



**NOTTINGHAM CITY COUNCIL**  
**EXECUTIVE BOARD**

**Date:** Tuesday 25 February 2014

**Time:** 2.00 pm

**Place:** Ground Floor Committee Room - Loxley House

**Councillors are requested to attend the above meeting to transact the following business**

**Deputy Chief Executive/Corporate Director for Resources**

**Constitutional Services Officer:** Laura Wilson **Direct Dial:** 0115 8764301

**AGENDA**

**Pages**

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- 8 REPLACEMENT OF THE EXISTING CITY-WIDE FLEET OF MULTI FUNCTIONAL DEVICES (MFDS) AND THE LOXLEY HOUSE PRINT ROOM MACHINES - KEY DECISION** 337 - 340  
Report of Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration
- 9 EXCLUSION OF THE PUBLIC**  
To consider excluding the public from the meeting during consideration of the remaining item(s) in accordance with section 100a(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
- 10 REPLACEMENT OF THE EXISTING CITY-WIDE FLEET OF MULTI FUNCTIONAL DEVICES (MFDS) AND THE LOXLEY HOUSE PRINT ROOM MACHINES - KEY DECISION - EXEMPT APPENDIX** 341 - 342

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE CONSTITUTIONAL SERVICES OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

PORTFOLIO HOLDERS ARE REMINDED THAT THERE WILL BE A PRE-MEETING AT 1.30 PM IN THE LEADER'S OFFICE

**NOTTINGHAM CITY COUNCIL**

**EXECUTIVE BOARD**

**MINUTES of the meeting held at Loxley House on 21 January 2014 from 2.01 pm to 2.18 pm**

	<b>Portfolio</b>
✓ Councillor Jon Collins (Chair)	Leader/Strategic Regeneration and Community Safety
✓ Councillor Graham Chapman (Vice Chair)	Deputy Leader/Resources and Neighbourhood Regeneration
✓ Councillor Alan Clark	Energy and Sustainability
✓ Councillor Nicola Heaton	Community Services
✓ Councillor Dave Liversidge	Commissioning and Voluntary Sector
✓ Councillor Nick McDonald	Jobs and Growth
✓ Councillor David Mellen	Children's Services
✓ Councillor Alex Norris	Adults and Health
✓ Councillor David Trimble	Leisure and Culture
✓ Councillor Jane Urquhart	Planning and Transportation

✓ indicates present at meeting

**Colleagues, partners and others in attendance:**

David Bishop	- Corporate Director for Development
Chris Henning	- Director of Economic Development
Adrian Hill	- Head of Commercial and Transport Services
John Kelly	- Corporate Director for Communities
Nick Lee	- Acting Head of School Access and Improvement
Carole Mills	- Deputy Chief Executive/Corporate Director for Resources
Adam Pickering	- Conservative Group Political Assistant
Claire Richmond	- Director of Policy, Partnerships and Communication
Keri Usherwood	- Marketing and Communications Manager
Andy Vaughan	- Director of Neighbourhood Services
Laura Wilson	- Constitutional Services Officer
Rebecca Wilson	- Political Assistant to the Labour Group

**Call-in**

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until Monday 3 February 2014.

**94 APOLOGIES FOR ABSENCE**

Ian Curryer  
Alison Michalska

**95 DECLARATIONS OF INTEREST**

Councillor Jon Collins declared an interest in agenda item 13 – East Midlands Councils – Accountable Body Role – Key Decision (minute 106), as the Chair of East Midlands Councils, and left the meeting during consideration of the item.

Councillor Alex Norris declared an interest in agenda item 11 – Expansion of Rosslyn Park Primary School, Aspley – Key Decision (minute 104), as a Council appointed Governor at the school, which did not prevent him from speaking or voting.

Councillor Nick McDonald declared an interest in agenda item 5 – Nottingham Creative Quarter ERDF Project – Key Decision (minute 98), as the Director of Creative Quarter, which did not prevent him from speaking or voting.

## **96 MINUTES**

The Board confirmed the minutes of the meeting held on 17 December 2013 as a correct record and they were signed by the Chair.

## **97 APPRENTICESHIP PROGRAMME - NEIGHBOURHOOD SERVICES - KEY DECISION**

The Board considered the Portfolio Holders for Jobs and Growth, Community Services and the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report detailing proposals for Neighbourhood Services to work in partnership with Council colleagues to increase the number of entry level apprenticeship vacancies for 2014/15, and target the recruitment of 16-25 year olds who live within the City's boundaries.

An addendum to the financial implications section of the report was circulated in advance of the meeting.

### **RESOLVED to**

- (1) approve the principle of a large-scale apprenticeship programme within the Neighbourhood Services directorate;**
- (2) approve the funding arrangements set out in the addendum, which combine a number of funding streams over a 2 year period to deliver such a programme;**
- (3) delegate the detailed implementation of the scheme, including the necessary funding arrangements, to the Director of Neighbourhood Services in consultation with the Director of HR and Transformation, the Portfolio Holders for Jobs and Growth, and Community Services and the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration.**

### **Reasons for decisions**

Within the Public Realm Team there are a number of workforce planning challenges, including a gap of those who hold the appropriate qualifications to drive medium and large vehicles, which is key in delivering the service.

The success of improving the cleanliness of the City means a growth in the service is required to meet the commitment to ensure that the neighbourhoods are as clean as the City Centre.

The apprenticeship programme will be the primary sources of recruitment for entry level posts within the Public Realm Team and this ensures that, with the anticipated growth and natural turnover, those apprentices who have completed the 2 year programme will secure employment at completion.

#### Other options considered

Not working with the apprenticeship programme and undertaking the traditional recruitment route was considered but the traditional recruitment route would not result in a programme that supports the most vulnerable within the City and it would mean that vacancies would only be created as and when colleagues left, rather than developing the workforce inline with service growth.

### **98 NOTTINGHAM CREATIVE QUARTER ERDF PROJECT - KEY DECISION**

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration and Portfolio for Planning and Transportation's report requesting £3 million match funding from the City Council and acceptance of £2.848 million funding from the European Regional Development Fund (ERDF) to support works in and around the Creative Quarter (including highway and public realm improvements, marketing and events and digital business support), and seeking authority to sign contracts with the Department for Communities and Local Government (DCLG), who manage the ERDF funding, to allow expenditure on the project to go ahead.

#### **RESOLVED to**

- (1) formally approve the allocation of City Council match funding of £3 million for the project to be resourced through the New Development Deal for Connecting the Creative Quarter, agreed as part of the City Deal with Government;**
- (2) delegate authority to the Corporate Director for Development to sign contracts with DCLG to go ahead with the Nottingham Creative Quarter ERDF project and accept a grant of £2.848 million;**
- (3) amend the Capital Programme, as detailed in paragraph 4.1 of the report.**

#### Reasons for decisions

The acceptance of the ERDF grant will allow the project to be substantially enhanced, and the two revenue schemes (Marketing Events and Promotions and Digital Voucher Scheme) will not be able to go ahead without the acceptance of the grant as they are ERDF funded.

#### Other options considered

Not accepting the grant was rejected as it would mean a substantial shortfall for the project which would only allow some of the highways and public realm work to go ahead, and none of the marketing and digital business support elements of the project.

**99 ESTABLISHMENT OF THE CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY COMMITTEE - KEY DECISION**

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report establishing the City of Nottingham and Nottinghamshire Economic Prosperity Committee to drive future investment in growth and jobs within their areas.

**RESOLVED to**

- (1) agree the establishment of the Economic Prosperity Committee (EPC) as a joint committee of Ashfield District Council, Bassetlaw District Council, Broxtowe Borough Council, Gedling Borough Council, Mansfield District Council, Newark and Sherwood District Council, Nottingham City Council, Nottinghamshire County Council and Rushcliffe Borough Council (“constituent authorities”);**
- (2) agree the Constitution (Terms of Reference, membership and procedures) of the EPC, as set out in Appendix A of the report;**
- (3) note that any relevant powers previously delegated by the Leader/Executive to individuals or bodies are not expressly withdrawn and will be held concurrently;**
- (4) appoint Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration as the City Council's representative on the EPC and Councillor Jon Collins, Leader/Portfolio Holder for Strategic Regeneration and Community Safety to act as substitute;**
- (5) agree to Nottingham City Council hosting the Committee and providing all necessary secretarial, legal and financial support services (including S151 and Monitoring Officer roles), and the annual costs involved (estimated to be around £30,000), to be met in equal share by the constituent authorities, until such time as this can be recovered in part or in whole from external funding streams;**
- (6) agree that this Council's annual contribution to the cost of servicing the Committee in the estimated sum of around £3,300 be met by the Economic Development Team and that any expenses for subsistence or travel in relation to the attendance of Councillors at meetings on EPC business be met by the individual authorities from existing budget provision for members' allowances;**
- (7) note, that in accordance with Section 9F of the Local Government Act 2000, constituent authorities who operate executive governance will need to make formal scrutiny arrangements to review or scrutinise decisions made in connection with the exercise of functions of the EPC and that the Council's existing scrutiny arrangements will apply;**

- (8) note, that for the reasons set out in the report, the Committee will have no powers to co-opt.**

Reasons for decisions

Proposals for the establishment of an EPC have been developed to further strengthen the current governance arrangements of the D2N2 Local Enterprise Partnership (LEP) and provide the necessary democratic accountability for the management of the LEP funding streams, such as the single Local Growth Fund and for strategic decision making on investment in growth and jobs in the City and County. The proposal provides democratic decision making for the allocation of funds within the Nottingham and Nottinghamshire jurisdiction of the LEP.

Other options considered

The LEP could maintain its current governance structure which has functioned effectively to date. However, more formal arrangements will ensure that decisions are made in a more co-ordinated way that achieves maximum benefit for the economic area. Also, it is clear from Government guidance that the LEP is less likely to be successful in any bid to the single Local Growth Fund without enhanced governance, and that it would be less able to negotiate a Growth Deal, and that its governance arrangements would not be seen as robust when taking decisions over significant levels of funding.

Alternative governance models such as a Combined Authority or a Prosperity Board have been considered but were not deliverable within the necessary timescales.

**100 PUBLIC HEALTH PRESCRIPTION CHARGES (FP10) - KEY DECISION**

The Board considered the Portfolio Holder for Adults and Health's report seeking approval to pay the Nottingham City Clinical Commissioning Group (CCG) for the prescription charges (FP10s) related to Health Improvement Services.

**RESOLVED to**

- (1) note that prescription charges relating to Health Improvement Services for Public Health are £1.096 million for 2013/14, and these charges are as per the Public Health budget allocation and Department of Health grant conditions;**
- (2) approve the payment of £0.846 million from the Public Health budget to the Nottingham CCG to meet the total costs of prescription charges, noting that an interim payment of £0.250 million was approved by Delegated Decision (ref: 0942).**

Reasons for decisions

The allocation of £1.096 million for the total costs of prescription charges (FP10) was included within the Public Health ring fenced grant for 2013/14. All prescription costs are paid direct by the CCG and, therefore, payment of £0.846 million needs to be made to ensure that the total cost of prescription charges are met.

Other options considered

No other options were considered as payment must be made to cover the charges.

**101 YOUTH CONTRACT PROPOSAL - KEY DECISION**

The Board considered the Portfolio Holder for Jobs and Growth's report detailing the proposal for the £3 million awarded to the Council by the Department for Work and Pensions (DWP) to deliver a community based employability for 18-24 year olds.

**RESOLVED to endorse the proposed employment programme for young people, as set out in paragraphs 1.16-1.28 of the report, and agree to the expenditure of the £3 million DWP allocation over the next 3 financial years.**

Reasons for decisions

The delivery model will add value and bring greater coherence to pre-employment provision for young people.

Extensive consultation with partner organisations suggests that there is wide-spread support for this proposal and that it will enhance the effectiveness of local provision.

The proposal builds on the Council's neighbourhood agenda by allocating most of the resource to community based interventions and delivery.

It will support the Council's long term approach to tackling youth unemployment and is a key element in the drive to generate economic growth in the City.

Other options considered

No other options were considered as the proposal has been agreed with the Cabinet Office as a condition for the receipt of the £3 million funding.

**102 COUNCIL TAX - DETERMINATION OF THE 2014/15 TAX BASE - KEY DECISION**

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report setting out the process and calculation to determine the Council Tax base for 2014/15.

**RESOLVED to approve a tax base of 59,949 for 2014/15, subject to Full Council approving the Council Tax Support Scheme on 27 January 2014. If Council makes amendments to the Council Tax Support Scheme which impact on the tax base, to delegate authority to the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration to approve the amended tax base.**

Reasons for decisions

The tax base estimates future changes to the current tax base during 2014/15 and applies an appropriate anticipated collection rate for the period, which takes into



account collection trends and the prevailing economic environment. The tax base figure will be used by the City Council and the precepting authorities (i.e. Police and Fire Authorities) in the budget processes in February 2014 to determine the level of Council Tax for 2014/15.

Other options considered

No other options were considered as the Council is legally required to set a Council Tax base using objective calculations.

**103 CHANGE OF AGE RANGE AT ROBERT SHAW PRIMARY SCHOOL, TO INCLUDE A NURSERY**

The Board considered the Portfolio Holder for Children's Services' report detailing that no objections or comments were received in response to the Statutory Notice on lowering the age range at the School to include a nursery. The Board had previously discussed this at its meeting on 15 October 2013 (minute 60).

**RESOLVED to note that no objections or comments have been received in response to the Statutory Notice, and approve the proposal to lower the age range of Robert Shaw Primary School to allow the School to operate a nursery.**

Reasons for decisions

The response to the consultation of lowering the age range of Robert Shaw has been very positively received and the additional nursery places are needed in the area.

Other options considered

No other options were considered.

**104 EXPANSION OF ROSSLYN PARK PRIMARY SCHOOL, ASPLEY - KEY DECISION**

The Board considered the Portfolio Holder for Children's Services' report detailing the positive response to the final stage of consultation on the proposal to expand Rosslyn Park Primary School from 450 places to 630 places from September 2015. The Board had previously discussed this at its meeting on 15 October 2013 (minute 61).

**RESOLVED to note the positive response to the final stage of consultation, and approve the proposal to expand Rosslyn Park Primary School, at an estimated cost of £1.3 million, noting that a detailed business case will be submitted to a future Board meeting for approval of the exact costs.**

Reasons for decisions

The response to the consultation of expanding Rosslyn Park Primary School has been positively received and the additional capacity in Aspley is required.

Other options considered

No other options were considered.

**105 EXCLUSION OF THE PUBLIC**

**The Board decided to exclude the public from the meeting during consideration of the remaining agenda items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.**

Councillor Jon Collins left the room during consideration of the next item and Councillor Graham Chapman took the Chair.

**106 EAST MIDLANDS COUNCILS - ACCOUNTABLE BODY ROLE - KEY DECISION**

The Board considered the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration's report.

**RESOLVED to approve the recommendations in the report.**

Reasons for decisions

As detailed in the report.

Other options considered

As detailed in the report.

Councillor Jon Collins returned to the meeting and chaired the rest of the meeting.

**107 NOTTINGHAM CITY COUNCIL AND RUSHCLIFFE BOROUGH COUNCIL FLEET MANAGEMENT AND MAINTENANCE SHARED SERVICES - KEY DECISION**

The Board considered the Portfolio Holder for Planning and Transportation's report.

**RESOLVED to approve the recommendations in the report.**

Reasons for decisions

As detailed in the report.

Other options considered

As detailed in the report.

**EXECUTIVE BOARD – 25 FEBRUARY 2014**

<b>Subject:</b>	<b>Nottingham City Council Procurement Strategy</b>		
<b>Corporate Director(s)/ Director(s):</b>	Candida Brudenell, Director of Quality and Commissioning, Children and Families Tony Kirkham, Director of Strategic Finance, Resources		
<b>Portfolio Holder(s):</b>	Councillor Nick McDonald, Portfolio Holder for Jobs and Growth Councillor Dave Liversidge, Portfolio Holder for Commissioning and Voluntary Sector		
<b>Report author and contact details:</b>	Katy Ball, Head of Early Intervention and Market Development, Quality and Commissioning <a href="mailto:Katy.ball@nottinghamcity.gov.uk">Katy.ball@nottinghamcity.gov.uk</a> 0115 8764814		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input checked="" type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Total value of the decision:</b> Savings delivered through category management through the Commercialism Big Ticket - £1,950,000 (see finance comments)			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> 5 December 2013		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The creation of Nottingham's Growth Plan has signalled a strong set of messages around the importance of local investment and securing more jobs for local people. This has triggered the need to be more deliberate about how Nottingham City Council uses its spending power to support this agenda and to consider how well current procurement processes allow local small and medium enterprises to compete for business. In response to this, a new Nottingham City Council Procurement Strategy has been established to:</p> <ul style="list-style-type: none"> <li>• provide clear messages to all organisations who wish to work with / deliver business on behalf of Nottingham City Council;</li> <li>• set out how Nottingham City Council's spending power, through procurement, will be used to drive new targets for the top priorities: <ul style="list-style-type: none"> <li>○ increase investment with local organisations;</li> <li>○ create jobs;</li> <li>○ support early intervention and value for money services for vulnerable citizens;</li> <li>○ support the green agenda;</li> </ul> </li> <li>• create a revenue stream to support the Nottingham Jobs Fund and Employer Hub;</li> <li>• review procurement governance to increase councillor and citizen influence;</li> <li>• ensure that the Procurement Function and processes are aligned in the best way to deliver the Strategy.</li> </ul>			

A number of One Nottingham partners have signalled support for the intentions in the draft Procurement Strategy and the longer-term intention is to formalise this, exploring areas for collaboration.

**Exempt information:**

None

**Recommendation(s):**

**1** To approve the Nottingham City Council Procurement Strategy and its targets.

**1 REASONS FOR RECOMMENDATIONS**

1.1 It is essential that Nottingham City Council adopts a robust and efficient model for procuring goods and services that enables the delivery of its strategic priorities within the financial envelope. Alongside this, the Procurement Strategy will also ensure a focus on:

- maximising procurement capability and improving procurement processes in terms of efficiency and effectiveness in delivering priority outcomes;
- maximising spending power impact to support growth, including small and medium sized enterprises (SMEs), through greater local investment and securing more local jobs;
- ensuring that return on investment delivers social and environmental benefits for the City;
- developing strategic, collaborative and commercial relationships with suppliers and key partners.

1.2 The Strategy is the key driver for the Procurement function to use Nottingham City Council's spending power to drive Nottingham's aspirations. This will be achieved through being citizen focused, maximising savings, and delivering economic, social and environmental benefits.

1.3 Furthermore, the Strategy sets the framework within which Nottingham City Council will work to ensure that procurement delivers value for money across all services and directly contributes to the achievement of our corporate priorities in line with the Nottingham Plan and the Growth Plan.

**2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

2.1 Getting procurement right is essential to the delivery of economical, effective and efficient services. The Council currently has a Corporate Procurement Strategy 2009-2012. This needed to be revised in line with the government's economic agenda, National Procurement Regulations, Nottingham's Growth Plan and the Nottingham Plan to 2020. Nottingham City Council's Corporate Category Management Group started off the development of the Strategy in early 2013. Over the summer of 2013, this has been taken forward jointly by the Corporate Procurement and Strategic Procurement Teams.

2.2 The development of the Nottingham City Council Procurement Strategy has involved extensive engagement with both Corporate and Strategic Procurement Teams through away days and smaller inquiry groups. Consultation has taken place with the Economic Development Team. Regular liaison has taken place with the Portfolio Holders for Jobs and Growth and Commissioning and Voluntary Sector.

- 2.3 This document looks to bring together all of the existing activity / guidance / policy into one single overarching Strategy which clearly sets out the framework within which all procurement is conducted throughout the Council. The Strategy will enable a refocus to take forward a modern, effective and efficient procurement service driving best value, innovation, stimulating growth and high quality services for citizens.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Doing nothing was rejected because the current Procurement Strategy is out of date and a new Procurement Strategy was required in response to the Nottingham Growth Plan.
- 3.2 Establishing a Commissioning and Procurement Strategy was considered but current work is focused on a consistent approach for procurement throughout Nottingham City Council across all spend areas. and the next step would be to establish a Commissioning and Procurement Strategy.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 Full implementation of the Procurement Strategy is expected to deliver significant financial benefits to the Council through the implementation of category management. This approach to procurement will ensure that savings on future contracts are maximised and that value for money is achieved.
- 4.2 To fully implement category management, Corporate Leadership Team (CLT) have previously agreed to an investment in the Corporate Procurement function to acquire additional staffing resource. It is forecast that, in addition to delivering savings sufficient to fund the additional cost of staffing, Category Management will deliver the following savings through the Commercialism Big Ticket:
- 14/15 - £350,000
  - 15/16 - £650,000
  - 16/17 - £950,000

A set of principles to ensure savings are captured correctly are currently being developed and will be brought to CLT for endorsement.

- 4.3 Any decision to either implement the 1% levy on all non-care contracts to create a revenue stream for Nottingham Jobs Fund, or encourage payment of the living wage, is likely to have an impact on the delivery of these savings as the costs to suppliers associated with of these initiatives are likely to manifest in higher prices to the Council.

### **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 When undertaking procurement of supplies, services and works the Council must operate within the constraints of the EU Procurement Directives (the 'Directive') and the Public Contracts Regulations 2006 (the 'Regulations'). Where contracts are below the relevant thresholds or are for Part B services there is much greater opportunity to focus on local jobs and the local economy through contract awards to local suppliers.
- 5.2 Where the procurement is subject to the Directive and the Regulations it is possible to include social criteria such as combating long term local

unemployment. However, it is not possible to include requirements which are intended to directly favour local businesses over businesses established in other parts of the EU as that would breach the EU principle of non-discrimination. An obligation to use a specific minimum percentage of supplies or labour from the local area would not be acceptable.

- 5.3 The Public Services (Social Value) Act 2012 (the Act) applies to all service contracts to which the Regulations apply. The Act places the Council under a duty at the pre-procurement stage to consider how what is being procured might improve the economic, social and environmental well-being of the Nottingham City area. The Act places the Council under a duty to consider whether to undertake consultation on those matters. The use of social clauses such as payment of the living wage which could be considered to have a beneficial impact on the economic and social well being of the area should be considered on a case by case basis.
- 5.4 The imposition of the living wage is a problematic issue. The Regulations provide that tenders are to be assessed on the basis of criteria which are linked to the subject matter of the contract. Payment of the living wage is connected to how the contract is performed rather than what is being supplied, provided or constructed. The Regulations permit the contract conditions to include social clauses provided they are compatible with Community law. The European Court has considered the impact of the Posted Workers Directive and has determined that the requirement to pay a contractor a wage which is higher than a mandatory national minimum wage is unlawful. On the basis of this judgement the Scottish Parliament which is undertaking a reform of procurement law has sought clarification from the European Commission and has determined it would not be possible to require a contractor to pay a living wage as a condition of participating in a tendering exercise. Including a requirement for a contractor to pay the living wage carries with it a significant risk of challenge.
- 5.5 Zero hour contracts are not unlawful, however, Government is consulting on the use of them. A zero hour contract is not a legal term – it is one form of contract arrangement – there are variations which give more or less flexibility to the worker. As with the living wage the difficulty in mandating the requirement not to use zero hour contracts is to establish the link to the subject matter of the contract. As with the living wage the use of a zero hour contract is connected to the performance of the contract. The provision could be included as a contract condition provided it is not considered to be discriminatory. Requiring bidders not to use zero-hour contracts could be considered to operate in the same way as the living wage in that it places foreign contractors under an extra economic burden which restricts trade and is therefore incompatible with Community law.
- 5.6 Even if the requirement is lawful the requirement not to use zero hour contracts as a contract performance condition must not be used as an evaluation criteria in disguise. Bidders would not be assessed against it but would be required to comply with it once the contract is awarded. This can prove to be a difficult process to get right. Asking contractors to voluntarily agree to sign up to payment of the living wage and not to use zero-hour contracts would mitigate against the risk of challenge.
- 5.7 The EU is proposing a new procurement directive and the UK government has committed to implement this in 2014. This will introduce changes to the procurement regime - in particular it will remove the distinction between Part A and Part B services. This will have implications for the services commissioned by the City Council. Legal Services will work with commissioners and procurement teams

to ensure they are ready for the changes and implications for the Procurement Strategy are considered in good time.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 The Nottingham City Council Procurement Strategy will be a key driver in promoting and meeting the requirements of the Public Services (Social Value) Act 2012 which brings a statutory requirement for public authorities to pay regard to economic, social and environmental well-being in their procurement and contracting activity. These aims and how they will be supported through procurement activity undertaken by the Council are included within the core principles of the Procurement Strategy. Additionally the Procurement Strategy sets out how the procurement function will help meet the Council's strategic priorities of supporting the local economy; putting citizens at the heart of what we do and being sustainable and responsible.

## **7 REGARD TO THE NHS CONSTITUTION**

- 7.1 This will be considered where appropriate for relevant service areas.

## **8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

## **9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

- 9.1 None.

## **10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

- 10.1 Nottingham City Council Corporate Procurement Strategy 2009-2012
- 10.2 Social Value Act 2012
- 10.3 National Procurement Strategy for Local Government, October 2003
- 10.4 The Public Contracts Regulations 2006

## 11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

A range of colleagues, from Corporate Procurement, Strategic Procurement and Economic Development have contributed to the creation of the Procurement Strategy.

Additional input was received from:

- Nicola Gell, Service Redesign Consultant, HR and Transformation, Resources  
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# **Nottingham City Council Procurement Strategy**

## **Foreword**

Nottingham City Council (NCC) places the highest priority on putting citizens at the heart of everything it does. Over the last decade, we have improved services and delivered better outcomes for our citizens. However, NCC now faces an unprecedented financial challenge. The need to balance budgets at the same time as supporting our communities and local businesses will require a new approach. At this challenging time we need to harness the opportunities that procurement can provide to drive economic growth, social value and sustainability.

To meet this challenge we need to maximise our procurement capability and continually improve the efficiency and effectiveness of our procurement processes. To do this, we will proactively seek efficiencies and innovation, and build the capacity of the supply market in order to meet the needs of citizens. We must recognise the key contribution that procurement can make to the delivery of the Council's strategic priorities, in particular the key priorities of:

- 1) Growing the local economy;
- 2) Driving increased local job opportunities for local people;
- 3) Delivering effective value for money services to our citizens;
- 4) Leading as an Early Intervention City;
- 5) Leading as a Green City.

Growing the local economy and using that growth to generate employment opportunities is central to NCC's strategy for the city. This procurement strategy sets out a clear commitment that NCC will use its spending power to ensure that continues to be the case. However, it also recognises that it must do so in a cost effective manner, and must ensure that it delivers value for money to the City and to the people who live here.

The final two priorities in this Strategy are also extremely important. Nottingham has delivered some excellent results through focused work on early intervention for children and adults, and in relation to its green agenda. It is a leading Early Intervention City and one of the most energy sustainable cities in the UK. Both of these areas are supported through the wider context of the Nottingham Growth Plan.

This Procurement Strategy is therefore a major step change for NCC. It will allow us to continue to build strong strategic relationships with our suppliers and to maximise the impact of our spending power to support growth, including small and medium sized enterprises (SMEs), through greater local investment and securing more local jobs. It will also ensure that return on investment delivers social and environmental benefits for the City.

This Procurement Strategy will drive us to take forward a modern, effective and efficient procurement service that truly delivers best value, supports innovation, stimulates growth and most importantly delivers high quality services for citizens. It sets out a progressive, inclusive, radical and collective agenda for using NCC's spending power to deliver benefits for Nottingham citizens and for the Nottingham economy.

**Councillor Nick McDonald**  
**Portfolio Holder for Jobs and Growth**

## 1. INTRODUCTION

Procurement has a central role in using NCC's purchasing power to drive efficiencies and to deliver more with less money. NCC has a responsibility to spend public money to achieve the best possible value and outcomes for its citizens whilst maximising the wider social, economic and environmental aims. The key challenge is how to continue to make improvements in this era of austerity.

We have already secured efficiencies by changing the way we buy goods and services and implementing a commissioning-led approach across the organisation. But we will do more. We will become more agile and ensure our procurement is fit-for-purpose to respond positively to the need for a progressive economic agenda. Now more than ever we need to develop and transform our processes, systems and functions to enable us to drive through greater efficiencies and improvements. We must continuously strive to improve the way we procure in order to secure quality goods and services in an efficient and effective manner. Our procurement focus will be increasingly around constructively challenging the business need and encouraging the development of new models of delivery.

We recognise the need to forge new and different types of relationships with our citizens and service providers to inform change. Citizens will be part of the solution to the challenges we face. We will build on our strong track record of partnership working with communities to design services which respond to the needs of citizens.

We will also develop strategic, collaborative and commercial relationships with our suppliers and key partners to support the local economy and deliver wider economic and social opportunities for local people. We will continue to drive competition and innovation across the City and amongst a range of suppliers, including small and medium sized enterprises (SMEs), maximising every opportunity to cut waste, deliver savings and promote growth.

This Procurement Strategy sets out the central role of the procurement function in supporting NCC in achieving its strategic priorities, and to do so within a constrained financial envelope. It will enable us to realise NCC's vision to be an Authority of excellence that drives improvements, controls costs, and delivers high quality & value for money goods and services for its citizens. The Strategy will enable us to develop procurement processes in line with new and emerging national and European procurement regulations.

NCC believes that this Procurement Strategy, and more importantly its implementation, will deliver substantial benefits to Nottingham citizens over a number of years.

### **Our Vision**

The Procurement function will use Nottingham City Council's spending power to drive Nottingham's aspirations. This will be achieved through:

- Being citizen focused;
- Maximising savings;
- Delivering economic, social and environmental benefits.

## Definition of Procurement

For the purpose of this Strategy we will use the definition of procurement most commonly used in Local Government, which is:

*'Procurement is the process of acquiring goods, services and works. The process spans the whole cycle from identification of needs, through to the end of a service contract or the end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision which may result in the provision of services in-house in appropriate circumstances'.*  
(National Procurement Strategy for Local Government - October 2003).

## 2. STRATEGIC PRIORITIES

The Nottingham Plan to 2020 is the route map for organisations in the City and for citizens, communities and businesses, setting out a clear vision. This is closely aligned with the Council Plan, which sets out NCC's purpose, priorities and values. NCC is committed to improving customer care and to focus more effectively to meet the needs of our citizens. NCC's Citizen First Policy aims to ensure that by 2015 services are flexible, cost-effective and meet our citizens' needs.

The Nottingham Growth Plan states that a new procurement policy is required to help increase spend with local suppliers. The Nottingham Growth Plan aims to drive growth across the City and benefit all communities. The Plan enables creativity and flexibility to encourage new initiatives to be developed in response to future challenges. The plan seeks to overcome barriers to growth by supporting target sector businesses and the wider economy by fostering enterprise, developing a skilled workforce, and building a 21st century infrastructure. This will deliver outstanding support to businesses, including the emerging digital content, life sciences and clean technology sectors which will provide prosperity and sustainable employment.

This Procurement Strategy is therefore a key driver in the delivery of a number of NCC's key strategic priorities, as outlined in the table below.

Strategic Theme	Priority	Key Procurement Objectives
<b>ECONOMIC:</b> <i>Supporting the local economy</i>	(1) Grow the local economy	<ul style="list-style-type: none"> <li>• Establish a supplier base which has knowledge of local issues and priorities.</li> <li>• Increase economic benefits for the City of Nottingham.</li> <li>• Ensure providers are responsive and flexible to meet needs.</li> <li>• Increase spend with local providers.</li> </ul>
	(2) Drive increased local job opportunities for local people	<ul style="list-style-type: none"> <li>• Create more job opportunities leading to increased number of citizens in employment.</li> <li>• Promote employment and training opportunities through Nottingham City Council's Employer Hub.</li> </ul>

<b>SOCIAL:</b> <i>Putting citizens at the heart of what we do</i>	(3) Deliver effective value for money services to our citizens	<ul style="list-style-type: none"> <li>• Provide safe, quality and cost effective services that best meet need.</li> <li>• Deliver budget efficiencies and maximise savings.</li> </ul>
	(4 ) Lead as an Early Intervention City	<ul style="list-style-type: none"> <li>• Balance innovation and evidence based approaches that offer solutions at an early stage.</li> <li>• Reduce demand on specialist services and reduce costs.</li> </ul>
<b>ENVIRONMENTAL:</b> <i>Being sustainable and responsible</i>	(5) Lead as a Green City	<ul style="list-style-type: none"> <li>• Reduce the City's carbon footprint.</li> <li>• Encourage energy self-sufficiency.</li> </ul>

### 3. PROCUREMENT CORE PRINCIPLES

All procurement activity undertaken by NCC will be underpinned by a set of six core principles:

- Economic, social and environmental well being;
- Maximising savings;
- Citizen focus;
- Governance, fairness and transparency;
- Partnership and collaboration;
- Innovation and improvement.

#### 3.1 Economic, Social and Environmental Well Being

The Public Services Social Value Act (2012) brings a statutory requirement for a public authority to consider consultation prior to undertaking procurement, and to consider how it will improve the economic, social and environmental well-being of the public authority area through its procurement and contracting activity.

This will be the approach taken by NCC in its procurement and contracting activity.

This will be achieved in the following ways:

##### *Consultation*

- Consultation is an integral part of the commissioning framework adopted by NCC and therefore will form part of all commissioning activity.

##### *Supporting the Local Economy*

- NCC will seek to Influence and stimulate the development of markets and competition to increase opportunities for choice, quality and value for money.
- NCC will deliver opportunities to help local businesses.
- NCC will ensure economic growth and development in the city results brings jobs and prosperity to local citizens.
- NCC will create a revenue stream for or employment support activity, and in particular the Nottingham Jobs Fund, through a 1% levy charged on all non-care contracts, enabling providers to support job creation in the City.

- NCC will work proactively with local suppliers/providers, including the third sector and black and minority ethnic (BME) organisations to better enable them to tender for public sector work.
- NCC will use open tenders rather than Pre-qualification Questionnaires wherever possible and ensure that where they are used suppliers only need to complete these once.
- NCC will ensure there is a level playing field for all suppliers and that voluntary sector and small and medium sized enterprises are not disadvantaged by our processes.
- NCC will increase spend locally to ensure local job creation.
- NCC will measure the impact of the Strategy on the local economy including using the Local Multiplier 3 (LM3) tool for measuring economic impact or equivalent measures, with the aim of maximising the local pound.
- NCC will develop local markets and increase local community capacity.
- NCC will ensure procurement option plans take into consideration local supplier capacity and overall value for money.
- NCC will manage contracts down the supply chain to ensure all levels of suppliers are supported
- NCC will require ethical standards for the workforce.

#### *Supporting Social Benefits*

- NCC will deliver social benefits through specific requirements in specifications and contracts through compliance with the Public Services (Social Value) Act duties.
- NCC will work with suppliers to maximise targeted recruitment and training opportunities through our contracts and routing these through NCC's Employer Hub.
- NCC will support Third Sector organisations to enable them to tender for business.
- NCC will ensure services procured are accessible and appropriate to meet the diverse needs of all sections of the community.
- NCC will maintain spend within the Authority where possible.

#### *Protecting the Environment*

- NCC will identify opportunities for carbon-saving measures in contracts wherever possible.
- NCC will incorporate environmental requirements in specifications and contracts wherever appropriate.
- NCC will support organisations to become self-sufficient in green energy through renewable energy and energy efficiency, and technological diversification of energy sources, to deliver significant energy security and economic benefits for the City.
- NCC will ensure that energy efficiency requirements are included in specifications and contracts wherever possible.

### **3.2 Maximising Savings**

Procurement will drive efficiencies and value for money in order to maximise outcomes in the context of reducing budgets. We will secure the best value for money for the citizens of Nottingham, procuring the best possible services on the most economically advantageous terms. We will deliver further significant cashable savings and non-cashable benefits through continued improvements in sourcing and market development.

This will be achieved in the following ways:

- NCC will chase innovative and commercial solutions to meet the needs of Nottingham citizens.

- NCC will develop long-term category plans and effectively manage supplier relationships.
- NCC will maximise the number of business transactions with suppliers that are conducted through electronic means.
- NCC will manage costs so that suppliers achieve a fair profit at best value to NCC, Nottingham citizens and our partners.
- NCC will consider collaborative ways of procuring goods and services with other organisations where it is in the interests of NCC and the City's residents.

### 3.3 Citizen Focus

Procurement activity will place citizens at the heart of what we do, and will support NCC in achieving the aims of the Citizen First Policy and the Nottingham Promise<sup>1</sup> to ensure that services are flexible, cost-effective and meet our citizens' needs.

This will be achieved in the following ways:

- NCC will ensure effective engagement of service users and providers throughout the process.
- NCC will implement robust procurement and contract management processes to drive up standards and ensure the delivery of quality, safe services to citizens, with a particular focus on disadvantaged and vulnerable people.
- NCC will prioritise quality and efficiency, increased community capacity, and a thriving Third Sector.
- NCC will require a greater early intervention focus in service design and delivery.

### 3.4 Governance, Fairness and Transparency

Procurement will be fair, open and transparent. Procurement will comply with all relevant legislation, including European and United Kingdom Procurement Regulations and will be in accordance with Nottingham City Council's Financial Regulations and Contract Procedure Rules.

This will be achieved in the following ways:

- NCC will follow robust governance procedures to ensure accountability and compliance.
- NCC will work in an inclusive way, valuing diversity and actively promoting equality, diversity and equity.
- NCC will implement consistent, open, transparent, proportionate and accessible processes and systems to enable the full participation of all potential suppliers.
- NCC will ensure a level playing field for all suppliers and that third sector and small and medium sized enterprises are not disadvantaged by NCC's processes.
- NCC will incorporate procurement best practice and ethical codes such as those developed by the Chartered Institute of Purchasing and Supply (CIPS).
- NCC will publish its Forward Procurement Plan: [www.opendatanottingham.org.uk](http://www.opendatanottingham.org.uk).
- NCC will advertise all requirements on Source Nottinghamshire: [www.sourcenottinghamshire.co.uk](http://www.sourcenottinghamshire.co.uk)

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<sup>1</sup> The Nottingham Promise is a commitment agreed by a range of public sector organisations in Nottingham to deliver good quality customer services and high customer care standards, regardless of which organisation citizens have contact with.

### 3.5 Ethical Standards

Procurement has an additional role to play in minimising any risk of social exploitation within the supply chain by ensuring our ethical standards are met. Our ethical procurement objective is to ensure that people in the supply chain are treated with respect and have rights with regard to employment, including the rights to freely choose employment, freedom of association and ensure equal opportunities for all.

NCC will require that all organisations that it works with:

- Afford employees the freedom of association with the right to join an independent trade union or other workers' associations.
- Comply with national laws or industry standards on employee's working hours.
- Provide wages and benefits at rates that meet at least national legal standards in real terms (minimum wage), with a clear aim of moving towards paying the living wage, where affordable.
- Not use zero hour contracts which prevent the worker from carrying out work for other organisations while guaranteeing no minimum hours of work; and instead utilising contracts that allow for suitable flexibility to both employer and worker.
- Provide all employees with written and comprehensible information about their employment terms and conditions.
- Promote equality and diversity within their workforce.

#### **Grounds for exclusion:**

NCC reserves the right to exclude a service provider where deemed ineligible to tender for, or be awarded a public contract under regulation 23 of the Public Contracts Regulations 2006.<sup>2</sup> in line with the mandatory and discretionary grounds for exclusion. By way of guidance, grounds for excluding a service provider may include the following circumstances:

- Is in a state of bankruptcy, insolvency, compulsory winding up, administration, receivership, composition with creditors or subject to relevant proceedings.
- Has been convicted of a criminal offence related to business or professional conduct.
- Has committed an act of grave misconduct in the course of business.
- Has not fulfilled obligations relating to payment of taxes.

### 3.6 Partnerships and Collaboration

We will proactively develop strategic, collaborative and commercial relationships with a range of partners including public sector, private, voluntary and community sector agencies. NCC recognises the ability of SMEs and Third Sector organisations to provide valuable and effective services which represent best value for money. We will support SMEs, local providers and the Third Sector organisations.

We will, in particular, work with partner organisations to ensure that our procurement policies and strategies are aligned; and that we jointly procure and share resource where possible.

