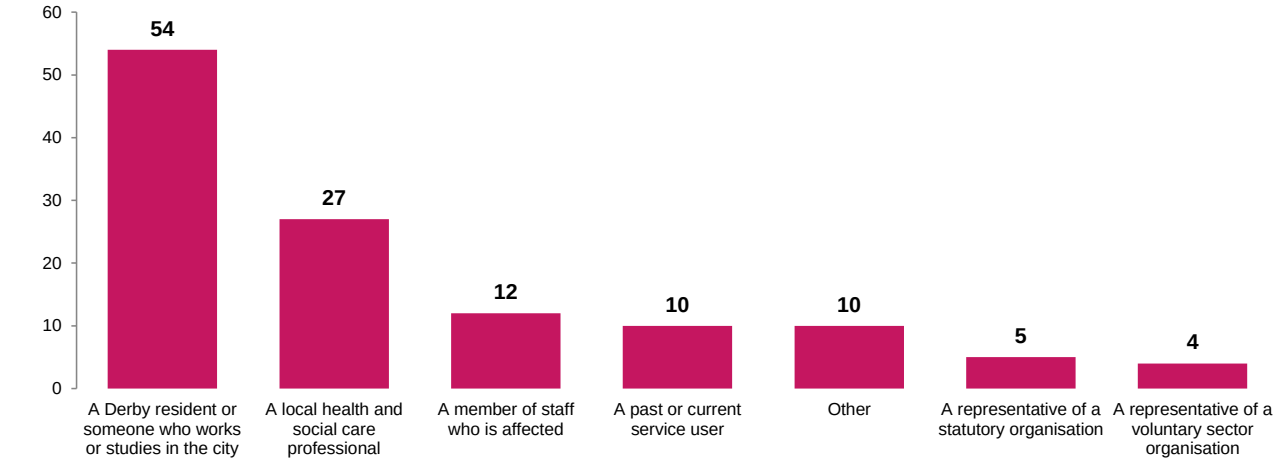
4.6 Proposal to make changes to fostering recruitment and assessment services

4.6.1 Who responded

122 respondents chose to give their views on the proposals affecting fostering recruitment and assessment services as part of the survey.

Almost a quarter (22.1%) of those that gave their feedback were local health and social care professionals, a further 9.8% were employees who would be directly affected by the proposals if they came into place [Chart 17].

Chart 17: The capacity in which people responded

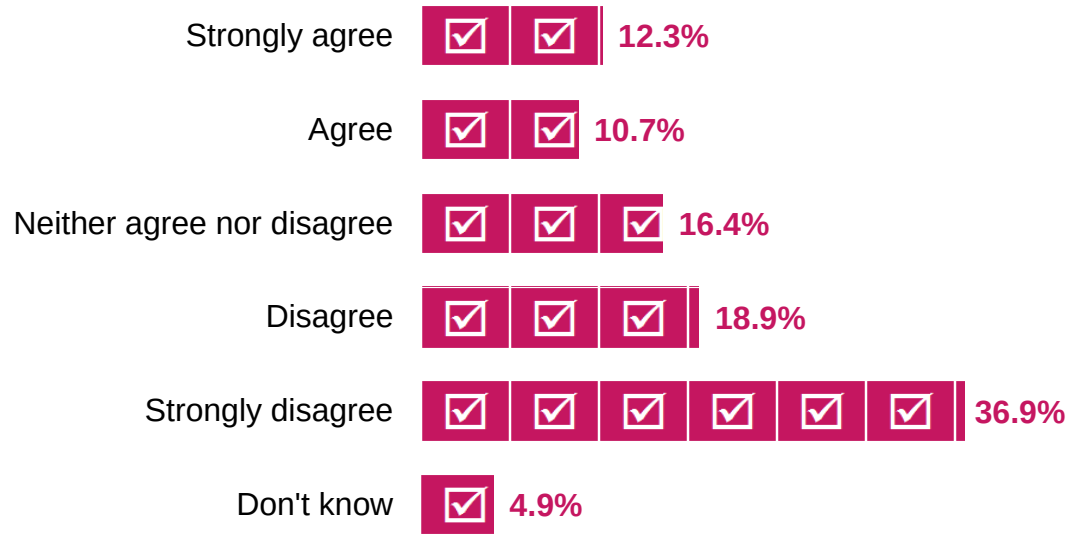


Base: 122 respondents

4.6.2 Feedback on proposals

Whilst over half (55.7%) of those responding disagreed with the proposals almost a quarter were in support (23.0%) [Chart 18].

