

Agenda Item No 6(b)

DERBYSHIRE COUNTY COUNCIL

CABINET

10 September 2020

Report of the Director of Finance & ICT

PREPARATION OF BUDGET 2021-22
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)

1 Purpose of the Report

To seek Cabinet approval for the proposed timetable for the Council's 2021-22 budget preparation and procedures and the associated consultation arrangements.

2 Information and Analysis

Preparation of Budget 2021-22

The production of the Council's budget is undertaken in accordance with the requirements of the Council's Constitution. The Constitution requires that a timetable is publicised by Cabinet for making proposals to the full Council in relation to the annual Revenue Budget, along with arrangements for consultation with stakeholders, which should be for a period of not less than six weeks. The proposed timetable is attached at Appendix 1.

A key element of the Council's budget setting process is consultation with stakeholders.

It is proposed to undertake the following consultation activities:

- Online "Your Council, Your Voice Survey". Hard copies will be available on request. A report to Cabinet and CMT in October 2019 set out proposals for the Your Council, Your Voice 2019 Survey. The online survey, which was developed using the findings from a number of focus groups held across the county at the end of September and early October 2019, combined both the budget and residents' consultations and ran for six weeks from 18 October 2019 to 1 December 2019. The 2020 survey will further build and develop this approach of positioning the planning cycle for the budget with that for the Council Plan. A key change is that the 2020 survey will take place earlier, running for six weeks during September and

October 2020, enabling the findings to better align with the budget setting, Council Plan and service planning timetables.

- The consultation will be publicised as follows:
 - E-mail to respondents to past consultations who have consented to be contacted.
 - Articles on the Council's website and in Our Derbyshire employee newsletter and Derbyshire Now.
 - Promotion in employee payroll letter.
 - Facebook paid-for campaign.
 - E-newsletters to community groups, parish councils, partner organisations and community publications.
 - Media releases and blogs.
 - Organic social media campaign.
- Whilst carrying out the survey has provided useful public budget consultation information and enabled a tracking of changes over time, information gathered is limited to direct responses to the questions posed and therefore gives a limited understanding of the reasons behind respondents' choices. It is therefore intended to undertake additional activity to explore a number of issues in greater detail. This will begin with a series of virtual conversations and focus groups with residents, which will commence in September 2020 and carry on through and during the survey period, to the end of October 2020. By inviting residents to be involved in this way, it is hoped that the Council will gain a better understanding of what residents think about the Council, their local area and which services are important to them and why.
- Residents who have expressed an interest in being involved in further consultation will be invited to take part in the initial conversations. As part of the approach for 2020 it is proposed that weekly reports of headline survey findings will be reported to CMT with significant emerging issues becoming the subject of virtual focus groups carried out during the survey period. These will involve residents who have responded to the survey and who have agreed to take part in further consultation.
- As a result of this combined approach, the Council will have a rich blend of both quantitative and qualitative information available, to not only support this year's budget setting, Council Plan development and service planning but to also form the basis for further work, to build a better insight into residents' views about the Council, their local area and services.
- Statutory consultation with business ratepayers, corresponding with the East Midlands Chamber of Commerce (Derbyshire, Nottinghamshire and Leicestershire), the Federation of Small Businesses (FSB) in

Nottinghamshire and Derbyshire and the CBI East Midlands on the Council's budget proposals.

- Consultation with the trade unions at a Corporate Joint Committee.
- Consultation with the Council's Improvement and Scrutiny Committee.

Cabinet will take account of the consultation when drawing up firm proposals to the Council. Results will be communicated after the consultation has ended.

As in previous years, an initial Equality Impact Assessment (EIA) will be undertaken at a corporate level. It is anticipated that this corporate assessment will help identify areas where there is a significant risk of adverse impact which would then be subject to a full equality impact assessment process. Alongside the budget consultation, the budget saving proposals in the updated Five Year Financial Plan will be considered to assess which proposals will need a separate targeted consultation with staff, the public and/or with current/potential service users. The outcomes of these processes will be reported to Council/Cabinet as part of the budget process and specific assessments/consultation outcomes reported to Cabinet before decisions are made on individual services.

Five Year Financial Plan

The Council's Five Year Financial Plan 2020-21 to 2024-25 (FYFP) is being updated during 2020-21 and the results will be included in a report later in the year.

The FYFP will be updated again as part of the budget setting process, to reflect the Government's Autumn Budget, the outcome of the Comprehensive Spending Review 2020 for the period 2020-21 to 2023-24 and the Provisional Local Government Finance Settlement, which are expected to be announced in November / December 2020.

Reserves

The Council has in place a Reserves Policy which sets out the framework within which decisions will be made regarding the level of reserves. In line with this framework the balance and level of reserves over the medium term are regularly monitored to ensure they are adequate to manage the risk of the Council. This covers both the General and Earmarked Reserves.

The results of a review of the General Reserves Position is included in the FYFP in a separate report to this meeting. A review of the Earmarked Reserves Position is being undertaken and the results will be included in a report to Cabinet in November 2020.

3 Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

4 Background Papers

Papers held electronically by Technical Section, Finance & ICT Division, Room 137, County Hall.

5 Key Decision

No.

6 Officer's Recommendations

That Cabinet:

- (i) Approves the timetable for completion of the 2021-22 budget, including arrangements for consultation with stakeholders and the carrying out of an assessment of the need for full equality impact assessment on budget saving proposals.
- (ii) Notes the proposals for reviewing and updating the Five Year Financial Plan.
- (iii) Notes the arrangements for reviewing Earmarked Reserves and updating the General Reserve projections.

PETER HANDFORD

Director of Finance & ICT

APPENDIX 1

Budget Preparation Timetable

<i>Mid September 2020</i>	Deadline for 2021-22 budget savings proposals to be submitted to the Director of Finance & ICT approved by Executive Directors for direct inclusion in Revenue Budget Report.
<i>September - October 2020</i>	Public budget consultation, forming part of the "Your Council, Your Voice Survey".
<i>September - October 2020</i>	Virtual conversations and focus groups with residents.
<i>October 2020</i>	Results of public budget consultation available for informing the Revenue Budget Report and reporting in the Budget Consultation Report.
November - December 2020	Priorities for revenue and capital spending, budget savings and risks facing the Council are evaluated. Improvement and Scrutiny Committee consulted. Trades Unions consulted. Business Ratepayers consulted. Outcome of the Government's Autumn Budget and Comprehensive Spending Review 2020 analysed.
<i>December 2020</i>	Government announces details of Provisional Local Government Finance Settlement.
15 January 2021	Deadline for collection fund and business rates figures to be submitted to the Council by district/borough councils.
21 January 2021	Cabinet considers report on final revenue/capital settlements, results of consultation/budget priorities, reserves position and five year financial plan and determines budgets and Council Tax recommendations to Full Council.
31 January 2021	Deadline for taxbase figures to be submitted to the Council by district/borough councils.
3 February 2021	Council debates Cabinet recommendations/results of consultation and determines revenue/capital budgets and Council Tax level for 2021-22.
1 March 2021	Notify district/borough councils of precepts.

* Dates in bold are statutory deadlines. Date in italics is a key milestone in the timetable. These dates must be met. The other dates are for indication only.