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<sup>2</sup> The Public Contracts Regulations 2006



### **Definition of Local Provider**

Any organisation that operates principally<sup>3</sup> within Nottingham City boundaries and its immediate neighbouring boroughs; and/or whose ownership resides principally in Nottingham City boundaries; and/or whose employees are principally in Nottingham City.

This will be achieved in the following ways:

- NCC will undertake procurement in a way that supports access to opportunities for SMEs and more effectively ensures local spend.
- NCC will review the size of contracts, and where appropriate may divide them into smaller portions to support small businesses.
- NCC will manage contracts down the supply chain to ensure all levels of local suppliers are supported and commitments of primary suppliers to local sub-contractors are upheld.
- NCC will offer procurement workshops to help suppliers access opportunities, understand the tender process, opportunities to develop consortia and discuss future opportunities.
- NCC will ensure payment terms are fair to suppliers enabling payments to be made within reasonable timeframes.
- NCC will prioritise purchasing with local suppliers for contract values under £10,000.
- NCC will invite at least one local supplier (where available) to quote when requirement is low value and above £10,000 but lower than £50,000.
- NCC will identify benefits to the community that can be delivered through the specific requirements of each contract and including these in the tender documents. Realisation of these benefits will be monitored throughout the contract delivery.
- NCC will create a new Procurement Support function to proactively encourage local procurement in conjunction with local business groups .
- NCC will ensure it engages early with partner agencies to influence joint approaches and reduce costs.
- NCC will work in partnership with suppliers, sharing risks and encouraging innovation in service delivery.
- NCC will work with local business support organisations to build the capacity of local enterprises and create jobs locally.
- NCC will work on joint procurements in appropriate categories with our regional partners.

### **3.7 Innovation and Improvement**

There will be continuous improvement in the way we procure in order to drive greater efficiencies and improvements with scarce resources. We will strive to continuously improve our processes, systems and functions to support the development of new models of delivery and to secure better quality goods and services.

This will be achieved in the following ways:

- NCC will deliver a professional procurement function based on best practice.

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<sup>3</sup> Principally equates to 50% or more

- NCC will continually develop our processes to ensure they are streamlined, proportionate, consistent and flexible.
- NCC will ensure its procurement processes encourage innovation and competition in the market.
- NCC will seek feedback from suppliers and other stakeholders to ensure we provide a 4\* service.
- NCC will do business electronically by implementing a new e-tendering system.
- NCC will develop its procurement workforce skills and expertise to deliver an excellent service.

## **4. OUR PROCUREMENT APPROACH**

### **Category Management**

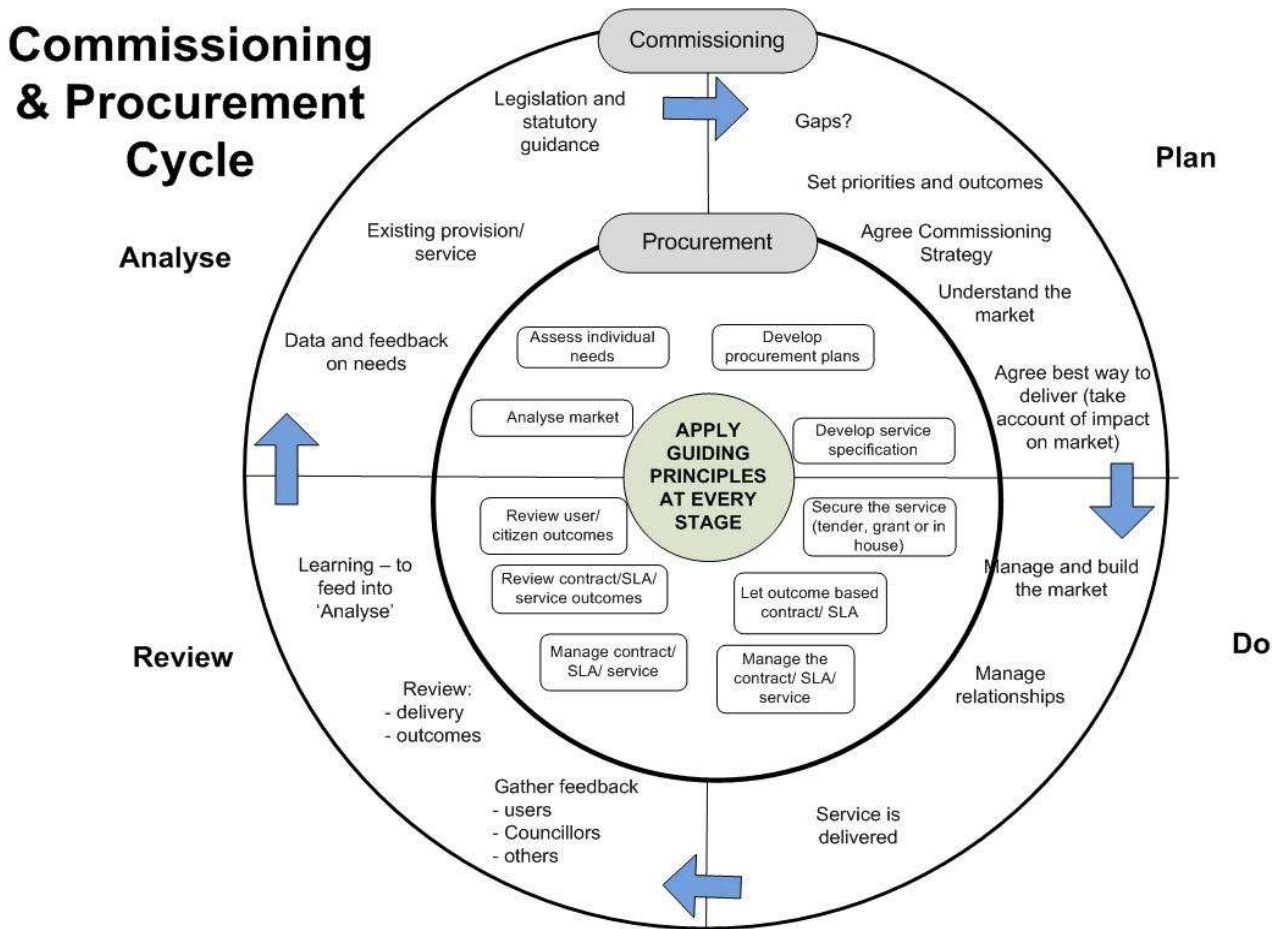
NCC has implemented a category management approach to procurement. This works in a cross-cutting way to maximise savings to the Council, increase spend with local suppliers and deliver targeted employment and training opportunities. Category management is a way of NCC managing its buying activity by grouping together related products and services and mapping them on to a supplier market. Under category management, decisions about what products and services are bought, which suppliers are used and what contracts the Council enters into, are made on a category-by-category basis. This holistic approach optimises quality and aligns business requirements with the external supply market to lever maximum value. Additionally the category management approach enables more effective relationships to be maintained with the supplier market.

### **A Commissioning-led Approach**

The category management approach is embedded within a broader commissioning cycle, where whole systems of support are reviewed ensuring that emerging needs, best practice, market analysis and available resources are taken into full account when developing procurement strategies. The benefits of using a commissioning cycle include:

- services procured are based on a thorough understanding of need;
- services are delivered more efficiently, at significantly lower cost;
- better outcomes for citizens, in particular those who are most vulnerable;
- the way services are delivered is transformed, underpinning long-term sustainability.

Diagram 1: NCC's Commissioning Cycle



**Useful links:**

- Source Nottinghamshire (tendering opportunities): [www.sourcenottinghamshire.co.uk](http://www.sourcenottinghamshire.co.uk)
- Nottingham City Council Procurement Forward Plan: [www.opendatanottingham.org.uk](http://www.opendatanottingham.org.uk)
- Market support: [www.nottinghamcity.gov.uk/article/23876/Market-Development](http://www.nottinghamcity.gov.uk/article/23876/Market-Development)
- Commissioning Process: [www.nottinghamcity.gov.uk/article/23840/Commissioning-of-Adult-Children-and-Family-Services](http://www.nottinghamcity.gov.uk/article/23840/Commissioning-of-Adult-Children-and-Family-Services)
- Procurement and contracting of services for vulnerable adults and children: [www.nottinghamcity.gov.uk/article/23842/Procurement-Contracting-and-Quality-of-Services](http://www.nottinghamcity.gov.uk/article/23842/Procurement-Contracting-and-Quality-of-Services)

## 5. DELIVERING THE PROCUREMENT STRATEGY

### Key Actions

Strategic Theme	Action	2014/15	2015/16	2016/17
<b>ECONOMIC:</b> <i>Supporting the local economy</i>	Increase % of spend with local providers to 60% by Jan 2017 <ul style="list-style-type: none"> <li>Baseline – 31%</li> <li>Identify priority market areas for increased local spend</li> </ul>	40%	50%	60%
	Increase number of local jobs created each year through contracts, including: <ul style="list-style-type: none"> <li>Baseline - 1 FTE apprentice per £1million of spend</li> <li>Deliver 5% increase of local jobs year on year</li> </ul>	Numerical Targets to follow		
	Establish a 1% levy charge on all non-care contracts	Numerical Targets to follow		
<b>SOCIAL:</b> <i>Putting citizens at the heart of what we do</i>	Increase % spend on early intervention and preventative approaches by 1% each year across support services for adults and children <ul style="list-style-type: none"> <li>Baseline for adults – 10%</li> <li>Baseline for children – underway%</li> </ul>	Numerical Targets to follow		
<b>ENVIRONMENT:</b> <i>Being sustainable and responsible</i>	Increase % of contracts where carbon saving measures can be demonstrated <ul style="list-style-type: none"> <li>Create baseline % in 2014-15</li> <li>Deliver 5% increase year on year on appropriate contracts</li> </ul>	Numerical Targets to follow		

### GOVERNANCE

- Refresh NCC's governance and decision-making routes:
  - Increase feedback and influence of citizens and councillors;
  - Move to one procurement function by April 2014 using a category management approach;
  - Establish a member-led Procurement Board to give oversight to larger procurement contracts.

### PERFORMANCE MANAGEMENT

- Establish one performance management framework which can demonstrate:
  - All contract information in one place;
  - Progress against Procurement Strategy targets;
  - Measuring the impact of the Strategy on the local economy including using the Local Multiplier 3 (LM3) tool for measuring economic impact or equivalent measures, with the aim of maximising the local pound.
- Implement the corporate e-tendering system by April 2014.

## **MARKET SUPPORT AND DEVELOPMENT**

- Expand current market development support to:
  - Establish Market Position Statements for all categories;
  - Support SMEs to engage with NCC's procurement opportunities through a new procurement support and market development function;
  - Identify, champion and respond to priority market issues;
  - Identify best practice

**Name and brief description of proposal / policy / service being assessed**

The creation of Nottingham’s Growth Plan has signalled a strong set of messages around the importance of local investment and securing more jobs for local people. In response to this, a new Nottingham City Council Procurement Strategy has been established to:

- provide clear messages to all organisations who wish to work with / deliver business on behalf of Nottingham City Council;
- set out how Nottingham City Council’s spending power, through procurement, will be used to drive new targets for the top priorities: - increase investment with local organisations; create jobs; support early intervention and value for money services for vulnerable citizens; support the green agenda;

**Information used to analyse the effects on equality**

The Procurement Strategy has used the Public Services (Social Value Act) 2012 to analyse effects on equality. The Public Services (Social Value) Act 2012 (the Act) applies to all service contracts to which the Regulations apply. The Act places the Council under a duty at the pre-procurement stage to consider how what is being procured might improve the economic, social and environmental well-being of the Nottingham City area.

	Could particularly benefit (X)	May adversely impact (X)	How different groups could be affected: Summary of impacts	Details of actions to reduce negative or increase positive impact (or why action not possible)
People from different ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Nottingham City Council Procurement Strategy will be a key driver in promoting and meeting the requirements of the Public Services (Social Value) Act 2012 which brings a statutory requirement for public authorities to pay regard to economic, social and environmental well-being in their procurement and contracting activity.</p> <p>The Strategy will positively impact some or all of the age groups depending on the nature of the social value requirements built into each procurement. The use of social clauses such as payment of the living wage could be considered to have a beneficial impact on the economic and social well being of the area, and will be considered on a case by case basis.</p> <p>Officers that have responsibility for procurement are</p>	<p>The impact of the steps taken by contractors will be measured during the life of the contract.</p> <p>NCC and procurement officers will work in an inclusive way, valuing diversity and actively promoting equality, diversity and equity.</p> <p>NCC is committed to promoting a strong local economy and a key driver in the evaluation of procurement decisions is the likely impact on the local economy.</p>
Men, women (including maternity/pregnancy impact), transgender people	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
People from different faith groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Older or younger people	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Other (e.g. marriage/civil partnership, looked after children, cohesion/good relations, vulnerable children/adults)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

			required to undertake a procurement specific EIA of the service in question for most major procurements that will be undertaken. The inclusion of social value requirements will not disadvantage any group.	No groups will be excluded from tendering with the Authority.
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**Outcome(s) of equality impact assessment:**  
 No major change needed  Adjust the policy  Adverse impact but continue  Stop and remove the policy/proposal

**Arrangements for future monitoring of equality impact of this proposal / policy / service:**

- Section 5 of the Procurement Strategy – Delivering the Strategy will be regularly monitored through internal governance channels.

Approved by (manager signature):	Date sent to equality team for publishing:
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Procurement Strategy: Equality Impact Assessment

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**EXECUTIVE BOARD – 25 FEBRUARY 2014**

<b>Subject:</b>	<b>TREASURY MANAGEMENT 2014/15 STRATEGY</b>		
<b>Corporate Director(s)/ Director(s):</b>	Carole Mills, Deputy Chief Executive/Corporate Director for Resources		
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
<b>Report author and contact details:</b>	Tony Kirkham, Director of Strategic Finance 0115 8764157 <a href="mailto:tony.kirkham@nottinghamcity.gov.uk">tony.kirkham@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input type="checkbox"/> Yes	£ No	<b>Subject to call-in</b>
	<input type="checkbox"/> Yes	£ No	<input type="checkbox"/> Yes
<b>Reasons:</b>	<input type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
	<input type="checkbox"/> Revenue	<input type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City	<input type="checkbox"/> Yes	£ No	
<b>Total value of the decision:</b> Nil			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> Throughout January/ February 2014		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			£
Cut crime and anti-social behaviour			£
Ensure more school leavers get a job, training or further education than any other City			£
Your neighbourhood as clean as the City Centre			£
Help keep your energy bills down			£
Good access to public transport			£
Nottingham has a good mix of housing			£
Nottingham is a good place to do business, invest and create jobs			£
Nottingham offers a wide range of leisure activities, parks and sporting events			£
Support early intervention activities			£
Deliver effective, value for money services to our citizens			£
<b>Summary of issues (including benefits to citizens/service users):</b> This report sets out the Treasury Management and Investment strategies for 2014/15 including the debt repayment strategy ( <b>Annex 1</b> ). The associated Prudential Indicators are shown within an appendix to the strategy, along with existing risks and a glossary of technical terms.  <b>The decision is not subject to call-in as Councillor Brian Parbutt, Chair of the Overview and Scrutiny Committee, has agreed that the decision is reasonable in all the circumstances and should be treated as a matter of urgency as the Council's budget has to be approved at the Full Council meeting on 3 March 2014 (which is before the call-in period has ended).</b>			
<b>Exempt information:</b> None			
<b>Recommendation(s):</b>			
<b>1</b> To endorse and recommend for approval by the City Council at its meeting on 3 March 2014 the overall Treasury Management Strategy for 2014/15 ( <b>Annex 1</b> ), and, in particular:			

- the strategy for debt repayment (Minimum Revenue Provision) in 2014/15 (**section 5 of Annex 1**);
- the Housing Revenue Account Treasury Management Strategy for 2014/15 (**section 6 of Annex 1**);
- the Investment Strategy for 2014/15 (**section 7 of Annex 1**);
- the prudential indicators and limits from 2013/14 to 2016/17 (**Appendix A within Annex 1**).

## **1 REASONS FOR RECOMMENDATIONS**

### 1.1 To comply with:

- Financial Regulations and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management by submitting a policy and strategy statement for the ensuing financial year;
- guidance issued by the Secretary of State under section 15(1) (a) of the Local Government Act 2003 in approving, at Council, an Annual Investment Strategy before 1 April;
- guidance issued by the Secretary of State under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 which requires the preparation of an annual statement of the Council's policy on making a Minimum Revenue Provision (MRP) for the repayment of debt.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 Treasury management is a term used to describe the management of an organisation's borrowing, investments and other financial instruments, their associated risks and the pursuit of optimum performance or return consistent with those risks.
- 2.2 The treasury management function is governed by provisions set out under Part 1 of the Local Government Act 2003, whereby the Council must have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice. The Council formally adopted the current requirements of these codes on 5 March 2012, as part of its Treasury Management Policy Statement.
- 2.3 External advisors are retained to provide additional input on treasury management matters. The service provided includes economic and interest rate forecasting, advice on strategy, portfolio structure, debt restructuring, investment policy, creditworthiness, credit ratings and other counterparty criteria and technical assistance on other related matters, as required.
- 2.4 The Treasury Management and Investment Strategies will be considered by Audit Committee on 28 February 2014, as part of the scrutiny process required by the CIPFA Code of Practice.

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Options for management of the Council's debt and investment portfolio are continually reviewed. The overall aim is to minimise the net revenue costs of the debt whilst maintaining an even debt maturity profile in future years, and to maximise investment returns within stated security and liquidity guidelines.

## **4 TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2014/15**

- 4.1 The Treasury Management Strategy sets the strategic context, within the Council's planning cycle, for how treasury management activity will take place. The various aspects of the Strategy (i.e. treasury, investment and debt) are set out at **Annex 1**. The objectives of the strategy are:
- to achieve the lowest net interest rate costs on the Council's external debt, whilst recognising the risk management implications;
  - to protect the Medium Term Financial Plan (MTFP) from the unbudgeted financial impact of fluctuations in interest rates and to prevent the need for excessive borrowing in future years when rates may be unfavourable;
  - to maintain the security and liquidity of external investments, and within those parameters, to seek to maximise the return on such investments;
  - to manage the Council's cash flows such that sufficient cash is available to meet creditor and other requirements and to minimise the cash balance held in the Council's current bank account each day without incurring bank overdraft charges.
- 4.2 Department for Communities for Local Government (DCLG) guidance on local authority investments also requires an annual investment strategy to be in place before the financial year in which it applies. This is incorporated within the Treasury Management Strategy and sets out how investments will be managed to protect the Council's financial position and the value of funds invested, whilst ensuring that the returns obtained are appropriate, given the stated attitude to risk. The DCLG guidance reiterates security and liquidity as the primary objectives of a prudent investment policy. These are principles embraced by the Council.
- 4.3 The main changes to the Treasury Management Strategy for 2014/15 are:
- amendments to the proposed Housing Revenue Account (HRA) Treasury Management Strategy (**Annex 1, Section 6**), to allow the HRA to fix the interest rate and period for debt raised internally from the General Fund;
  - various changes to the Investment Strategy and the approved counterparty investment list (**Annex 1, Section 7**).

## **5 PRUDENTIAL INDICATORS (ANNEX 1, APPENDIX A)**

- 5.1 The Prudential Code, issued by CIPFA and adopted formally by the Council, requires a series of Prudential Indicators (PIs) to be set and approved for the forthcoming and following two financial years. These financial indicators are derived from proposed treasury management activity and provide insight into the financial impact of such activities.
- 5.2 **Appendix A** within the Treasury Management Strategy (**Annex 1**) sets out the indicators for 2013/14 to 2016/17 that are expected to be generated by the proposed strategies. Explanatory notes for each PI are also provided.

## **6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 6.1 Net treasury management expenditure comprises interest charges, interest receipts and a revenue provision for debt repayment. A proportion of the Council's debt relates to capital expenditure on council housing and from 1 April 2012 separate arrangements have been established for the HRA. The remaining costs are included within the treasury management section of the General Fund budget, although there remain a number of recharges between the General Fund and the HRA. **Table 1** summarises the forecast outturn for the current financial year and provides the estimate for 2014/15:

<b>TABLE 1: TREASURY MANAGEMENT - REVENUE BUDGET POSITION</b>			
<b>DESCRIPTION</b>	<b>BUDGET</b>	<b>FORECAST</b>	<b>BUDGET</b>
	<b>2013/14 £m</b>	<b>OUTTURN 2013/14 £m</b>	<b>2014/15 £m</b>
External interest	30.929	28.849	28.358
Less: HRA interest	(11.605)	(11.495)	(11.786)
Debt repayment provision	32.583	33.529	35.317
<b>General Fund expenditure</b>	<b>51.907</b>	<b>50.883</b>	<b>51.889</b>
Investment interest	(1.182)	(1.391)	(1.029)
Prudential borrowing recharge	(0.516)	(0.521)	(0.250)
<b>NET GENERAL FUND POSITION</b>	<b>50.209</b>	<b>48.971</b>	<b>50.610</b>

- 6.2 The forecast outturn for 2013/14 reflects savings in external interest as a result of the continued strategy of internal borrowing (use of surplus cash to fund borrowing needs, rather than being externally invested). The projected under spend in the year of £1.238m is reflected in the overall position for 2013/14, reported elsewhere on this agenda.
- 6.3 The budget for 2014/15 is based on the financial implications of the various proposed strategies, as detailed in **Annex 1**. The estimate of £50.610m is included within the Medium Term Financial Plan (MTFP).
- 6.4 As part of the Council's MTFP, a number of capital regeneration investment schemes are currently being developed in respect of the City Centre. Funding will come from a variety of sources, including prudential borrowing by the Council. The Capital Programme does not include provision for these schemes at present, and they will only be brought forward for approval subject to the establishment of a robust business case. When schemes are approved, relevant budget estimates and Prudential Indicators will be amended accordingly.

## **7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 7.1 Risk management plays a fundamental role in treasury activities, due to the value and nature of transactions involved. The management of specific treasury management risks is set out in the Manual of Treasury Management Practices and Procedures and a risk register is maintained for the treasury function.
- 7.2 The key strategic risk relating to treasury management is SR17 'Failure to protect the Council's investments'. The current rating for this risk is 4.48 (Likelihood = unlikely, Impact = moderate). Full details of the Risk Management Action Plan are provided in **Annex 1, Appendix B**.

## **8 SOCIAL VALUE CONSIDERATIONS**

- 8.1 Not applicable.

## **9 REGARD TO THE NHS CONSTITUTION**

- 9.1 Not applicable.

**10 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council) E
- (b) No
- (c) Yes – Equality Impact Assessment attached

**11 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

11.1 None

**12 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

12.1 None

**13 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

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**NOTTINGHAM CITY COUNCIL**

**TREASURY MANAGEMENT STRATEGY 2014/15**

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**Executive Board 25 February 2014**

**Audit Committee 28 February 2014**

**City Council 3 March 2014**

# TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2014/15

## 1. Context

### Medium Term Financial Strategy (MTFS)

The MTFS sets out the arrangements for the planning and management of the Council's finances. Strategic Principle G sets out the overall context for the Council's treasury management activities, as follows:

- G1 All borrowing and debt management activity will be carried out in accordance with the annually approved Treasury Management Strategy and the Manual of Treasury Management Practices and Procedures, and within approved Prudential Indicators, having the highest regard for prudence, affordability and sustainability in the longer term.
- G2 The management of the treasury investment portfolio will be in accordance with the approved investment strategy, with all investments complying with counterparty limits and restrictions.
- G3 Appropriate use of prudential borrowing to fund capital investment will be made within prudential indicators and subject to medium term affordability.

### The Debt Portfolio

The Council's debt portfolio comprises borrowing raised to finance capital expenditure not met from other sources over the years. Its management is a key element of the Treasury Management Strategy. At 31 March 2014 the total value of the portfolio will be c £709m (excluding Private Finance Initiative notional 'debt'), borrowed at an average interest rate of 3.69%. This figure includes £100m raised from the Public Works Loan Board (PWLB) in 2012/13 to finance a required capital contribution for the Nottingham Express Transit (NET) Phase 2 scheme. This borrowing was raised in advance of need, to take advantage of low interest rates and the cash is expected to be expended in early 2015.

In 2014/15 total debt is forecast to increase to c £754m (again, excluding PFI-related debt), with the average interest rate forecasted to rise to 3.71%.

### The Investment Portfolio

An investment portfolio is also maintained to ensure that the Council's surplus cash (working capital, plus cash-backed reserves and provisions and any borrowing raised in advance of need) earns interest whilst being held. The average value of investments during 2013/14 was circa £201m (excluding monies held by the Council as the 'accountable body' for other organisations and the remaining deposits in Icelandic banks). During 2014/15 an average balance of circa £188m is forecast.

The average return on investments during 2013/14 is expected to be circa 0.67% and, with short-term interest rates expected to remain at their current levels throughout 2014, a similar return is expected in 2014/15. Some improvement in yield may be seen towards the end of the financial year, if there is an expectation of increases in the base interest rate by the Monetary Policy Committee (MPC).

### Market Conditions

The Treasury Management Strategy seeks to protect the Council from market related risks by proactively monitoring key factors such as interest rates and economic opinions, both nationally and globally. The adopted strategy will continue to be regularly reappraised and, if necessary, realigned to reflect market conditions and changes to interest rate forecasts.

### Economic Background

The MPC has previously indicated that it would not increase the base interest rate from its current level of 0.50% until the unemployment rate fell below 7.0%. Although the January 2014 figure for unemployment was recorded at 7.1%, the MPC were quick to confirm that a 7.0% rate would not be an automatic trigger point and that the base interest rate was likely to remain at 0.50% until 2016, in order to ensure that the recovery in the UK economy remained established and sustainable. Current inflation figures are at the target level provided to the MPC (2.0%) and there is little indication that these will rise significantly in 2014, to trigger an early increase in the base interest rate.

Current growth data suggests that the strong figures in 2013 (+1.9%) may not be maintained through 2014. The consumer debt-funded element of the growth remains predominant, with businesses still reluctant or unable to obtain credit to fund significant expansion, despite Government initiatives.

### Outlook for interest rates

The Bank of England base rate has remained at its all-time low of 0.50% since March 2009. The current forecast is for this rate to be unchanged until quarter 2 of 2016.

**Table 1** shows interest rates at 31 December 2013, together with projections to the end of March 2016, based on latest estimates provided by the Council's advisors. Short-term money rate forecasts are used to inform decisions on the investment of surplus monies. Interest rates for long-term borrowing are directly linked to the Gilt rates for the appropriate period.

TABLE 1: PROJECTED MOVEMENTS IN INTEREST RATES 2013 - 2016								
YEAR	END PERIOD	BASE RATE	SHORT TERM MONEY RATES			LONG TERM GILT RATES		
			3 MONTHS	6 MONTHS	12 MONTHS	5 YEARS	20 YEARS	50 YEARS
<b>2013</b>	Dec	0.50	0.45	0.63	0.81	1.60	3.45	3.60
<b>2014</b>	Mar	0.50	0.45	0.65	0.90	1.70	3.35	3.45
	Jun	0.50	0.45	0.65	0.95	1.75	3.40	3.50
	Sep	0.50	0.50	0.70	0.95	1.85	3.45	3.55
	Dec	0.50	0.55	0.75	0.95	1.95	3.55	3.60
<b>2015</b>	Mar	0.50	0.65	0.80	1.00	2.00	3.60	3.65
	Jun	0.50	0.70	0.85	1.05	2.00	3.60	3.70
	Sep	0.50	0.75	0.90	1.10	2.05	3.65	3.75
	Dec	0.50	0.80	0.95	1.20	2.10	3.70	3.80
<b>2016</b>	Mar	0.50	0.90	1.00	1.30	2.20	3.75	3.85

Interest rate forecasts are usually prepared with an 'upside' and a 'downside' risk, because they may move by more or less than forecast. The current predominant risk is that rates may rise more quickly than forecast, if inflationary pressures need to be addressed.

### Credit Outlook

The credit risk of further banking failures has diminished, both in the UK and elsewhere. However, this improvement has been accompanied by a sea-change in Government attitudes towards financial institutions. Regulations are proposed in the UK, Europe and the USA to avoid the need for future state bail-outs of failing banks, by ensuring that shareholders, bond holders and unsecured creditors participate in any future recovery processes. This has already been evidenced in the UK with the Co-operative Bank's recent recapitalisation, which required many existing holders of bank debt to accept losses ('haircuts') to enable the bank to survive.



This new ‘bail-in’ approach, when fully incorporated, will have significance for future investment in financial institutions by local authorities, who would have to share in the ‘haircut’ process, in the event of the failure of the counterparty. As a consequence, diversification between creditworthy counterparties and the use of alternative investment products will assume a greater importance, to mitigate this bail-in risk.

## 2. Strategic Principles

The Council’s treasury management activities will be undertaken with the following strategic aims and objectives:

1. To achieve the minimum interest rate cost on external debt, whilst recognising the risk management implications;
2. To protect the capital value of external cash investments and ensure the liquidity of those investments;
3. To provide an income stream from investments and maximise this stream, within the stated parameters of security and liquidity;
4. To apply mitigation to the risks associated with treasury management activity;
5. To seek to follow best practice at all times.

The actual outcomes against these strategic principles can be assessed by the use of prudential indicators (PIs) and associated commentary. **Table 2** lists which of the PIs set out in **Appendix A** relate to each of the principles.

<b>TABLE 2: STRATEGIC PRINCIPLES LINK TO PRUDENTIAL INDICATORS</b>	
<b>PRINCIPLE</b>	<b>PIs</b>
1	2i, 2iii, 2iv, 2v, 3i, 3ii, 3iii, 3v,
2	3iv, 3v, 3vi
3	3iv, 3v
4	3v
5	3v

Within these principles, specific strategies will be adopted in 2014/15 in respect of:

- Borrowing
- Debt rescheduling
- Provision for repayment of debt
- Management of the HRA debt portfolio
- Investments
- Liquidity management
- Reporting
- Training, and
- Management of risk.

These strategies are addressed in the following paragraphs.

### 3. Overall Borrowing Requirement and Strategy

The Council undertakes borrowing to:

- Finance capital expenditure not met from other sources (e.g. grants, capital receipts etc.)
- Replace maturing debt (net of minimum revenue provision)
- Finance cash flow in the short-term.

The primary risks associated with the management of a debt portfolio are the uncertain future fluctuations in interest rates and an uneven loan maturity profile, requiring large amounts of debt to be replaced in any single period. To mitigate this risk, the debt portfolio is managed with the aim of reducing the annual revenue cost of borrowing and evenly spreading the debt maturity profile. **Table 3** shows the estimated total borrowing requirement for 2014/15, reflecting the current approved capital programme:

<b>TABLE 3: TOTAL BORROWING REQUIREMENT 2014/15</b>	
	<b>£m</b>
Debt maturing during the year	13.8
Unsupported borrowing 2014/15:	
HRA	-
General Fund	143.4
Less: revenue provision for repayment:	
HRA	- 1.0
General Fund	-31.6
<b>TOTAL</b>	<b>124.6*</b>

*\*NOTE: £100m advance borrowing already raised, December 2012*

The Council can raise borrowing from a variety of sources:

- The Public Works Loan Board (PWLB)
- UK local authorities
- Money markets
- Commercial banks and other institutions
- UK pension funds
- Capital markets (stock issues, bills etc)
- Structured finance
- Local authority bond issues.

The Council has previously raised most of its debt from the Government's PWLB, which continues to be one of the cheapest and most flexible sources of longer-term borrowing. However, alternative sources of debt continue to be investigated. The type, period, and timing of new borrowing will be determined by the Chief Finance Officer (CFO), under delegated authority, taking into account the following factors:

- Expected movements in interest rates
- The maturity profile of existing debt

- The impact on the medium term financial strategy
- Prudential Indicators and limits.

With an average return on external investments of less than 1%, and the cost of long-term borrowing in excess of 4%, the Council has, in recent years, adopted a strategy of using surplus cash to meet borrowing requirements where possible, rather than investing it externally. This 'internal borrowing' approach is expected to continue in 2014/15, although it is likely that some longer-term external debt will be required, to ensure a minimum cash-backed investment balance.

From 1 April 2013, the Localism Act gave councils additional legal powers under a General Power of Competence. Those powers include, in theory, the opportunity to use financial instruments such as derivatives, which enable the management of risks associated with future movements in interest rates. However, the General Power of Competence does not provide explicit approval for such instruments and requires a test case, through legal proceedings, for such approval to be confirmed. Consequently, the authority does not intend to use standalone derivatives in the forthcoming financial year. Should the legal position change, City Council approval would be required to effect the necessary change in strategy and to develop an appropriate risk management framework.

The Council has a limited exposure to 'embedded derivatives', through its holding of debt raised from commercial banks, with periodic repayment options available to the lenders. However, the total exposure to this market debt at 1 April 2014 is £49m, of which £34m is potentially subject to demands for early repayment in 2014/15. This sum represents only 4.5% of total debt and the risks associated with any demands for early repayment are managed within the overall treasury risk management strategy.

#### **4. Debt Restructuring**

Opportunities for debt restructuring, which involves the premature replacement of existing debt with new loans for different periods and at different rates, will be monitored and appropriate action taken by the CFO under delegated authority, taking into account the following factors:

- The debt maturity profile
- Ongoing revenue savings
- The impact of premiums and discounts
- The impact on Prudential Indicators.

Existing PWLB variable rate debt and market loans with lender repayment options will be monitored against prevailing interest rates. Where beneficial to do so, restructuring into fixed-rate products may be undertaken, to reduce the risk of future interest rate movements.

The current wide margin between borrowing and repayment interest rates for fixed-rate PWLB debt means that there would be a large financial penalty for such debt repayment, making rescheduling of this debt unlikely in the short-term.

#### **5. 2014/15 Minimum Revenue Provision (MRP) Statement**

Under the Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008 (S.I. 2008/414), councils must produce an annual statement on their policy for making a Minimum Revenue Provision (MRP) for the repayment of outstanding debt. For 2014/15, the Council will adopt the following policies in determining its MRP:

- For all General Fund capital expenditure financed through borrowing prior to 31 March 2008, the regulatory method (designated by the Regulations as Option 1) will be adopted – MRP will be 4% of the opening capital financing requirement (CFR)
- For General Fund capital expenditure incurred after 1 April 2008, and financed by supported borrowing, the regulatory method will also be adopted (Option 1)
- For all existing HRA supported borrowing, there is no current requirement to make an annual MRP and this approach will be continued
- For all capital expenditure incurred after 1 April 2008, and financed by unsupported borrowing (both General Fund and HRA), the authority will adopt the asset life method (Option 3). The MRP will be based on the capital expenditure divided by a determined asset life, *either* through an annuity loan *or* via equal annual repayments of principal
- The MRP in respect of Private Finance Initiative schemes and finance leases, brought onto the Council's balance sheet under International Financial Reporting Standards (IFRS) will match the annual principal repayment for the associated deferred liability. The impact on the Council's revenue account is therefore neutral.

## 6. Housing Revenue Account Treasury Management Strategy

### Background

From 1 April 2012, the Council's HRA became self-sufficient, with the adoption of a 30-year business plan enabling the future maintenance and development of its housing stock to be financed from rent income, but with no further central Government subsidy. To achieve this position, the Government repaid £66m of outstanding HRA debt in March 2012. As a consequence, the HRA Capital Financing Requirement (i.e.: the overall need to borrow to finance capital assets) was reduced to £284.3m at 1 April 2012. A separate debt portfolio was created for the HRA at that date, with an appropriate proportion of the Council's existing PWLB and market loan debt being allocated to this new portfolio. Regulation requires that councils with an HRA should adopt specific strategies for the management of related debt and investments.

### Proposals for 2014/15

The following policies are proposed for 2014/15:

- The HRA will continue to meet the annual interest costs of its original external debt portfolio
- Any new external long-term borrowing raised by the Council will be allocated between the General Fund and the HRA as required and will take account of the specific needs of those separate organisations in terms of loan type, amount, timing and period
- The HRA will continue its policy of making no Minimum Revenue Provision in its revenue account for debt repayment, other than for specific existing and future prudential borrowing (see **section 5**)
- Any temporary internal borrowing from the General Fund by the HRA, arising as a result of existing debt maturing and not being replaced, will be re-charged to the HRA revenue account at an interest rate equivalent to the Council's average cost for temporary external debt
- Where considered appropriate to the HRA's business plan, such temporary borrowing from the General Fund may be fixed, both in period and interest rate, subject to the agreement of both parties
- Net cash surpluses held by the HRA (working capital plus reserves etc) will be calculated on a daily basis, with interest credited to the HRA revenue account. That

interest rate will be based on the average 3-month Government Treasury Bill yield, which reflects the risk-free nature of the investment return.

## 7. Investment Strategy 2014/15

### Investment Policy

All external investments will be made in accordance with the Council's adopted investment policy and prevailing legislation and regulation. In line with the CIPFA Code of Practice and DCLG guidance, the Council's general policy objective is to invest its surplus funds prudently. The investment priorities are:

- Security of the invested capital
- Liquidity of the invested capital
- And, commensurate with security and liquidity, an optimum return on investments.

### Introduction

The key change to the Council's investment strategy in 2014/15 is in respect of the proposed Regulations to be introduced by the Government, providing for a 'bail-in' by any failing financial institution, requiring holders of debt, including fixed deposits, to bear the initial costs of any losses - see **Section 1, Credit Outlook (Annex 1, pages 3 - 4)**.

To mitigate against this new risk, the Council will seek to further reduce the sums invested externally, through the continued application of surplus monies to meet internal borrowing - see **Section 3 (Annex 1, pages 5 - 6)**. In addition, the following changes to the Council's investment strategy are proposed:

- The inclusion of alternative investment products within its approved counterparty list such as bank 'covered bonds', which would be protected from any future 'bail-in' proposals
- Further diversification of investments, through the adoption of lower cash limits for individual institutions
- The application of shorter investment duration to institutions with lower credit ratings
- An extension of the maximum duration for investments with other UK local authorities to 5 years.

### Specific Investment Criteria

The selection of counterparties eligible for investment in 2014/15 has been based on advice received from our advisors and has taken into account all appropriate credit ratings for those institutions (using the lowest available rating supplied by the three main agencies). In addition to the use of counterparty credit rating information, a range of other factors have been taken into account:

- Other sovereign support mechanisms
- Country credit ratings
- Credit Default Swap rates (where quoted)
- Share prices (where quoted)
- Economic fundamentals, corporate developments etc
- Press articles and reports
- Market sentiment and momentum
- Any other information pertinent to the security of the investment.

### Investment counterparties

All investments are required to be categorised as 'Specified' or Non-Specified', based upon criteria within the DCLG guidance. To qualify as a Specified Investment, the investment has to be:

- In sterling only
- For a maximum period of 364 days
- With a counterparty of a high credit quality, as determined by the Council
- Not defined as capital expenditure under section 25(1) (d) in SI 2003 No 3146.

By definition, any investments not meeting the above requirements are deemed to be Non-Specified investments. The Council is required to have particular regard to the security of Non-Specified investments and to impose a ceiling on the proportion of its investment portfolio that can be held within this category.

The proposed investment instruments identified for use in 2014/15 have been selected based on the criteria detailed above:

#### a) Specified investments (high credit quality, < 365 days duration)

- UK banks - call accounts, term deposits, Certificates of Deposit (CDs) and covered bonds – with the retention of the existing requirement for a minimum individual credit rating of A- (or equivalent)
- Overseas banks – as UK banks, with an additional requirement for a minimum sovereign credit rating of AA+ (or equivalent) for all non-UK institutions
- Local authority deposits
- Supranational bonds (the debt of international organisations such as the European Investment Bank, the World Bank etc.)
- UK Government Debt Management Account Deposit facility (DMADF) deposits, Treasury Bills and UK Gilts
- Money Market Funds (instant access) - Variable Net Asset Value (VNAV) or Constant Net Asset Value (CNAV) Funds
- Other Pooled Funds - VNAV notice Funds, with 1-5 day access.

#### b) Non-specified investments (any investment of lower credit quality or > 364 days)

- UK and overseas banks – term deposits with a maximum period of 2 years
- Local authority deposits – with a maximum period of 5 years
- Negotiable instruments (CDs, covered bonds, Supranational Bonds, Gilts etc, with a secondary resale market) – with a maximum maturity limit of 5 years
- Housing Associations (registered providers with a strong regulatory framework, low debt: revenue ratios, a high proportion of income from Government subsidies and a good likelihood of Government support) – with a maximum maturity limit of 2 years.