` Chart 18: Strength of agreement/ disagreement with the proposals for fostering



Base: 122 respondents

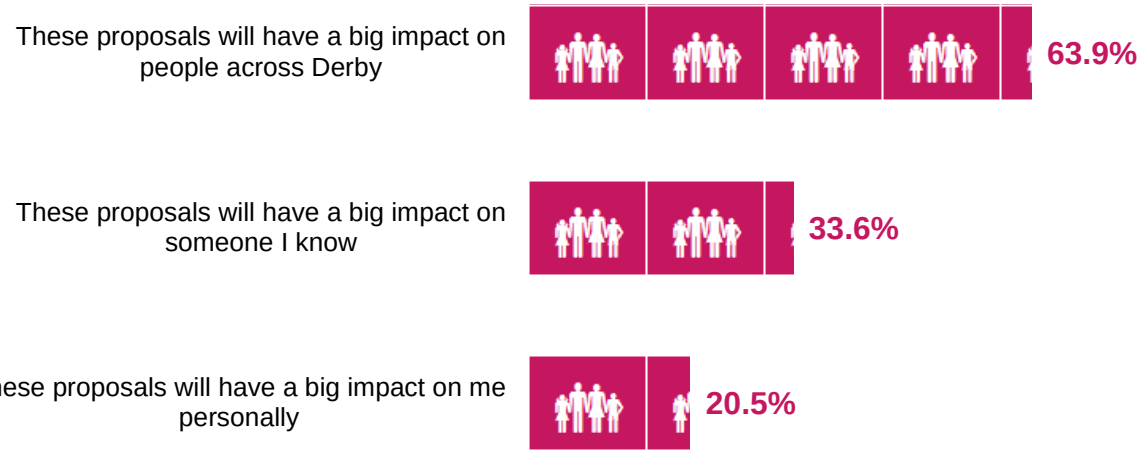
4.6.3 Feedback on different parts of the proposals

When asked in more detail about the particular elements of this proposal, views differed. Whilst almost half (49.2%) of respondents agreed that they do not mind if it is the Council or another organisation that delivers services, as long as they are of a good standard, their opinion differs when it comes to fostering recruitment and assessment. The majority (60.7%) disagreed that it is acceptable for the Council to stop running these services and hand over to an independent provider to deliver on their behalf. This was reflected in some of the comments received (see 4.6.6 below)

4.6.4 Impact of the proposals

1 in 5 respondents (20.5%) felt that the proposals, if implemented, would have a big impact on them personally, and the majority (63.9%) felt that they would have a big impact across Derby [Chart 19].

Chart 19: Perceived impact that implementation of the proposals would have



Base: 122 respondents

4.6.5 Other ideas and suggestions

26 respondents said they had alternative suggestions or ideas about how these services could be delivered differently in the future whilst still making the savings needed. Emerging themes included:

1. Change the service model but keep it delivered by the Council
2. Make savings from other areas

> *"It can only be seen as a 'good idea' if the independent organisation costs less than the current service. However the question then should be how is a profit making organisation undercutting the council? The council should be focusing on efficiency and maximising delivery at a value. This is the fundamental issue."*

4.6.6 Other comments

31 individuals made further comments on the fostering recruitment and assessment proposals. Over three quarters were in opposition to the proposals. Some referred to the barriers that exist to recruiting foster carers and concern that outsourcing this service would not overcome these barriers. Others did not approve of the Council outsourcing these types of services; either because of concerns about the risks involved of this or because of the principle that the Council should be taking full responsibility for this service. Three comments were made in support of these proposals.

"I assume the aim of the changes to the fostering provision is to increase the number of fosterers currently aligned with the council. Whilst I think this is admirable, I am unsure how outsourcing this will save money or lead to greater 'in house' fostering recruitment. If it does then I have no problem with this proposal."

"It is important to meet the needs of children and ensure service quality, delivery and continuity. I am concerned how this proposal will promote the needs of children and ensure service quality for what has already been established in the service. How will success be measured, there are no guarantees that the proposal will make the delivery of the service any better than it is now. "

4.6.7 Summary of feedback from forums, events or meetings

The fostering proposals were also discussed at a number of event and forums. Where appropriate, comments were sought and recorded to be fed back into the consultation. Some events also signposted the participants to the survey so that they could take part and give their views.

Voices in Action Youth Council meeting: A meeting of the Voices in Action (ViA) Youth Council took place on 12 November 2018. Members of ViA, the Youth Mayor, the Strategic Director of People's Services and the Head of Finance for Children and Young People were in attendance.