### Approved investment counterparty list

A proposed approved counterparty list, based on the above specifications, has been drawn up in liaison with the Council's external advisors, and details are provided in **Table 4 (Annex 1, Page 11)**. Regular monitoring and evaluation of credit ratings and other criteria will be maintained, and appropriate action taken, based on this combined evaluation. Actions may include; reducing the period for new investments below the maximum sum or period (but not

above the adopted limits); suspending counterparties from the approved list for further investment; or requesting repayment of deposits, where terms allow.

Maximum limits on periods of investment and maximum sums to be deposited have been applied to individual institutions, based on the evaluation of the adopted criteria and strengthened through reference to the size of the investment portfolio, banking group structures and country limits. In particular:

- Group limits – where more than one bank on the counterparty list is included within a banking group (e.g. Bank of Scotland and Lloyds TSB Bank), the individual limits will also apply to the group as a whole
- The Council's bank – to accommodate short-term cash management, an unlimited maximum sum for up to 5 days is provided for the Council's own bank
- Country limits – other than for UK institutions, a total investment limit will apply to all counterparties in a particular country. No more than 15% of the total investment portfolio, at the time of the deposit, will be placed with any one country
- Overall country limit – in addition, no more than 25% of the investment portfolio, at the time of the deposit, will be placed with non-UK banks in total
- Period limits (term deposits) – the maximum approved duration for bank term deposits without a secondary market will be 2 years
- Period limits (negotiable instruments) – the maximum approved duration for negotiable instruments such as covered bonds, CDs, Government Gilts and Supranational Bonds which have a secondary market (i.e. can be sold before maturity) will be 5 years
- UK local authorities – an individual limit of £20m per authority and a maximum period of 5 years will apply
- UK Government DMADF\* – no limit to the maximum sum or period
- UK Government Treasury Bills\* - no limit to the maximum sum or period
- Government Gilts (bonds issued by the UK Government) – a maximum sum of £20m and a maximum period of five years
- CNAV instant access MMFs (individual) – an individual limit of £10m per Fund, with a further over-riding limit of 0.50% of the net asset value of the Fund
- VNAV instant access MMFs (individual) – an individual limit of £10m per Fund, with a further over-riding limit of 0.50% of the net asset value of the Fund
- Short-term Pooled Funds (individual) - an individual limit of £5m per Fund, with a further over-riding limit of 0.50% of the net asset value of the Fund
- All MMF and other Pooled Funds (total) - an overall total limit of £100m in all pooled funds will also be applied
- Supranational Bonds – an individual limit of £20m and a maximum period of five years
- Housing Associations (Registered Providers) – an individual limit of £10m and a maximum period of two years
- Non-Specified Investments – the maximum proportion to be held in non-specified investments will be 25% of the portfolio at the time of investment.

\* Deposits with the U.K. Government, either directly into the DMADF, or in the form of Treasury Bills, are treated as an ultimate 'safe haven' for cash deposits and therefore no limits are applied to the amount or the period of deposit.

**TABLE 4: ELIGIBLE COUNTERPARTIES FOR INVESTMENT 2014/15**

INV. TYPE	COUNTRY	COUNTERPARTY	MAX SUM £m	MAX PERIOD (TERM DEPOSITS)	MAX PERIOD - NEGOTIABLE INSTRUMENTS
Term deposit, call a/c, covered bonds, CDs.	U.K.	Bank of Scotland / Lloyds TSB	20	2 years	5 years
		Barclays Bank	20	2 years	5 years
		Council's current bank	-	5 days	-
		HSBC Bank	20	2 years	5 years
		Nationwide Building Society	20	2 years	5 years
		RBS / Nat West	20	2 years	5 years
		Santander UK	20	2 years	5 years
		Standard Chartered	20	2 years	5 years
	Australia	Australia & NZ Banking Group	10	2 years	5 years
		Commonwealth Bank of Aus	10	2 years	5 years
		National Australia Bank Ltd	10	2 years	5 years
		Westpac Banking Corporation	10	2 years	5 years
	Canada	Bank of Montreal	10	2 years	5 years
		Bank of Nova Scotia	10	2 years	5 years
		Canadian Imp. Bank of Comm.	10	2 years	5 years
		Royal Bank of Canada	10	2 years	5 years
		Toronto-Dominion Bank	10	2 years	5 years
	Finland	Nordea Bank Finland	10	2 years	5 years
		Pohjola	10	2 years	5 years
	France	BNP Paribas	10	2 years	5 years
		Credit Agricole SA	10	2 years	5 years
		Credit Agricole CIB	10	2 years	5 years
		Société Générale	10	2 years	5 years
	Germany	Deutsche Bank AG	10	2 years	5 years
	Netherlands	Bank Nederlandse Gemeenten	10	2 years	5 years
		ING Bank	10	2 years	5 years
		Rabobank	10	2 years	5 years
	Singapore	DBS Bank Ltd	10	2 years	5 years
		Overseas-Chinese Bank Corp.	10	2 years	5 years
		United Overseas Bank	10	2 years	5 years
	Sweden	Svenska Handelsbanken	10	2 years	5 years
	Switzerland	Credit Suisse	10	2 years	5 years
	U.S.	JP Morgan	10	2 years	5 years
Term deposit	U.K.	Local authorities	N/A	5 years	N/A
		Govt. Debt Mgt Deposit Facility	N/A	-	-
		Government Treasury Bills	N/A	-	-
Govt. Gilts	U.K.	Bonds issued by the UK Government	20	N/A	5 years
MMFs	World-wide	Instant access funds (CNAV or VNAV)	10	N/A	N/A
Pooled Funds	World-wide	VNAV notice funds (1-5 days)	5	N/A	N/A
Supra-national Bonds	World-wide	E.g. European Investment Bank/Council of Europe/World Bank	20	N/A	5 years
Other	U.K.	Housing Associations	10	2 years	N/A



## IMPORTANT NOTES TO TABLE 4:

### Limiting Factors

**The Council's bank** – to accommodate short-term cash management, an unlimited maximum sum for up to 5 days is provided for the Council's own bank

**Groups** - where more than one institution is included within a banking group, the individual limit will apply to the total investment in that group

**Countries** - a maximum of 15% of the investment portfolio to be invested in any one country (excluding the UK) at the time of investment, with a maximum of 25% of the portfolio, at the time of investment, in non-UK banks in total.

**Money Market Funds and other Pooled Funds** – an overall limit of £100m in all CNAV and VNAV Funds is to be applied at all times

**Non-Specified investments** – a maximum of 25% of the portfolio to be held as non-specified investments, at the time of investment.

### Investment management

**Counterparties** - all investments will be limited to institutions based on the adopted criteria. A schedule of eligible counterparties will be maintained. Their credit ratings and other relevant information will be analysed and monitored on a regular basis by the Council and its advisors, to ensure the security of monies invested

**Maximum sums** - total investments with individual counterparties, groups, and non-UK institutions, as detailed in **Table 4**, will apply at all times

**Liquidity** - the maximum period for investment will be 2 years for bank term deposits and 5 years for investments with a secondary market. In order to maintain liquidity and reduce the associated risk, the average period for investments will be monitored and reported on a regular basis.

**Return** - within the criteria detailed above, an appropriate return will be sought

**Reporting** - details of the investment portfolio, use of counterparties and the rates of return will be included in all reports to the Audit Committee and Executive Board. In addition, regular monthly reports will be provided to the Treasury Management Panel (see **Section 9**).

## 8. Liquidity Management

The Council maintains a cash flow forecasting model to determine short-term cash requirements and to determine the maximum period for which surplus funds may be externally invested. To avoid being forced to borrow monies on unfavourable terms to meet its financial commitments, this model is compiled on a prudent basis, and limits on the level of long term investments are set, with reference to the Council's MTFP and its cash flow forecast.

## 9. Reporting Process

Following approval of the Treasury Management Strategy for 2014/15, the reporting of activity and performance during the year will be, as a minimum:

- Quarterly reports to the officer Treasury Management Panel – see below
- A mid-year report to Audit Committee and Executive Board
- An outturn report to Audit Committee and Executive Board.

Any required changes to the Strategy, or the associated Prudential Indicators, will be reported to a meeting of the full City Council for consideration and approval, in accordance with CLG guidance. The Treasury Management Panel (comprising the CFO, Director of Strategic Finance, Head of Corporate and Strategic Finance, Treasury Management Officer and other senior finance colleagues) will scrutinise regular reports on treasury management activity throughout the year.

## **10. Training**

The revised CIPFA Code of Practice requires the CFO to ensure that all councillors tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive training appropriate to their needs and understand fully their roles and responsibilities.

## **11. Management of Risk**

Risk management plays a fundamental role in treasury activities, due to the value and nature of transactions involved. **Appendix B** details the specific risks identified in respect of treasury management within the Council and the adopted Risk Management Action Plan. This Plan is reviewed at regular intervals at meetings of the Treasury Management Panel.

PRUDENTIAL INDICATORS 2013/14 – 2016/17					
	2012/13 Actual £m	2013/14 Est £m	2014/15 Est £m	2015/16 Est £m	2016/17 Est £m
<b>1. PRUDENCE INDICATORS</b>					
<b>i) Capital Expenditure</b>					
General Fund	78.9	101.8	191.5	49.4	32.1
HRA	44.2	60.7	77.1	48.0	34.5
	<b>123.1</b>	<b>162.5</b>	<b>268.6</b>	<b>97.4</b>	<b>66.6</b>
<b>ii) CFR at 31 March</b>					
General Fund	553.0	563.8	675.5	663.9	669.5
HRA	283.3	282.3	281.3	280.3	279.3
PFI-related debt	66.0	93.4	237.3	231.9	221.9
	<b>902.3</b>	<b>939.5</b>	<b>1,194.1</b>	<b>1,176.1</b>	<b>1,170.7</b>
<b>iii) External Debt at 31 March</b>					
Borrowing	776.7	708.9	754.3	741.7	746.3
Other (PFI debt)	66.0	93.4	237.3	231.9	221.9
<b>Gross debt</b>	<b>842.7</b>	<b>802.3</b>	<b>991.6</b>	<b>973.6</b>	<b>968.2</b>
<b>2. AFFORDABILITY INDICATORS</b>					
<b>i) Ratio of financing costs to net revenue stream</b>					
General Fund	14.55%	13.37%	14.19%	14.89%	15.21%
HRA	13.45%	12.46%	11.81%	11.52%	11.19%
<b>ii) Impact of capital investment decisions</b>					
Council Tax Band D (per annum)	+ £1.10	-	-	-	-
HRA rent (per week)	+ £0.56	-	-	-	-
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>iii) Authorised limit for external debt</b>	882.0	882.3	1091.6	1083.6	1078.2
<b>iv) Operational Boundary for ext. debt</b>	882.0	842.3	1041.6	1033.6	1028.2
<b>v) HRA limit on indebtedness</b>					
HRA CFR	283.3	282.3	281.3	280.3	279.3
HRA Debt Cap (CLG prescribed)	319.8	319.8	319.8	319.8	319.8
Difference - headroom	<b>36.5</b>	<b>37.5</b>	<b>38.5</b>	<b>39.5</b>	<b>40.5</b>
<b>3. TREASURY MANAGEMENT INDICATORS</b>					
<b>i) Limit on variable interest rates- debt</b>	6.99%	0-50%	0-50%	0-50%	0-50%
<b>ii) Limit on fixed interest rates- debt</b>	93.01%	50-100%	50-100%	50-100%	50-100%
<b>iii) Fixed Debt maturity structure</b>					
- under 12 months	9.82%	0-25%	0-25%	0-25%	0-25%
- 12 months to 2 years	1.80%	0-25%	0-25%	0-25%	0-25%
- 2 to 5 years	5.99%	0-25%	0-25%	0-25%	0-25%
- 5 to 10 years	19.67%	0-50%	0-50%	0-50%	0-50%
- 10 to 25 years	35.54%	0-50%	0-50%	0-50%	0-50%
- 25 to 40 years	16.41%	0-25%	0-25%	0-25%	0-25%
- 40 years and above	10.77%	0-75%	0-75%	0-75%	0-75%
<b>iv) Sums invested for &gt;364 days</b>					
- in-house limit	£17.0m	£60.0m	£50.0m	£40.0m	£40.0m
<b>v) Adoption of the CIPFA Code of Practice for Treasury Management in the Public Services</b>					
	YES	YES	YES	YES	YES
<b>vi) Credit risk</b>	Provided in Annex 1, Section 7				

## **NOTES TO THE SCHEDULE OF PRUDENTIAL INDICATORS**

### **1) Prudence Indicators**

- i) *'Estimate of total capital expenditure'* – a “reasonable” estimate of total capital expenditure to be incurred in the next 3 financial years, split between the General Fund and the HRA.
  - This estimate takes into account the current approved asset management and capital investment strategies.
- ii) *'Capital financing requirement' (CFR)* – this figure constitutes the aggregate amount of capital spending which has not yet been financed by capital receipts, capital grants or contributions from revenue, and represents the underlying need to borrow money long-term. An actual figure at 31 March each year is required, together with estimates for the next three financial years.
  - This approximates to the previous Credit Ceiling calculation and provides an indication of the total long-term debt requirement.
  - The figure includes an estimation of the total debt brought 'on-balance sheet' in respect of PFI schemes and finance leases.
- iii) *'External debt'* - the actual level of gross borrowing (plus other long-term liabilities, including the notional debt relating to on-balance sheet PFI schemes and leases) calculated from the balance sheet, with estimates for the next three financial years.

### **2) Affordability Indicators**

- i) *'Ratio of financing costs to net revenue stream'* – expresses the revenue costs of the Council's borrowing (interest payments and provision for repayment) as a percentage of the total sum to be raised from government grants, business rates, council and other taxes (General Fund) and rent income (HRA). From 1 April 2012, the General fund income figure includes revenue raised from the Workplace Parking Levy.
  - These indicators show the impact of borrowing on the revenue accounts and enable a comparison between years to be made. The increase in the General Fund ratio reflects the falling grant from government and the impact of the extension of the NET capital scheme, funded from specific Government grant and the Workplace Parking Levy income streams.
- ii) *'Incremental impact of capital investment decisions'* – expresses the revenue consequences of future capital spending plans to be met from unsupported borrowing and not financed from existing budget provision, on both the level of council tax and weekly housing rents.
  - This is a key indicator, which provides a direct link between the capital programme and revenue budget and enables the revenue impact of additional unsupported capital investment to be understood.
- iii) *'Authorised limit for external debt'* – this represents the maximum amount that may be borrowed at any point during the year. An estimate for the next three financial years is required.

- This figure allows for the possibility that borrowing for capital purposes may be undertaken early in the year, with a further sum to reflect any temporary borrowing as a result of adverse cash flow. This represents a 'worst case' scenario.
- iv) *'Operating boundary for external debt'* – this indicator is a working limit and represents the highest level of borrowing is expected to be reached at any time during the year - It is recognised that this operational boundary may be breached in exceptional circumstances.
- v) *'HRA limit on indebtedness'* – from 1 April 2012, a separate debt portfolio has been established for the HRA. The CLG have imposed a 'cap' on the maximum level of debt for individual authorities and the difference between this limit and the actual HRA CFR represents the headroom available for future new borrowing.

### 3) **Treasury Management Indicators**

- i) *'The amount of net borrowing which is at a variable rate of interest'* - expressed either as an absolute amount or a percentage. Upper and lower limits for the next three financial years are required.
  - A high level of variable rate debt presents a risk from increases in interest rates. This figure represents the maximum permitted exposure to such debt.
- ii) *'The amount of net borrowing which is at fixed rate of interest'* - expressed either as an absolute amount or a percentage. Upper and lower limits for the next three financial years are required.
  - Fixed rate borrowing provides certainty for future interest costs, regardless of movements in interest rates. The lower limit is effectively the counterpart to the upper limit for variable rate borrowing.
- iii) *'Upper and lower limits with respect to the maturity structure of the authority's 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.
- iv) *'Total sums invested for periods of greater than 364 days'* – a limit on investments for periods longer than 1 year. A three-year estimate is required.
  - This indicator is designed to protect the liquidity of investments, ensuring that large proportions of the cash reserves are not invested for long periods.
- v) *'The adoption of the CIPFA Code of Practice for Treasury Management in the Public Services'*. This is not a numerical indicator, but a statement of good practice.
  - The Council adopted the Code on 18 February 2002. Revised Codes, issued in 2009 and 2011, have subsequently been incorporated within the Council's strategy and procedures.
- vi) *Credit risk* – The Council monitors a range of factors to manage credit risk, detailed in its annual Treasury Management Strategy (section 7).

### Risk Management Action Plan (RMAP)

Likelihood	
1	Remote
2	Unlikely
3	Possible
4	Likely
5	Almost Certain

Likelihood (L)	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
	Impact (I)					
	1	2	3	4	5	

Impact	
1	Negligible
2	Minor
3	Moderate
4	Major
5	Catastrophic

Low Seriousness	Medium Seriousness	High Seriousness
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Summary Business Risk: SRR17 – Failure to protect the Council’s investments			
Owned by: DCEX/CD - Resources	Completed by: DCEX/CD – Resources and Treasury Management Panel	Completed: Feb 2014	Next Review: may 2014
Prevailing Summary risk Threat Level (LxI)	4.48 (average) (1.60 x 2.80 )	Target summary Risk Threat Level	3.64 (average) (1.40 x 2.60)
Summary risk mitigation effectiveness (Effective, yet to secure improvement, may not be enough)		Effective	
<b>Risks under risk management:</b>			
Risk Ref:	Description	Current Risk Rating Score (LxI)	Target Risk Rating Score (LxI)
1	Inappropriate investment of monies with counterparties (TMP 1.1)	1 x 4 = 4	1 x 3 = 3
2	Failure to maximise recovery of Icelandic bank deposits (TMP 1.1, 1.2, 1.8)	3 x 1 = 3	2 x 1 = 2
3	Inappropriate investment strategy (TMP 1.1, 1.2, 1.3, 1.8, 3, 4 & 11)	2 x 3 = 6	2 x 3 = 6
4	Inappropriate borrowing strategy (TMP 1.2, 1.3, 1.5 & 1.8)	1 x 3 = 3	1 x 3 = 3
5	Inappropriate management of debt portfolio (TMP 1.2, 1.3, 1.5 & 1.8)	1 x 3 = 3	1 x 3 = 3
6a	Failure of the Council’s bankers (TMP 1.1, 1.2, 1.8)	1 x 3 = 3	1 X 3 = 3
6b	Transition to new banking contract (TMP 1.1, 1.2, 1.8)	2 x 3 = 6	1 x 3 = 3
7	Poor cash management (TMP 1.2, 1.8)	2 x 2 = 4	2 x 2 = 4
8	Colleague fraud (TMP 1.7 & 5)	2 x 3 = 6	2 x 2 = 4
9	Failure to comply with CIPFA Code or respond legislation changes (TMP 1.6)	1 x 3 = 3	1 x 3 = 3

**Current Management Action / Controls Acting on Risk?**

Delete as applicable: Some

Risk Ref.	Current Management/actions in place	Adequacy of action/control to mitigate risk	Additional management action/controls	Responsibility for additional action		Critical success factors of additional actions	Key Dates	
				CD	D/ HoS		Additional controls complete	Progress review frequency
				1	<ul style="list-style-type: none"> <li>Continued use of external advisors – Arlingclose contract renewed from April '13 to March '17</li> <li>Use of counterparties list based on range of formal credit ratings and wider market intelligence and advice</li> <li>Limits set for amounts and time periods with individual institutions</li> <li>Counterparty limits amended as and when required and future investments suspended if deemed appropriate</li> <li>TM and investment strategy reviewed and amended as required</li> <li>Quarterly review of the investment portfolio carried out at TM Panel meetings.</li> <li>Monitoring of wider</li> </ul>			

	economic environment provided by advisors, with amendments to the existing strategy, as required.							
2	<ul style="list-style-type: none"> <li>• Co-ordination of action, through the LGA, to ensure maximisation of recovery of sums deposited in Icelandic Banks</li> <li>• Membership of LGA Icelandic Banks Steering Committee.</li> <li>• Retention of legal advisors, in UK and Iceland, through LGA</li> <li>• Regular updates provided on proposed actions, latest recovery levels and forecasts for future receipts</li> <li>• Sale of balance of Landsbanki claim in 2013/14</li> </ul>	EFFECTIVE	<ul style="list-style-type: none"> <li>• TM Panel meets regularly to review the overall position.</li> <li>• Sale proceeds to exceed NPV of projected future repayments</li> </ul>	CM	TK	<ul style="list-style-type: none"> <li>• Heritable Bank recoveries at 94% (August '13)</li> <li>• Landsbanki and Glitnir Bank deposits confirmed as priority creditors, with recoveries of around 100% forecasted</li> <li>• Sale of Landsbanki claim completed, Feb 2014</li> </ul>	Ongoing  Ongoing  Ongoing  Auction, Jan 2014	Ongoing  Ongoing  Quarterly  Completed
3	<ul style="list-style-type: none"> <li>• Retention of external advisors.</li> <li>• Regular reviews of interest rate forecasts</li> <li>• Up to date knowledge of existing and developing</li> </ul>	EFFECTIVE		CM	TK	<ul style="list-style-type: none"> <li>• TM colleagues work with advisors and colleagues to keep abreast of wider economic conditions and</li> </ul>	Ongoing	Quarterly



Page 57	<p>investment products through regular attendance at seminars and workshops</p> <ul style="list-style-type: none"> <li>• Regular review of the investment strategy</li> <li>• Monitoring of wider economic activity and prompt response</li> <li>• CFO action under delegation (and in consultation with portfolio holder) to respond quickly to emerging issues.</li> <li>• Regular reviews (at least quarterly) with formal changes implemented as req'd</li> </ul>					<p>respond accordingly.</p> <ul style="list-style-type: none"> <li>• TM Panel meets regularly to review the overall position.</li> <li>• Weekly meetings with portfolio holder</li> </ul>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>At least quarterly and as required</p> <p>Weekly</p> <p>Ongoing</p>
57	<ul style="list-style-type: none"> <li>• Identification and monitoring of annual borrowing requirement</li> <li>• Monitoring of PWLB borrowing rates</li> <li>• Use of alternative loan products as appropriate</li> <li>• Regular review of arrangements and possibilities</li> </ul> <p>Fundamental review of capital programme has taken place, informing new capital strategy.</p>	EFFECTIVE – subject to Capital Programme review	<ul style="list-style-type: none"> <li>• Capital programme review completed</li> <li>• New capital strategy considered by Executive Board in 2012.</li> </ul>	CM	TK  JA	<ul style="list-style-type: none"> <li>• Sufficient resources identified to cover capital expenditure and cash flows</li> <li>• Continued regular review by TM Panel.</li> <li>• Approval of new Capital Strategy by Exec Board in 2012.</li> </ul>	<p>Ongoing</p> <p>Ongoing</p> <p>2012</p>	<p>Quarterly</p> <p>Quarterly</p>
5	<ul style="list-style-type: none"> <li>• Retention of strong external advisors</li> <li>• Regular monitoring of</li> </ul>	EFFECTIVE	<ul style="list-style-type: none"> <li>• Maintain existing arrangements</li> </ul>	CM	TK	<ul style="list-style-type: none"> <li>• Continued regular review by TM Panel</li> </ul>	At TM Panel meetings	Quarterly

	<ul style="list-style-type: none"> <li>debt maturity profile</li> <li>Establishment and maintenance of a liability benchmark, to monitor Minimum Revenue Provision against debt and Capital Financing Requirement</li> <li>Opportunities for rescheduling identified and implemented</li> </ul>		<ul style="list-style-type: none"> <li>Continued strong performance of external advisors</li> </ul>					
6a	<ul style="list-style-type: none"> <li>Monitoring of credit rating and other financial data in respect of Council's bankers</li> <li>Liaison with other LAs using the same bank</li> <li>Re-tendering of bank contract w.e.f. 1 April 2014</li> </ul>	EFFECTIVE	<ul style="list-style-type: none"> <li>Minimise cash sums held with bank overnight.</li> <li>Provision of alternate banking facility</li> <li>Continued monitoring of current bank status</li> </ul>	CM	TK	<ul style="list-style-type: none"> <li>Average overnight balance reduced</li> <li>Major income credited to alternative bank account</li> <li>Bank recapitalisation achieved</li> </ul>	Complete	Dec 2013
6b	<ul style="list-style-type: none"> <li>Appointment of new bankers</li> <li>Temporary extension of existing contract to enable transition between banks</li> <li>Liaison between new and outgoing bank</li> </ul>	EFFECTIVE		CM	TK	<ul style="list-style-type: none"> <li>Review by TM Panel</li> </ul>	At TM Panel meetings	30 Sep '14
7	<ul style="list-style-type: none"> <li>Use of cash forecasting models, with regular monitoring</li> <li>Continuous</li> </ul>	EFFECTIVE	<ul style="list-style-type: none"> <li>Maintain existing arrangements</li> </ul>	CM	TK	<ul style="list-style-type: none"> <li>Regular review by TM Panel</li> </ul>	At TM Panel meetings	At least Quarterly

	adaptation of model in the light of prevailing and forecast circumstances							
8	<ul style="list-style-type: none"> <li>• System of delegation and approved processes</li> <li>• Separation of duties between treasury management dealing and accounting</li> <li>• Use of professional indemnity insurance</li> <li>• Governance checks in place – e.g.: review by deputy s151 officer and TM Panel in place and satisfactory outcomes to date</li> </ul>	EFFECTIVE	<ul style="list-style-type: none"> <li>• Periodic system tests</li> <li>• Maintain existing arrangements – to be changed if testing identifies any issues</li> <li>• Maintenance of an updated Treasury Management Manual of Procedures and Practices</li> </ul>	CM	TK	<ul style="list-style-type: none"> <li>• Satisfactory outcome of internal audit review</li> <li>• Continuing satisfactory outcome of checks by deputy s151 officer and system tests.</li> <li>• TM Panel review is robust</li> </ul>	Internal audit reports	Quarterly
							Ongoing TM Panel meetings	Ongoing
								Ongoing
9	<ul style="list-style-type: none"> <li>• Formal adoption of Code in place since inception.</li> <li>• Updates are reflected in annual review of TM and Investment Strategies</li> <li>• Review of requirements to take place as early as possible</li> <li>• Training on accounting issues</li> <li>• Regular attendance at treasury workshops and seminars</li> </ul>	EFFECTIVE	<ul style="list-style-type: none"> <li>• Existing arrangements to continue</li> <li>• LAAP Bulletin updates to be identified through specific closedown action note</li> </ul>	CM	TK	<ul style="list-style-type: none"> <li>• Continued application of current arrangements</li> <li>• Revisions are promptly and accurately reflected</li> <li>• Satisfactory internal audit review outcome</li> <li>• Robust appraisal by TM Panel</li> </ul>	Ongoing	Ongoing
							Annual TM and investment strategy	Annual
							Audit report	
							TM Panel meetings	At least quarterly

GLOSSARY OF TREASURY MANAGEMENT TECHNICAL TERMS	
TERM	DEFINITION
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".
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 been financed.
Certainty Rate (PWLB)	A 0.20% discount offered on new loans from PWLB in return for submission of information on future borrowing requirements.
Certificates of Deposit	Tradeable debt instrument issued by financial institution with fixed interest rate and maturity.
CNAV	See Money Market Funds
Credit Default Swaps	A financial instrument for swapping the risk of debt default; the buyer effectively pays an insurance premium against the risk of default.
Credit Rating	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.
Debt maturity	The date when an investment or loan is scheduled to be repaid.
Debt maturity profile	An analysis of the maturity dates of a range of loans/investments.
Diversification	The spreading of investments among different types of assets or between markets in order to reduce risk.
European Investment Bank (EIB)	A non-profit bank created by the European Union principally to make or guarantee loans to EU members for projects contributing to regional development within the Union. Funding is raised through the issuance of bonds, guaranteed by member states.
Funding For Lending Scheme	A Government/Bank of England scheme to provide banks with cheaper funding with the aim of increasing banks' overall net lending activity.
Government Gilts	Bonds issued by the UK Government. They take their name from 'gilt-edged': 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.
Int. Financial Accounting Standards (IFRS)	Guidelines and rules set by the International Accounting Standards Board that companies and organisations follow when compiling financial statements.
Minimum Revenue Provision	An annual provision that the Authority is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets
Money Market Funds (MMF)	Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.
MMFs - CNAV	Constant Net Asset Value - a term used in relation to the value of a unit share in a pooled fund. The value of a share is always £1.
MMFs - VNAV	Variable Net Asset Value - a term used in relation to the value of a unit share in a pooled fund. A proportion of the assets may be valued at market value, rather than purchase price, reducing the value of the share on a temporary basis.
Negotiable Instruments	Term used for instruments such as Certificates of Deposits, Covered Bonds, Medium Term Notes and Corporate Bonds,

	where it is possible to realise the investment on the secondary market before maturity.
Non-Specified Investments	Term used in the CLG guidance. It includes any investment for periods greater than one year or those with bodies that do not have a high credit rating, use of which must be justified.
Pooled funds	Funds in which several investors collectively hold units or shares. The assets in the fund are held as part of a pool.
Premiums and Discounts	A penalty or payment arising from the premature repayment of debt. The calculation is dependant on the relative level of interest rates for the existing loan and current market rates.
Private Finance Initiative	A way of funding major capital investments, without immediate recourse to the public purse. Private consortia are contracted to design, build, and in some cases manage new projects. Contracts can typically last for 30 years, during which time the asset is leased by a public authority.
Prudential Code	Developed by CIPFA as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.
Prudential Indicators	Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators.
PWLB	Public Works Loans Board. A statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.
Quantitative Easing	The process used by the Bank of England to directly increase the quantity of money in the economy. The Bank buys assets from private sector institutions and credits the seller's bank account. The seller has more money in their bank account, while their bank holds a claim against the Bank of England (known as reserves). The end result is more money out in the wider economy.
Revenue Expenditure	Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.
Specified Investments	Term used in the CLG Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than 1 year. UK government, local authorities and bodies that have a high credit rating.
Supranational Bonds	Debt issued by international organisations such as the World Bank, the Council of Europe and the European Investment Bank
Term Deposits	Deposits of cash with terms attached relating to maturity and rate of return (interest).
Treasury Bills	Government-issued short-term loan instrument
Treasury Management Code	CIPFA's Code of Practice for Treasury Management in the Public Services.
Unsupported Borrowing	Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.
VNAV	See Money Market Funds

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**EXECUTIVE BOARD - 25 FEBRUARY 2014**

<b>Subject:</b>	<b>MEDIUM TERM FINANCIAL PLAN (MTFP) 2014/15 – 2016/17</b>		
<b>Corporate Director(s)/ Director(s):</b>	Carole Mills, Deputy Chief Executive/Corporate Director for Resources (and Chief Finance Officer)		
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
<b>Report author and contact details:</b>	Carole Mills, Deputy Chief Executive/Corporate Director for Resource 0115 876 3838 <a href="mailto:carole.mills@nottinghamcity.gov.uk">carole.mills@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b>
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Reasons:</b>	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision		<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Total value of the decision:</b>			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> Ongoing throughout the process		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter	<input checked="" type="checkbox"/>		
Cut crime and anti-social behaviour	<input checked="" type="checkbox"/>		
Ensure more school leavers get a job, training or further education than any other City	<input checked="" type="checkbox"/>		
Your neighbourhood as clean as the City Centre	<input checked="" type="checkbox"/>		
Help keep your energy bills down	<input checked="" type="checkbox"/>		
Good access to public transport	<input checked="" type="checkbox"/>		
Nottingham has a good mix of housing	<input checked="" type="checkbox"/>		
Nottingham is a good place to do business, invest and create jobs	<input checked="" type="checkbox"/>		
Nottingham offers a wide range of leisure activities, parks and sporting events	<input checked="" type="checkbox"/>		
Support early intervention activities	<input checked="" type="checkbox"/>		
Deliver effective, value for money services to our citizens	<input checked="" type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>This report presents the Council’s Medium Term Financial Plan (MTFP) for 2014/15 – 2016/17. The MTFP comprises four elements: 1. General Fund revenue budget; 2. General Fund capital programme, 3. Housing Revenue Account (HRA) revenue budget and 4. HRA capital programme. Prudential Indicators are reported separately on this agenda within the Treasury Management Report.</p> <p>It also provides the statutory calculation for the Council’s 2014/15 revenue budget requirement and the steps needed to set the council tax level for approval at the meeting of City Council in March.</p> <p>THE MTFP report contains a large amount of important information. In order to make this accessible, the report comprises 6 annexes as follows:</p> <ol style="list-style-type: none"> <li><b>Annex 1</b> sets out the current 2013/14 forecast outturn for all 4 elements of the MTFP.</li> <li><b>Annex 2</b> sets out, in the form of an integrated budget book, the proposed MTFP for 2014/15 – 2016/17, reflecting funding for the delivery of the Council Plan and the various levels of service plan that support it. This annex provides the main detail for the General Fund revenue element of the MTFP along with a summary of the other three elements.</li> <li><b>Annex 3</b> sets out the Capital Programme for 2013/14 (ie revised current year) - 2018/19 and</li> </ol>			

the work being done to prepare a capital investment plan that supports the Council's strategic priorities.

4. **Annex 4** sets out the HRA budget which forms part of the HRA Business Plan that seeks to ensure that this ring fenced account remains in balance. An increase in rents is proposed which will finance the management and maintenance of the stock together with the introduction of a tenant reward scheme,
5. **Annex 5** sets out the Chief Finance Officer's assessment of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the reserves.
6. **Annex 6** sets out the Council's budget consultation activity and the responses to that consultation

This information enables Executive Board to set the HRA rent levels and service charges for 2014/15 and introduce a tenant reward scheme and make recommendations to City Council in respect of the MTFP for 2014/15 – 2016/17, in particular in relation to:

- The General Fund revenue budget and council tax levels for 2014/15.
- The Capital Programme 2013/14 to 2018/19.

As is usual, public consultation has been undertaken in relation to the draft budget. Feedback from the consultation process has been taken into account in making these final recommendations to City Council.

**The decision is not subject to call-in as Councillor Brian Parbutt, Chair of the Overview and Scrutiny Committee, has agreed that the decision is reasonable in all the circumstances and should be treated as a matter of urgency as the Council's budget has to be approved at the Full Council meeting on 3 March 2014 (which is before the call-in period has ended).**

**Exempt information:**

None.

**Recommendation(s):**

**1 2013/14 Budget (Annex 1)**

- a. To note the current forecast outturn for the 2013/14 General Fund and HRA revenue budgets and capital programmes, as detailed within **Annex 1**.
- b. To endorse the allocations from Contingency as set out in **Table 1D** of **Annex 1**.
- c. To approve the budget virements and reserve movements set out in **Table 3** and **Appendices C and D**.

**2 MTFP 2014/15 – 2016/17 – Overall and Focus on Revenue Element (Annex 2)**

- a. To note:
  - i. The General Fund revenue aspects of the MTFP as set out in **Annex 2**.
  - ii. That, at the time of despatch of this report, the Fire Authority had not formally approved their final council tax increases. The final precepts will be confirmed prior to the City Council meeting on 3 March 2014.
- b. To note, endorse and recommend to City Council (and in so doing, specifically incorporate the statutory determinations set out in **Section 4** of this report):
  - i. The General Fund net budget requirement for 2014/15 of **£277.230m**
  - ii. A basic amount of Council Tax level (Band D) of **£1,431.80** that will raise a total of **£85.835m** (an increase of **1.95%**)
  - iii. Delegated authority to the appropriate Director to implement all proposals after undertaking any necessary consultation



### **3 MTFP 2014/15 – 2016/17 – Capital Programme Element (Annex 3)**

- a. Executive Board to note, endorse and recommend to City Council the Capital programme as detailed in **Appendix D of Annex 3**.
- b. To approve the **£2.140m** for district heating pipes as detailed in **Annex 3**.

### **4 MTFP 2014/15 – 2015/16 – HRA Element (Annex 4)**

- a. To approve with effect from 31 March 2014 (subject to consultation):
  - i. an average increase in rent levels for all Council owned dwellings within the HRA of **7.50%**
  - ii. an increase in service and heating charges of **3.2%**.
  - iii. an increase in the service charge for independent living of **3.2%**.
  - iv. an increase in weekly garage rents of **£0.25** per week (52 week basis).
  - v. an increase in the Emergency Alarm charge of **£0.080** per week (52 week basis)
- b. To approve the:
  - i. cost pressures totalling **£0.981m**, as detailed in **Annex 4**.
  - ii. HRA working balance to be set at **£4.000m**.
  - iii. Public Sector Capital Programme as set out in **Appendix B of Annex 4**.
  - iii. maintenance of a capital allowance to avoid pooling of receipts generated from HRA land and building sales to be used to fund affordable housing and regeneration schemes as set out in **Annex 4**.
- c. To agree in principal to the introduction of a tenant reward scheme to be implemented in 2014/15 as set out in **Annex 4**, subject to the on-going consultation.
- d. To note, endorse and recommend to City Council the 2014/15 HRA budget, as set out in **Appendix A of Annex 4**.

**5** To note and endorse the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates made for the purposes of all aspects of the budget calculations and the adequacy of reserves, as detailed in **Annex 5**.

**6** To note the outcomes of the budget consultation and communication as detailed in **Annex 6**.

**7** To delegate authority to the Deputy Chief Executive & Corporate Director for Resources, in consultation with the Deputy Leader, to finalise the MTFP for publication following approval of the relevant elements of the budget by City Council.

## **1 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

1.1 The MTFP translates the Medium Term Financial Strategy (MTFS) into a funded plan of action which enables the Council Plan and its subsidiaries to be delivered. It covers a rolling three-year period and comprises four elements:

1. General Fund revenue budget,
2. General Fund capital programme,
3. HRA revenue budget and
4. HRA capital programme.

1.2 Unavoidably, this document contains considerable detail about the composition of the budget and the wide variety of issues taken into account in constructing the MTFP. Therefore, in seeking to make all this detail more accessible, the budget report has

been constructed using Annexes, each of which focuses on a particular aspect of the MTFP. Each Annex has appendices to provide relevant additional information. The Annexes are as follows:

- **Annex 1** sets out the current 2013/14 forecast outturn for all 4 elements of the MTFP.
- **Annex 2** sets out, in the form of an integrated budget book, the proposed MTFP for 2014/15 – 2016/17, reflecting funding for the delivery of the Council Plan and the various levels of service plan that support it. This annex provides the main detail for the General Fund revenue element of the MTFP along with a summary of the other three elements.
- **Annex 3** sets out the Capital Programme for 2013/14 – 2018/19 and the work being undertaken to prepare a capital investment plan that supports the Council's strategic priorities.
- **Annex 4** sets out the HRA budget which forms part of the HRA Business Plan that seeks to ensure that this ring fenced account remains in balance. An increase in rents is proposed, which will finance the management and maintenance of the stock and seeks to introduce a tenant reward scheme.
- **Annex 5** sets out the Chief Finance Officer's (CFO's) assessment of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the reserves. This is required under The Local Government Act (Part II) 2003.
- **Annex 6** sets out details of budget consultation activity and the responses from various stakeholders

1.3 It is proposed to formally publish the MTFP once City Council has debated and approved the budget. This document (known as the Budget Book) will essentially be similar to **Annex 2** with the addition of some of the details and appendices from the other annexes. The final version of that document does not appear here to avoid duplication. Inevitably, there are some unavoidable overlaps between the annexes in this report to aid understanding and inform decision making

1.4 As the leading partner within One Nottingham, our Council Plan and the MTFS have been aligned to the Nottingham Plan to optimise our contribution to the successful delivery of the City's vision. The Council Plan sets out how we will do that

1.5 The budget process has once again been characterised by significant movements in resources across services. Net spending profiles:

- follow the Council Plan priorities;
- recognise the impact of the downturn in the global and national economy;
- deal with the impact of the significant funding reduction from and changing policy direction set by national Government;
- address, as far as possible, demand, legislative and inflationary pressures;
- take account of local interpretation of relevant regional and national priorities and programmes;
- support the determination to continue to improve our performance, optimally design our services and improve our offer to citizens;
- recognise the ongoing imperative to demonstrate value for money, particularly given the prevailing economic conditions and significantly reduced levels of funding; resulting in significant cost reductions whilst targeting resources at the highest priorities;

- 1.6 The draft MTFP reflects the culmination of the extensive work of councillors, colleagues and other stakeholders to fulfil a legal obligation to enable the setting of a balanced budget for 2014/15 in the context of a 3-year MTFP to fund provision of a wide range of services; many of them statutory. Resources have been redirected by:
- Identifying cost reductions – both efficiencies and policy change;
  - Reviewing priorities and services and restructuring accordingly;
  - Optimising external funding;
  - Reviewing income streams;
  - Implementing new ways of working and providing services
- 1.7 The MTFP process is supported by extensive consultation and the Council is committed to maintaining and developing this participation.

Pre-budget consultation was carried out in October to December 2013, with 2,524 residents expressing their views on priority Council services. Further consultation has been undertaken from December 2013 with citizens, colleagues, businesses and the voluntary sector to consider the budget proposals set out in the draft Medium Term Financial Plan. A total of 171 people responded to online and paper surveys, 282 attended public meetings, approximately 200 colleagues attended budget road shows, and a small number of individuals and organisations submitted detailed responses.

During the consultation process, there was wide recognition of the Council's difficult position. The main proposals commented on related to proposed reductions in Early Intervention Services, particularly Adult Social Care, Housing Related Support, Children's Centres and Public Health Nutrition. Respondents expressed concerns around the potential impact of these changes on vulnerable citizens, and the possibility of additional long-term costs to the Council in providing additional critical care services.

Full details of the consultation outcomes can be found in **Annex 6**

Following this consultation and the Equality Impact Assessment, some of the significant changes include:

- the proposal concerning 'Supported Accommodation Service for citizens with mental health needs' has been withdrawn – this means the outcome of the tender process will now be awarded and the mental health accommodation service will now be delivered.
- the proposal to end the subsidy for the Home Improvement Agency (HIA) has been amended and the Council will continue to provide funding albeit at a reduced levels and priorities for the HIA will be renegotiated.

There is sufficient scope within the Adult Social Care Big Ticket programme to enable the proposed saving levels to still be achieved.

#### 1.8 HRA Tenant Consultation on 2014/15 Budget and Rents

Presentations were made Tenant and Leaseholder Congress in January and February 2014. Tenants were advised that the investment plan set out in the MTFP was predicated on a medium term plan for housing rent increases, and that given the constraints that could be imposed on future increases there is a need to increase rents in 2014/15 to protect the investment priorities of tenants. The increase for 2014/15 according to the plan was 5.48%, slightly below the level if rent convergence would have been applied. The preferred option is to increase rents by 7.5% in 2014/15 and

at the same time introduce a tenant reward scheme which would have the effect of reducing the impact of the rent increase on responsible tenants of 4.68%. The tenant reward scheme will offer up to £100 per annum to tenants. Tenants will not qualify for the reward scheme if they:

- Fail to look after their garden;
- Fail to make arrangements to pay their rent arrears;
- Commit crime and anti-social behaviour.

The discussion also covered an outline of the sources of income and expenditure available to the HRA and a request to have presentations in the coming year about the detail of the HRA expenditure, similar to that undertaken last year. The tenants were keen to see the benefits of the investment in the stock realised.

It was recognised that setting rents was ultimately the responsibility of the City Council and in reaching a decision; the views of tenant representatives would be taken into account.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 This report presents and seeks endorsement for the draft MTFP for 2014/15 - 2016/17 to enable Executive Board to approve rent increases and make recommendations to City Council for consideration on 3 March 2014 when they meet to set the budget and council tax for 2014/15.

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Throughout the budget process, a large number of individual cost reduction, income levels and investment options are considered. This in turn impacts on the level of reserves. This is a complex process with many iterations and possibilities too numerous to present as discrete options. This report presents the final overall package of detailed proposals which together seek to balance levels of investment, cost reduction and an appropriate level of income.

### **3.2 General Fund**

The Government has made an offer of a Council Tax Freeze Grant (CTFG) for 2014/15. The Council could choose to accept the CTFG in 2014/15. Reducing the proposed City Council Band D council tax increase of 1.95% to 0% in 2014/15 to receive the council tax freeze grant would add an on-going net pressure of **£0.568m**.

### **3.3 HRA**

Options for increasing rents have been considered to mitigate the impact on tenants balanced against protecting investment in the stock to meet tenant priorities. Tenants have been consulted on the preferred option of a 7.5% rent increase with the introduction of a tenant reward scheme for responsible tenants (equating to a 4.68% rent increase for responsible tenants) or a flat rate increase of 5.48% in line with the existing rent policy.

## **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 The City Council's MTFP forms the cornerstone of financial management and control and service delivery within the organisation. Details for 2013/14 are contained in **Annex 1. Annexes 2 – 6 inclusive** cover the MTFP for 2014/15 – 2016/17. The key headlines for each of the four elements of the MTFP are:

### **General Fund Revenue Budget**

- A forecast outturn underspend in 2013/14 (before allocations and carry forwards) of **£1.700m**;

- A 2014/15 net revenue budget requirement of **£277.230m** and a Band D council tax (excluding precepts) of **£1,431.80**;
- At the time of despatch of this report, the fire precepting authority had not formally approved their final council tax increases. The final precept will be confirmed prior to the City Council meeting on 3 March 2014.
- Funding for pressures of **£2.510m** in 2014/15;
- Departmental efficiency proposals of **£5.768m**;
- Further savings from transforming the way we work of **£14.874m**;
- Corporate proposals totalling a net **£1.977m** reduction.

### **General Fund Capital Programme**

- An overall programme of **£402.945m**, of which **£191.496m** relates to 2014/15.
- Of this, **£33.421m** is funded from specific grants and contributions, **£9.062m** from capital receipts and **£143.415m** from prudential borrowing.

### **HRA Revenue Budget**

- An HRA expenditure budget of **£105.639m** in 2014/15.
- An average increase in rent levels of **7.5%**, generating **£5.904m**.
- An increase in service charges of **3.2%**, totalling **£0.092m**.
- An increase in garage rents generating **£13k**.
- Cost pressures of **£0.981m**.
- A closing working balance in 2014/15 of **£4m**.

### **HRA Capital Programme**

- An overall programme of **£296.704m** of which **£77.080m** relates to 2014/15.
- Of this, **£14.073m** is funded from specific grants and contributions, and **£3.015m** from capital receipts in 2014/15

The Council has a robust approach to providing value for money (vfm) through the redesign of services and the identification of cost reductions whilst ensuring delivery of the Council Plan and the MTFs. An embedded approach to vfm lies within the Council's planning and service delivery framework and the Council has a Transformation Portfolio of programmes designed to bring about more fundamental change in the way both services are designed and delivered and the organisation operates. Some of these programmes are the Big Ticket projects described within the report.

The Audit Committee has responsibility for the scrutiny and challenge of the financial and performance framework and its implementation.

## **4.2 Statutory Determinations**

The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992. As a result, the billing authority is required to calculate a Council Tax Requirement for the year rather than the previous Budget Requirement.

The following paragraphs set out the 2014/15 proposals in a formal layout governed by statute; commonly known as statutory determinations. These paragraphs will be incorporated into the recommendations to City Council. These formal sections need to be read in conjunction with the rest of the report, its annexes and appendices and the further detailed information on the Council's budget intranet site.

The legislation governing the setting of council tax is contained in the amended Local Government Finance Act 1992 (the Act). Section 31B requires a billing authority to calculate the basic amount of its council tax, which in the City Council's case is the council tax applicable to Band D dwellings in its area.

The calculation is made using a formula **R/T** as follows:

**R** is the amount calculated (or last calculated) by the authority under section 31A (4) as it's Council Tax Requirement for the year. The Council Tax Requirement for 2014/15 is **£85,835,277**

**T** is the amount calculated by the City Council as its council tax base for 2014/15. In January 2014 this was calculated at **59,949** for the year 2014/15

Application of the formula **R/T** thus gives a basic amount of Council tax of:

$$\frac{\mathbf{£85,835,277}}{\mathbf{59,949}} = \mathbf{£1,431.80}$$

This represents the City Council's basic amount of council tax for a Band D property in accordance with Section 31B (1) of the Act.

Application of the formula specified in section 36 of the Act gives the following City Council Tax for each valuation band.

<b>BAND</b>	<b>FACTOR</b>	<b>CITY COUNCIL BASIC AMOUNT OF COUNCIL TAX £</b>
<b>A</b>	6/9	954.53
<b>B</b>	7/9	1,113.62
<b>C</b>	8/9	1,272.71
<b>D</b>	9/9	1,431.80
<b>E</b>	11/9	1,749.98
<b>F</b>	13/9	2,068.16
<b>G</b>	15/9	2,386.33
<b>H</b>	18/9	2,863.60

The City Council, as billing authority, is required under section 30(2) of the Act to set council taxes for its area. In the City Council's case these will represent the aggregate of the City Council's council taxes and also those of Nottinghamshire Police and the Nottinghamshire and City of Nottingham Fire & Rescue Authorities.

For the financial year 2014/15, the Nottinghamshire Police and Crime Commissioner has issued the following amounts in precepts in accordance with Section 40 of the Act for each of the categories of the dwellings shown below:

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
115.32	134.54	153.76	172.98	211.42	249.86	288.30	345.96

For the financial year 2014/15 the Nottinghamshire and City of Nottingham Fire & Rescue Authority has issued the following amounts in precepts for each of the categories of dwelling shown below:

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
tbc	tbc	tbc	tbc	tbc	tbc	tbc	tbc

The impact of the proposals in the council tax is as follows:

<b>BAND</b>	<b>CITY COUNCIL £</b>	<b>POLICE £</b>	<b>FIRE £</b>	<b>AGGREGATE £</b>
<b>A</b>	954.53	115.32	tbc	tbc
<b>B</b>	1,113.62	134.54	tbc	tbc
<b>C</b>	1,272.71	153.76	tbc	tbc
<b>D</b>	1,431.80	172.98	tbc	tbc
<b>E</b>	1,749.98	211.42	tbc	tbc
<b>F</b>	2,068.16	249.86	tbc	tbc
<b>G</b>	2,386.33	288.30	tbc	tbc
<b>H</b>	2,863.60	345.96	tbc	tbc

**5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)**

- 5.1 The City Council is required to set a balanced budget for 2014/15 before 11 March 2014.
- 5.2 A detailed and comprehensive risk assessment has been undertaken in order to inform the CFO's assessment of the affordability of these budget plans and the consequent recommended levels of reserves and contingencies. This is summarised in **Annex 5**.
- 5.3 The Council has a duty under the Equality Act 2010 to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between protected groups (such as disabled people or ethnic minority groups) when considering proposed new or changing policies, services or functions, including decisions on funding for services, and decisions on implementation of policies developed outside the Council.

**6 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 6.1 Equality issues associated with the budget proposals are set out on the attached EIA (**Appendix A**) which has been developed based on extensive consultation with a wide range of groups.
- 6.2 Individual EIAs have been carried out for specific proposals identified as relevant to equality, incorporating discussion with portfolio holders where appropriate.

**7 SOCIAL VALUE CONSIDERATIONS**

None

**7 REGARD TO THE NHS CONSTITUTION**

Not applicable

**8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed
- (b) No
- (c) Yes

Equality issues associated with the budget proposals are set out on the attached EIA (**Appendix A**) which has been developed based on extensive consultation with a wide range of groups.

Individual EIAs have been carried out for specific proposals identified as relevant to equality, incorporating discussion with portfolio holders, where appropriate.



**9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

None

**10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

Previously published documents are available on the Budget Consultation Web page <http://www.nottinghamcity.gov.uk/index.aspx?articleid=20457>

**11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

Theresa Channell – Head of Corporate and Strategic Finance (Acting)  
0115 8763657  
[theresa.channell@nottinghamcity.gov.uk](mailto:theresa.channell@nottinghamcity.gov.uk)

**Name and brief description of proposal / policy / service being assessed**2014/15 Budget Proposals

This document provides an overview of equality issues associated with the revenue element of the Council's draft budget proposals for 2014-15. It summarises the potential equality impacts identified in relation to the budget proposals, and the steps taken to minimise impact on protected groups during the development of the proposals.

This assessment should be read in conjunction with the Executive Board report that sets out the proposals and background in detail. Individual equality impact assessments have been carried out for specific proposals identified as relevant to equality. When they become available, EIAs are published online on the [Nottingham Insight](#) website.

Context

This year's budget proposals are the fourth time the Council has had to consider where it can make savings in view of significantly reduced settlement from the Government. Additional savings for 2014/15 of £25.5m are proposed, which are on top of the £99m reduction since 2011.

The Council has taken a careful and measured approach to the budget in difficult circumstances and has sought to protect frontline services and vulnerable citizens. This is increasingly difficult to sustain given the scale of further funding reductions to 2015 and beyond as Government grant funding is set to fall by a further £55m, and as the economic climate continues to present challenges to the income generated locally through Council Tax, Business Rates and other sources at a time when demand for some services is increasing.

Council Tax

The level of proposed Council tax has been set with a view to providing the resources the Council needs to manage and meet increasing needs and demand for vulnerable adults and children's services, in a context of decreasing external funding.

Rent

The level of rent has been set, based on requirements set out by the Government for 'rent convergence' between public and private sector rent levels. Due to the way in which eligibility for Council housing is assessed, Council tenants are more likely to have lower incomes and be financially excluded or in financial difficulty. Tenant profile data indicates that Black or Minority Ethnic, female, and age groups 25-44 and 45-74 are statistically more likely to be affected by Council rent increases, although this financial impact is mitigated by compensating increases in Housing Benefit. A proposal is being explored for a reward scheme, which would potentially mitigate the effects of any increase for tenants. The details of this would be subject to a detailed Equality Impact Assessment by Nottingham City Homes.

Responding to Welfare Reform

The Government's welfare reform changes have begun to impact on big cities like Nottingham with the introduction of housing benefit under-occupancy rules, changes to council tax benefit, the benefits cap and a range of changes to sickness and disability benefits. These changes have generally affected lower income working age households and have had less effect on older citizens. The Council has continued to invest £1m in advice services to support citizens affected and has shaped policy responses as far as possible to reduce the impacts for example, working closely with Nottingham City Homes and other social housing landlords to reduce the impact of housing benefit changes, ensuring that we make full use of discretionary housing payments and target them as effectively as possible, introducing our emergency hardship support scheme and enabling it to respond more flexibly to emerging hardship.

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### Public Health

As part of the transfer of Public Health to Nottingham City Council, a grant of £27m was provided to deliver this function, including commissioning a range of public health services to be used to meet the specific needs of Nottingham citizens. The Council is continuing to use its Public Health Grant to fund activities which have been identified as contributing to improving the health and wellbeing of citizens and reducing health inequalities and targeted to meet the needs of vulnerable citizens with the greatest health needs, as identified through the joint strategic needs assessment, and through health equity audits, health needs assessments and equality impact assessments in relation to specific commissioned services. Achieving greater efficiency and cost effectiveness across services will enable investment into the wider social determinants of health and public health responsibilities of the council. A Mental Health Strategy for Nottingham is also currently under development.

### **Information used to analyse the effects on equality**

This assessment is based on an extensive process of consultation and equality impact assessment built into the Council's overall budget development process. This has included:

- screening of all proposals to identify potential equality impact
- equality impact assessments for specific budget proposals where a potential equality impact has been identified
- ongoing discussions between Officers and Executive Councillors
- regular budget development meetings for Councillors to approve, amend, or reject budget proposals, taking into account their potential equality impact
- additional consideration of cumulative equality and wider community impact of the proposals
- meetings with Voluntary and Community Sector (VCS) representatives
- consultation on the Council's budget priorities
- feedback and knowledge of the impact of welfare reform and previous efficiency measures
- consultation and a separate equality impact assessment on the Council Tax Support Scheme<sup>1</sup>

The Government has implemented a rapid and extensive programme of policy change, accompanied by significantly reduced funding for the public sector. In response, our budget proposals:

- seek to address demographic and service pressures through service re-design;
- reflect the significant reductions in external funding (especially general and specific Government grants) by reducing expenditure on those activities;
- reflect our determination to be efficient, improve performance and modernise our organisation;

<sup>1</sup> <http://committee.nottinghamcity.gov.uk/documents/s1422/Appendix%201.pdf>

## Equality Impact Assessment Form

- recognise the very challenging financial landscape and future outlook and the impact on all sectors including the public sector.

In the light of the financial challenges facing the public sector and the Council, increased development of partnership working is becoming more focussed on reducing demand and working arrangements that focus on integration, joined up operations, shared services and pooled resources. For example, exploring co-location opportunities and shared service arrangements in the proposed new Neighbourhood Joint Service Centre at Strelley Rd which includes Council services, Nottingham City Homes and Nottinghamshire Police.

Budgets have been redirected to enable resources to be targeted on the Council's current focus of protecting key services and supporting the most vulnerable, keeping Nottingham clean and safe, protecting jobs and stimulating job growth, and bolstering the economy. Resources are proposed to be redirected by:

- focussing on areas of biggest spend with a strategic approach 'Big Tickets'. These areas of transformation will require whole council and partner input to transform the way we work and deliver significant savings.
- reducing demand through focusing on prevention and early intervention
- identifying efficiencies and other types of cost reduction
- corporate proposals to increase income or generate savings

Page 76 reviewing priorities and implementing new methods of service provision

modernising our ways of working

- implementing a Commercialism Programme to increase revenue and reduce costs. The Programme impacts on every part of the Council's business. The MTFP includes total savings of £14.605m as a consequence of increased revenue, cost reduction and avoided costs, thereby protecting and improving services to citizens.

Statistical information and research such as demographic and workforce data, and independent reports have been referenced where appropriate. Other information has informed equality impact assessments for specific proposals where appropriate.

### Demographic change<sup>2</sup>

The population of the city has increased over the last 10 years from 266,988 in 2001 to 305,680 in 2011 and Nottingham's population is set to continue growing. The number of people in the City aged 85 or over is projected to increase by over 2,000 by 2031, an increase of over 40%. The number aged 85 and over is projected to increase more quickly, due to improved survival rates in that age-group, particularly amongst men. By 2021, it is projected that the number of people aged 85 and over will be 600 (12%) higher than in 2011.

Nottingham's young age profile has become more pronounced due to the rising birth rate and the expansion of the City's two universities. The birth rate has increased from an historic low of around 3,200 per year in 2001 to an historic high of 4,500 in 2011. This has led to an increase in the 0-4 year olds of 30% over the last 10 years. Around 15.0% of the City's population are now full time students aged 18 or over, leading to a

<sup>2</sup> <http://www.nottinghaminsight.org.uk/insight/key-datasets/census-2011-analysis.aspx>

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38% increase in the 16-24 population of the city.

Nottingham is also becoming more diverse in terms of ethnicity. Over a third (35%) of the population is non-White British, with increases in most ethnic groups but particularly large increases in Pakistani, White Other and African groups. Nottingham has the highest proportion of people of Mixed or multiple ethnic groups outside London. The young population of the city is even more ethnically diverse with 45% of city under 18's being non-White British.

In the 2011 Census 18.1% of Nottingham's population reported health problems or disabilities which limit their day to day activities. This is slightly higher than the national average of 17.6%. However amongst people of working age, 14.2% of people have health problems or disabilities which limit their day to day activities compared to 12.7% nationally. This larger gap shows that the overall figures are higher than might be expected given the relatively young age structure of the City. 40.2% of people who reported long term health problems or disabilities which affected their day to day activities were aged 65 or over, although this age group makes up just 11.6% of the population.

	Could particularly benefit (X)	May adversely impact (X)	How different groups could be affected: Summary of impacts	Details of actions to reduce negative or increase positive impact (or why action not possible)
People from different ethnic groups	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Budget proposals have been required to meet a funding shortfall of around £25.5m in 2014-15 and there will inevitably be an impact on some citizens. Measures are being taken to manage the changes in a planned way, and seek to minimise the impact.	Detailed steps have been taken as part of the budget process to protect services that are important to vulnerable/protected groups as far as possible, given the level of real terms reduction in Council spend. These have included: revision and rejection of savings proposals on the basis of potential adverse impact on vulnerable groups; identification of actions to reduce the impact of specific saving proposals; and consideration of options in relation to Council Tax support levels.
Men, women (including maternity/pregnancy impact), transgender people	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Disabled people or carers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Adults</u>	
People from different faith groups	<input type="checkbox"/>	<input type="checkbox"/>	Some potential adverse impact may occur as supporting vulnerable adults is a very high cost to the council and more people require the Council's support. For these reasons the Council has to consider doing things differently.	
Lesbian, gay or bisexual people	<input type="checkbox"/>	<input type="checkbox"/>		
Older or younger people	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Other (e.g. marriage/civil partnership, looked after children, cohesion/good relations, vulnerable children/adults)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Because of the funding pressures and the demographic trend of more people requiring support there is an increasing emphasis on preventative provision and a shift towards self-directed support. Such proposals have been adjusted to limit adverse effects.  The Council has had to look close at existing provision and ensure it is delivering the absolute best quality and value it can, however	

		<p>the Council has to make difficult decisions about balancing provision across a range of needs of vulnerable people.</p> <p>Some of the proposals in relation to adult social care, fees and charges may result in some people being asked to pay more for the service they receive where they are assessed in line with Government guidance as being able to do so, or to have to consider lower cost options.</p> <p><u>Public Health</u></p> <p>A number of proposals relate to public health services, seeking to review existing services and change the way we work to achieve greater synergy and efficiency to maximise the impact.</p> <p><u>Children and young people</u></p> <p>Proposals aim to significantly reduce the cost of services by improving the speed of response, the timeliness of response and how certain types of intervention are delivered.</p> <p><u>Workforce</u></p> <p>As well considering impact on citizens and service users, consideration has been given to the impact of proposals on the Council's workforce. Where posts are at risk affected the Council has looked at natural turnover and voluntary redundancy to avoid compulsory redundancy wherever possible.</p> <p>Overall impacts for the protected groups relating to savings proposals are summarised in Table 1.</p>	<p>the introduction of new business processes for assessment and review and closer integration with Health. This will manage the transition and minimise the impact on our more vulnerable citizens.</p> <p><u>Public Health</u></p> <p>The mitigations aim to reduce impacts on specific groups such for example ensuring changes to sexual health services and school health service do not result in a reduced service for these groups.</p> <p><u>Children and young people</u></p> <p>The proposals are designed to improve access to services to help children avoid crisis by focussing on early intervention for the whole family.</p> <p><u>Workforce</u></p> <p>The Project People programme seeks to redeploy skilled individuals within the organisation; increasing the number of trainee opportunities; targetting underrepresented groups; and providing support to those at risk. The Council is also managing the workforce profile and supporting more agile ways of working to maximise the use of skills and experience.</p> <p>The Council has introduced the Living Wage for the lowest paid colleagues, the majority of who are also City residents.</p> <p>The Commercialism Programme also a increase revenue and reduce costs, t</p>
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				protecting and improving services to citizens Steps taken to minimise adverse impact and promote equality for different groups relating to the budget proposals are summarised in Table 1.
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**Outcome(s) of equality impact assessment:**

No major change needed  Adjust the policy/proposal  Adverse impact but continue  Stop and remove the policy/proposal

**Arrangements for future monitoring of equality impact of this proposal / policy / service:**

- Arrangements for future monitoring of impacts are set out in EIAs for specific proposals where appropriate.
- Council officers will meet regularly with the Equality and Fairness Commission to discuss equality issues for specific service areas where relevant.
- Equality impact assessment (paying due regard to equality) is an explicit part of Council reporting and decision making processes and will be carried out for any further decisions arising from the Medium Term Financial Plan with potential equality impact.
- Service reviews to assess the impact of decisions.
- Appropriate diversity monitoring.

Approved by (manager signature): Carole Mills-Evans, Deputy Chief Executive and Corporate Director of Resources.

Date sent to equality team for publishing:

**Table 1 – Outline of potential impacts and measures taken to minimise impact for different protected groups**

The following is a summary based on findings of equality impact assessments carried out for specific proposals. It provides background information about the profile of the City and notes other factors likely to affect specific sections of the community. It then summarises overall impact for each group, highlights where individual proposals are of particular relevance to a group, and notes steps taken to minimise impact.

Specific details of how individual proposals have been adjusted to minimise impact and promote equality are set out in equality impact assessments for individual proposals.

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
Disabled people and carers	Nottingham has a higher proportion of people with a disability or long term limiting illness (18.2%) than the England average (17.6%). <sup>3</sup>	<p>Proposals within the Adult Social Care ‘Big Ticket’ theme may have potential adverse impact on this group, as well as some potential benefits. However, the proposals have been developed to ensure efficiencies are proportionate to respective budgets.</p> <ul style="list-style-type: none"> <li>• Together with services for children, services for adults make up over half of the Council's total budget and as the population ages and more people requiring support the Council has to consider the options for delivering services differently.</li> </ul> <p>The current budget has been adjusted to minimise the impact on disabled people by:</p> <ul style="list-style-type: none"> <li>• The proposals in the budget mean that provision based on assessed need will not be affected, but the way in which needs are met may alter. The Council is moving towards greater preventative provision where this is possible and self-directed support where necessary. Reductions will be as flexible as possible to minimise the impact on citizens and will be monitored to make sure the duties of care are met.</li> <li>• In some cases the proposals require a reduction in the level of funding, which will reduce the level of service. The main impact has been directed to provision that is non-statutory or discretionary provision and where this is the case the Council is investigating alternative methods of funding/service delivery with partners, particularly those that involve an early intervention approach for vulnerable adults and encourage independence.</li> <li>• The early intervention approach aims to mitigate the impact of the proposals for vulnerable adults through expansion of initiatives such as the Enablement Gateway and Nottingham Circle.</li> <li>• Proposals have been focussed on maximising efficiency such as using reviews that have shown services or projects not demonstrating value for money and greater scrutiny across</li> </ul>

<sup>3</sup> Census 2011



Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
		<p>services and partnerships to ensure duplication is reduced and efficiency maximised.</p> <ul style="list-style-type: none"> <li>• The proposals may result in some people being asked to pay more for the service they receive (where they are assessed in line with Government guidance as being able to do so) or have to consider lower cost options. However the proposals ensure that only those who are assessed as able to pay are asked to do so. Appropriate budgets will be assigned to meet assessed needs, and disruption minimised as any changes would be introduced gradually through the assessment and review process. It is too soon to assess the success of these projects but reviews will be carried out to measure how they are impacting on different sections of the community.</li> </ul> <p>Furthermore, the budget has been adjusted to minimise the impact on disabled people by:</p> <ul style="list-style-type: none"> <li>• Protecting welfare advice services – the Council will continue to provide a comprehensive welfare advice service. Government changes to Welfare reform have meant localised Council Tax Support Schemes (CTSS) had to be established in March 2013. The Council sought to reduce the impact of this in Year 1 but subsequent funding reductions has meant that the scheme has been revised for year 2014/15. The design of the scheme has remained unchanged in terms of eligibility (e.g. certain benefits such as Child Benefit and DLA are not taken into account), but there has been a change to the level of contribution citizens will make towards their Council Tax bill. Following consultation, Full Council approved the 2014/15 CTSS which puts a maximum limit on the amount of CTS that can be paid to all working age people – where everyone would pay at least 20% towards their Council Tax bill. This proposal also recognises the expected financial constraints and budget challenges for the Council in 2014/15 and beyond.<sup>4</sup></li> <li>• Continuing to ensure that adult social care assessed needs at high moderate, substantial or critical level can continue to be met.</li> <li>• Retain a high level of discretionary public transport measures to key disadvantaged groups, including disabled and elderly residents.</li> <li>• Minimising the level of rent increase.</li> <li>• Ensuring domestic Enviroenergy price rises will be kept below the market average.</li> </ul> <p>Specific mitigations include:</p> <ul style="list-style-type: none"> <li>• As a result of consultation, the proposal concerning ‘Supported Accommodation Service for</li> </ul>

<sup>4</sup> <http://committee.nottinghamcity.gov.uk/documents/s1422/Appendix%201.pdf>

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Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
		<p>citizens with mental health needs' has been withdrawn – this means the outcome of the tender process will now be awarded and the mental health accommodation service will now be delivered.</p> <ul style="list-style-type: none"> <li>• In some proposals, such as Independent Living Support Services, consideration has been given to where previous savings have already been implemented, resulting in exceptions to reduce impact in particular areas, such as mental health.</li> <li>• Expanding the telecare service so that it is available to a wider audience to purchase, rather than just available to citizens assessed as needing telecare. This preventative and early intervention approach will enable people to remain living in their own homes and minimise long term dependency on adult social care.</li> <li>• Re-focussing voluntary sector grants through an area-based approach to allocating funding, bringing together and replacing existing grant programmes and associated processes (see below under Community Cohesion and Voluntary Sector)</li> <li>• A proposal to increase choice of accommodation for people with learning disabilities by investing and building a new 15 bed care home.</li> </ul> <p>Strategic developments include:</p> <ul style="list-style-type: none"> <li>• Better Care Fund – The Council and the Nottingham Clinical Commissioning Group (CCG) are developing a plan for the funds, aiming to improve integrated care. This will aim to: focus on the whole person not the condition; support citizens to thrive; creating independence not dependence; provide services tailored to need ensuring hospital will be a place of choice, not a default; and that people will be in the best place to meet their needs.</li> <li>• The development of the Vulnerable Adults Plan 2012-2015<sup>5</sup> is a preventative strategy: aiming to “invest in services that reduce needs and dependency and lowers future costs; develop innovative and new ways in which to mobilise and make use of all the resources of the community; and enable vulnerable citizens to remain independent for longer and make choice based personalised services a reality.”</li> <li>• A Mental Health Strategy for Nottingham is also in development, which will present the priorities and needs of citizens and the strategies to address those needs.</li> </ul>
Older people	The number of people in	<ul style="list-style-type: none"> <li>• Proposals within the Adult Social Care 'Big Ticket' theme may have potential adverse</li> </ul>

<sup>5</sup> <http://open.nottinghamcity.gov.uk/InformationGovernance/displayresponsefile.aspx?complaintkey=2947&filename=2947%20Vulnerable%20adults%20plan%202012-2015.pdf>

Equality Impact Assessment Form

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
	<p>the City aged 85 or over is projected to increase by over 2,000 by 2031, an increase of over 40%</p>	<p>impact on this group, as well as some potential benefits. However, the proposals are judged to be in proportion to the size of the adult services budget.</p> <ul style="list-style-type: none"> <li>• As older people are more likely to have a disability and/or receive social care, the positive and potential adverse impacts identified in relation to disability above may also be relevant to older people.</li> </ul> <p>The current budget has been adjusted to minimise the impact on older people by:</p> <ul style="list-style-type: none"> <li>• Identifying adult social care related proposals that allows savings to be made while continuing to ensure that assessed needs at high moderate, substantial or critical level can continue to be met.</li> <li>• Supporting partnership bids for funding, such as supporting local charity City Arts, to win funding to give lonely and isolated older people in care access to artistic events and performances.</li> <li>• Retain a high level of discretionary public transport measures to key disadvantaged groups, including disabled and elderly residents.</li> <li>• Protecting Community Protection posts and current levels of street lighting, both of which play an important role in ensuring people are safe in their neighbourhood and homes (an issue of particular importance to older people).</li> <li>• Minimising the level of rent increase.</li> <li>• Ensuring domestic Enviroenergy price rises will be kept below the market average.</li> <li>• Protection afforded through the CTSS Scheme which means that low income pensioners will not be affected by changes to Council Tax Benefit.</li> </ul> <p>Specific mitigations include:</p> <ul style="list-style-type: none"> <li>• As a result of consultation, the proposal to end the subsidy for the Home Improvement Agency (HIA) which provides improvements to older people’s homes including energy efficiency measures, has been amended and the Council will continue to provide funding albeit at a reduced level and priorities for the HIA will be renegotiated.</li> <li>• Expanding the telecare service so that it is available to more people to purchase, rather than just available to citizens assessed as needing telecare. This preventative and early intervention approach will enable people to remain living in their own homes and minimise long term dependency on adult social care.</li> </ul>

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Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
Children and young people	<p>Nottingham has a higher proportion of young people than national average - 40% under 25 compared to 31% in England (mid 2012 estimates)<sup>6</sup></p> <p>Nationally, youth unemployment is still high at 20.5% of the economically active population (those working or unemployed but looking for work) (Aug - Oct 13), increasing by 0.2 percentage points from Oct 2012<sup>7</sup>. Equivalent figures for Nottingham are available from the Annual Population Survey covering the period July 2012 to June 2013 and show a rate of 31.7% for Nottingham City compared to 20.8% for England. (Although please note Nottingham figures should be treated with caution.)</p>	<ul style="list-style-type: none"> <li>Proposals relating to children and young people have been assessed as also relevant to race equality given the younger profile of Nottingham's BME community.</li> </ul> <p>The current budget has been adjusted to minimise the impact on children and young people by:</p> <ul style="list-style-type: none"> <li>The Council, working with key partners, is transforming the way that services are delivered to our most vulnerable children, young people and their families. In future, support will be provided much earlier, with a greater focus on prevention and the whole family, which in turn will reduce the need for high cost specialist interventions. This will help limit the impact of budget reductions on children, young people and their families, as well as improving outcomes for some of our most vulnerable citizens. It is acknowledged that a reduction in non-statutory provision can lead to a delayed negative impact on statutory services, hence the focus on early intervention.</li> <li>Within Children's Centres a review and reduction in opening times means that services and support can continue to be delivered to communities, allowing for flexibility so centres can be open at the times local residents need them most. Citizens and partners will be able to inform the proposals for new opening hours. The benefits of this option is that savings can be made without deleting frontline family support worker posts and avoids the closure of centres.</li> <li>All possible efforts have been made to ensure proposals relating to Children's and Families Services avoid adverse impact for service users, and help promote better outcomes. For example, a new single access point (Children and Families Direct) has already been introduced which makes it much easier for people to report concerns and receive timely and appropriate advice and support. This has cut down separate telephone numbers from 22 to a single number, reduced running costs and at the same time improved services. Similarly, a new (Edge of Care) system has been introduced to enable vulnerable children, who would otherwise need to be taken into care, to remain safely at home. This will help improve outcomes for these children, increase resilience within the family as well as delivering a reduction in costs.</li> <li>Taking a partnership approach to access funding such as the Small Steps, Big Changes Big Lottery Fund bid led by CityCare which aims to access £50m to support 0-3 year olds</li> </ul>

<sup>6</sup> Census 2011

<sup>7</sup> <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/december-2013/statistical-bulletin.html#tab-Young-people-in-the-labour-market> and <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/december-2012/statistical-bulletin.html#tab-Young-people-in-the-labour-market>

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
		<p>in four Nottingham wards</p> <ul style="list-style-type: none"> <li>• The Council has prioritised diversionary activities for young people and has secured £330k Lottery funding to continue its partnership programme of £1 a day holiday activities for young people at local leisure centres over 3 years to 2015.</li> <li>• The Council has extended a programme which will enable families of disabled children to take them on a short break. These include overnight stays, access to day services as well as holiday provision.</li> <li>• All entry-level Council jobs have been ring-fenced as apprenticeships for City residents, and are targeted towards young people.</li> <li>• The Priority Families workstream is central to the Nottingham Children Partnership's Family Support Strategy and seeks to focus on the whole family and unites the skills and expertise of all our frontline partners, rather than support one family member in isolation and tackle one problem at a time. Frontline staff are sharing expertise and being trained to focus on the whole family rather than the individual.</li> <li>• The Council supports Nottingham Futures to provide support to young people aged 16-18 who are not in employment, education or training (NEET), to re-engage with education or employment with training.</li> </ul> <p>Strategic developments include:</p> <ul style="list-style-type: none"> <li>• The Community of Identity review seeks to streamline grants to city wide voluntary sector organisations who support vulnerable young people (see below under Community Cohesion and Voluntary Sector)</li> <li>• Initiatives within the Nottingham Growth plan aimed at developing skills and nurturing creativity, prioritising initiatives that help create jobs such as the Nottingham Jobs Fund, Nottingham City Employer Hub and the Creative Quarter</li> <li>• The Nottingham Plan to 2020 has specific targets relating to a focus on children and young people's physical and educational development and maximising opportunities for them to realise their potential.</li> </ul> <p>Utilising £60m through the City Deal to create 300 apprenticeships - Nottingham's Apprenticeship Hub went live in November 2012 and by September 2013 had supported 415 apprentices. The local scheme is bucking the national trend, with an increase of 9.5 per cent in apprenticeships, compared to a national decline of 1.5 per cent. Amongst young</p>

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Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
		<p>people even more positive outcomes are being achieved - amongst 16-18 year olds there has been an increase of 3% compared to a national fall of 11.6% and amongst 19-24 year olds an increase of 26.8% compared to the national increase of 3.1%.</p>
<p>Men, Women, Maternity and Pregnancy</p>	<p>Nottingham's population is 50% male and 50% female.<sup>8</sup></p>	<p>The current budget has been adjusted to minimise the impact on women and men:</p> <p>Potential gender impact has also been assessed in relation to adult social care proposals, as a higher proportion of those receiving social care support are women. As above, the overall steps taken to protect adults' services and retain the current eligibility criteria are assessed as positive impacts.</p> <p>Investing in Welfare Advice services</p> <p>Avoiding closure of Children's Centres (as above in 'Children and Young People')</p> <p>Seeking to minimise the number of compulsory Council job losses (due to the Council's workforce profile, any workforce reductions are likely to amount to an overall gender impact)</p> <ul style="list-style-type: none"> <li>• Proposals affecting vulnerable adults, particular the homeless, may impact on men, as men are more likely to be represented. As stated previously the main impact has been directed to provision that is non-statutory or discretionary provision and where this is the case the Council is investigating alternative methods of funding/service delivery with partners, particularly those that involve an early intervention approach for vulnerable adults and encourage independence.</li> </ul> <p>Women make up a greater proportion of the Council's workforce and analysis of the likely impact of workforce proposals has been assessed as being proportional to the Council's workforce profile.</p>
<p>Race</p>	<p>Nottingham has a higher proportion (34.7%) of Black or Minority Ethnic (BME) citizens than the England rate of 20.2%.<sup>9</sup></p> <p>The City also has a high proportion of migrants</p>	<ul style="list-style-type: none"> <li>• Proposals relating to race have been assessed as relevant to children and young people given the younger profile of Nottingham's BME community. Indirect impacts linked to changes potentially affecting the Voluntary and Community Sector have also been considered.</li> </ul> <p>The current budget has been adjusted to minimise the impact on Black and Minority Ethnic citizens by:</p> <ul style="list-style-type: none"> <li>• Prioritising initiatives that help create jobs such as the Nottingham Jobs Fund, Nottingham</li> </ul>

<sup>8</sup> Census 2011

<sup>9</sup> Census 2011

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Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
	<p>from EU Accession countries compared to other Core Cities (NINO registrations).<sup>10</sup></p>	<p>City Employer Hub, expanding the PATRA training Scheme and appointment of a specialist Employment &amp; Skills Team</p> <ul style="list-style-type: none"> <li>• Protecting Welfare Advice services</li> <li>• Avoiding closure of Children’s Centres (as above in ‘Children and Young People’)</li> <li>• The Community of Identity review seeks to streamline grants to city wide voluntary sector organisations who support vulnerable young people (see below under Community Cohesion and Voluntary Sector).</li> <li>• Minimising the level of rent increase.</li> </ul> <p>Specific mitigations include:</p> <ul style="list-style-type: none"> <li>• In some proposals, such as the Healthy Lifestyles pathway, outcomes have been taken to account of, and therefore exceptions have been made to reduce impact in particular areas such as Asian women’s access to services where the service actively seeks to recruit women from this community.</li> </ul>
<p>Sexual orientation and transgender identity</p>	<p>The ONS 2012 Integrated Household Survey found 1.5% to be lesbian, gay, or bisexual.<sup>11</sup>, and Stonewall estimates of between 5-7% of the general population.<sup>12</sup></p>	<ul style="list-style-type: none"> <li>• There is no evidence to suggest that these proposals will impact disproportionately on the lesbian, gay, bisexual and transgender community; however there is a need to work more effectively with citizens and colleagues to improve diversity monitoring to provide a more accurate picture</li> <li>• The Council will aim to promote opportunities to advance equality through our commissioning and procurements arrangements.</li> <li>• The Community Protection team leads on tackling hate crime aiming to ensure people are safe in their neighbourhood and homes (an issue of particular importance to LGBT people)</li> <li>• The Community of Identity review has prioritised services which support people around issues in relation to gender and sexual orientation, funding will be allocated from April 2014 for 2 years.</li> </ul>

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<sup>10</sup> EU Accession Note (September 2013), Nottingham Insight

<sup>11</sup> <http://www.ons.gov.uk/ons/rel/integrated-household-survey/integrated-household-survey/january-to-december-2012/stb-integrated-household-survey-january-to-december-2012.html#tab-Sexual-identity>

<sup>12</sup> [http://www.stonewall.org.uk/at\\_home/sexual\\_orientation\\_faqs/2694.asp](http://www.stonewall.org.uk/at_home/sexual_orientation_faqs/2694.asp)

Equality Impact Assessment Form

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
Religion and belief	Nottingham has higher proportions of Muslim, Sikh, Buddhist and citizens with no religion than the England average. <sup>13</sup>	<ul style="list-style-type: none"> <li>• There is no evidence to suggest that these proposals will impact disproportionately on religion and belief; however there is a need to work more effectively with citizens and colleagues to improve diversity monitoring to provide a more accurate picture</li> <li>• The Council has been working more closely with faith groups and similar organisations, for example on helping to manage impacts of welfare reform and build resilience within communities.</li> </ul>
Marriage or civil partnership		<ul style="list-style-type: none"> <li>• There is no evidence to suggest that these proposals will impact disproportionately on marriage and civil partnership.</li> </ul>
Community cohesion and the voluntary sector	The voluntary sector provides an important role in providing services to the BME community, young, older, disabled citizens, and other marginalised or vulnerable groups, and promoting community cohesion.	<ul style="list-style-type: none"> <li>• Impacts in relation to the voluntary sector have also been assessed as relevant to race, above.</li> </ul> <p>The budget proposals have been adjusted to minimise the impact on voluntary groups and cohesion by:</p> <ul style="list-style-type: none"> <li>• Commissioning and procurement changes aim to maximise support to local stakeholders.</li> <li>• The Communities of Identity review has streamlined the VCS grants to organisations who support BME (and other marginalised groups) and citywide community groups to provide services for the community.</li> <li>• Shaping voluntary sector related proposals to minimise impact (for example in relation to the timing of changes) and promote equality (for example making specific provision for groups working on equality issues) will successfully implemented from April 2012 under the Community of Identity Review, for 2 years.</li> <li>• Additional steps have been taken to ensure the VCS have been involved in the budget development process including a specific consultation session aimed at VCS organisations.</li> <li>• Reductions in partnership funding for One Nottingham relate to a managed under-spend and income contribution from industrial units, therefore the real impact is lower than expected with no threat of redundancy to staff. The One Nottingham Board in March will review activity such as events and sponsorship where contributions may be reduced.</li> </ul>

<sup>13</sup> Census 2011



# ANNEX 1

## FORECAST OUTTURN 2014/15

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## ANNEX 1 - FORECAST OUTTURN 2013/14

### Introduction

This annex summarises the current position and forecast outturn for both the revenue and capital elements of the General Fund and HRA. Our risk based forecasting reflects the diverse nature of the Council's activities and the wide range of cost and income drivers. This has been used in finalising the draft MTFP for 2014/15 – 2016/17. Some report tables may not sum exactly due to rounding.