The young people discussed the proposed changes to the fostering service and were asked to identify positive and negative aspects of the proposals.

- Participants felt that it was good to adapt advertisement methods, include rewards and bonuses, and work with other local authorities.
- Negative impacts of the proposals according to the young people in attendance were the associated risks – particularly of beginning a new venture, attracting the wrong types of people, location of placements and costs.

Children and Young People's Scrutiny: A meeting of the Board took place on 17 December 2018. The Board received a report from the Strategic Director of People Services concerning the delivery of fostering services – particularly the recruitment and assessment of foster carers. Members were invited to give feedback on the proposals presented.

- The Board sought clarification on the duration of any external arrangement; on how any contract would be managed; and requested that the detail of any such contract be considered by elected members.
- Members of the Board suggested that all options be explored internally prior to any decision to out-source the service. They felt that although the various partnership arrangements had merit, further detail was required.
- The Board accepted change was needed but raised concerns that externalising any aspect of the fostering service would set an unwanted precedent.
- Overall the proposals did not receive support from the Board although partnership arrangements with neighbouring authorities were generally supported by members.

CABINET RESPONSE:

Following careful consideration of all suggestions and reasons put forward during the consultation Cabinet has decided it will not pursue alternative providers for this area of work and will seek instead to improve the existing service model to address the current barriers in recruiting and assessing more foster carers for Derby.

We will develop a high profile corporate strategy involving all relevant services from across the whole Council to ensure there is sufficient focus and pace given to this priority. This decision recognises the Council's duty and commitment as Corporate Parents for our children in care.

4.7 Other savings proposals

4.7.1 Feedback from the survey

Respondents were given the opportunity to comment on the other savings proposals set out for People Services. These thirteen proposals related largely to internal changes that could be made to help the Council achieve a balanced budget and changes to national funding programmes. The proposals that respondents wanted to comment on are summarised in Table 3 below.

Table 3: Number of respondents wishing to comment on the other proposals*

Proposal	No.	%*
A reduction in public health services due to the reduction in the controllable public health grant	57	10.5%
Review the management structure of the directorate	56	10.4%
Undertake a review of adult care packages	53	9.8%
Reprioritising statutory work in adult social care	39	7.2%
Restructure the Carelink service to make efficiencies but still meet the demands of the service and customers	33	6.1%
Changes to the child placement service - 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	29	5.4%
A staffing reduction in the School Improvement Service	27	5.0%
Use of dedicated schools grant to fund central early years services	27	5.0%
Make efficiencies in workforce learning and development by changing the service to focus on essential learning needs only	26	4.8%
Removal of the base budget for troubled families when the corresponding funding ends in 19/20	26	4.8%
A review and reconfiguration of the Council run children's homes to respond to the changing needs of residential placements (a consultation on this was undertaken with those affected in August/September 2018)	23	4.3%
Staffing restructure within the Connexions service	22	4.1%
Review the staffing structure of the Youth Offending Service	19	3.5%
None of the above	394	72.8%

Base: 831 respondents

* Respondents could comment on multiple proposals so percentages will not total 100 and numbers will not total base.

71 respondents went on to add additional comments on these proposals, the key theme that emerged from across these are summarised below:

- **Management costs should be reduced:** Some respondents felt that reducing the number of top tier managers and focusing funding instead on operational or front line staff would be a better use of the People Services budget.
- **Think long term when making spending decisions:** Several respondents commented that People Service's should not be looking for quick wins when it comes to savings and should instead focus on investing in services that would save money or resources in the longer term. These comments related to a range of the proposals including public health, learning and development and the prioritisation of adult social care packages.

"Restructuring / money saving from management structure to me seems to most appropriate and easiest way of saving money"

- **Concerns about any reduction in public health funding:** Comments were made about the importance of public health services for longer term outcomes. There were concerns that if reductions were made in Derby, the Council would be diverging from national government policy or evidence. Comments were also made about the ensuring public health funding was being used properly in Derby.

"The Public Health cuts go back to the very start of this. If you cut Public Health then smoking, obesity, alcoholism, drug abuse, infectious diseases such as measles, mumps, flu, bird flu, Ebola etc. etc. will not be able to be tackled. Your population will work less, pay less tax, buy less in local businesses, need more services, be more vulnerable, and have a higher morbidity and mortality. Your costs go up. It is a vicious cycle and as a council you have a duty to look up, look beyond the here and now and plan into the future for it to be better for the young and the old.

- **General opposition to the proposals:** These comments opposed the idea of money being cut from health and social care services that help the most vulnerable and provide support to those who need it.