### General Fund Revenue - Overview

**Table 1A** shows the current forecast outturn using best, medium and worst case scenarios. This is based on the ledger position as at 31 December 2013, updated for known future factors and the projected impact of positive management action to address identified pressures. This is an improvement of **£1.567m** (medium case) on the position reported to Executive Board in November 2013. Given the challenging financial outlook, Executive Board endorsed a proposal for services to do all possible to underspend at year end to support the challenges ahead.

This does not take account of the usual year end council-wide adjustments and carry-forwards, which reflect that the Council is a going concern. This will reduce the figures in **Table 1A** and is partially reflected in **Table 1C**. Bracketed figures indicate an underspend.

TABLE 1A: CURRENT FORECAST OUTTURN AS AT 31.12.13					
OUTTURN 2012/13 £m <sup>1</sup>	MEDIUM CASE @ 30.09.13 (period 6)	PORTFOLIO	(UNDER) / OVER SPEND		
			BEST £m	MEDIUM CASE £m	WORST £m
0.620	1.067	Adults and Health	0.101	0.371	0.659
(2.345)	0.176	Children's Services	0.000	0.000	0.135
(0.258)	(0.030)	Commissioning & Voluntary Sector	(0.230)	(0.230)	0.000
0.232	(0.200)	Community Services	(0.070)	(0.070)	0.000
(0.280)	0.000	Energy and Sustainability	(0.580)	(0.480)	(0.450)
(0.032)	0.000	Jobs and Growth	0.000	0.000	0.020
(0.135)	(0.208)	Leisure and Culture	(0.088)	0.045	0.207
(0.021)	(0.599)	Planning and Transportation	(0.488)	(0.378)	0.056
(0.276)	0.761	Resources & Neighbourhood Regeneration	(0.175)	0.142	1.021
(0.701)	(0.100)	Strategic Regeneration & Community Safety	(0.300)	(0.210)	(0.110)
<b>(3.195)</b>	<b>0.867</b>	<b>TOTAL PORTFOLIOS</b>	<b>(1.790)</b>	<b>(0.810)</b>	<b>1.537</b>
(3.252)	(1.000)	Corporate budgets	(2.000)	(0.890)	0.110
<b>(6.446)</b>	<b>(0.133)</b>	<b>NET COUNCIL POSITION</b>	<b>(3.790)</b>	<b>(1.700)</b>	<b>1.647</b>
<b>Change – best to medium</b>			<b>2.090</b>		
<b>Change – medium to worst</b>					<b>3.347</b>

Notes 1: outturn before carry forwards and allocations 2. Figures in brackets are underspends

## Forecast & Actual Outturns

The Council has had a good track record of financial management in recent years. The current forecast outturn (medium case) is summarised in **Table 1B**:

<b>TABLE 1B – BROAD CONTRIBUTORS TO THE FORECAST OUTTURN</b>	
<b>OVERALL ISSUE</b>	<b>2013/14 £m</b>
Treasury management savings	(1.000)
Review of grants programme (non-recurring)	(0.100)
Commissioning savings	(0.200)
Carbon Reduction Commitment Tax (non recurring)	(0.450)
Staff vacancies (temporary impact)	(1.017)
Other small under/overspends against budgets (various)	0.355
Additional income generated	(0.779)
Cost pressure - Adult Services – increased demographic pressure	1.363
Action within directorates to mitigate pressures	(0.842)
Cost pressure - delays in delivering strategic choice savings	0.970
<b>TOTAL</b>	<b>(1.700)</b>

The final outturn position impacts on general reserves; underspends increase reserves and overspends decrease them. General reserves provide an essential financial safety net to cover above-budget costs. The value of the safety net is advised by the CFO following a risk assessment. If general reserves fall below the minimum defined level towards the end of the year, the shortfall should be replenished when setting the budget for the following year.

**Table 1C** shows the potential impact of the current forecast outturn on general reserves. This excludes adjustments for routine carry forwards into 2014/15 and the setting aside of funding for future commitments. This takes place as part of the final accounts process and is expected to reduce net reserves from the figure set out in **Table 1C**.

<b>TABLE 1C: POTENTIAL IMPACT ON GENERAL RESERVES</b>	
<b>ITEM</b>	<b>£m</b>
<b>Balance @ 01.04.13</b>	<b>9.606</b>
LESS: Net underspend (medium case) from above	1.700
<b>ESTIMATED @ 31.03.14 (medium case)</b>	<b>11.306</b>

### **Variiances - Headline Issues**

The following sections describe the major issues impacting on the medium case forecast.

#### **Adults and Health -£0.371m ADVERSE**

##### **Adults +£0.521m**

This is due to increased demographic growth of £1.363m above budget, of which £0.842m has been offset within the Adults budget from other one-off underspends, leaving a shortfall of **£0.521m**. The one off underspends arise from:

- § Vacancies higher than the vacancy rate

- § Contractual tender processes and
- § Non pay budgets.

The savings shortfall of the Adults Big Ticket relating to this service is £0.188m; also being offset by one-off underspends in Adults.

### **Commissioning and Voluntary Sector -£0.230m FAVOURABLE**

#### **Commissioning -£0.200m**

This underspend is due to vacancy levels being above those currently budgeted for.

### **Energy and Sustainability -£0.480m FAVOURABLE**

#### **Sustainability and Climate Change -£0.450m**

One-off underspend against the Carbon Reduction Commitment Tax. Project costs are below budget because the number of schemes undertaken has been lower than anticipated due to the slippage in the programme.

### **Leisure and Culture -£45k ADVERSE**

#### **Sport and Leisure +£0.250m**

This is largely due to the continued operation of Portland Leisure Centre. There is no budget for 2013/14 due to a previous policy decision to transfer the asset. School swimming income is also lower than budgeted because of reduced demand from schools.

#### **Royal Centre - £0.205m**

Stronger than budgeted ticket sales for the Concert Hall programme.

### **Planning and Transportation -£0.378m FAVOURABLE**

#### **Highways -£0.200m**

Increased profit generated by the trading service from increased turnover. A risk remains on winter maintenance dependent on weather conditions.

### **Resources and Neighbourhood Regeneration -£0.142m ADVERSE**

#### **Property – Support Services + £0.644m**

The overspend is because Denewood and Gatehouse closed later than originally planned. The buildings are now fully vacated, allowing the sales to be progressed. These closures conclude the buildings rationalisation aspect of the Workplace Strategy programme. A new set of buildings for closure and internal lettings is now being considered including Houndsgate and Woolsthorpe Depot, which will provide further savings or revenue income.

#### **Business Support -£0.317m**

Vacancy savings whilst service reviews are taking place.

### **Corporate Budgets -£0.890m FAVOURABLE**

#### **Treasury Management -£1.000m**

The impact of lower interest rates due to proactive short-term borrowing.

#### **Corporate Contingency**

This enables management of the financial impact of issues that were not able to be reflected when the budget was set. It is allocated under the delegated authority of the CFO in consultation with the Deputy Leader using designated criteria. Services are required to accommodate unforeseen expenditure and/or income shortfalls from within their cash limited budgets, only seeking allocations where this is proven to be impossible. Contingency is £2.341m in 2013/14. Since the November report, allocations of £0.616m have been approved up to the date of despatch of this report, as shown in **Table 1D**.

<b>TABLE 1D: CONTINGENCY ALLOCATIONS REQUIRING ENDORSEMENT</b>	
<b>ITEM</b>	<b>£m</b>
Contribution towards Citizen's Survey & feedback	0.002
Pre-inspection preparations for new OFSTED inspection framework	0.190
CrowdControlHQ social media management platform for 6 months	0.009
GovDelivery email marketing platform for 1 year	0.026
To cover costs of unforeseen By Elections	0.056
Process Improvement within Benefits and Council Tax	0.160
NCC contribution to joint NCC/ Intu survey of Middle Hill	0.025
Fees associated with scheme for additional licensing of HIMO's	0.080
Contribution to Highway Works on Bramcote Lane	0.010
Increase capacity in Information Governance Team	0.058
<b>TOTAL</b>	<b>0.616</b>

A review of contingency allocations identified unused balances and slippage and these items have been returned, adding back £0.273m and shown in **Table 1E**.

<b>TABLE 1E: SLIPPAGE/UNUSED BALANCES RETURNED TO CONTINGENCY</b>	
<b>ITEM</b>	<b>£m</b>
Welfare Advice Sessions – amount no longer required	0.015
Slippage:	
Digital Infrastructure – 2 year fixed term post & development funding	0.150
Commercial opportunities within Business Support	0.047
Customer Access Programme	0.061
<b>TOTAL</b>	<b>0.273</b>

The current general contingency balance is **£0.351m**. Any unused element at year end will be reserved to fund slippage issues.

### **Progress on implementation of budget decisions**

#### Cost Reductions

**Table 2A** summarises progress by portfolio in implementing budgeted cost reductions of **£18.607m**. At this stage **24.45%** have not been realised, of which **£0.188m (1.01%)** is currently not expected to be achieved. This relates to the 'Adult focus on prevention' activity which is currently expected to be met from alternative sources.

**TABLE 2A: COST REDUCTIONS**

PORTFOLIO	2013/14 TOTAL £m	POS'N @ 31.12.13 £m	NOT YET REALISED		ANTICIPATED YEAR END POSITION	
			£m	%	£m	%
Adults and Health	<b>(5.223)</b>	(3.844)	(1.379)	26.40	<b>(5.035)</b>	96.40
Children's Services	<b>(4.168)</b>	(3.126)	(1.042)	25.00	<b>(4.168)</b>	100.00
Commissioning & Vol Sector	<b>(0.267)</b>	(0.200)	(0.067)	25.00	<b>(0.267)</b>	100.00
Community Services	<b>(0.268)</b>	(0.201)	(0.067)	25.00	<b>(0.268)</b>	100.00
Energy and Sustainability	<b>(0.577)</b>	(0.432)	(0.144)	25.00	<b>(0.577)</b>	100.00
Jobs and Growth	<b>(0.119)</b>	(0.089)	(0.030)	25.00	<b>(0.119)</b>	100.00
Leisure and Culture	<b>(0.779)</b>	(0.584)	(0.195)	25.04	<b>(0.779)</b>	100.00
Planning & Transportation	<b>(0.886)</b>	(0.665)	(0.222)	25.00	<b>(0.886)</b>	100.00
Resources & N'hood Regen.	<b>(5.858)</b>	(4.569)	(1.289)	22.00	<b>(5.858)</b>	100.00
Strategic Regen & C'ty Safety	<b>(0.462)</b>	(0.347)	(0.116)	25.00	<b>(0.462)</b>	100.00
<b>TOTAL</b>	<b>(18.607)</b>	<b>(14.058)</b>	<b>(4.550)</b>	<b>24.45</b>	<b>(18.419)</b>	<b>98.99</b>

<sup>1</sup> this does not reflect where reductions cost will be met from an alternative source

#### Invest to Save.

**Table 2B** shows that all projects are expected to be achieved in 2013/14.

**TABLE 2B: INVEST TO SAVE**

PORTFOLIO	2013/14 TOTAL £m	POSITION @ 31.12.13 £m	UNIMPLEMENTED		FORECAST YEAR END
			£m	%	£m
Leisure & Culture	<b>(0.025)</b>	(0.019)	<b>(0.006)</b>	25.00	(0.025)
Planning & Transport	<b>0.022</b>	0.017	<b>0.006</b>	25.00	0.022
<b>TOTAL</b>	<b>(0.003)</b>	<b>(0.002)</b>	<b>(0.000)</b>	<b>0.00</b>	<b>(0.003)</b>

#### Income Generation

**Table 2C** shows that all proposals are expected to be achieved by 31 March 2014, delivering additional income of **£0.561m**.

**TABLE 2C: INCOME GENERATION**

PORTFOLIO	2013/14 TOTAL £m	PROGRESS @ 31.12.13 £m	TO BE REALISED		FORECAST YEAR END £m
			£m	%	£m
Children's Services	<b>(0.040)</b>	(0.030)	<b>(0.010)</b>	25.00	<b>(0.040)</b>
Energy and Sustainability	<b>(0.050)</b>	(0.038)	<b>(0.013)</b>	25.00	<b>(0.050)</b>
Jobs and Growth	<b>(0.075)</b>	(0.056)	<b>(0.019)</b>	25.00	<b>(0.075)</b>
Leisure and Culture	<b>(0.205)</b>	(0.154)	<b>(0.051)</b>	25.00	<b>(0.205)</b>
Planning & Transportation	<b>(0.140)</b>	(0.105)	<b>(0.035)</b>	25.00	<b>(0.140)</b>
Resources & N'hood Regen.	<b>(0.051)</b>	(0.038)	<b>(0.013)</b>	25.00	<b>(0.051)</b>
<b>TOTAL</b>	<b>(0.561)</b>	<b>(0.421)</b>	<b>(0.140)</b>	<b>25.00</b>	<b>(0.561)</b>

#### Pressures

**£4.294m** of pressures are included within the 2013/14 budget. **Table 2D** shows that all pressures are expected to be used by 31 March 2014.

TABLE 2D: PRESSURES					
PORTFOLIO	2013/14 TOTAL £m	POSITION @ 31.12.13 £m	TO BE USED		FORECAST YEAR END POSITION £m
			£m	%	
Adults and Health	<b>1.806</b>	1.355	<b>0.452</b>	25.00	<b>1.806</b>
Children's Services	<b>1.407</b>	1.055	<b>0.352</b>	25.00	<b>1.407</b>
Planning & Transportation	<b>0.050</b>	0.038	<b>0.013</b>	25.00	<b>0.050</b>
Resources & N'hood Regen.	<b>1.001</b>	0.751	<b>0.250</b>	25.00	<b>1.001</b>
Strategic Regen & C'ty Safety	<b>0.030</b>	0.030	<b>0.000</b>	0.00	<b>0.030</b>
<b>TOTAL</b>	<b>4.294</b>	<b>3.228</b>	<b>1.066</b>	<b>24.83</b>	<b>4.294</b>

### Movement of Resources

Transfers of services between directorates and/or portfolios are reflected within the monitoring figures. These movements now require approval and are listed in **Appendix C**.

### Movements in Earmarked Reserves

Earmarked reserves are funds set aside for specific purposes. At 1 April 2013 earmarked reserves (excluding capital) totalled £113.378m. This includes the Schools Statutory Reserves of £19.402m.

During the year to date there has been a net movement of **£14.122m**, of which **£0.717m** requires Executive Board approval. These movements are summarised in **Table 3** with further detail in **Appendix D**.

TABLE 3 : MOVEMENT IN RESERVES 2013/14			
RESERVE	PREVIOUSLY APPROVED £m	REQUIRING APPROVAL £m	TOTAL £m
Replenishing existing reserve	(17.241)	(0.020)	(17.261)
Use of existing reserves	2.402	0.737	3.139
<b>TOTAL</b>	<b>(14.839)</b>	<b>0.717</b>	<b>14.122</b>

### Public Sector Housing – Revenue Element Overview

The Housing Revenue Account (HRA) budget was approved by the City Council in March 2013 and included a working balance of **£5.183m** brought forward at 31 March 2013 and closing balance of **£4.000m** at 31 March 2014. The working balance provides a contingency for any unexpected cost increases or income reductions. Under HRA self-financing, the Council has taken on new risks as the HRA is now dependent on rental income to sustain future investment in the housing stock.

**Table 4** shows the current forecast outturn. This is based on the ledger position as at 31 December 2013, updated for assumptions for activity in the final quarter. This shows a deficit for the year of **£0.983m**, a budget surplus of **£45k**. The working balance at 31 March 2014 is estimated to be **£4.045m**.

**TABLE 4: HRA FORECAST OUTTURN 2013/14**

DESCRIPTION	ORIGINAL BUDGET £m	ESTIMATED OUTTURN £m	VARIANCE £m
Rent income	(93.583)	(92.883)	0.700
Other income	(5.011)	(6.018)	(1.007)
<b>TOTAL INCOME</b>	<b>(98.594)</b>	<b>(98.901)</b>	<b>(0.307)</b>
Repairs	19.815	18.900	(0.915)
Management	34.625	34.414	(0.211)
Capital charges	38.790	39.903	1.113
Direct Revenue Financing	6.547	6.667	0.120
<b>TOTAL EXPENDITURE</b>	<b>99.777</b>	<b>99.884</b>	<b>0.107</b>
<b>DEFICIT / (SURPLUS)</b>	<b>1.183</b>	<b>0.983</b>	<b>(0.200)</b>
Working balance B/F	(5.183)	(5.028)	0.155
<b>WORKING BALANCE C/F</b>	<b>(4.000)</b>	<b>(4.045)</b>	<b>(0.045)</b>

**Variations - Headline Issues**

The following sections describe the major variations.

**Rents: reduction of £0.700m**

Lower collection is anticipated due to welfare reform changes (£0.300m) and reduced rental income as right to buy sales have been higher than estimated (£0.235m).

**Other income: increase of £1.007m**

Income from the photovoltaic (PV) cells is higher (£0.316m) due to the efficiency of the units being greater than estimated. There has been more bank interest (£0.235m) due to the increase in the balance on the Major Repairs Reserve and income generated from service charges is higher as losses in collection have been lower than estimated (£56k).

**Repairs to dwellings: decrease £0.915m**

This comes from a reduction in the provision to meet non NCH repairs not used due to efficient use of the existing budget.

**Management: decrease of £0.211m**

Staff vacancy savings and savings on non-pay budgets in the Housing Strategy and Regeneration service (£0.180m).

**Capital charges: increase of £1.113m**

Increase in the depreciation charge to finance the depreciation on non-housing HRA assets, a requirement introduced after the budget was set (£1.000m).

**Working Balance Brought Forward - decrease of £0.155m**

The 2012/13 outturn was £5.028m, being £0.155m less than forecast. Details were set out in the outturn report considered by Executive Board in June 2013.

**Capital Programme - Overview**

**Appendix A** details the programme by portfolio. Actual expenditure to 31 December 2013 is **£66.995m** representing **41.2%** of the revised budget for 2013/14 as detailed in **Appendix B**. The forecast spend for 2013/14 is **£162.500m**.



## Capital Programme – General Fund

**Table 5** shows the General Fund forecast spend for 2013/14 as **£101.785m**; a reduction of **£3.382m** since October, reflecting the combined impact of approvals in the period, slippage and re-phasing of schemes. Actual expenditure to 31 December 2013 is **£39.957m**, representing **39.25%** of the 2013/14 forecast.

<b>TABLE 5: GENERAL FUND CAPITAL PROGRAMME AND RESOURCES</b>							
<b>PORTFOLIO</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b>Local Transport Programme</b>	27.016	24.021	17.429	6.649	2.250	0.000	77.365
<b>Education / BSF</b>	20.976	13.910	9.350	5.686	0.000	0.000	49.922
<b>Other Services:</b>	53.793	153.565	22.584	19.814	15.919	9.983	275.658
<b>TOTAL</b>	<b>101.785</b>	<b>191.496</b>	<b>49.363</b>	<b>32.149</b>	<b>18.169</b>	<b>9.983</b>	<b>402.945</b>
<b>Resources Available:</b>							
Brought forward	29.479	0.000	0.000	0.000	0.000	0.000	29.479
Prudential Borrowing	37.660	143.415	19.407	13.968	6.995	0.000	221.445
Grants & Contributions	30.144	33.421	23.166	17.321	8.692	8.272	121.016
Internal Funds / Revenue	15.617	7.886	1.318	0.000	1.848	1.711	28.380
Capital Receipts Secured	1.271	0.000	0.000	0.000	0.000	0.000	1.271
<b>TOTAL RESOURCES</b>	<b>114.171</b>	<b>184.722</b>	<b>43.891</b>	<b>31.289</b>	<b>17.535</b>	<b>9.983</b>	<b>401.591</b>
<b>(SURPLUS) / SHORTFALL</b>	<b>(12.386)</b>	<b>6.774</b>	<b>5.472</b>	<b>0.860</b>	<b>0.634</b>	<b>0.000</b>	<b>1.354</b>
Unsecured Receipts	1.270	9.062	3.062	2.612	0.870	0.870	17.746
<b>(SURPLUS) / SHORTFALL</b>	<b>(13.656)</b>	<b>(2.288)</b>	<b>2.410</b>	<b>(1.752)</b>	<b>(0.236)</b>	<b>(0.870)</b>	<b>(16.392)</b>

## Capital Receipts

Risk assessments are updated frequently as status changes. Experience shows that it is appropriate to only plan to rely on those in the “low” risk category plus a proportion of the medium and high risk categories to avoid inherent over-programming and resultant cash flow and affordability difficulties.

Capital receipts received by 31 December 2013 total **£1.271m**, and **£17.746m** of risk assessed unsecured receipts have been included in the programme (the full current market value of the risk assessed capital receipts is **£29.370m**).

## Capital Programme – Housing Revenue Account

The HRA capital programme has been remodelled and the changes are now presented for approval. The Programme increase is **£109.375m**. **Table 6** shows the revised Q3 programme and 2013/14 forecast spend of **£60.715m**. Actual spend to 31 December is **£27.038m**; 44.5% of forecast. Further information appears in the HRA MTFP in **Annex 4**.

<b>TABLE 6 : PUBLIC SECTOR HOUSING CAPITAL INVESTMENT – PROGRAMME MOVEMENT</b>							
<b>CATEGORY</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Existing Programme	63.813	77.828	45.338	0.000	0.000	0.000	186.979
New/amended schemes	(3.098)	(0.748)	2.731	34.545	37.691	38.604	109.725
<b>TOTAL PROGRAMME</b>	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>296.704</b>

**Table 8** shows the revised five year capital programme, and the resources available.

<b>TABLE 8 : PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCE</b>							
<b>PORTFOLIO</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Public Sector HSg Programme	60.715	77.080	48.069	34.545	37.691	38.604	296.704
	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>296.704</b>
<b>Resources Available</b>							
Resources b/fwd	33.344	0.000	0.000	0.000	0.000	0.000	33.344
Prudential Borrowing	0.000	0.000	0.000	0.000	6.000	9.000	15.000
Major Repairs Reserve	27.081	29.001	29.001	29.001	29.001	29.001	172.086
HCA Grant	28.270	13.301	0.000	0.000	0.000	0.000	41.571
Housing Grants	1.208	0.772	0.000	0.000	0.000	0.000	1.980
Direct Revenue Funding	6.667	5.972	6.185	7.841	8.076	8.319	43.060
Capital Receipts secured	3.388	0.000	0.000	0.000	0.000	0.000	3.388
<b>TOTAL</b>	<b>99.958</b>	<b>49.046</b>	<b>35.186</b>	<b>36.842</b>	<b>43.077</b>	<b>46.320</b>	<b>310.429</b>
<b>Capital Receipts Unsecured</b>	<b>1.564</b>	<b>3.015</b>	<b>2.460</b>	<b>0.450</b>	<b>0.000</b>	<b>0.000</b>	<b>7.489</b>
<b>TOTAL RESOURCES</b>	<b>101.522</b>	<b>52.061</b>	<b>37.646</b>	<b>37.292</b>	<b>43.077</b>	<b>46.320</b>	<b>317.918</b>
<b>Maintaining Decency *</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>21.214</b>
<b>(SURPLUS)/SHORTFALL</b>	<b>(40.807)</b>	<b>25.019</b>	<b>10.423</b>	<b>(2.747)</b>	<b>(5.386)</b>	<b>(7.716)</b>	<b>0.000</b>

**APPENDIX A**

<b>CAPITAL PROGRAMME FORECAST SPEND AS AT QUARTER 3</b>							
<b>PORTFOLIO</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>Total £m</b>
<b>Housing, Regen &amp; Communities</b>							
Public Sector Housing	60.715	77.080	48.069	34.545	37.691	38.604	296.704
<b>Planning and Transportation</b>							
Local Transport Plan	27.016	24.021	17.429	6.649	2.250	0.000	77.365
<b>Children's Services</b>							
Education / BSF	20.976	13.910	9.350	5.686	0.000	0.000	49.922
<b>Total Specific Programmes</b>	<b>108.707</b>	<b>115.011</b>	<b>74.848</b>	<b>46.880</b>	<b>39.941</b>	<b>38.604</b>	<b>423.991</b>
<b>Other Services</b>							
Adults and Health	0.539	2.872	1.000	0.000	0.000	0.000	4.411
Children's Services	0.641	0.344	0.000	0.000	0.000	0.000	0.985
Leisure and Culture	8.888	14.158	1.263	5.527	8.290	9.983	48.109
Planning and Transportation	18.387	121.812	13.000	8.500	5.805	0.000	167.504
Energy and Sustainability	4.987	3.129	0.571	2.495	1.190	0.000	12.372
Commissioning and Voluntary Sector	2.971	3.217	2.835	2.026	0.000	0.000	11.049
Strategic Regeneration and Community Safety	1.819	1.980	2.387	0.476	0.000	0.000	6.662
Community Services	2.365	0.750	0.750	0.750	0.000	0.000	4.615
Resources and Neighbourhood Regeneration	13.196	5.303	0.778	0.040	0.634	0.000	19.951
<b>Total Other Services</b>	<b>53.793</b>	<b>153.565</b>	<b>22.584</b>	<b>19.814</b>	<b>15.919</b>	<b>9.983</b>	<b>275.658</b>
<b>TOTAL PROGRAMME</b>	<b>162.500</b>	<b>268.576</b>	<b>97.432</b>	<b>66.694</b>	<b>55.860</b>	<b>48.587</b>	<b>699.649</b>
<b>Resources</b>							
Resources b/fwd	62.823	0.000	0.000	0.000	0.000	0.000	62.823
Prudential Borrowing	37.660	143.415	19.407	13.968	12.995	9.000	236.445
Major Repairs Reserve	27.081	29.001	29.001	29.001	29.001	29.001	172.086
Grants & Contribution	59.622	47.494	23.166	17.321	8.692	8.272	164.567
Internal reserves / Revenue	22.284	13.858	7.503	7.841	9.924	10.030	71.440
Capital Receipts secured	4.659	0.000	0.000	0.000	0.000	0.000	4.659
	<b>214.129</b>	<b>233.768</b>	<b>79.077</b>	<b>68.131</b>	<b>60.612</b>	<b>56.303</b>	<b>712.020</b>
Capital Receipts Unsecured	2.834	12.077	5.522	3.062	0.870	0.870	25.235
<b>TOTAL RESOURCES</b>	<b>216.963</b>	<b>245.845</b>	<b>84.599</b>	<b>71.193</b>	<b>61.482</b>	<b>57.173</b>	<b>737.255</b>
Maintaining Decency HRA	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>21.214</b>
<b>ANNUAL CASHFLOW (SURPLUS) / SHORTFALL</b>	<b>(54.463)</b>	<b>22.731</b>	<b>12.833</b>	<b>(4.499)</b>	<b>(5.622)</b>	<b>(8.586)</b>	<b>(16.392)</b>

**APPENDIX B**

<b>CAPITAL PROGRAMME EXPENDITURE AT QUARTER 3</b>				
<b>PORTFOLIO</b>	<b>2013/14</b>			<b>% of Spend to Estimate %</b>
	<b>Estimate (At Qtr 3)</b>	<b>Actual spending</b>	<b>Variance</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
<b>Housing, Regen &amp; Communities</b>				
Public Sector Housing Programme	60.715	27.038	(33.677)	44.5
<b>Planning and Transportation</b>				
Local Transport Programme	27.016	10.300	(16.716)	38.1
<b>Children's Services</b>				
Education / BSF	20.976	12.271	(8.705)	58.5
<b>Total</b>	<b>108.707</b>	<b>49.609</b>	<b>(59.098)</b>	<b>45.6</b>
<b>Other Services:</b>				
Adults and Health	0.539	0.090	(0.449)	16.7
Children's Services	0.641	0.360	(0.281)	56.2
Leisure and Culture	8.888	3.588	(5.300)	40.4
Planning and Transportation	18.387	3.996	(14.391)	21.7
Energy and Sustainability	4.987	1.211	(3.776)	24.3
Commissioning and Voluntary Sector	2.971	1.350	(1.621)	45.4
Strategic Regen & Community Safety	1.819	0.074	(1.745)	4.1
Community Services	2.365	0.461	(1.904)	19.5
Resources and Neighbourhood Regeneration	13.196	6.256	(6.940)	47.4
<b>Total</b>	<b>53.793</b>	<b>17.386</b>	<b>(36.407)</b>	<b>32.3</b>
<b>TOTAL PROGRAMME</b>	<b>162.500</b>	<b>66.995</b>	<b>(95.505)</b>	<b>41.2</b>

VIREMENTS BETWEEN PORTFOLIOS/DIRECTORATES REQUIRING APPROVAL

APPENDIX C

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Citizens Survey Contributions	0.009	within Chief Executives		Adults & Health (ADH)	Resources & Neighbourhood Regeneration (RNR)
	0.001	Communities	Chief Executive	Community Services (CYS)	
	0.001	Communities	Chief Executive	Energy & Sustainability (ESU)	
Transfer of Budget between Adult Social Care Provision and Adult Assessment	1.189	Communities	Children & Families	within ADH	
Realignment of Public Health budget	1.722	Chief Executive	Children & Families	within ADH	
Transfer between Quality & Commissioning and Mental Health & Learning Disabilities	0.025	within Children & Families		ADH	Commissioning & Voluntary Sector (CVS)
Realignment relating to additional posts for the Childrens Placement Team	0.071	within Children & Families		Childrens Services (CHS)	CVS
Business Support residual adjustment	0.017	Resources	Children & Families	RNR	CHS
Financing adjustment relating to BSF	0.054	Children & Families	Corporate Items	CHS	RNR
Financing adjustment relating to Strategic Finance	0.197	Corporate Items	Resources	within RNR	
Grant adjustment between Economic Development and Quality & Commissioning	0.299	Development	Children & Families	Jobs & Growth (JGR)	CVS

VIREMENTS BETWEEN PORTFOLIOS/DIRECTORATES REQUIRING APPROVAL

APPENDIX C

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Commercial Waste	1.214	within Communities		Planning & Transportation (PLT)	CYS
City Services Business Support	0.221	within Communities		CYS	PLT
Alignment of District Heating sub-station leases	0.100	Communities	Development	ESU	RNR
salary budget adjustment between Finance and Libraries	0.034	Resources	Communities	RNR	Leisure & Culture (LCT)
Budget realignment between Information Technology & Transport Strategy	0.228	Resources	Development	RNR	PLT
Web Team	0.026	Chief Executive	Resources	within RNR	
Postages budget alignment	0.016	Development	Resources	within RNR	
Strategic Choice adjustment & realignment to East Midlands Shared Service budget	0.712	Corporate Items	Resources	within RNR	
<b>TOTAL</b>	<b>6.134</b>				

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**MOVEMENTS IN RESERVES REQUIRING APPROVAL 2013/14**
**APPENDIX D**

<b>PORTFOLIO</b>	<b>RESERVE NAME</b>	<b>DETAILS</b>	<b>£m</b>
<b>Use of Reserve</b>			
Corporate	Workforce issues	To fund changes in employees in /out of sup'n	0.036
Community Services	Contingency	Upper Parliament Street	0.010
Jobs & Growth	Agreed budget carry forward	Woodfield Industries drawdown	0.014
Jobs & Growth	Contingency	Vacant City Centre Units	0.100
Jobs & Growth	NEBA-Work Related Learning Opp	Employment and skill activities	0.035
Resources & N'hood Regeneration	Contingency	To outsource benefits workload to Northgate	0.153
Resources & N'hood Regeneration	Contingency	Employee Personal files DDM & Exempt appendices	0.050
Resources & N'hood Regeneration	Contingency	Channel Development	0.038
Resources & N'hood Regeneration	Trade Waste VAT Refund	Contribution to Rowell Genn Fighting Fund	0.015
Resources & N'hood Regeneration	Agreed budget carry forward	Drawdown 2012-13 c/fwd - Welfare rights	0.100
Resources & N'hood Regeneration	Agreed budget carry forward	Drawdown 2012-13 c/fwd - Council tax billing	0.036
Resources & N'hood Regeneration	Agreed budget carry forward	Drawdown 2012-13 c/fwd – NCU	0.064
Resources & N'hood Regeneration	Agreed budget carry forward	Drawdown 2012-13 c/fwd - Refugee Forum	0.015
Resources & N'hood Regeneration	Agreed budget carry forward	Drawdown 2012-13 c/fwd - HB Process	0.072
<b>TOTAL USE OF RESERVES</b>			<b>0.737</b>
<b>Replenishment of Reserves</b>			
Corporate	Workforce issues	Changes in employees in /out of sup'n	(0.020)
<b>MOVEMENTS REQUIRING APPROVAL 2013-14</b>			<b>0.717</b>

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## ANNEX 2

# DRAFT MEDIUM TERM FINANCIAL PLAN

**2014/15 to 2015/16**

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## 1. INTRODUCTION

Go ahead Nottingham: safe, clean, ambitious and proud. This is *One Nottingham's* 20 year vision for the City of Nottingham as set out in the Nottingham Plan to 2020.

The Council's Medium Term Financial Plan (MTFP) is the financial representation of the Council's service plans for the next three years. A new medium term financial strategy is in the process of being drawn up to reflect the significantly changed external financial, economic and policy outlook.

## 2. THE FINANCIAL FRAMEWORK

The main financial objectives for the City Council focus on: ensuring our financial planning and management support our citizens to have access to value for money services which are modern and fit for purpose; maintaining good underlying financial health and good governance, and always taking a longer term view.

This policy-led, medium term approach to financial planning and management is good practice and ensures that we can fund our vision, values and priorities. The City Council is committed to maintaining financial stability and delivering value for money through effective, economic and efficient services.

## 3. CONSTRUCTING THE MTFP

The Medium Term Financial Strategy (MTFS) sets out the principles we work to in order to deliver our aims and objectives. The City Council operates on a principal of medium term, policy-led financial planning. This connects the vision, values and priorities with decisions made in setting the annual budget within the MTFP.

In particular, any new investment is considered in the context of how it will contribute to realising the City Council's vision and performance improvement more generally. Options are worked up for consideration and decisions to stop, reduce or reshape services are made in full knowledge of the impact on objectives. All proposals are scrutinised throughout the budget process by peers, senior colleagues and councillors. The whole approach is informed by the use of a variety of performance and financial data.

## 4. NATIONAL AND LOCAL CONTEXT

Local Government continues to operate in a very challenging financial environment and there is considerable uncertainty and concern about the future levels of funding.

The provisional Local Government Finance settlement issued on 18 December 2013 provided provisional levels of government funding for 2014/15 and indicative figures for 2015/16. The final settlement received on 5 February 2014 confirmed only minor adjustments to this provisional settlement. The main elements of the settlement comprise three parts:

- **Settlement funding** - the total amount of funding assumed by the Department of Communities and Local Government (DCLG) to be available to an authority through the estimated business rates share and formula funding including grants which have rolled into it
- **Specific grant funding** not included in the settlement funding
- **Spending Power calculation** - the Government uses this to assess the overall impact on local authority funding. This includes the Council Tax requirement, New

Homes Bonus, the Settlement Funding, most specific grants and NHS funding for social care that also benefits health.

### Settlement Funding

**Table 1** summarises the total amount of funding assumed by DCLG to be available to an authority through an estimated business rates share and formula funding including grants which have been rolled into it.

<b>TABLE 1: SETTLEMENT FUNDING</b>		
<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>
Revenue Support Grant (RSG)	103.264	72.607
Retained Business Rates Income	59.217	60.851
Business Rates Top-up	26.796	27.536
<b>TOTAL SETTLEMENT FUNDING</b>	<b>189.278</b>	<b>160.994</b>

The Government has assumed a level of business rates for Nottingham based on its original projections for 2013/14 up-rated by the small business rates multiplier. However, the MTFP has included in **Table 17** the forecast of retained business rates income as reported to DCLG in the NNDR1 return which is **£0.572m** lower than that forecast by DCLG for the settlement.

### Spending Power

“Spending Power” is the Government’s assessment of council resources available to spend on their core services. This attempts to assess the total resources over which the Council can exercise discretion in how it can spend its funding; mainly comprising settlement funding, specific grants and council tax. The Government has calculated that Nottingham will receive an overall reduction in spending power of **5.1%** in 2014/15 and provisionally **5.3%** in 2015/16, as set out in **Table 2**.

<b>TABLE 2: SPENDING POWER</b>				
<b>FUNDING TYPE</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>Adjusted 2014/15 £m</b>	<b>2015/16 £m</b>
Settlement Funding Assessment	211.189	189.278	189.252	160.994
Specific Grants	9.887	12.261	9.250	9.325
<b>TOTAL GRANT FUNDING</b>	<b>221.076</b>	<b>201.539</b>	<b>198.503</b>	<b>170.319</b>
Council Tax	79.751	80.087	80.087	80.424
NHS funding to support social care and benefit health	5.548	7.104	12.249	23.262
<b>REVENUE SPENDING POWER</b>	<b>306.375</b>	<b>288.730</b>	<b>290.838</b>	<b>274.005</b>
Public Health Grant	27.081	27.839	27.839	27.839
<b>REVENUE SPENDING POWER (including Public Health Grant)</b>	<b>333.456</b>	<b>316.569</b>	<b>318.677</b>	<b>301.844</b>
Year on Year Reduction (£m)		(16.887)		(16.833)
Year on Year Reduction (%)		<b>-5.1%</b>		<b>-5.3%</b>

### Retained Business Rates

With the localisation of business rates it is necessary for each authority to estimate the amount of business rates to be collected in 2014/15. The monitoring and estimating of business rates is a new local responsibility which transfers financial risks to the council. It

has a much greater degree of volatility than council tax due to uncertainties surrounding properties and in particular outstanding appeals.

Under the new scheme, Government has set the locally retained element of business rates at 50%, of which the council retains 49% and 1% is received by Nottinghamshire and City of Nottingham Fire and Rescue Authority. A provisional estimate of retained business rates has been made for the projections shown in this report.

The rateable value of businesses in Nottingham is £129.1m (NNDR1 January 2014). There are currently rating appeals lodged with the government's Valuation Office in respect of rateable values totalling £38.5m with some claims outstanding back to the 2005 rating list (and upon which interest could also be payable). Not all of these will be successful either in full or part. The value of appeals represents 11.98% of the total rateable value of the City. The cost of any successful appeals would be met from the monies received, and hence there will be a considerable degree of uncertainty and volatility in the actual level of income received by the Council in any one year.

In his Autumn Statement on 5 December, the Chancellor announced that the expected 3.2% RPI increase in the business rates multiplier for 2014/15 will now be capped at 2% and a range of other adjustments to reliefs and discounts will be introduced that will impact upon business rates collection levels. Councils will be fully refunded for any loss in revenue resulting from these changes through section 31 grants. An estimate for these compensating grants has been included in the MTFP based on the information collated in the NNDR1 business rates return to DCLG.

### **Top-up**

Under the retained business rates scheme any authority with business rates income of less than their initial baseline funding level, as is the case for Nottingham, will receive the balance as a 'top-up'. Top-up will be a continuing feature of future funding settlements and will be annually up-rated by inflation. For 2014/15 the up-rating is 2.0%.

### **Revenue Support Grant (RSG)**

All authorities will continue to receive RSG from central government in addition to their retained business rates. RSG is a grant, which can be used to finance revenue expenditure on any service. The amount of RSG to be provided to councils is made through the local government finance settlement.

### **Specific Grants**

Some specific grants are outside the Settlement Funding Assessment but included within Spending Power calculations. The basis of distribution varies from grant to grant. The budget has again been constructed on the basis that if specific grant funding reduces then the expenditure and activity will reduce accordingly.

#### § **Community Right to Bid/Challenge**

The Community Right to Challenge was introduced by the Localism Act 2011 and allows voluntary and community groups, charities, parish councils and local council staff to bid to run a local authority service where they believe they can do so differently and better. Grant of **£16k** has been allocated to cover the costs of administering this.

#### § **Local Reform and Community Voices**

Local Reform and Community Voices Grant – This DoH grant funds the following:

- § additional funding for Deprivation of Liberty Safeguards (DOLS) in Hospitals;
- § additional local Healthwatch funding;

- § funding for the transfer of Independent Complaints Advocacy Service (ICAS) to local authorities;
- § funding for the transfer of Independent Mental Health Advocacy (IMHA) to local authorities; and
- § funding for the veterans Guaranteed Income Payments (GIPs) social care charges exemption.

The City Council has been allocated **£0.280m** in 2014/15 to fund the additional expenditure to provide these services

§ **Local Welfare Provision**

The Welfare Reform Act 2012 abolished the previous Discretionary Social Fund. From April 2013, funding for crisis loans and community care grants has been devolved to top tier or unitary local authorities. The funding is not ring-fenced, but on 20 November 2012 Executive Board approved use of the full **£1.827m** Central Government allocation to fund the Emergency Hardship Scheme and the Emergency Loan Scheme. The City Council has been allocated **£0.354m** in 2014/15 to fund the cost of administering this scheme.

§ **New Homes Bonus (NHB)**

The non-ring fenced NHB grant was introduced in 2011/12 to incentivise councils to increase their housing supply by match-funding each year the council tax on every new home for each of the following six years. The final 2014/15 NHB for Nottingham was announced on 4 February 2014 as **£4.184m**. On 5 February 2014 the Government also announced **£0.287m** additional one-off funding from the national unused NHB top-slice for 2014/15.

§ **NHS Funding for Social Care and Benefit health**

Continuation of the DoH grant for the support of adult social care services which also have a health benefit. It is conditional upon agreeing with local health partners how this funding is best used within social care. The City Council has been allocated **£7.104m** in 2014/15.

§ **Council Tax New Burden Grant**

The introduction of the Council Tax Support Scheme from 1 April 2013 will increase the administrative cost of the Council Tax collection and recovery services as well as the additional cost of publicising and promoting the scheme. The Government has provided funding of **£0.230m** in 2014/15.

§ **Local Council Tax Support & Housing Benefit Administration Subsidy Grant**

The City Council received subsidy of **£3.011m** in 2014/15 to fund the authority in their statutory duty to administer and process Housing Benefit and Council Tax Support claims and directly related enquiries.

**Additional Grants outside the Settlement**

A number of additional grants have been announced, which are outside of the settlement.

Dedicated School Grant (DSG)

The DSG is a ring-fenced grant subject to grant conditions requiring it to be used to support the Schools Budget as defined in the School and Early Years Finance Regulations. The Schools Budget consists of delegated budgets allocated to individual schools, Pupil Referral Units (PRUs) and Early Years Provision in Private, Voluntary and Independent (PVIs) providers, and a budget for other provision for pupils which the local authority fund centrally which now covers the bulk of high needs provision, including post-school provision up to age 25.

In 2013/14 the Department of Education (DfE) introduced significant changes to the schools funding system and has built on them in 2014/15. The guidelines allow each authority to use their own formula to calculate DSG distribution. There are now 13 allowable factors, which every authority can apply. The purpose of the reforms is to ensure that schools in similar circumstances and with similar intakes receive similar levels of funding nationally. Other changes include the limit on centrally retained expenditure to ensure as much grant as possible passes to schools. Some previously centrally-held budgets now have to be delegated to schools and academies. Some of these have been de-delegated back to councils to provide services centrally (e.g. behaviour support, ethnic minority achievement, trade union cover and building maintenance). The main arrangements for 2014/15 are:

- Continuation of separate Schools, Early Years and High Needs Blocks;
- Cash flat per pupil funding for the Schools and Early Years Block;
- High Needs Block – the funding settlement for 2014/15 is a provisional figure and will be confirmed in March 2014 once the place review in January/February 2014 has been finalised;
- The High Needs Block has been calculated in two sub blocks: schools and post schools. This is a change from last year when it was calculated as pre- and post-16
- An increase in learning places for two year olds extending the statutory entitlement to 40% of lower income households nationally. The DfE have estimated that Nottingham will have 2,700 qualifying for a place in September 2014 with funding representing an 80% take up
- A decrease in funding due to the withdrawal of schools from the CRC Energy Efficiency Scheme
- The minimum funding guarantee will continue at minus 1.5% per pupil.

Nottingham's DSG for 2014/15 has been confirmed at **£228.310m** (£220.514m in 2013/14). The increase of **£7.796m** is shown in **Table 3**:

<b>TABLE 3: INCREASE IN DSG 2014/15</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Increase in grant due to pupil growth	4.804
Increase in post 16 funding	0.490
Additional 2 year old funding	2.736
Withdrawal from the CRC Energy Efficiency Scheme	-0.234
<b>TOTAL INCREASE</b>	<b>7.796</b>

The allocation of 2014/15 DSG is shown in **Table 4**:

<b>TABLE 4: DSG ALLOCATIONS 2014/15</b>			
<b>DESCRIPTION</b>	<b>DIRECT TO SCHOOLS £m</b>	<b>CENTRALLY RETAINED £m</b>	<b>TOTAL £m</b>
Maintained Schools	88.641		88.641
Academies	86.049		86.049
Early years		19.347	19.347
High needs		22.392	22.392
Centrally retained		10.400	10.400
Headroom		1.481	1.481
<b>TOTAL</b>	<b>174.690</b>	<b>53.620</b>	<b>228.310</b>



## Public Health

From 2013/14 councils will receive a new ring fenced Public Health Grant when Public Health responsibilities transferred from the NHS. The Health and Social Care Act 2012 provided the statutory basis for councils to assume their new public health responsibilities in April 2013. The public health grant is a ring fence grant to provide to:

- Improve significantly the health and wellbeing of local populations;
- Carry out health protection functions delegated from the Secretary of State;
- Reduce health inequalities across the life course, including within hard to reach groups;
- Ensure the provision of population healthcare advice.

Nottingham received an allocation of **£27.081m** in 2013/14 and **£27.839m** in 2014/15.

## **Council Tax Support Scheme (CTSS)**

The Welfare Reform Act 2012 abolished the national Council Tax Benefit scheme from April 2013. Responsibility for providing help to people to pay their Council Tax was passed to billing authorities requiring the Council to manage the financial risk.

The Council introduced a CTSS for one year only in 2013/14 that meant that low income households of working age have been able to receive help with up to 91.5% of their Council Tax bill. This was in part due to the Government providing transitional funding to authorities that adopted schemes that met specific Government set criteria. This funding has not been made available in 2014/15 so a revised scheme was approved at Council in January to provide support to low income households of working age to receive help with up to 80% of their Council Tax bill.

## **5. THE DRAFT MTFP 2014/15 – 2016/17**

This provides an update to the Draft MTFP report presented to December Executive Board. Several details have been updated following the results of the settlement, further clarification from Government and the outcomes of the consultation exercise. The following sections consider both the revenue and capital programme elements of both the General Fund and HRA.

### **Budget Overview and Headlines**

The draft budget has been constructed in accordance with the MTFs and all relevant corporate financial protocols. It is a balanced budget; policy-led, medium term and risk assessed and reflects the Council Plan priorities.

### **General Fund Revenue Budget**

- a 2014/15 net budget of **£277.230m**;
- a council tax requirement of **£85.835m** and council tax increase of **1.95%**;
- provision for appropriate levels of inflation;
- provision for new pressures of **£2.510m** arising from demographics (extra £0.750m for Children in Care and £1.614m for Adults respectively), additional demands and legislative changes;
- provision for developments of **£0.656m**;
- a general contingency of **£2.151m**;

- a continuing impact of previous proposals already included in the MTFP of **£3.487m** pressures and **£1.084m** savings, totalling a net **£2.403m** increase;
- a review of corporate items leading to a budget reduction of **£1.977m** (£1.787m of which will be one-off in nature);
- new budget reduction and income generation proposals of **£22.619m**.

### General Fund Capital

- An overall capital programme of **£402.945m** of which **£191.496m** relates to 2014/15;
- There is a projected surplus of resources in 2018/19 of **£16.392m**. However, this included unsecured capital receipts of **£17.746m**. In addition there are significant pressures arising out of the Investment Strategy which will be considered during 2014/15 as part of the management of the programme, so this cannot be considered surplus funding.

### HRA Revenue

- An average increase in rent levels of **7.50%**
- An increase in service charges of **3.2%**
- Total cost pressures of **£0.981m** and fees and charges of **£6.325m**
- A sustainable working balance of **£4m**.

### HRA Capital

- An overall Public Sector Housing Programme of **£296.704m** of which **£77.080m** relates to 2014/15.
- **£22.682m** has been specifically allocated to decommissioning, regeneration and new builds.

### Summary of Budget 2014/15

**Tables 5A – 5D** provide a summary of the four key elements of the 2014/15 section of the MTFP. More details appear later in this plan and within the various Annexes to the covering Executive Board report. Some of those annexes will be an integral part of the subsequently published MTFP following approval by City Council in March 2014.

<b>TABLE 5A: SUMMARY GF REVENUE BUDGET 2014/15</b>	
<b>DESCRIPTION</b>	<b>£m</b>
2014/15 base budget	299.193
Big Ticket / Transformational Savings	(14.874)
Efficiencies & Other Savings	(5.768)
Corporate Proposals	(1.977)
Developments	0.656
<b>TOTAL</b>	<b>277.230</b>

Further detail of the GF Revenue Budget 2014/15 is at **Appendix B.1** and **Appendix C**.

<b>TABLE 5B: SUMMARY GF CAPITAL PROGRAMME 2014/15</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Local Transport Plan	24.021
Education	13.910
All Other Services	153.565
<b>TOTAL</b>	<b>191.496</b>

Further detail of the GF Capital Programme 2014/15 is set out in **Annex 3**.

<b>TABLE 5C: SUMMARY HRA REVENUE BUDGET 2014/15</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Total Expenditure	108.104
Working balance c/fwd	4.000
<b>TOTAL</b>	<b>112.104</b>

<b>TABLE 5D: 2014/15 SUMMARY HRA CAPITAL PROGRAMME</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Meeting the Decent Homes Standard	26.634
Decommissioning demolition and regeneration	22.682
Additional Tenant Priorities:	
- City wide energy efficiency	10.710
- Additional improvements	17.054
<b>TOTAL</b>	<b>77.080</b>

Further detail of the HRA Revenue Budget and capital programme for 2014/15 is set out in **Annex 4**.

## General Fund Revenue Budget

**Table 6** summarises the changes required to update the 2013/14 base budget to refresh the starting point for the 2014/15 budget.

<b>TABLE 6: BUDGET REFRESH</b>				
<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>TABLE</b>
Inflation	10.465	17.727	30.728	<b>7A&amp;B</b>
Corporate Adjustments	(3.041)	(5.772)	(5.867)	
Previous MTFP decisions	2.403	4.176	6.004	<b>8</b>
<b>TOTAL</b>	<b>9.827</b>	<b>16.131</b>	<b>30.865</b>	

Corporate items include anticipated movements in the financing of the capital programme and the debt portfolio, a net contribution to reserves, primarily relating to the creation of Business Rates and the Collection Fund specific reserves, and the receipt of the S31 grant in relation to Business Rates. Account has also been taken of reduced costs relating to one-off activity in the 2013/14 budget.

**Tables 7A and 7B** show the inflation factors and funding assumed for 2014/15.

<b>TABLE 7A: INFLATION – EMPLOYEE AND GENERAL</b>				
<b>DESCRIPTION</b>	<b>Inflation %</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
<b>Direct Employees</b>	1.0% pay award	4.909	8.288	16.878
<b>General Inflation</b>	2.1%	3.725	5.663	8.024
<b>TOTAL</b>		<b>8.634</b>	<b>13.951</b>	<b>24.902</b>

TABLE 7B: INFLATION – SPECIFIC				
DESCRIPTION	Inflation %	2014/15 £m	2015/16 £m	2016/17 £m
- Concessionary Fares	5.9%	0.743	1.462	2.222
- Electricity / Street Lighting	7.0%	0.312	0.632	0.966
- Gas	6.0%	0.075	0.148	0.226
- Fuel	4.5%	0.091	0.218	0.343
- Highway Materials/BMD Repairs	4.5%	0.227	0.522	0.830
- Waste Disposal	3.0%	0.133	0.276	0.427
- Landfill Tax	7.5%	0.154	0.294	0.431
- Rates	3.3%	0.095	0.224	0.381
<b>TOTAL</b>		<b>1.830</b>	<b>3.776</b>	<b>5.826</b>

Direct Employee proposals relating to incremental pay and the value of the Living Wage supplement for 2014/15 are subject to on going consultation with the trade unions in line with the December Appointments & Conditions of Service sub-committee.

Pension contributions have been projected based on information from the actuary based on the triennial valuation of the pension fund. Estimated contributions are subject to the final report and certificate of rates which will be available at the end of March 2014.

#### Previously agreed MTFP decisions

**Table 8** summarises the impact on the 2014/15 budget of decisions made in previous budgets. This totals a net increase of **£2.403m** in 2014/15, mostly due to previously agreed pressures for increased demographics and demand in Adult Social Care and Children in Care.

TABLE 8: PREVIOUSLY AGREED STRATEGIC CHOICES			
DESCRIPTION	2014/15 £m	2015/16 £m	2016/17 £m
Existing Pressures	3.487	6.246	8.691
Efficiencies & Other Savings	(0.193)	(0.198)	(0.190)
Big Ticket / Transformational Savings	(0.349)	(2.049)	(2.049)
Corporate Proposals	(0.542)	0.178	(0.447)
<b>TOTAL</b>	<b>2.403</b>	<b>4.176</b>	<b>6.004</b>

#### Pressures

As in previous years, the Council continues to face significant cost pressures which have a major impact on the MTFP. **Table 9** shows the Portfolio breakdown of the funded pressures of **£2.510m** for 2014/15. There is currently a further additional **£2.061m** projected for 2015/16 and **£0.409m** for 2016/17. **Appendix A.1** provides more details. Unavoidable pressures in 2014/15 arise due to, for example:

- Increased demand for services including demographics (**£2.364m**)
- Effects of current economic conditions (**£0.125m**)
- Loss of income (**£0.021m**)

<b>TABLE 9: PRESSURES</b>			
<b>PORTFOLIO</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Adults & Health	1.614	1.802	2.045
Children's Services	0.750	1.069	1.095
Planning & Transportation	0.000	1.130	1.210
Resources & Neighbourhood Regeneration	0.146	0.570	0.630
<b>TOTAL</b>	<b>2.510</b>	<b>4.571</b>	<b>4.980</b>

### Developments

A limited number of developments have been identified for 2014/15 that will provide funding for new initiatives and service improvements. **Table 10** shows the Portfolio breakdown of the proposed developments of **£0.656m** for 2014/15. There is currently an additional **£0.212m** proposed for 2015/16 and **£0.500m** for 2016/17. **Appendix A.2** provides more details.

<b>TABLE 10: DEVELOPMENTS</b>			
<b>PORTFOLIO</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Adults & Health	0.406	0.618	1.118
Strategic Regeneration & Community Safety	0.250	0.250	0.250
<b>TOTAL</b>	<b>0.656</b>	<b>0.868</b>	<b>1.368</b>

### Proposed Savings

Savings of **£22.6m** are required to balance the budget in 2014/15. These will be found from a combination of efficiencies, Big Ticket Transformation and corporate proposals.

During the budget process, colleagues and councillors work together to identify proposals which, when taken together, direct funding into the Council's priorities and balance the budget. This is a complex and time consuming activity.

### Big Ticket Transformation

To meet the needs of citizens within the budget available and identified in the MTFP over the next 3 years, a focussed and strategic approach has been put in place for key areas; described as 'Big Tickets'. These areas of transformation will require whole council and partner input and will both transform the way we work and deliver significant savings.

The purpose and details of each 'Big Ticket' transformation programme is as follows:

#### **1. Adult Social Care**

Ensure that a financially sustainable adult social care system is in place which is able to respond to the significant increase in demand for care services and at the same time ensure that the needs of our most vulnerable citizens are met. Benefits will include:

- Delivery of the vision in the Vulnerable Adults Plan - enabling our most vulnerable citizens to live safely, independently, offering local choice and control over their lives;
- Delivering a significant reduction in the overall cost of adult social care including some investment in new, local services, and at the same time managing the ever increasing demands for, and costs of, care services;

- Improving the effectiveness and efficiency of social care and health care services, making it much easier and quicker for citizens to access the care and support they need;
- Much more investment in and focus on providing citizens with care and support much earlier before problems develop or get worse;
- Increasing investment in earlier support services for citizens.

## 2. **Commercialism**

This programme continues to embed a commercial approach to the commissioning and provision of all council services. Its focus is on customer insight, service design, cost control, sales, income generation, efficiency and shared services.

## 3. **Energy and Waste**

This will drive Nottingham City Council's energy and waste services to be more cost effective and identify commercial opportunities that build on the respective services in-house expertise. Benefits will include:

- Deliver commercial growth that helps to sustain a quality service provision through revenue generation;
- Create city wide plans and mechanisms for delivering cost effective energy and related services to citizens and communities;
- Reduce the cost of running services through contract negotiation and delivering services in conjunction with other organisations;
- Develop energy and waste support services in conjunction with other Nottingham City Council directorates to improve efficiencies and reduce operating costs.

## 4. **Leading Nottingham**

To respond to changing priorities and focus on meeting citizen need, the Leading Nottingham Programme will focus on developing further:

- An engaged, flexible and affordable workforce;
- Strong leadership and excellent people management;
- Business initiative;
- Partnership working.

## 5. **NCC & NCH Common Services**

Closer working between the council and NCH to improve joint working arrangements, customer experience and to realise savings to both organisations in the following areas: housing adaptations, homelessness, welfare rights and housing options.

## 6. **Public Health**

The responsibility for public health transferred to Local Authorities as part of the health and social care reforms initiated in April 2013. Government considered that councils have greater responsibility and power to shape the locality in a healthy direction, and public health would have the ability to shape services to meet local need, and better influence wider social determinants of health and tackle health inequalities. For Nottingham, a grant of **£27m** was provided to deliver this function, including commissioning a range of public health services to be used to meet the specific needs of citizens. Achieving greater efficiency and cost effectiveness across services will enable investment into the wider social determinants and public health responsibilities of the council.

## 7. Public Transport

The Programme aims to deliver a range of identified projects over a 4 year period to improve the service offer for citizens, create efficiencies and generate savings for the Council. Benefits will include:

- Integration of ticketing at a fair price;
- Discounted ticketing for disadvantaged residents;
- Reduction in bus congestion on sensitive City Centre streets, subject to redevelopment;
- Co-ordination of bus service changes with new developments.

## 8. Reshaping Prevention & Safeguarding for Children

This transformational programme will shift the balance of Children's Services resources towards Early Intervention; improve a range of outcomes for families and build their resilience; reduce the cost for the citizen of our most intensive services. Benefits will include:

- Improve a range of outcomes such as attainment and attendance at school, as well as health outcomes, such as obesity
- Significantly reduce the cost of services by improving our speed of response, our timeliness of response and our way of delivery certain types of intervention

## 9. Strategic Asset Management

To identify the benefits of an integrated approach to asset management and the actions that will contribute to delivering improved outcomes in the short to medium term and measures to improve the performance of property and other physical assets and non-physical assets. Benefits will include:

- Financial benefits through the reduction of maintenance costs and increase in income through sale of physical assets;
- Improved service delivery by facilitating a better fit between customer/service requirements and assets;
- Increased co-location of public services and reduction in under utilisation of Council buildings;
- Investing in assets to provide increased income and improved security of income to the Council.

**Table 11** summarises the 'Big Ticket' savings to be delivered by each transformation programme. **Appendix A.3** provides more details.

<b>TABLE 11: BIG TICKETS</b>			
<b>TRANSFORMATION PROGRAMME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Adult Social Care	(3.915)	(4.870)	(5.348)
Commercialism	(2.285)	(3.350)	(4.195)
Energy and Waste	(1.850)	(1.100)	(2.000)
Leading Nottingham	(0.527)	(0.527)	(0.527)
NCC & NCH Common Services	(0.750)	(1.500)	(1.500)
Public Health	(3.078)	(3.218)	(3.668)
Public Transport	(1.083)	(1.833)	(3.183)
Reshaping Prevention & Safeguarding for Children	(1.386)	(1.386)	(1.386)
Strategic Asset Management	0.000	(1.866)	(4.566)
<b>TOTAL</b>	<b>(14.874)</b>	<b>(19.650)</b>	<b>(26.373)</b>

Further transformation activity is also being developed for 2015/16 in relation to the Customer Access Programme. This is a council-wide initiative to create a consolidated customer service function, supported by simplified processes and systems which provide colleagues with the right information at the right time to help our customers.

#### Efficiencies and other savings

**Table 12** summarises proposed efficiencies and other savings by Portfolio. **Appendix A.4** provides details.

<b>TABLE 12: EFFICIENCIES AND OTHER SAVINGS</b>			
<b>PORTFOLIO</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Adults & Health	(0.040)	(0.140)	(0.190)
Children's Services	(1.077)	(1.243)	(1.243)
Commissioning & Voluntary Sector	(0.299)	(0.319)	(0.319)
Community Services	0.000	0.000	0.000
Energy & Sustainability	(0.024)	(0.024)	(0.024)
Jobs & Growth	(0.240)	(0.240)	(0.240)
Leisure & Culture	(0.361)	(0.361)	(0.361)
Planning & Transportation	(0.285)	(0.535)	(0.535)
Resources & Neighbourhood Regeneration	(2.825)	(1.421)	(1.407)
Strategic Regeneration & Community Safety	(0.618)	(0.709)	(0.709)
<b>TOTAL</b>	<b>(5.768)</b>	<b>(4.992)</b>	<b>(5.028)</b>

#### Corporate Proposals

**Table 13** summarises the corporate proposals which will generate savings or income.

<b>TABLE 13: CORPORATE PROPOSALS</b>			
<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Corporate Contingency	(0.190)	(0.190)	(0.190)
Service Realignment Costs	(1.500)		
Returned NHB top slice	(0.287)		
<b>TOTAL</b>	<b>(1.977)</b>	<b>(0.190)</b>	<b>(0.190)</b>

- General Corporate Contingency - The MTFs requires this to be between **0.4%** and **0.9%** of the previous year's net budget. This is used to deal with the financial impact of issues that could not have been foreseen at the point the budget was set such as emerging priorities, emergencies and external factors. A reduction of **£0.190m** to **£2.151m** sets the level at **0.75%** and again takes account of the significant savings package and challenging future financial outlook.
- Service Realignment - the estimated net reduction in posts as a result of the proposals included in this consultation is **76** full time equivalents in 2014/15. This allows a reduction in the 2014/15 provision from **£3m** to **£1.5m**.
- Returned New Homes Bonus – each year DCLG top-slices £2bn from the settlement to fund the NHB grant. This is expected to be more than needed in the early years of the scheme and any surplus is expected to be returned pro-rata to



councils. The final settlement confirmed that the City Council will receive **£0.287m** of returned top-slice for 2014/15 which will be used to support the revenue budget.

#### Overall Position

**Table 14** shows the overall impact of the proposals in 2014/15 by Portfolio.

<b>TABLE 14: OVERALL IMPACT OF PROPOSED SAVINGS</b>			
<b>PORTFOLIO</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Adults & Health	(3.805)	(4.859)	(5.388)
Children's Services	(2.463)	(2.629)	(2.629)
Commissioning & Voluntary Sector	(0.349)	(0.369)	(0.369)
Community Services	(0.370)	(0.452)	(0.518)
Energy & Sustainability	(1.224)	(0.493)	(1.409)
Jobs & Growth	(0.240)	(0.240)	(0.240)
Leisure & Culture	(1.186)	(1.311)	(1.336)
Planning & Transportation	(2.043)	(3.312)	(5.030)
Resources & Neighbourhood Regeneration	(8.345)	(10.267)	(13.773)
Strategic Regeneration & Community Safety	(0.618)	(0.709)	(0.709)
<b>SUB-TOTAL</b>	<b>(20.642)</b>	<b>(24.641)</b>	<b>(31.401)</b>
Corporate	(1.977)	(0.190)	(0.190)
<b>TOTAL</b>	<b>(22.619)</b>	<b>(24.831)</b>	<b>(31.591)</b>

**Table 15** shows the resulting proposed draft overall net budget requirement for 2014/15.

<b>TABLE 15: NET BUDGET REQUIREMENT</b>				
<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>TABLE</b>
2013/14 Budget Requirement	286.855	286.855	286.855	
Budget Refresh	9.827	16.131	30.865	<b>6</b>
Pressures	2.510	4.571	4.980	<b>9</b>
Developments	0.656	0.868	1.368	<b>10</b>
<b>SUB-TOTAL</b>	<b>299.849</b>	<b>308.426</b>	<b>324.069</b>	
Big Ticket / Transformational Savings	(14.874)	(19.649)	(26.373)	<b>11</b>
Efficiencies & Other Savings	(5.768)	(4.992)	(5.028)	<b>12</b>
Corporate Proposals	(1.977)	(0.190)	(0.190)	<b>13</b>
<b>BUDGET REQUIREMENT</b>	<b>277.230</b>	<b>283.594</b>	<b>292.478</b>	

#### Funding

The position relating to Retained Business Rate income carries significant risks for the Council. The assumed share of the business rate income is **£59.788m** in 2014/15, which is **£0.572m** above our Business Rate Baseline determined by the Government for the purpose of the settlement.

Under the retention scheme, there are both potential risks and rewards in calculating our share of the yield. The major risks and concerns are; the level of successful rating appeals that may be made in the year, the unknown level of bankruptcies and businesses going into administration, the number of empty properties, the number of new properties and the collection rate achievable. We have to make an estimate of the impact of all these, based on limited trend information.

January 2014 estimated the gross rates collectible as £129.1m with £1.9m assumed for bad debts (1.46%). It is considered prudent given the volatility of business rates collection to create a Funding Risk Reserve and transfer **£0.733m** into this reserve.

The Autumn Statement included changes to the business rates system that affect the business rates income of local authorities in 2014/15. These changes are:

- Multiplier cap - The RPI increase in 2014/15 will be capped at 2% instead of 3.2%
- The doubling of the Small Business Rate Relief is extended for a further 12 months until 31 March 2015
- Empty new build properties will be exempt from empty property rates for 18 months
- A 50% business rates relief for 18 months for businesses that (between 1 April 2014 and 31 March 2016) move into retail premises that have been empty for a year or more
- A discount of £1,000 for shops, pubs and restaurants with a rateable value below £50,000 for two years, from April 2014

The Government has undertaken to compensate councils for the loss of income suffered as a result of these changes by grants under section 31 of the Local Government Act 2003 based on estimates we submitted in January 2014 as shown in **Table 16**. The impact of these S31 grants has been included within the budget refresh figures. Given the significant risks in the projections of Business Rates and the one-off nature of some of these grants, it is appropriate to transfer that element related to the City Council (**£2.447m**) to the Funding Risk Reserve.

<b>TABLE 16: SECTION 31 GRANTS (BUSINESS RATES)</b>	
<b>DESCRIPTION</b>	<b>2014/15 £m</b>
Multiplier cap	0.636
Small business rates relief	1.263
New empty property relief	0.084
Long term empty property relief	0.055
Retail relief	0.495
<b>TOTAL</b>	<b>2.533</b>

100% of the uplift in Business Rates can be retained for the Enterprise Zone and the New Deal Scheme (Creative Quarter). These sums are ring fenced for these purposes. **Table 17** sets out the funding assumed within the MTFP.

<b>TABLE 17: FUNDING</b>			
<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Projections			
- Retained Business Rates	(59.788)	(61.439)	(63.466)
- Top Up	(26.796)	(27.536)	(28.445)
- Revenue Support Grant	(103.264)	(72.607)	(58.086)
<b>SUB-TOTAL</b>	<b>(189.849)</b>	<b>(161.582)</b>	<b>(149.996)</b>
100% Retained Business Rates	(0.145)	(0.149)	(0.154)
<b>NET POSITION</b>	<b>(189.995)</b>	<b>(161.731)</b>	<b>(150.151)</b>

### Collection Fund

The Collection Fund is held separately from the General Fund and accounts for income collected from council tax. An annual in-depth appraisal is undertaken to assess the estimated level of collection (as aggregated to include that relating to the current and previous years), the likely balance of the Fund and to advise the precepting authorities (Fire and Police) of their share of any surplus/deficit. This enables them to take this into account in their own budget calculations. It is estimated that there will be a surplus on the fund of **£1.430m** for 2014/15. The City Council share of this is **£1.222m**. In addition there is a small collection surplus with respect to business rates of **£0.178m** as reported in the NNDR1 return. **£0.977m** of these collection fund surpluses will be reserved to fund the potential additional costs in relation to the Council Tax Support Scheme.

### Proposed Council Tax

**Table 18** shows the implications for the proposed level of council tax needing to be levied.

If the final budget is in line with the total figures outlined in this report, the proposed total council tax levied for 2014/15 will be **£85.835m**, equating to a Band D of **£1,431.80** and representing an increase of **1.95%**.

<b>TABLE 18 AMOUNT TO BE RAISED BY COUNCIL TAX</b>	
<b>DESCRIPTION</b>	<b>2014/15 £m</b>
Net Budget Requirement	277.230
Funding	(189.995)
Collection Fund – Council Tax	(1.222)
Collection Fund – Business Rates	(0.178)
<b>COUNCIL TAX REQUIREMENT</b>	<b>85.835</b>

### Council Tax Referendum

On 5 February the Local Government Minister confirmed that any increase in council tax of 2% or more will require a binding referendum to be held. Following Royal Assent of the Local Audit and Accountability Act 2014, the referendum principles will now include levies and will therefore be based on the unadjusted level of Band D Council Tax.

### Council Tax Freeze Grant (CTFG)

Councils not increasing their Band D council tax will be eligible to receive a grant equivalent to a 1% of the basic amount of council tax set for 2013/14. This will be calculated excluding the reductions on the council tax base for those receiving council tax support and will be paid in both 2014/15 and 2015/16. Ministers have agreed that funding should be built into future Spending Review baselines. Government has previously indicated that a freeze grant will also be awarded in 2015/16 although this will be subject to a separate scheme. Nottingham would receive a 2014/15 council tax freeze grant of **£1.074m** if it met the announced criteria.

Reducing the proposed Band D council tax increase of 1.95% to 0% in 2014/15 to receive the council tax freeze grant would add an on-going net pressure of **£0.568m**.

### General Reserves

The MTFs requires opening general reserves (sometimes known as the *working balance*) of between **2%** and **4%** of the total net General Fund revenue budget each year. The precise level within this range is informed by the risk assessment; the higher the level of risk, the higher the reserve. The MTFs includes a recommended opening balance in

2014/15 of **£9.500m** representing **3.4%** which is considered appropriate given the level of risk in the budget. Details are provided in **Annex 5**.

## General Fund Capital Programme

**Table 19** shows the General Fund Capital Programme totalling **£402.945m**. More detail is contained in **Annex 3** of the budget report.

TABLE 19 GENERAL FUND CAPITAL INVESTMENT							
PROGRAMME	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Transport	27.016	24.021	17.429	6.649	2.250	0.000	77.365
Education / BSF	20.976	13.910	9.350	5.686	0.000	0.000	49.922
Other Services	53.793	153.565	22.584	19.814	15.919	9.983	275.658
<b>TOTAL</b>	<b>101.785</b>	<b>191.496</b>	<b>49.363</b>	<b>32.149</b>	<b>18.169</b>	<b>9.983</b>	<b>402.945</b>

**Table 20** shows projected resources totalling **£419.337m**, which includes **£17.746m** of unsecured capital receipts, compared to the forecast capital investment of **£402.945m**.

TABLE 20: GENERAL FUND CAPITAL RESOURCES							
PROGRAMME	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Resources b/fwd	29.479	0.000	0.000	0.000	0.000	0.000	29.479
Prudential Borrowing	37.660	143.415	19.407	13.968	6.995	0.000	221.445
Grants & Contributions	30.144	33.421	23.166	17.321	8.692	8.272	121.016
Internal Funds / Revenue	15.617	7.886	1.318	0.000	1.848	1.711	28.380
Capital Receipts - Secured	1.271	0.000	0.000	0.000	0.000	0.000	1.271
Capital Receipts - Unsecured	1.270	9.062	3.062	2.612	0.870	0.870	17.746
<b>TOTAL</b>	<b>115.441</b>	<b>193.784</b>	<b>46.953</b>	<b>33.901</b>	<b>18.405</b>	<b>10.853</b>	<b>419.337</b>

## HRA – Revenue Budget

The following sections explain how the HRA Revenue Budget has been constructed. More detail is contained in **Annex 4**. The HRA MTFP has been refreshed to take account of changes in housing stock numbers, implementation of self financing, cost pressures, inflation and capital financing costs. **Table 21** shows the financial impact of the changes:-

TABLE 21: HRA BUDGET REFRESH SUMMARY	
DESCRIPTION	£m
Increased income	(6.325)
Tenant reward scheme	2.700
Inflation	1.306
Cost pressures	0.981
Capital financing costs	2.476
<b>MOVEMENT IN WORKING BALANCE</b>	<b>1.138</b>

**Table 22** details the increased income which requires specific approval.

<b>TABLE 22: INCREASED INCOME 2014/15</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Rent	(5.904)
Other income	(0.316)
Service charges	(0.084)
Independent living charges	(0.007)
Heating charges	(0.001)
Garage rents	(0.013)
<b>TOTAL</b>	<b>(6.325)</b>

The impact of the budget refresh and proposals for the HRA are summarised in **Table 23**. The Council is required to periodically review the HRA to ensure that it does not go into deficit. It is proposed to retain the HRA balance at **£4.000m** in 2014/15.

<b>TABLE 23: HRA BUDGET 2014/15</b>			
<b>DESCRIPTION</b>	<b>2013/14 BUDGET £m</b>	<b>MOVEMENT £m</b>	<b>2014/15 BUDGET £m</b>
Rent and other income	(94.629)	(6.627)	(101.256)
Service charges	(3.965)	(0.373)	(4.338)
<b>TOTAL INCOME</b>	<b>(98.594)</b>	<b>(7.000)</b>	<b>(105.594)</b>
Repairs	19.815	0.263	20.078
Management	34.625	3.123	37.748
Capital charges	38.790	3.051	41.841
Direct Revenue Financing	6.547	(0.575)	5.972
<b>TOTAL EXPENDITURE</b>	<b>99.777</b>	<b>5.862</b>	<b>105.639</b>
<b>Deficit / (Surplus)</b>	<b>1.183</b>	<b>(1.138)</b>	<b>0.045</b>

## HRA – Capital Programme

The following sections explain how the HRA Capital Programme has been constructed; further detail relating to the HRA capital programme is shown in **Table 24** and **Annex 4**. The programme is based on existing approved commitments, remodelling and proposals contained in **Annex 4 (Appendix D)**.

<b>TABLE 24: HRA CAPITAL INVESTMENT</b>							
<b>PROGRAMME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Existing Programme	64.163	77.828	45.338	0.000	0.000	0.000	187.329
New/Amended Schemes	(3.448)	(0.748)	2.731	34.545	37.691	38.604	109.375
<b>TOTAL</b>	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>296.704</b>

**Table 25** details the resources available to fund the total programme. However the projections include capital receipts of **£7.489m**, some of which have not yet been secured. Schemes may require re-phasing or remodelling if the resources are not secured.

<b>TABLE 25: HRA CAPITAL RESOURCES</b>							
<b>PROGRAMME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Resources b/fwd	33.344	0.000	0.000	0.000	0.000	0.000	33.344
Prudential Borrowing	0.000	0.000	0.000	0.000	6.000	9.000	15.000
Major Repairs Reserve	27.081	29.001	29.001	29.001	29.001	29.001	172.086
HCA Grant	28.270	13.301	0.000	0.000	0.000	0.000	41.571
Housing Grants	1.208	0.772	0.000	0.000	0.000	0.000	1.980
Direct Revenue Funding	6.667	5.972	6.185	7.841	8.076	8.319	43.060
Capital Receipts secured	3.388	0.000	0.000	0.000	0.000	0.000	3.388
Capital Receipts	1.564	3.015	2.460	0.450	0.000	0.000	7.489
<b>TOTAL</b>	<b>101.522</b>	<b>52.061</b>	<b>37.646</b>	<b>37.292</b>	<b>43.077</b>	<b>46.320</b>	<b>317.918</b>

The HRA generates an additional **£21.214m** of resources for capital purposes which are required to finance the future commitments to maintain the standard of the existing housing stock

## **6. MEDIUM TERM FINANCIAL OUTLOOK (MTFO)**

Nottingham currently operates on a 3-year rolling MTFO. The outlook for local government is now much more challenging in the light of global, national and regional issues discussed earlier in this report and within the MTFs. In examining proposals for the 2014/15 budget, the Council considers both the immediate situation and the longer term outlook and assesses the impact of decisions accordingly.

Although there are uncertainties, it is clear that the public sector will have significantly lower levels of funding in the future than have been there in the past, so significant further savings will be needed.