"All of these are areas where the least able to speak out and defend themselves are being targeted. I honestly wonder what there would be left for the council to run if you make all these cuts"

- **Concern about the proposed staffing reduction in the school improvement team:** A small number of comments made in the survey raised concerns about the impact that a reduction in this service area could have on the standard, quality and performance of Derby schools.

4.7.2 Emails, letters and responses in other formats

Seven additional letters or emails were received about the proposal to make a staffing reduction in the school improvement service. Key points within these included:

- Concerns about the impact of any changes on early years provision
- The importance of support provided by this team to nursery's and early years settings
- The important role the team plays in the safeguarding of young people, ensuring local providers understand and are informed about legislation.

4.7.3 Summary of feedback from forums, events or meetings

Feedback on some of these other proposals also came from ViA at the meeting on 12 November as described previously.

Following a presentation on the budget proposals the young people discussed a number of the other savings proposals, these were: Youth Offending, Connexions, School Improvement Service, a reduction in the number of senior managers, changes to children's homes and the reduction of agency workers. The young people were asked to identify positive and negative aspects of each of the proposals.

- **Less staff in Youth Offending:** comments included that if there was a reduction in crime then it made sense to reduce the number of staff. This was countered by those who were concerned that an impact of this might be that there is less support for young people, or should crime rates increase there wouldn't be the staff available to deal with this.
- **Fewer staff in Connexions:** the young people felt that collaboration between schools in the local area was a positive step; the impact is lessened as the team is already large and money could therefore be saved. Conversely, young people felt that it was unfair to prioritise vulnerable young people over other young people and support should be given up to Year 13. They also felt that long term the impact might have far reaching problems as supporting fewer young people could lead to less skills, unemployment, poverty and future benefit claimants.
- **School Improvement Service:** the young people felt that the positives about this proposal were that there was already less work for the school improvement service as there were now more independent academies and support was only given to the schools in need. The negatives that the young people identified were that there could be an impact on students and academies which may fail without adequate support and observation and also the lack of expertise and quality service for the schools.
- **Reduction in the number of senior managers:** comments were generally in favour of this proposal as it saved money, had little impact on service and maintained the support staff. It was however, identified that work pressures may increase as a result of this proposal.
- **Changes to children's homes:** positives were that this proposal met individual needs, had more quality support, the homes looked more like a family house with separate bedrooms and more space and it was good that it saved money. Concerns were that it could increase isolation with no one to socialise with.

- **Reduction of agency workers:** overwhelmingly this was met with a positive response since it created more jobs which offered a stable income, enabled particular groups into work and saved money. There were no negative comments about this proposal.

About those that responded to the survey

Two thirds of those responding to the survey were female.

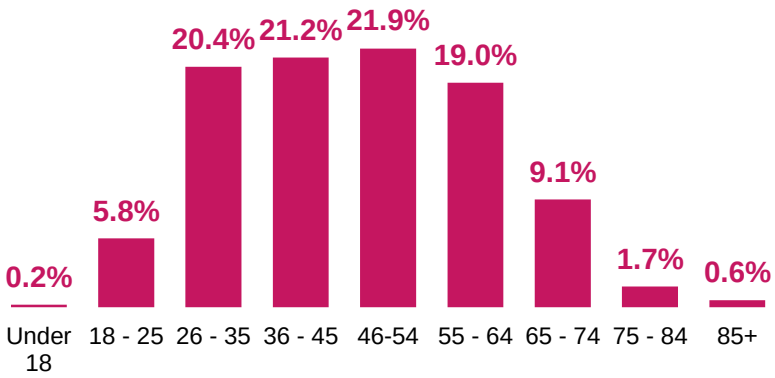
Table 4: Gender

	No.	%
Male	232	33.6
Female	458	66.4

Base: 690 respondents

Chart 20: Respondents by age

Those taking part in the survey ranged from 17 to 90 with an average age of 46.



Base: 515 respondents

A breakdown of the ethnicity of respondents is set out in Table 5.

Table 5: Ethnic Group

	No.	%
Asian or Asian British - Indian	26	3.8
Asian or Asian British - Pakistani	17	2.5
Any other Asian background	2	0.3
Black or Black British - African	3	0.4
Black or Black British - Caribbean	10	1.5
Dual Heritage - White and Black Caribbean	9	1.3
Dual Heritage - White and Black African	6	0.9
Dual Heritage - White and Asian	3	0.4
Any other Dual Heritage background	4	0.6
White - English / Welsh / Scottish / Northern Irish / British	565	82.7
White - Irish	13	1.9
White - Gypsy or Irish Traveller	3	0.4
Any other White background	18	2.6
Any other ethnic group	4	0.6

Base: 683 respondents

13.5% of respondents consider themselves to be a disabled person.