**Appendices B.1 to B.3** provide detail of the current MTFO for 2014/15 through to 2016/17. The future years' projections assume:

- Council tax increases of **1.95%** in 2014/15 and for each year of the MTFP
- RSG as announced in the 2-year settlement for 2014/15 and 2015/16
- c20% reduction in RSG in 2016/17
- Working assumption of nil underlying growth in retained business rates
- 1% pay award for all years
- General inflation as per current Government projections of 2.1%, 1.5% and 1.8% for 2014/15, 2015/16 and 2016/17 respectively
- No further emerging pressures assumed for 2015/16 and 2016/17

All these assumptions will be subject to ongoing review in light of changing circumstances.

**Table 26** overleaf includes the impact of the 2014/15 proposals contained elsewhere in this report and confirms the need for ongoing cost reductions in the short to medium term.

**TABLE 26: MEDIUM TERM FINANCIAL OUTLOOK**

<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
2013/14 Net Budget Requirement	286.855	286.855	286.855
Budget Refresh	9.827	16.131	30.865
Pressures	2.510	4.571	4.980
Investments/Developments	0.656	0.868	1.368
<b>SUB-TOTAL</b>	<b>299.849</b>	<b>308.426</b>	<b>324.069</b>
Big Ticket / Transformational Savings	(14.874)	(19.649)	(26.373)
Efficiencies & Other Savings	(5.768)	(4.992)	(5.028)
Corporate Proposals	(1.977)	(0.190)	(0.190)
<b>ASSUMED NET BUDGET</b>	<b>277.230</b>	<b>283.594</b>	<b>292.478</b>
Retained Business Rates, Top-up & RSG	(189.995)	(161.731)	(150.151)
Council Tax	(85.835)	(88.209)	(90.643)
Collection Funds	(1.400)	0.000	0.000
<b>ASSUMED FUNDING</b>	<b>(277.230)</b>	<b>(249.940)</b>	<b>(240.794)</b>
<b>NET MTFO POSITION</b>	<b>0.000</b>	<b>33.654</b>	<b>51.684</b>

*NB tables may not sum exactly due to rounding*

## 7. Financial Stability and the Management of Risk

The Council's strategy in this regard is to have financial stability and ensure that our financial pressures are known, understood and well managed. The CFO advises on this using the principles within the MTFS, best practice and professional experience.

Under sections 25-27 of the Local Government Act 2003 (part II), the CFO is required to formally report to councillors on the robustness of the budget estimates and the adequacy of the City Council's financial reserves.

A corporate financial risk assessment has been undertaken to determine key risks and their impact on the budget. This ensures that adequate overall corporate budgetary provision is available to cover for unforeseen future events. This approach is embedded within the budget process and is used to inform the level of reserves required. Details appear in **Annex 5**.

In accordance with the MTFS, General Fund balances will be between **2%** and **4%** of the total net general fund revenue budget. The proposed General Fund balance for 2014/15 will be **£9.500m** which is **3.4%** of the net revenue budget. This level of reserve has been informed by the risk assessment.

**Annex 5** details the separate report (incorporating the risk assessment) relating to the robustness of the budget and the adequacy of reserves and has been written by the CFO in her capacity as S151 officer.

## 8. Accountability

Summary sheets for each portfolio are included below, providing an outline of the key objectives of each portfolio and the headline budget details. Detailed budgets for each portfolio are at **Appendix C**. Portfolio Holders are expected to deliver the City's policies and priorities within the resources made available to them. The budgets set for 2014/15 form the basis by which performance management can take place.

The regular monitoring of budgets takes place at various management levels within the Council, including at CLT and is reported quarterly to Executive Board and the Performance and Resources Standing Panel. This is particularly important in highlighting areas of budget pressures, as early as possible in the process, to enable management action to take place.

The City Council recognises the importance of individual and collective accountability and requires managers to formally sign up to acknowledge they recognise their responsibilities to deliver services on time, to the required standard and within budget, and to implement any savings and investment allocated to their areas. In recognition that financial management is an integral aspect of effective leadership and good management, relevant councillors and managers are required to participate fully in all aspects of financial processes.



## Strategic Regeneration and Community Safety



**Councillor Jon Collins**

### **Focus of the Portfolio**

- Strategic Regeneration and Development
  - Overview of all regeneration activity across the City
  - City Centre major regeneration
  
- Community Safety and Enforcement
  - Overview of the Council's section 17 responsibilities
  - Public and Consumer Protection
  - Community Safety and Respect for Nottingham
  - Community Cohesion
  - Licensing

<b>Revenue Budget 2014/15: Strategic Regeneration and Community Safety</b>						
<b>Department / Service</b>	<b>Net Base Budget £m</b>	<b>SAVINGS</b>			<b>Developments £m</b>	<b>Net Final Budget £m</b>
		<b>Big Ticket £m</b>	<b>Efficiencies &amp; Other Savings £m</b>	<b>Corporate Proposals £m</b>		
Business Development	1.418				0.000	(0.070)
City Centre Operations	0.379	0.000	(0.050)	0.000	0.000	0.329
Community Cohesion	(0.000)	0.000	0.000	0.000	0.000	(0.000)
Crime & Drugs Partnership	0.527	0.000	(0.040)	0.000	0.000	0.487
Environmental Health & Trading Standards	2.705	0.000	(0.062)	0.000	0.250	2.893
Guns, Gangs & Knives	0.463	0.000	(0.200)	0.000	0.000	0.263
Licensing Permits & Regulation	0.611	0.000	(0.196)	0.000	0.000	0.415
Neighbourhood Enforcement	3.457	0.000	0.000	0.000	0.000	3.457
Rapid Response & Projects	0.738	0.000	0.000	0.000	0.000	0.738
<b>Communities</b>	<b>10.299</b>	<b>0.000</b>	<b>(0.618)</b>	<b>0.000</b>	<b>0.250</b>	<b>9.931</b>
<b>Portfolio Total</b>	<b>10.299</b>	<b>0.000</b>	<b>(0.618)</b>	<b>0.000</b>	<b>0.250</b>	<b>9.931</b>

<b>Capital Programme: Strategic Regeneration and Community Safety</b>							
<b>Programme</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>Total £m</b>
<b>Other Services</b>							
Current Programme	1.819	1.980	2.387	0.476	0.00	0.000	6.662
<b>Portfolio Total</b>	<b>1.819</b>	<b>1.980</b>	<b>2.387</b>	<b>0.476</b>	<b>0.000</b>	<b>0.000</b>	<b>6.662</b>

## Resources and Neighbourhood Regeneration



### Councillor Graham Chapman

#### Focus of the Portfolio

- Economic Development
  - Commercial, Operational, Investment Land and Property
  - Investment
  - Economic Development and Infrastructure
  - Neighbourhood Regeneration
  
- Resources
  - Finance
  - Information Technology, Legal and Democratic Services, Health and Safety, Risk Management and Emergency Planning
  - Collection of Council Tax and National Non Domestic Rates
  - Housing and Council Tax Benefits
  - Welfare Rights
  - Reputation and Communications
  
- Human Resources
  - Corporate HR
  - Performance Management
  - International and European Links

Revenue Budget 2014/15: Resources and Neighbourhood Regeneration						
Department / Service	Net Base Budget £m	SAVINGS			Develop- Ments £m	Net Final Budget £m
		Big Ticket £m	Efficiencies & Other Savings £m	Corporate Proposals £m		
Chief Executive's Office	0.232	0.000	0.000	0.000	0.000	0.232
City Advertising	(0.126)	0.000	0.000	0.000	0.000	(0.126)
Corporate Leadership Team	0.001	0.000	0.000	0.000	0.000	0.001
Departmental Resources	0.020	0.000	0.000	0.000	0.000	0.020
Marketing & Communications	1.156	0.000	0.000	0.000	0.000	1.156
One Nottingham	0.417	0.000	(0.250)	0.000	0.000	0.167
Strategic Partnership	1.202	0.000	0.000	0.000	0.000	1.202
<b>Chief Executive</b>	<b>2.902</b>	<b>0.000</b>	<b>(0.250)</b>	<b>0.000</b>	<b>0.000</b>	<b>2.652</b>
Building Cleaning & Catering	2.680	0.000	0.000	0.000	0.000	2.680
<b>Communities</b>	<b>2.680</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>2.680</b>
Access to Services Directorate	1.084	0.000	0.000	0.000	0.000	1.084
Economic Development	0.452	0.000	0.000	0.000	0.000	0.452
Estates Management	0.253	0.000	0.000	0.000	0.000	0.253
Housing Support & Partnerships	0.494	0.208	0.000	0.000	0.000	0.702
Maintenance, Safety & Compliance	0.054	0.000	0.000	0.000	0.000	0.054
Major Programmes	0.586	0.000	0.000	0.000	0.000	0.586
Performance & Resources	0.490	0.000	(0.065)	0.000	0.000	0.425
Planned Maintenance Budget	0.115	0.000	0.000	0.000	0.000	0.115
Property Corporate Landlord	3.923	0.000	0.000	0.000	0.000	3.923
Property Trading Account	3.318	(0.150)	0.000	0.000	0.000	3.168
Support Services (Property)	(9.749)	(0.417)	0.000	0.000	0.000	(10.166)
<b>Development</b>	<b>4.752</b>	<b>0.000</b>	<b>(0.210)</b>	<b>0.000</b>	<b>0.000</b>	<b>4.542</b>
Finance	3.731	0.359	(0.145)	0.000	0.000	3.946
Corporate & Democratic Core	5.113	0.000	(0.040)	0.000	0.000	5.073
EMSS	0.128	0.000	0.000	0.000	0.000	0.128
Human Resources	0.993	0.000	0.000	0.000	0.000	0.993
IT	5.214	(0.050)	(0.059)	0.000	0.000	5.105
Strategic Finance	5.916	0.000	(0.317)	0.000	0.000	5.599
Support Services	8.837	(0.450)	(0.256)	0.000	0.000	8.131
Legal and Democratic	(0.522)	0.000	(0.076)	0.000	0.000	(0.598)
<b>Resources</b>	<b>29.761</b>	<b>(0.560)</b>	<b>(0.937)</b>	<b>0.000</b>	<b>0.000</b>	<b>28.264</b>
<b>Portfolio Total (excluding Corporate)</b>	<b>40.095</b>	<b>(0.560)</b>	<b>(1.397)</b>	<b>0.000</b>	<b>0.000</b>	<b>38.139</b>

### Revenue Budget 2014/15: Corporate Budgets

Department / Service	Net Base Budget £m	SAVINGS			Developments £m	Net Final Budget £m
		Big Ticket £m	Efficiencies & Other Savings £m	Corporate Proposals £m		
Corporate Management - Non Service	0.267	0.000	(0.013)	0.000	0.000	0.254
Enviroenergy	(0.798)	(0.700)	0.000	0.000	0.000	(1.498)
Treasury Management	50.611	0.000	0.000	0.000	0.000	50.611
NCT Dividend	(0.500)	0.000	0.000	0.000	0.000	(0.500)
Ice Centre	0.280	0.000	0.000	0.000	0.000	0.280
Nottingham City Homes	0.000	(0.750)	0.000	0.000	0.000	(0.750)
Corporate / Cross-Cutting Savings	(1.419)	(3.360)	0.000	0.000	0.000	(4.779)
General Contingency	2.341	0.000	0.000	(0.190)	0.000	2.151
Nottingham Express Transit	(19.378)	(0.150)	0.000	0.000	0.000	(19.528)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090
Service Realignment Costs	3.000	0.000	0.000	(1.500)	0.000	1.500
Repayment of Reserves	7.374	0.000	0.000	(0.287)	0.000	7.087
Use of Reserves	(2.428)	0.000	(1.415)	0.000	0.000	(3.843)
Economic Development Investment	1.559	0.000	0.000	0.000	0.000	1.559
Social Fund	0.000	0.000	0.000	0.000	0.000	0.000
Community Right to Bid / Challenge	0.000	0.000	0.000	0.000	0.000	0.000
Returned NHB Top-slice	(0.287)	0.000	0.000	0.000	0.000	(0.287)
100% Retained Business Rates	0.287	0.000	0.000	0.000	0.000	0.287
S31 Grants	(2.534)	0.000	0.000	0.000	0.000	(2.534)
Housing Benefit Payments	0.675	0.000	0.000	0.000	0.000	0.675
IT Development Fund	3.553	0.000	0.000	0.000	0.000	3.553
New Homes Bonus Grant	(4.184)	0.000	0.000	0.000	0.000	(4.184)
<b>Corporate</b>	<b>38.508</b>	<b>(4.960)</b>	<b>(1.428)</b>	<b>(1.977)</b>	<b>0.000</b>	<b>30.143</b>

### Capital Programme: Resources and Neighbourhood Regeneration

Programme	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Other Services</b>							
Current Programme	13.196	5.303	0.778	0.040	0.634	0.00	19.951
<b>TOTAL PROGRAMME</b>	<b>13.196</b>	<b>5.303</b>	<b>0.778</b>	<b>0.040</b>	<b>0.634</b>	<b>0.000</b>	<b>19.951</b>

## Children's Services



### Councillor David Mellen

#### Focus of the Portfolio

- Performing the Lead Role for Children's Services in accordance with Statutory Requirements and Guidance
- Safeguarding, Corporate Parenting and Children's Social Care
- Educational Provision from Ages 3-19 including School Re-organisation and Governance:
  - Sixth Form Colleges and Further Education Colleges
  - Building Schools for the Future and Academies
- Nottingham Learning Trust
- Leading on Early Intervention
- Children and Young People's Plan in Partnership
- Integrated Youth Service including the Youth Offending Team
- Early Years including Children's Centres and Surestart
- Transition of Children to Adulthood
- Teenage Conception
- Nottingham and Nottinghamshire Futures
- Chair of One Nottingham

Revenue Budget 2014/15: Children's Services						
Department / Service	Net Base Budget £m	SAVINGS			Developments £m	Net Final Budget £m
		Big Ticket £m	Efficiencies & Other Savings £m	Corporate Proposals £m		
Directorates	0.103	0.000	(0.161)	0.000	0.000	(0.058)
Family Community Teams	14.096	(0.666)	(0.771)	0.000	0.000	12.660
Safeguarding	43.523	(0.720)	(0.050)	0.000	0.000	42.753
Schools	0.000	0.000	0.000	0.000	0.000	0.000
<b>Children &amp; Families</b>	<b>57.722</b>	<b>(1.386)</b>	<b>(0.982)</b>	<b>0.000</b>	<b>0.000</b>	<b>55.354</b>
Building Schools for the Future	0.192	0.000	0.000	0.000	0.000	0.192
Economic Development	1.943	0.000	(0.095)	0.000	0.000	1.848
<b>Development</b>	<b>2.136</b>	<b>0.000</b>	<b>(0.095)</b>	<b>0.000</b>	<b>0.000</b>	<b>2.041</b>
<b>Portfolio Total</b>	<b>59.857</b>	<b>(1.386)</b>	<b>(1.077)</b>	<b>0.000</b>	<b>0.000</b>	<b>57.395</b>

Capital Programme: Children's Services							
Programme	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Education Schools</b>							
Schools	13.245	13.620	9.330	5.647	0.00	0.00	41.842
BSF	7.731	0.290	0.020	0.039	0.00	0.00	8.080
	20.976	13.910	9.350	5.686	0.00	0.00	49.922
<b>Other Services</b>							
Current Programme	0.641	0.344	0.00	0.00	0.00	0.00	0.985
<b>Portfolio Total</b>	<b>21.617</b>	<b>14.254</b>	<b>9.350</b>	<b>5.686</b>	<b>0.000</b>	<b>0.000</b>	<b>50.907</b>

## Leisure and Culture



### Councillor David Trimble

#### Focus of the Portfolio

- Leisure and Culture:
  - Parks, Allotments, Open Spaces and Playgrounds
  - Leisure Transformation Programme
  - Museum and Heritage Sites
  - Libraries, Arts and Events, Museums, Theatres and Sport
  - Lead on Arms Length Venues – Ice Arena, Playhouse, Theatre Royal, Royal Centre
  - Nature Conservation – Operational
- Markets, Fairs and Toilets



Revenue Budget 2014/15: Leisure and Culture						
Department / Service	Net Base Budget £m	SAVINGS			Developments £m	Net Final Budget £m
		Big Ticket £m	Efficiencies & Other Savings £m	Corporate Proposals £m		
Business Management	0.365	(0.050)	0.000	0.000	0.000	0.315
C&C Support Services	0.633	0.000	0.000	0.000	0.000	0.633
Cemeteries & Crematoria	(0.372)	(0.154)	0.000	0.000	0.000	(0.526)
Events & Goose Fair	0.066	(0.010)	0.000	0.000	0.000	0.056
Leisure	1.648	(0.080)	(0.170)	0.000	0.000	1.398
Libraries	3.390	0.000	(0.155)	0.000	0.000	3.235
Markets	(0.025)	0.000	0.000	0.000	0.000	(0.025)
Museums	2.261	(0.001)	(0.026)	0.000	0.000	2.234
Parks & Open Spaces	3.033	(0.005)	(0.010)	0.000	0.000	3.018
Public Toilets	0.375	0.000	0.000	0.000	0.000	0.375
Sports	0.576	0.000	0.000	0.000	0.000	0.576
<b>Communities</b>	<b>11.951</b>	<b>(0.300)</b>	<b>(0.361)</b>	<b>0.000</b>	<b>0.000</b>	<b>11.290</b>
Royal Centre	0.847	(0.525)	0.000	0.000	0.000	0.322
<b>Development</b>	<b>0.847</b>	<b>(0.525)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.322</b>
<b>Portfolio Total</b>	<b>12.798</b>	<b>(0.825)</b>	<b>(0.361)</b>	<b>0.000</b>	<b>0.000</b>	<b>11.612</b>

Capital Programme: Leisure and Culture							
Programme	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Other Services</b>							
Current Programme							
General Schemes	3.477	3.794	0.600	5.527	8.290	9.983	31.671
Transformation Programme	5.388	10.364	0.663	0.000	0.000	0.000	16.415
Victoria Leisure Centre	0.023	0.000	0.000	0.000	0.000	0.000	0.023
<b>Portfolio Total</b>	<b>8.888</b>	<b>14.158</b>	<b>1.263</b>	<b>5.527</b>	<b>8.290</b>	<b>9.983</b>	<b>48.109</b>

## Adults and Health



### Councillor Alex Norris

#### Focus of the Portfolio

- Adults
  - Corporate Strategies for Older People
  - Championing Independent Living:
    - § Protection of Vulnerable Adults
  - Support to Vulnerable People:
    - § Telecare
    - § Catering
  
- Health
  - Public Health and Wellbeing:
    - § Health Inequalities
    - § Smoking and Avoidable Injuries
  - Health and Wellbeing Board
  - Public Health Transition
  - Mental Health and Wellbeing

Revenue Budget 2014/15: Adults and Health						
Department / Service	Net Base Budget £m	SAVINGS			Developments £m	Net Final Budget £m
		Big Ticket £m	Efficiencies & Other Savings £m	Corporate Proposals £m		
Public Health	0.000	0.000	0.000	0.000	0.000	0.000
<b>Chief Executive</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Business Transformation	1.156	0.000	0.000	0.000	0.000	1.156
Directorate	0.126	(2.800)	0.000	0.000	0.000	(2.674)
Locality Services	52.534	(0.294)	0.000	0.000	0.406	52.647
MH & Learning Disability Service	29.289	0.000	0.000	0.000	0.000	29.289
<b>Children &amp; Families</b>	<b>83.105</b>	<b>(3.094)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.406</b>	<b>80.418</b>
Commercialism; Sales; Marketing & Dev	0.269	(0.005)	0.000	0.000	0.000	0.264
Community Centres	1.157	0.000	0.000	0.000	0.000	1.157
Equality & Diversity	0.001	0.000	0.000	0.000	0.000	0.001
Health & Wellbeing	0.083	0.000	(0.040)	0.000	0.000	0.043
Prevention Reablement & Support	0.287	(0.500)	0.000	0.000	0.000	(0.213)
Residential & Day Services	0.224	(0.166)	0.000	0.000	0.000	0.058
<b>Communities</b>	<b>2.020</b>	<b>(0.671)</b>	<b>(0.040)</b>	<b>0.000</b>	<b>0.000</b>	<b>1.309</b>
<b>Portfolio Total</b>	<b>85.126</b>	<b>(3.765)</b>	<b>(0.040)</b>	<b>0.000</b>	<b>0.406</b>	<b>81.727</b>

Capital Programme: Adults and Health							
Programme	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Other Services</b>							
Current Programme	0.539	2.872	1.000	0.000	0.000	0.000	4.411
<b>Portfolio Total</b>	<b>0.539</b>	<b>2.872</b>	<b>1.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.411</b>

## Jobs and Growth



### Councillor Nick McDonald

#### Focus of the Portfolio

- Jobs and Skills
  - Lead on Skills and Employment:
    - § Developing opportunities for Young People and Adults
    - § Local Jobs for Local People and Making the Connections
    - § Investment Initiatives
- Social Enterprise and Enterprise Development
- Business
  - Growth Plan Delivery
  - City Centre Retail Management
  - Business Support, Development and Liaison
  - Procurement
  - Sector Development
  - Inward Investment
  - Creative Quarter
- Tourism
  - 10 Tourism and Heritage

<b>Revenue Budget 2014/15: Jobs and Growth</b>						
<b>Department / Service</b>	<b>Net Base Budget £m</b>	<b>SAVINGS</b>			<b>Developments £m</b>	<b>Net Final Budget £m</b>
		<b>Big Ticket £m</b>	<b>Efficiencies &amp; Other Savings £m</b>			
				<b>Corporate Proposals £m</b>		
Economic Development	1.757	0.000	(0.240)	0.000	0.000	1.517
Tourism	0.371	0.000	0.000	0.000	0.000	0.371
<b>Development</b>	<b>2.128</b>	<b>0.000</b>	<b>(0.240)</b>	<b>0.000</b>	<b>0.000</b>	<b>1.888</b>
<b>Portfolio Total</b>	<b>2.128</b>	<b>0.000</b>	<b>(0.240)</b>	<b>0.000</b>	<b>0.000</b>	<b>1.888</b>

<b>Capital Programme: Jobs and Growth</b>							
<b>Programme</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>Total £m</b>
<b>Other Services</b>							
Current Programme	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Portfolio Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

## Community Services



### Councillor Nicola Heaton

#### Focus of the Portfolio

- Area Working
  - Neighbourhood Management and Engagement
  - Community Development
  
- Cleansing
  - Waste Management and Recycling
  - Street Scene
  
- Customer Care
  - Implementation of Citizen First and Customer Focus
  - Equalities

Revenue Budget 2014/15: Community Services						
Department / Service	Net Base Budget £m	SAVINGS			Developments £m	Net Final Budget £m
		Big Ticket £m	Efficiencies & Other Savings £m	Corporate Proposals £m		
City Services	8.978	(0.250)	0.000	0.000	0.000	8.728
Commercial & Transport Services	(1.265)	(0.120)	0.000	0.000	0.000	(1.385)
Local Communities	0.324	0.000	0.000	0.000	0.000	0.324
<b>Communities</b>	<b>8.037</b>	<b>(0.370)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>7.667</b>
<b>Portfolio Total</b>	<b>8.037</b>	<b>(0.370)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>7.667</b>

Capital Programme: Community Services							
Programme	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Other Services</b>							
Current Programme	2.365	0.750	0.750	0.750	0.000	0.000	4.615
<b>Portfolio Total</b>	<b>2.365</b>	<b>0.750</b>	<b>0.750</b>	<b>0.750</b>	<b>0.000</b>	<b>0.000</b>	<b>4.615</b>

## Energy and Sustainability



**Councillor Alan Clark**

### **Focus of the Portfolio**

- Climate Change and Carbon Reduction
- Nature Conservation – Strategy
- Energy and Energy Bills
- Energy from Waste including Enviroenergy (Waste Recycling Group)
- Nottingham Energy Partnership



<b>Revenue Budget 2014/15: Energy and Sustainability</b>						
<b>Department / Service</b>	<b>Net Base Budget £m</b>	<b>SAVINGS</b>			<b>Developments £m</b>	<b>Net Final Budget £m</b>
		<b>Big Ticket £m</b>	<b>Efficiencies &amp; Other Savings £m</b>			
				<b>Corporate Proposals £m</b>		
District Heating	0.000	0.000	0.000	0.000	0.000	0.000
Sustainability & Climate Change	7.969	(1.200)	(0.024)	0.000	0.000	6.745
<b>Communities</b>	<b>7.969</b>	<b>(1.200)</b>	<b>(0.024)</b>	<b>0.000</b>	<b>0.000</b>	<b>6.745</b>
<b>Portfolio Total</b>	<b>7.969</b>	<b>(1.200)</b>	<b>(0.024)</b>	<b>0.000</b>	<b>0.000</b>	<b>6.745</b>

<b>Capital Programme: Energy and Sustainability</b>							
<b>Programme</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>Total £m</b>
<b>Other Services</b>							
Current Programme	4.987	3.129	0.571	2.495	1.190	0.000	12.372
<b>Portfolio Total</b>	<b>4.987</b>	<b>3.129</b>	<b>0.571</b>	<b>2.495</b>	<b>1.190</b>	<b>0.000</b>	<b>12.372</b>

## Planning and Transportation



### Councillor Jane Urquhart

#### Focus of the Portfolio

- Planning
  - Planning Policy and Development Management
  
- Transportation
  - Nottingham Express Transit - Phases 1 and 2
  - Traffic Management and Parking
  - Highways Design and Maintenance
  - Public Transport Initiatives
  - Nottingham City Transport
  - Street Lighting
  - Corporate Council Transport Fleet

Revenue Budget 2014/15: Planning and Transportation						
Department / Service	Net Base Budget £m	SAVINGS			Developments £m	Net Final Budget £m
		Big Ticket £m	Efficiencies & Other Savings £m	Corporate Proposals £m		
Commercial & Transport Services	(9.236)	(0.605)	0.000	0.000	0.000	(9.841)
Highways	1.224	(0.220)	0.000	0.000	0.000	1.004
<b>Communities</b>	<b>(8.013)</b>	<b>(0.825)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(8.838)</b>
Building Control	0.015	0.000	(0.035)	0.000	0.000	(0.020)
Concessionary Fares	13.910	(0.600)	0.000	0.000	0.000	13.310
NET Project	0.122	(0.108)	0.000	0.000	0.000	0.014
Planning	0.461	0.000	0.000	0.000	0.000	0.461
Planning Strategy	0.333	0.000	0.000	0.000	0.000	0.333
Public Transport	1.464	(0.225)	0.000	0.000	0.000	1.239
Street Lighting	4.819	0.000	0.000	0.000	0.000	4.819
Traffic Safety & Development	1.375	0.000	(0.250)	0.000	0.000	1.125
Transport Strategy	0.766	0.000	0.000	0.000	0.000	0.766
<b>Development</b>	<b>23.264</b>	<b>(0.933)</b>	<b>(0.285)</b>	<b>0.000</b>	<b>0.000</b>	<b>22.046</b>
<b>Portfolio Total</b>	<b>15.251</b>	<b>(1.758)</b>	<b>(0.285)</b>	<b>0.000</b>	<b>0.000</b>	<b>13.208</b>

Capital Programme: Planning and Transportation							
Programme	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Transport Programme</b>							
Current Programme							
Local Transport Plan	10.300	11.435	9.909	4.789	0.000	0.000	36.433
Green Bus Fund	4.818	3.690	0.000	0.000	0.000	0.000	8.508
Station Hub	5.642	1.292	0.000	0.000	0.000	0.000	6.934
Local Sustainable Transport Fund	2.513	0.965	0.000	0.000	0.000	0.000	3.478
City Deal - Creative Quarter	1.611	4.939	3.000	0.00	0.000	0.000	9.550
Better Bus Areas	2.132	1.700	1.460	1.860	2.250	0.000	9.402
Local Transport Board	0.000	0.000	3.060	0.000	0.000	0.000	3.060
<b>Other Services</b>							
Current Programme	18.387	121.812	13.000	8.500	5.805	0.000	167.504
<b>Portfolio Total</b>	<b>45.403</b>	<b>145.833</b>	<b>30.429</b>	<b>15.149</b>	<b>8.055</b>	<b>0.000</b>	<b>244.869</b>

## Commissioning and Voluntary Sector



### Councillor Dave Liversidge

#### Focus of the Portfolio

- Commissioning
  - Corporate Strategic Commissioning
  - Lead on commissioning of Children's Services
  - Lead on commissioning of Adults Services/DASS link
  
- Community Sector
  - Lead role with the Community Sector
  - Volunteering
  - Community Centres
  
- Housing Regeneration
  - Physical Neighbourhood Transformation and Regeneration
  - Estate Management – Council and Private Estates
  - Private Housing and Private Rented Sector
  - Performance of Nottingham City Homes (NCH) and Housing Associations
  - Student Housing
  - Support to vulnerable People:
    - § Homelessness
    - § Housing with Care and Support
  - Strategic and Retained Housing Functions
  - Regeneration Land and Property
  - Houses in Multiple Occupation

Revenue Budget 2014/15: Commissioning and Voluntary Sector						
Department / Service	Net Base Budget £m	SAVINGS			Developments £m	Net Final Budget £m
		Big Ticket £m	Efficiencies & Other Savings £m	Corporate Proposals £m		
Housing Solutions	0.760	0.000	0.000	0.000	0.000	0.760
Quality & Commissioning - Supporting People	10.060	0.000	0.000	0.000	0.000	10.060
Quality & Commissioning	6.101	(0.050)	(0.239)	0.000	0.000	5.812
<b>Children &amp; Families</b>	<b>16.922</b>	<b>(0.050)</b>	<b>(0.239)</b>	<b>0.000</b>	<b>0.000</b>	<b>16.633</b>
Housing Strategy & Regeneration	0.959	0.000	0.000	0.000	0.000	0.959
Housing Support & Partnerships	1.243	0.000	(0.060)	0.000	0.000	1.183
<b>Development</b>	<b>2.202</b>	<b>0.000</b>	<b>(0.060)</b>	<b>0.000</b>	<b>0.000</b>	<b>2.142</b>
<b>Portfolio Total</b>	<b>19.124</b>	<b>(0.050)</b>	<b>(0.299)</b>	<b>0.000</b>	<b>0.000</b>	<b>18.775</b>

Capital Programme: Commissioning and Voluntary Sector							
Programme	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
<b>Public Sector Housing</b>							
Current Programme	60.715	77.080	48.069	34.545	37.691	38.604	296.704
<b>Other Services</b>							
Current Programme	2.971	3.217	2.835	2.026	0.000	0.000	11.049
<b>Portfolio Total</b>	<b>63.686</b>	<b>80.297</b>	<b>50.904</b>	<b>36.571</b>	<b>37.691</b>	<b>38.604</b>	<b>307.753</b>

The following appendices containing the detail proposals are separately attached

A.1	Pressures
A.2	Developments
A.3	Big Ticket Savings
A.4	Efficiencies & Other Savings

APPENDIX B.1

MTFO 2014/15 BY PORTFOLIO											
PORTFOLIO	2013/14 BUDGET	CORP ADJUST	INFLATION	MTFP DECISIONS	PRESSURES	2014/15 BASE BUDGET	BIG TICKET	EFFICIENCIES	CORP SAVING	DEVELOPMENTS	2014/15 FINAL BUDGET
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
A&H	77.335	1.688	2.334	2.155	1.614	85.126	(3.765)	(0.040)	0.000	0.406	81.727
ChS	58.463	(1.362)	1.077	0.929	0.750	59.857	(1.386)	(1.077)	0.000	0.000	57.395
C&VS	19.042	(0.289)	0.376	(0.005)	0.000	19.124	(0.050)	(0.299)	0.000	0.000	18.775
CoS	7.593	0.000	0.482	(0.038)	0.000	8.037	(0.370)	0.000	0.000	0.000	7.667
E&S	7.567	0.067	0.337	(0.002)	0.000	7.969	(1.200)	(0.024)	0.000	0.000	6.745
J&G	1.999	0.000	0.130	(0.000)	0.000	2.128	0.000	(0.240)	0.000	0.000	1.888
L&C	11.738	0.041	1.099	(0.080)	0.000	12.798	(0.825)	(0.361)	0.000	0.000	11.612
P&T	14.029	(0.423)	1.601	0.045	0.000	15.251	(1.758)	(0.285)	0.000	0.000	13.208
R&NR	37.451	0.203	2.605	(0.311)	0.146	40.095	(0.560)	(1.397)	0.000	0.000	38.139
SB&CS	9.799	0.078	0.422	(0.001)	0.000	10.299	0.000	(0.618)	0.000	0.250	9.931
<u>Corporate Budgets</u>											
Corporate Management	(0.232)	0.497	0.001	0.000	0.000	0.267	0.000	(0.013)	0.000	0.000	0.254
Enviroenergy	(0.700)	(0.098)	0.000	0.000	0.000	(0.798)	(0.700)	0.000	0.000	0.000	(1.498)
Treasury Management	50.066	0.795	0.000	(0.250)	0.000	50.611	0.000	0.000	0.000	0.000	50.611
NCT Dividend	(0.500)	0.000	0.000	0.000	0.000	(0.500)	0.000	0.000	0.000	0.000	(0.500)
Ice Centre	0.280	0.000	0.000	0.000	0.000	0.280	0.000	0.000	0.000	0.000	0.280
Nottingham City Homes	0.000	0.000	0.000	0.000	0.000	0.000	(0.750)	0.000	0.000	0.000	(0.750)
Cross-Cutting Savings	(0.969)	0.150	0.000	(0.600)	0.000	(1.419)	(3.360)	0.000	0.000	0.000	(4.779)
Corporate Contingency	2.341	0.000	0.000	0.000	0.000	2.341	0.000	0.000	(0.190)	0.000	2.151
Pay Contingency	0.884	(0.884)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Nottingham Express Transit	(25.803)	6.424	0.000	0.000	0.000	(19.378)	(0.150)	0.000	0.000	0.000	(19.528)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.000	0.000	0.090
Service Realignment Costs	2.860	(0.860)	0.000	1.000	0.000	3.000	0.000	0.000	(1.500)	0.000	1.500

**APPENDIX B.1**

**MTFO 2014/15 BY PORTFOLIO (continued)**

<b>PORTFOLIO</b>	<b>2013/14 BUDGET</b>	<b>CORP ADJUST</b>	<b>INFLATION</b>	<b>MTFP DECISIONS</b>	<b>PRESSURES</b>	<b>2014/15 BASE BUDGET</b>	<b>BIG TICKET</b>	<b>EFFICI- ENCIES</b>	<b>CORP SAVING</b>	<b>DEVELOP- MENTS</b>	<b>2014/15 FINAL BUDGET</b>
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<u>Corporate Budgets (continued)</u>											
Repayment of Reserves	12.610	(5.236)	0.000	0.000	0.000	7.374	0.000	0.000	(0.287)	0.000	7.087
Use of Reserves	0.000	(2.428)	0.000	0.000	0.000	(2.428)	0.000	(1.415)	0.000	0.000	(3.843)
Econ Dev Investment	1.000	0.000	0.000	0.559	0.000	1.559	0.000	0.000	0.000	0.000	1.559
Social Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Community Right to Bid/Challenge	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Returned NHB Top-slice	(0.715)	0.428	0.000	0.000	0.000	(0.287)	0.000	0.000	0.000	0.000	(0.287)
100% Retained Business Rates (EZ/Creative Quarter)	0.250	0.037	0.000	0.000	0.000	0.287	0.000	0.000	0.000	0.000	0.287
Section 31 Grants	0.000	(2.534)	0.000	0.000	0.000	(2.534)	0.000	0.000	0.000	0.000	(2.534)
Housing Benefit Payments	0.675	0.000	0.000	0.000	0.000	0.675	0.000	0.000	0.000	0.000	0.675
IT Development Fund	3.553	0.000	0.000	0.000	0.000	3.553	0.000	0.000	0.000	0.000	3.553
New Homes Bonus Grant	(3.187)	0.000	0.000	(0.997)	0.000	(4.184)	0.000	0.000	0.000	0.000	(4.184)
Council Tax Transition Grant	(0.662)	0.662	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>286.855</b>	<b>(3.041)</b>	<b>10.465</b>	<b>2.403</b>	<b>2.510</b>	<b>299.193</b>	<b>(14.874)</b>	<b>(5.768)</b>	<b>(1.977)</b>	<b>0.656</b>	<b>277.230</b>

Retained Business Rates / Top-up / RSG	191.395
Council Tax Requirement	<b>85.835</b>
Tax base	59,949
Band D Council Tax	<b>£1,431.80</b>
Increase	1.95%



**APPENDIX B.2**

<b>MTFO 2015/16 BY PORTFOLIO</b>											
<b>PORTFOLIO</b>	<b>2014/15 BUDGET</b>	<b>CORP ADJUST</b>	<b>INFLATION</b>	<b>MTFP DECISIONS</b>	<b>PRESSURES</b>	<b>2015/16 BASE BUDGET</b>	<b>BIG TICKET</b>	<b>EFFICI- ENCIES</b>	<b>CORP SAVING</b>	<b>DEVELOP- MENTS</b>	<b>2015/16 FINAL BUDGET</b>
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
A&H	81.727	0.000	1.583	2.445	0.188	85.943	(0.955)	(0.100)	0.000	0.212	85.101
ChS	57.395	0.000	1.038	0.527	0.319	59.279	0.000	(0.167)	0.000	0.000	59.113
C&VS	18.775	0.000	0.308	0.000	0.000	19.083	0.000	(0.020)	0.000	0.000	19.063
CoS	7.667	0.000	0.261	0.000	0.000	7.928	(0.082)	0.000	0.000	0.000	7.846
E&S	6.745	0.000	0.283	0.000	0.000	7.028	0.731	0.000	0.000	0.000	7.759
J&G	1.888	0.000	0.054	0.000	0.000	1.942	0.000	0.000	0.000	0.000	1.942
L&C	11.612	(0.037)	0.661	0.116	0.000	12.352	(0.125)	0.000	0.000	0.000	12.227
P&T	13.208	(0.569)	1.422	0.000	1.130	15.191	(1.019)	(0.250)	0.000	0.000	13.922
R&NR	38.139	0.000	1.420	(0.435)	0.424	39.548	(2.436)	(0.011)	0.000	0.000	37.101
S&CS	9.931	0.000	0.303	0.000	0.000	10.234	0.000	(0.091)	0.000	0.000	10.143
<u>Corporate Budgets</u>											
Corporate Management	0.254	0.000	(0.000)	0.000	0.000	0.253	0.000	0.000	0.000	0.000	0.253
Enviroenergy	(1.498)	0.000	0.000	0.000	0.000	(1.498)	0.000	0.000	0.000	0.000	(1.498)
Treasury Management	50.611	(1.434)	0.000	0.000	0.000	49.177	0.000	0.000	0.000	0.000	49.177
NCT Dividend	(0.500)	0.000	0.000	0.000	0.000	(0.500)	0.000	0.000	0.000	0.000	(0.500)
Ice Centre	0.280	0.000	0.000	0.000	0.000	0.280	0.000	0.000	0.000	0.000	0.280
Nottingham City Homes	(0.750)	0.000	0.000	0.000	0.000	(0.750)	(0.750)	0.000	0.000	0.000	(1.500)
Cross-Cutting Savings	(4.779)	(0.100)	(0.071)	(1.714)	0.000	(6.664)	(0.140)	0.000	0.000	0.000	(6.804)
Corporate Contingency	2.151	0.000	0.000	0.000	0.000	2.151	0.000	0.000	0.000	0.000	2.151
Pay Contingency	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Nottingham Express Transit	(19.528)	1.657	0.000	0.000	0.000	(17.871)	0.000	0.000	0.000	0.000	(17.871)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.000	0.000	0.090
Service Realignment Costs	1.500	0.000	0.000	0.000	0.000	1.500	0.000	0.000	1.500	0.000	3.000