A breakdown of the sexuality of respondents is set out in Table 6.

Table 6: Sexuality

	No.	%
heterosexual/straight	593	86.8
bisexual	7	1.0
a gay man	3	.4
a gay woman/lesbian	3	.4
Other	4	.6
Prefer not to say	73	10.7

Base: 683 respondents

5.6 **Religion:** Over a third (37.4%) of respondents have religious beliefs and of those 77.4% were Christian, 7% Muslim and 4.7% preferred not to say.

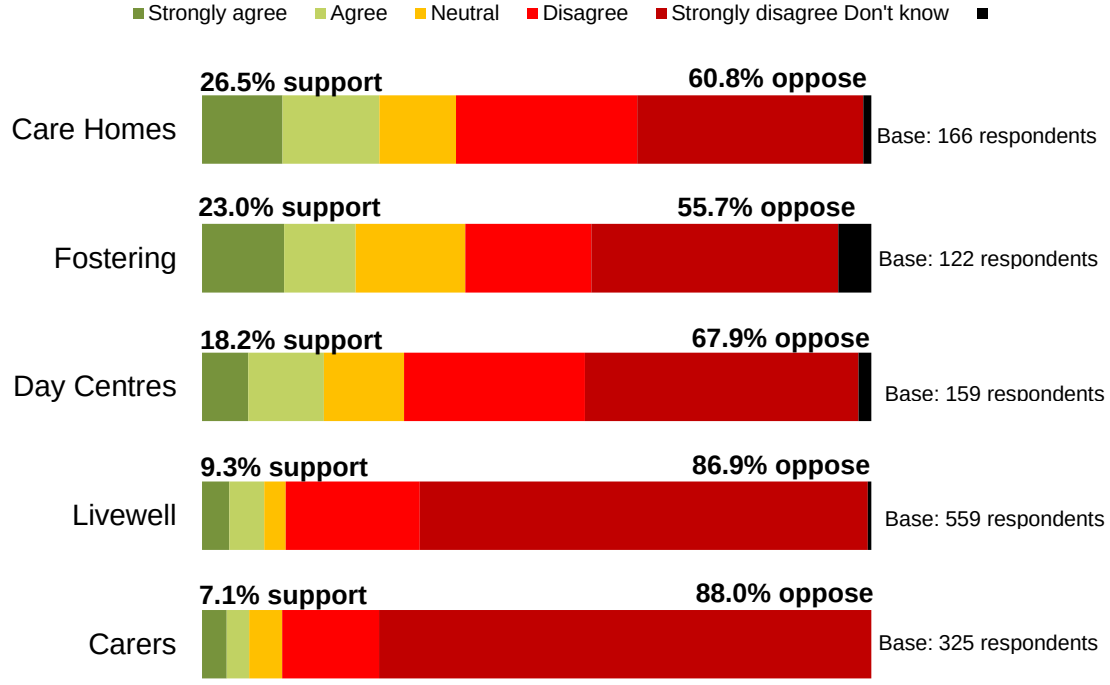
Results in summary

- In November 2018 a consultation was launched by Derby City Council in order to understand the views of service users, their families and carers, residents and local stakeholders towards the budget proposals affecting People Services. A total of 933 people chose to take part in the survey with 21 others contributing emails or letters.

- The proposals receiving the most feedback were the ones affecting Livewell (559) and Carers services (329).

- The Carers services proposals received the highest level of opposition amongst respondents (88% in opposition) closely followed by Livewell (87% in opposition).

Chart 21: Summary of extent of agreement/disagreement for the five main proposals



- A large proportion of those responding about the Livewell and Carers proposals felt that they would have a big impact on them or someone they know. 92% felt that the Livewell proposals would have a big impact on Derby as a whole.
- A common theme emerging from the feedback across all proposals was that the Council should consider the long term impacts of the decisions that they make about these services. Respondents also urged the Council to think about the effect the proposals would have across the whole health and social care system in Derby.
- Another cross cutting theme was the mixed feelings respondents have about the role of the Council in the future. Whilst respondents generally understand the financial position the Council is in and the need to deliver differently, many still feel uncomfortable or conflicted about the idea that the Council should cut back on the 'people' services they directly run; even if there is alternative provision available. Whilst some encourage the Council to be more commercial or focus services only on those that need it most; others see these social care and prevention services as something that their local authority should fundamentally provide even if faced with a continued financial challenge.