**APPENDIX B.2**

**MTFO 2015/16 BY PORTFOLIO (continued)**

<b>PORTFOLIO</b>	<b>2014/15 BUDGET</b>	<b>CORP ADJUST</b>	<b>INFLATION</b>	<b>MTFP DECISIONS</b>	<b>PRESSURES</b>	<b>2015/16 BASE BUDGET</b>	<b>BIG TICKET</b>	<b>EFFICI- ENCIES</b>	<b>CORP SAVING</b>	<b>DEVELOP- MENTS</b>	<b>2015/16 FINAL BUDGET</b>	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
<u>Corporate Budgets (continued)</u>												
Repayment of Reserves	7.087	(6.045)	0.000	0.000	0.000	1.042	0.000	0.000	0.287	0.000	1.329	
Use of Reserves	(3.843)	2.428	0.000	0.000	0.000	(1.415)	0.000	1.415	0.000	0.000	0.000	
Econ Dev Investment	1.559	0.000	0.000	1.583	0.000	3.142	0.000	0.000	0.000	0.000	3.142	
Social Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Community Right to Bid/Challenge	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Returned NHB Top-slice	(0.287)	(0.447)	0.000	0.000	0.000	(0.734)	0.000	0.000	0.000	0.000	(0.734)	
100% Retained Business Rates (EZ/Creative Quarter)	0.287	(0.081)	0.000	0.000	0.000	0.207	0.000	0.000	0.000	0.000	0.207	
Section 31 Grants	(2.534)	1.897	0.000	0.000	0.000	(0.636)	0.000	0.000	0.000	0.000	(0.636)	
Housing Benefit Payments	0.675	0.000	0.000	0.000	0.000	0.675	0.000	0.000	0.000	0.000	0.675	
IT Development Fund	3.553	0.000	0.000	0.000	0.000	3.553	0.000	0.000	0.000	0.000	3.553	
New Homes Bonus Grant	(4.184)	0.000	0.000	(0.750)	0.000	(4.934)	0.000	0.000	0.000	0.000	(4.934)	
Council Tax Transition Grant	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Future Savings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(33.654)	0.000	(33.654)	
<b>TOTAL</b>	<b>277.230</b>	<b>(2.731)</b>	<b>7.263</b>	<b>1.773</b>	<b>2.061</b>	<b>285.595</b>	<b>(4.776)</b>	<b>0.776</b>	<b>(31.867)</b>	<b>0.212</b>	<b>249.940</b>	
											Assumed Retained Business Rates / Top-up / RSG	161.731
											Assumed Council Tax Requirement	<b>88.209</b>
											Assumed Tax base	60,429
											Assumed Band D Council Tax	<b>£1,459.71</b>
											Assumed Increase	1.95%

MTFO 2016/17 BY PORTFOLIO											
PORTFOLIO	2015/16 BUDGET	CORP ADJUST	INFLATION	MTFP DECISIONS	PRESSURES	2016/17 BASE BUDGET	BIG TICKET	EFFICI- ENCIES	CORP SAVING	DEVELOP- MENTS	2016/17 FINAL BUDGET
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
A&H	85.101	0.000	2.540	2.445	0.243	90.329	(0.479)	(0.050)	0.000	0.500	90.300
ChS	59.113	0.000	2.397	0.008	0.026	61.544	0.000	0.000	0.000	0.000	61.544
C&VS	19.063	0.000	0.516	0.000	0.000	19.579	0.000	0.000	0.000	0.000	19.579
CoS	7.846	0.000	0.565	0.000	0.000	8.411	(0.066)	0.000	0.000	0.000	8.345
E&S	7.759	0.000	0.319	0.000	0.000	8.078	(0.916)	0.000	0.000	0.000	7.162
J&G	1.942	0.000	0.108	0.000	0.000	2.050	0.000	0.000	0.000	0.000	2.050
L&C	12.227	0.000	1.221	0.060	0.000	13.507	(0.025)	0.000	0.000	0.000	13.482
P&T	13.922	(0.230)	1.869	0.000	0.080	15.641	(1.718)	0.000	0.000	0.000	13.923
R&NR	37.101	0.000	2.871	(0.060)	0.060	39.971	(3.220)	0.014	0.000	0.000	36.765
SR&CS	10.143	0.000	0.725	0.000	0.000	10.868	0.000	0.000	0.000	0.000	10.868
<b>Corporate Budgets</b>											
Corporate Management	0.253	0.000	(0.001)	0.000	0.000	0.253	0.000	0.000	0.000	0.000	0.253
Environment	(1.498)	0.000	0.000	0.000	0.000	(1.498)	0.000	0.000	0.000	0.000	(1.498)
Treasury Management	49.177	0.817	0.000	0.000	0.000	49.994	0.000	0.000	0.000	0.000	49.994
NCT Dividend	(0.500)	0.000	0.000	0.000	0.000	(0.500)	0.000	0.000	0.000	0.000	(0.500)
Ice Centre	0.280	0.000	0.000	0.000	0.000	0.280	0.000	0.000	0.000	0.000	0.280
Nottingham City Homes	(1.500)	0.000	0.000	0.000	0.000	(1.500)	0.000	0.000	0.000	0.000	(1.500)
Cross-Cutting Savings	(6.804)	(0.100)	(0.131)	(0.125)	0.000	(7.159)	(0.450)	0.000	0.000	0.000	(7.609)
Corporate Contingency	2.151	0.000	0.000	0.000	0.000	2.151	0.000	0.000	0.000	0.000	2.151
Pay Contingency	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Nottingham Express Transit	(17.871)	0.053	0.000	0.000	0.000	(17.818)	0.150	0.000	0.000	0.000	(17.668)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.000	0.000	0.090
Service Realignment Costs	3.000	0.000	0.000	0.000	0.000	3.000	0.000	0.000	0.000	0.000	3.000

**APPENDIX B.3**

**MTFO 2016/17 BY PORTFOLIO (continued)**

<b>PORTFOLIO</b>	<b>2015/16 BUDGET</b>	<b>CORP ADJUST</b>	<b>INFLATION</b>	<b>MTFP DECISIONS</b>	<b>PRESSURES</b>	<b>2016/17 BASE BUDGET</b>	<b>BIG TICKET</b>	<b>EFFICI- ENCIES</b>	<b>CORP SAVING</b>	<b>DEVELOP- MENTS</b>	<b>2016/17 FINAL BUDGET</b>	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
<u>Corporate Budgets (continued)</u>												
Repayment of Reserves	1.329	(0.829)	0.000	0.000	0.000	0.500	0.000	0.000	0.000	0.000	0.500	
Use of Reserves	0.000	(0.545)	0.000	0.000	0.000	(0.545)	0.000	0.000	0.000	0.000	(0.545)	
Econ Dev Investment	3.142	0.000	0.000	0.250	0.000	3.392	0.000	0.000	0.000	0.000	3.392	
Social Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Community Right to Bid/Challenge	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Returned NHB Top-slice	(0.734)	0.734	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
100% Retained Business Rates (E2 Creative Quarter)	0.207	0.005	0.000	0.000	0.000	0.212	0.000	0.000	0.000	0.000	0.212	
Housing Benefit Payments	(0.636)	0.000	0.000	0.000	0.000	(0.636)	0.000	0.000	0.000	0.000	(0.636)	
IT Development Fund	0.675	0.000	0.000	0.000	0.000	0.675	0.000	0.000	0.000	0.000	0.675	
New Homes Bonus Grant	3.553	0.000	0.000	0.000	0.000	3.553	0.000	0.000	0.000	0.000	3.553	
Council Tax Transition Grant	(4.934)	0.000	0.000	(0.750)	0.000	(5.684)	0.000	0.000	0.000	0.000	(5.684)	
Section 31 Grants	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Future Savings	(33.654)	0.000	(0.606)	0.000	0.000	(34.260)	0.000	0.000	(17.424)	0.000	(51.684)	
<b>TOTAL</b>	<b>249.940</b>	<b>(0.095)</b>	<b>12.395</b>	<b>1.828</b>	<b>0.409</b>	<b>264.477</b>	<b>(6.724)</b>	<b>(0.036)</b>	<b>(17.424)</b>	<b>0.500</b>	<b>240.794</b>	
											Assumed Retained Business Rates / Top-up / RSG	150.151
											Assumed Council Tax Requirement	<b>90.643</b>
											Assumed Tax base	60,909
											Assumed Band D Council Tax	<b>£1,488.17</b>
											Assumed Increase	1.95%

APP

MTFP 2014/15									
GENERAL FUND PORTFOLIO BUDGETS BY SUBJECTIVE HEADS									
PORTFOLIO	Employees (£m)	Premises (£m)	Transport (£m)	Supplies and Services (£m)	Third Party Payments (£m)	Transfer Payments (£m)	Support Services (£m)	External Capital Charges (£m)	Total External Expenditure (£m)
Chief Executive	2.021	0.096	0.000	(2.182)	22.653	0.000	0.000	0.000	<b>22.588</b>
Children & Families	9.556	0.070	2.194	1.190	71.068	8.331	16.884	0.000	<b>109.293</b>
Communities	14.868	1.143	0.459	1.467	0.153	0.000	(16.087)	0.003	<b>2.006</b>
<b>Adults &amp; Health</b>	<b>26.445</b>	<b>1.309</b>	<b>2.654</b>	<b>0.475</b>	<b>93.874</b>	<b>8.331</b>	<b>0.797</b>	<b>0.003</b>	<b>133.887</b>
Children & Families	42.822	2.566	1.050	132.704	30.165	0.698	0.344	0.000	<b>210.349</b>
Development	0.000	0.059	0.000	0.918	1.848	0.000	0.000	(0.398)	<b>2.427</b>
<b>Children's Services</b>	<b>42.822</b>	<b>2.625</b>	<b>1.050</b>	<b>133.623</b>	<b>32.014</b>	<b>0.698</b>	<b>0.344</b>	<b>(0.398)</b>	<b>212.776</b>
Children & Families	3.912	0.001	0.014	2.000	1.382	10.060	0.000	0.000	<b>17.369</b>
Development	1.049	0.978	0.004	0.168	0.000	0.000	0.046	0.000	<b>2.244</b>
<b>Commissioning &amp; Voluntary Sector</b>	<b>4.961</b>	<b>0.979</b>	<b>0.017</b>	<b>2.168</b>	<b>1.382</b>	<b>10.060</b>	<b>0.046</b>	<b>0.000</b>	<b>19.613</b>
Communities	11.190	0.251	0.373	3.158	0.000	0.003	0.413	0.000	<b>15.387</b>
<b>Community Services</b>	<b>11.190</b>	<b>0.251</b>	<b>0.373</b>	<b>3.158</b>	<b>0.000</b>	<b>0.003</b>	<b>0.413</b>	<b>0.000</b>	<b>15.387</b>
Communities	0.935	0.010	0.003	7.753	0.000	0.000	0.000	0.000	<b>8.701</b>
<b>Energy &amp; Sustainability</b>	<b>0.935</b>	<b>0.010</b>	<b>0.003</b>	<b>7.753</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>8.701</b>
Development	1.589	0.039	0.018	1.546	0.016	0.000	0.000	(0.001)	<b>3.207</b>
<b>Jobs &amp; Growth</b>	<b>1.589</b>	<b>0.039</b>	<b>0.018</b>	<b>1.546</b>	<b>0.016</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.001)</b>	<b>3.207</b>

MTFP 2014/15									
GENERAL FUND PORTFOLIO BUDGETS BY SUBJECTIVE HEADS									
PORTFOLIO	Employees (£m)	Premises (£m)	Transport (£m)	Supplies and Services (£m)	Third Party Payments (£m)	Transfer Payments (£m)	Support Services (£m)	External Capital Charges (£m)	Total External Expenditure (£m)
Communities	15.914	1.786	0.405	5.412	0.471	0.132	(0.225)	0.091	<b>23.987</b>
Development	2.311	0.709	0.025	10.617	0.000	0.000	0.000	0.015	<b>13.677</b>
<b>Leisure &amp; Culture</b>	<b>18.225</b>	<b>2.496</b>	<b>0.430</b>	<b>16.029</b>	<b>0.471</b>	<b>0.132</b>	<b>(0.225)</b>	<b>0.106</b>	<b>37.664</b>
Communities	6.763	1.324	1.937	14.307	0.000	0.000	0.908	0.518	<b>25.757</b>
Development	4.533	1.924	0.085	14.352	12.994	0.000	0.026	0.002	<b>33.915</b>
<b>Planning &amp; Transportation</b>	<b>11.296</b>	<b>3.248</b>	<b>2.022</b>	<b>28.659</b>	<b>12.994</b>	<b>0.000</b>	<b>0.934</b>	<b>0.519</b>	<b>59.672</b>
Chief Executive	2.519	(0.000)	0.066	1.601	0.000	0.000	0.000	0.000	<b>4.186</b>
Communities	8.205	1.293	0.188	3.571	0.000	0.000	0.073	0.044	<b>13.373</b>
Development	5.480	7.809	0.044	3.330	2.904	0.000	(0.824)	0.512	<b>19.255</b>
Resources	30.588	0.271	0.105	9.497	3.721	0.000	(0.181)	(0.130)	<b>43.872</b>
<b>Resources &amp; Neighbourhood Regeneration</b>	<b>46.791</b>	<b>9.373</b>	<b>0.404</b>	<b>17.999</b>	<b>6.625</b>	<b>0.000</b>	<b>(0.932)</b>	<b>0.425</b>	<b>80.686</b>
Corporate	1.009	4.781	0.532	9.396	20.420	146.422	0.000	58.494	<b>241.054</b>
<b>Resources &amp; Neighbourhood Regeneration (Corporate Budgets)</b>	<b>1.009</b>	<b>4.781</b>	<b>0.532</b>	<b>9.396</b>	<b>20.420</b>	<b>146.422</b>	<b>0.000</b>	<b>58.494</b>	<b>241.054</b>
Communities	13.677	0.482	0.167	17.887	0.000	0.000	0.013	0.013	<b>32.239</b>
<b>Strategic Regeneration &amp; Community Safety</b>	<b>13.677</b>	<b>0.482</b>	<b>0.167</b>	<b>17.887</b>	<b>0.000</b>	<b>0.000</b>	<b>0.013</b>	<b>0.013</b>	<b>32.239</b>
<b>TOTAL</b>	<b>178.939</b>	<b>25.593</b>	<b>7.669</b>	<b>238.692</b>	<b>167.797</b>	<b>165.646</b>	<b>1.388</b>	<b>59.161</b>	<b>844.885</b>

MTFP 2014/15									
GENERAL FUND PORTFOLIO BUDGETS BY SUBJECTIVE HEADS									
PORTFOLIO	Government Grants (£m)	Other Grants Reimburse-ments & Contributions (£m)	Customer & Client Receipts (£m)	Interest (£m)	Recharges (£m)	Total External Income (£m)	Net External Expenditure (£m)	Charges Between Departments (£m)	Net Expenditure (£m)
Chief Executive	0.000	(22.588)	0.000	0.000	0.000	(22.588)	0.000	0.001	0.001
Children & Families	(0.280)	(14.093)	(14.502)	0.000	0.000	(28.875)	80.418	2.995	83.413
Communities	0.000	(0.524)	(0.173)	0.000	0.000	(0.697)	1.309	2.748	4.057
<b>Adults &amp; Health</b>	<b>(0.280)</b>	<b>(37.205)</b>	<b>(14.676)</b>	<b>0.000</b>	<b>0.000</b>	<b>(52.160)</b>	<b>81.727</b>	<b>5.743</b>	<b>87.470</b>
Children & Families	(145.028)	(8.503)	(1.259)	0.000	(0.204)	(154.995)	55.354	23.180	78.534
Development	(0.387)	0.000	0.000	0.000	0.000	(0.387)	2.041	0.702	2.742
<b>Children's Services</b>	<b>(145.415)</b>	<b>(8.503)</b>	<b>(1.259)</b>	<b>0.000</b>	<b>(0.204)</b>	<b>(155.382)</b>	<b>57.395</b>	<b>23.881</b>	<b>81.276</b>
Children & Families	(0.210)	(0.506)	(0.020)	0.000	0.000	(0.736)	16.633	1.155	17.789
Development	(0.034)	(0.045)	(0.023)	0.000	0.000	(0.102)	2.142	0.245	2.387
<b>Commissioning &amp; Voluntary Sector</b>	<b>(0.243)</b>	<b>(0.551)</b>	<b>(0.043)</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.838)</b>	<b>18.775</b>	<b>1.400</b>	<b>20.175</b>
Communities	0.000	(2.005)	(4.324)	0.000	(1.390)	(7.719)	7.667	1.799	9.467
<b>Community Services</b>	<b>0.000</b>	<b>(2.005)</b>	<b>(4.324)</b>	<b>0.000</b>	<b>(1.390)</b>	<b>(7.719)</b>	<b>7.667</b>	<b>1.799</b>	<b>9.467</b>
Communities	(0.067)	(0.232)	(1.625)	0.000	(0.032)	(1.956)	6.745	1.706	8.451
<b>Energy &amp; Sustainability</b>	<b>(0.067)</b>	<b>(0.232)</b>	<b>(1.625)</b>	<b>0.000</b>	<b>(0.032)</b>	<b>(1.956)</b>	<b>6.745</b>	<b>1.706</b>	<b>8.451</b>
Development	(0.179)	(0.020)	(1.120)	0.000	0.000	(1.320)	1.888	0.846	2.734
<b>Jobs &amp; Growth</b>	<b>(0.179)</b>	<b>(0.020)</b>	<b>(1.120)</b>	<b>0.000</b>	<b>0.000</b>	<b>(1.320)</b>	<b>1.888</b>	<b>0.846</b>	<b>2.734</b>



MTFP 2014/15									
GENERAL FUND PORTFOLIO BUDGETS BY SUBJECTIVE HEADS									
PORTFOLIO	Government Grants (£m)	Other Grants Reimburse-ments & Contributions (£m)	Customer & Client Receipts (£m)	Interest (£m)	Recharges (£m)	Total External Income (£m)	Net External Expenditure (£m)	Charges Between Departments (£m)	Net Expenditure (£m)
Communities Development	0.000	(1.081)	(11.114)	0.000	(0.502)	(12.697)	11.290	13.545	24.835
	0.000	(0.539)	(12.815)	0.000	0.000	(13.355)	0.322	2.291	2.613
<b>Leisure &amp; Culture</b>	<b>0.000</b>	<b>(1.620)</b>	<b>(23.930)</b>	<b>0.000</b>	<b>(0.502)</b>	<b>(26.052)</b>	<b>11.612</b>	<b>15.836</b>	<b>27.448</b>
Communities Development	0.000	(0.801)	(20.177)	0.000	(13.616)	(34.595)	(8.838)	14.559	5.722
	(6.886)	(0.346)	(4.638)	0.000	0.000	(11.869)	22.046	4.600	26.646
<b>Planning &amp; Transportation</b>	<b>(6.886)</b>	<b>(1.147)</b>	<b>(24.815)</b>	<b>0.000</b>	<b>(13.616)</b>	<b>(46.464)</b>	<b>13.208</b>	<b>19.160</b>	<b>32.368</b>
Chief Executive	0.000	(0.082)	(0.865)	0.000	(0.587)	(1.534)	2.652	1.003	3.654
Communities Development	0.000	(6.781)	(2.375)	0.000	(1.538)	(10.693)	2.680	(0.954)	1.727
	(3.039)	(2.033)	(13.256)	(0.052)	(0.256)	(18.636)	0.619	(4.139)	(3.520)
Resources	(3.547)	(5.568)	(4.620)	0.000	(1.872)	(15.607)	28.264	(13.080)	15.184
<b>Resources &amp; Neighbourhood Regeneration</b>	<b>(6.586)</b>	<b>(14.464)</b>	<b>(21.115)</b>	<b>(0.052)</b>	<b>(4.253)</b>	<b>(46.470)</b>	<b>34.215</b>	<b>(17.170)</b>	<b>17.045</b>
Corporate	(112.390)	(89.039)	(1.861)	(3.473)	(0.224)	(206.987)	34.066	(55.578)	(21.512)
<b>Resources &amp; Neighbourhood Regeneration (Corporate Budgets)</b>	<b>(112.390)</b>	<b>(89.039)</b>	<b>(1.861)</b>	<b>(3.473)</b>	<b>(0.224)</b>	<b>(206.987)</b>	<b>34.066</b>	<b>(55.578)</b>	<b>(21.512)</b>
Communities	(0.643)	(16.222)	(5.323)	0.000	(0.119)	(22.308)	9.931	2.376	12.307
<b>Strategic Regeneration &amp; Community Safety</b>	<b>(0.643)</b>	<b>(16.222)</b>	<b>(5.323)</b>	<b>0.000</b>	<b>(0.119)</b>	<b>(22.308)</b>	<b>9.931</b>	<b>2.376</b>	<b>12.307</b>
<b>TOTAL</b>	<b>(272.689)</b>	<b>(171.009)</b>	<b>(100.091)</b>	<b>(3.525)</b>	<b>(20.342)</b>	<b>(567.656)</b>	<b>277.230</b>	<b>0.000</b>	<b>277.230</b>

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# PRESSURES

# APPENDIX A.1

PROPOSAL TYPE	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
					2014/15 £m	2015/16 £m	2016/17 £m	
1	Pressure	Resources and Neighbourhood Regeneration	Chief Executives Group	Marketing & Communications - Language Solutions	Following the transfer of the service from Communities in September 2012, the service faces an on-going challenge to meet the income target beyond the existing pressure due a range of reasons. These include a projected annual reduction in income and the loss of a high value contract. The value of this pressure assumes the service will be completely out sourced and departmental budgets will be used to procure the service.	0.021	0.070	0.130
2	Pressure	Children's Services	Children & Families	Children in Care Demographics	5.6% increase in numbers less 2% funded through inflation assuming a continuation of current contract rates.	0.750	1.069	1.095
Page 163	Pressure	Adults & Health	Children & Families	Adults Demographics	Growth of 3.38% above inflation with an increase of 6.32% in numbers	1.614	1.802	2.045
	4	Pressure	Resources and Neighbourhood Regeneration	Development	Economic Impact on Investment Property Rental Income	This pressure was included in the 2011/12 budget for 2 years based on the anticipation of improved market conditions by 2013/14. In the 2013/14 budget preparation it was proposed it be phased out over 2 years, but market conditions indicate this needs to be over a longer period.	0.125	0.500
5	Pressure	Planning and Transportation	Development	Tram Lines 2 & 3 - Concessionary Fares reimbursement	Additional concessionary fares costs following the opening of lines 2 & 3. This pressure was identified in the 2012/13 budget process but only the first 3 years were included in the MTFP. The projections are net of savings anticipated from passengers transferring from existing bus routes.	0.000	1.130	1.210
<b>TOTAL</b>					<b>2.510</b>	<b>4.571</b>	<b>4.980</b>	

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# DEVELOPMENTS

# APPENDIX A.2

	PROPOSAL TYPE	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE		
						2014/15 £m	2015/16 £m	2016/17 £m
1	Development	Adults & Health	Children & Families	Fair Price for care	Review of residential care.	0.406	0.618	1.118
2	Development	Strategic Regeneration and Community Safety	Communities	HMO discretionary licensing	A five year programme of HMO discretionary licensing operational delivery was approved at Executive Board on 17 September 2013. There are estimated to be 3200 HMOs in the area proposed and the cost of administration will be recovered by a fee. The cost of enforcement has to be borne by the City Council.	0.200	0.200	0.200
3	Development	Strategic Regeneration and Community Safety	Communities	Charges for Pest Control	Currently citizens on benefits who require a pest control service pay 50% of the applicable charge. This proposal will delete this requirement such that a charge will no longer apply in such circumstances.	0.050	0.050	0.050
<b>TOTAL</b>						<b>0.656</b>	<b>0.868</b>	<b>1.368</b>

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# BIG TICKET - ADULT SOCIAL CARE

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE		
						2014/15 £m	2015/16 £m	2016/17 £m

1	Big Ticket	Adult Social Care	Adults & Health	Children & Families	Quality monitoring visits	Implement a new approach to quality monitoring visits.	(0.050)	(0.050)	(0.050)
2	Big Ticket	Adult Social Care	Adults & Health	Children & Families	Face to face reviews	Review arrangements and complete more reviews via telephone.	(0.201)	(0.201)	(0.201)
3	Big Ticket	Adult Social Care	Adults & Health	Children & Families	Meals at home	Removal of the subsidy to Meals at Home by either: - charging the full cost of meals to citizens - closing the service and developing provision in the market - reviewing current users to ascertain that who do not need to use the service under current or revised criteria and subsequently cease the service.	0.000	(0.097)	(0.207)
4	Big Ticket	Adult Social Care	Adults & Health	Children & Families	Direct Payments cards	Introduce pre-paid Direct Payments Cards which would enable a more flexible approach to direct payments.	0.069	(0.293)	(0.293)
5	Big Ticket	Adult Social Care	Adults & Health	Communities	Passenger Transport Services	To further reduce the cost of Adults Services Transport by in-sourcing more Children's SEN routes. Currently 1/3rd of Children's routes are in-sourced. At September 2014, a further 8 routes will be in-sourced meaning around half of Children's SEN routes are provided by the Council; additionally, these services will be promoted to other organisations.	(0.100)	(0.100)	(0.100)
6	Big Ticket	Adult Social Care	Commissioning & Voluntary Sector	Children & Families	Housing Related Support Preventative	Housing Related Support preventative services are delivered to an individual or family in their own home with the intention of helping them to retain independence. In order to delivered proposed savings we plan to: reduce the value of Independent Living Support Service contracts (not Mental Health); reduce funding for Home Improvement Agency.	(0.803)	(0.803)	(0.803)
7	Big Ticket	Adult Social Care	Commissioning & Voluntary Sector	Children & Families	Housing Related Support - Part Delivering a Statutory Function	Housing Related Support Services include a range of predominantly accommodation based services. In order to deliver proposed savings we plan to: align housing related support funding for extra care provision with that of sheltered accommodation; cease tenders for Social Exclusion Other Specialist accommodation service and Social Exclusion Community Capacity Fund.	(0.674)	(0.674)	(0.674)
8	Big Ticket	Adult Social Care	Commissioning & Voluntary Sector	Children & Families	Other Adults Preventative Contracts	Other Adults Preventative Contracts include a diverse range of services provided in order to assist vulnerable adults live independently. In order to delivered proposed savings we plan to: cease funding at end of current contract term - Kindred Spirits , Side By Side; end NCC contribution to jointly commissioned services - Appropriate Adult Service, Mental Health Empowerment Service, Mental Health Well-being Service (from April 15 - new model of provision to be tendered by CCG), Prostitution Outreach Workers; cease tenders for - Emergency Carers respite	(0.441)	(0.441)	(0.441)
9	Big Ticket	Adult Social Care	Commissioning & Voluntary Sector	Children & Families	Additional Grant Funding	Allocation of additional transferred Health funding to adults preventative budgets.	(0.882)	(0.882)	(0.882)

# BIG TICKET - ADULT SOCIAL CARE

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
10	Big Ticket	Adult Social Care	Adults & Health	Children & Families	Adult assessment.	Reduce frequency of reviews in appropriate cases.	(0.162)	(0.301)	(0.401)
11	Big Ticket	Adult Social Care	Adults & Health	Communities	Adult Provision Efficiency Programme/Fees and Charges	5% plus RPI increase for private and new fee paying residential customers.	(0.046)	(0.046)	(0.046)
12	Big Ticket	Adult Social Care	Adults & Health	Communities	Adult Provision Efficiency Programme/ New Telecare Provision	Offering a Telecare provision to new self funders.	(0.005)	(0.008)	(0.011)
13	Big Ticket	Adult Social Care	Adults & Health	Communities	Adult Provision Efficiency Programme/ Re Provision for Learning Disabilities	Reduce costs and provide a choice of accommodation within the City for adults with learning disabilities.	0.000	(0.235)	(0.470)
14	Big Ticket	Adult Social Care	Adults & Health	Communities	Pakistan Day Services	Continue to support the Pakistan day service in existing or alternative provision.	(0.010)	(0.010)	(0.010)
15	Big Ticket	Adult Social Care	Adults & Health	Communities	Adult Provision Efficiency Programme/Support Services review	Efficiency in Catering, Grounds and Cleaning provision.	(0.110)	(0.210)	(0.210)
16	Big Ticket	Adult Social Care	Adults & Health	Communities	Adult Provision Efficiency Programme / Homecare Services	Investment in new technology and more efficient working practices to improve productivity.	(0.500)	(0.520)	(0.550)
<b>ADULT SOCIAL CARE</b>							<b>(3.915)</b>	<b>(4.870)</b>	<b>(5.348)</b>



# BIG TICKET - COMMERCIALISM

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE		
						2014/15 £m	2015/16 £m	2016/17 £m

1	Big Ticket	Commercialism	Community Services	Communities	Street Cleansing and Grounds Maintenance	Productivity savings and efficiencies.	(0.100)	(0.139)	(0.171)	
2	Big Ticket	Commercialism	Community Services	Communities	Waste Collection	Productivity savings and efficiencies.	(0.080)	(0.111)	(0.136)	
3	Big Ticket	Commercialism	Community Services	Communities	Commercial Waste and Skips	Further business growth of the commercial waste and skips business.	(0.100)	(0.139)	(0.171)	
4	Big Ticket	Commercialism	Planning & Transportation	Communities	Parking Services	Increased car park usage resulting from various car park offers and initiatives.	(0.350)	(0.486)	(0.597)	
Page 169	Big Ticket	Commercialism	Planning & Transportation	Communities	Fleet Management	Increased commercial contracts. Progressing shared service options.	(0.020)	(0.028)	(0.034)	
	6	Big Ticket	Commercialism	Planning & Transportation	Communities	Transport Services	Increased income through procuring more commercial work.	(0.050)	(0.069)	(0.085)
	7	Big Ticket	Commercialism	Planning & Transportation	Communities	Highways	Further business growth across the Highways DLO.	(0.200)	(0.278)	(0.341)
8	Big Ticket	Commercialism	Energy & Sustainability	Communities	Energy Management consultancy	Selling consultancy to others, mainly public sector bodies and local authorities.	(0.050)	(0.069)	(0.085)	
9	Big Ticket	Commercialism	Leisure & Culture	Communities	Sport, Culture and Parks	Review of fees and charges. <b>Actioned by delegated decision 1166 on 3 Dec 2013.</b>	(0.250)	(0.300)	(0.300)	
10	Big Ticket	Commercialism	Resources & Neighbourhood Regeneration	Resources	Review Housing Benefits and Council Tax	A possible partnership model for Housing Benefit and Council Tax is being explored and could result in savings - further detailed work to be undertaken.	(0.100)	(0.200)	(0.300)	
11	Big Ticket	Commercialism	Resources & Neighbourhood Regeneration	Resources	Category Management	Savings through move to category management within the procurement function.	(0.350)	(0.650)	(0.950)	

# BIG TICKET - COMMERCIALISM

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
12	Big Ticket	Commercialism	Resources & Neighbourhood Regeneration	Resources	EMSS / Other	Selling our services to other Local Authorities / Increased income from Council House and associated activities.	(0.060)	(0.230)	(0.350)
13	Big Ticket	Commercialism	Leisure & Culture	Development	Royal Centre and Concert Hall	5 year business plan to reduce council subsidy and create financing options for infrastructure maintenance and development.	(0.525)	(0.550)	(0.575)
14	Big Ticket	Commercialism	Leisure & Culture	Communities	Sports, Culture & Parks	Commercial delivery plans (Invest to Save).	(0.050)	(0.100)	(0.100)
<b>COMMERCIALISM</b>							<b>(2.285)</b>	<b>(3.350)</b>	<b>(4.195)</b>

# BIG TICKET - ENERGY AND WASTE

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Big Ticket	Energy and Waste	Energy & Sustainability	Communities	Energy & Waste	Enhanced trading performance and delivering various energy infrastructure projects.	(1.100)	(1.100)	(2.000)
2	Big Ticket	Energy and Waste	Energy & Sustainability	Communities	Incinerator	Additional one-off repayment in relation to incinerator lines 1 and 2 for use in previous years.	(0.750)	0.000	0.000
<b>ENERGY AND WASTE</b>							<b>(1.850)</b>	<b>(1.100)</b>	<b>(2.000)</b>

# BIG TICKET - LEADING NOTTINGHAM

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Big Ticket	Leading Nottingham	Resources & Neighbourhood Regeneration	Resources	Essential User Allowance	It is proposed to remove Essential Car User allowance. Colleagues who currently receive the ECU will still be eligible to claim for any business travel paid at the HMRC rate (45p per mile) as they will be classed as an 'Authorised Business User'.	(0.200)	(0.200)	(0.200)
2	Big Ticket	Leading Nottingham	Resources & Neighbourhood Regeneration	Resources	Trade union funding for senior reps	Current agreement expires in April 2014. Reductions in cost will reflect position at other Councils.	(0.050)	(0.050)	(0.050)
3	Big Ticket	Leading Nottingham	Resources & Neighbourhood Regeneration	Communities	Overtime and allowances	Reduction in expenditure	(0.277)	(0.277)	(0.277)
<b>LEADING NOTTINGHAM</b>							<b>(0.527)</b>	<b>(0.527)</b>	<b>(0.527)</b>

# BIG TICKET - NCC & NCH COMMON SERVICES

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Big Ticket	NCC & NCH Common Services	Commissioning & Voluntary Sector	Development	NCC & NCH Common Services	Efficiencies through closer working between Nottingham City Council and Nottingham City Homes to improve services, remove duplication and realise savings.	(0.750)	(1.500)	(1.500)
<b>NCC &amp; NCH COMMON SERVICES</b>							<b>(0.750)</b>	<b>(1.500)</b>	<b>(1.500)</b>

# BIG TICKET - PUBLIC HEALTH

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE						
						2014/15 £m	2015/16 £m	2016/17 £m				
1	Big Ticket	Public Health	Adults & Health	Public Health	Staffing Efficiencies	Review of the staffing structure against new responsibilities has resulted in non recruitment to some vacant posts.	(0.200)	(0.200)	(0.200)			
2	Big Ticket	Public Health	Adults & Health	Public Health	Tobacco control and stop smoking services	Efficiencies will be achieved by realignment and integration of contracts.	(2.118)	(1.458)	(1.458)			
3	Big Ticket	Public Health	Adults & Health	Public Health	Sexual Health Services	Cost efficiencies will be made from the existing range of sexual health services. This will be achieved by adopting more efficient and effective system of working whilst continuing to provide the range of recommended and mandatory services.						
Page 174	Big Ticket	Public Health	Adults & Health	Public Health	Nutrition & Physical Activity	A range of services are included within this area with several approaches taken to prioritise Public Health funding. These include: reviewing service delivery to identify Citizen Access. Lower than expected activity levels were identified in some cases therefore; these services are planned to be re-commissioned at current activity levels (lower than in the initial service specification) or the service decommissioned and elements planned to be re-commissioned using a more efficient / effective service model. Training of staff in nutrition related skills from all disciplines across the City has been decommissioned to focus funding into direct Citizen centred activity.						
5	Big Ticket	Public Health	Adults & Health	Public Health	Children 5-19/School Health	No reduction in service provision anticipated, planned addition of three Health Improvement Coordinator posts focusing on: Obesity & Healthy Weight maintenance. Generic Health Improvement including emotional & mental health and Sexual Health and Relationships.						
6	Big Ticket	Public Health	Adults & Health	Public Health	Prevention & Early Intervention	A range of services are included within this area and standardised approaches have been taken to prioritise Public Health funding. Services have been reviewed to identify efficient and effective Citizen Access. Lower than expected activity levels were identified in some cases therefore; these services are planned to be re-commissioned at current activity levels (lower than in the initial service specification) or the service decommissioned and elements planned to be re-commissioned using a more efficient / effective service model.						
7	Big Ticket	Public Health	Adults & Health / Strategic Regeneration & Community Safety	Public Health	Drugs & Alcohol	System efficiencies and reduced contract values/decommissioning for Alcohol and Drugs services.				(0.760)	(1.560)	(2.010)
<b>PUBLIC HEALTH</b>										<b>(3.078)</b>	<b>(3.218)</b>	<b>(3.668)</b>

# BIG TICKET - PUBLIC TRANSPORT

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE		
						2014/15 £m	2015/16 £m	2016/17 £m

1	Big Ticket	Public Transport	Planning & Transportation	Development	Facilities Charge	Charging bus operators for use of shelters, cctv, lighting, smartcard, real time and printed information facilities belonging to the City Council.	(0.200)	(0.350)	(0.200)
2	Big Ticket	Public Transport	Planning & Transportation	Development	Linkbus network	Realign bus operators' role in relation to expansion of Linkbus network.	(0.200)	(0.400)	0.000
3	Big Ticket	Public Transport	Planning & Transportation	Development	Concessionary Fares	Use of smartcard and other data to calculate more accurate reimbursement to operators.	(0.400)	(0.500)	(0.500)
4	Big Ticket	Public Transport	Planning & Transportation	Development	Electric Bus project	Take advantage of current external bus grant systems to drive down costs on subsidised Linkbus fleets.	0.000	(0.100)	(0.300)
5	Big Ticket	Public Transport	Planning & Transportation	Development	Linkbus contracts	New joint venture operational arrangements.	0.000	(0.100)	(0.200)
6	Big Ticket	Public Transport	Planning & Transportation	Development	Mainstreaming specialist movements	Moving specialist transport movements to mainstream integrated network.	0.000	(0.050)	(0.100)
7	Big Ticket	Public Transport	Planning & Transportation	Development	Service Level Agreements	Joint working with neighbouring authorities on real time, smartcard and tendered services.	(0.050)	(0.100)	(0.200)
8	Big Ticket	Public Transport	Planning & Transportation	Development	External Funding Bids	Continuation success of recent years in attracting external funding to reduce revenue costs.	(0.100)	(0.100)	(0.200)
9	Big Ticket	Public Transport	Planning & Transportation	Development	Delivery Model	Step change to an integrated public transport system where resources are efficiently allocated.	0.000	0.000	(1.200)
10	Big Ticket	Public Transport	Planning & Transportation	Development	Joint Smartcard system	Integration of bus and tram ticketing.	0.000	0.000	(0.100)
11	Big Ticket	Public Transport	Planning & Transportation	Development	Joint Retail system	Share costs with operators own outlets.	0.000	0.000	(0.100)

# BIG TICKET - PUBLIC TRANSPORT

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
12	Big Ticket	Public Transport	Planning & Transportation	Development	Joint Information system	Share costs with operators.	0.000	0.000	(0.100)
13	Big Ticket	Public Transport	Planning & Transportation	Development	Costs associated with the programme	Implementation costs.	0.125	0.125	0.125
14	Big Ticket	Public Transport	Planning & Transportation	Development	NET Project Team	Revised financing of NET Project Team.	(0.108)	(0.108)	(0.108)
15	Big Ticket	Public Transport	Resources & Neighbourhood Regeneration (Corporate Items)	Corporate	NET Project	Rephasing of Business Support WPL project expenditure.	(0.150)	(0.150)	0.000
<b>PUBLIC TRANSPORT</b>							<b>(1.083)</b>	<b>(1.833)</b>	<b>(3.183)</b>



# BIG TICKET - RESHAPING PREVENTION & SAFEGUARDING FOR CHILDREN

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Big Ticket	Reshaping Prevention & Safeguarding for Children	Children's Services	Children & Families	Health income	Through work with health partners we have achieved a greater contribution through Continuing Care funding to placements of children in our care.	(0.300)	(0.300)	(0.300)
2	Big Ticket	Reshaping Prevention & Safeguarding for Children	Children's Services	Children & Families	Family Intervention Programme	Review of funding.	(0.107)	(0.150)	(0.150)
3	Big Ticket	Reshaping Prevention & Safeguarding for Children	Children's Services	Children & Families	Edge of Care and Access	Review system-wide of our access points into C&F services and interventions at the edge of care in order to release efficiencies.	(0.059)	(0.059)	(0.059)
4	Big Ticket	Reshaping Prevention & Safeguarding for Children	Children's Services	Children & Families	Vivian Avenue	De-register Vivian Avenue with Ofsted and generate more semi independent placements utilising existing assets.	(0.201)	(0.201)	(0.201)
	Big Ticket	Reshaping Prevention & Safeguarding for Children	Children's Services	Children & Families	Children's Big Ticket	Increase in the targeted savings levels through upscaling the existing initiatives within the Children's Big Ticket.	(0.719)	(0.676)	(0.676)
<b>RESHAPING PREVENTION &amp; SAFEGUARDING FOR CHILDREN</b>							<b>(1.386)</b>	<b>(1.386)</b>	<b>(1.386)</b>

# BIG TICKET - STRATEGIC ASSET MANAGEMENT

# APPENDIX A.3

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Big Ticket	Strategic Asset Management	Resources & Neighbourhood Regeneration	Development	Operational Property Rationalisation	Rationalisation of the total premises related budget.	(0.500)	(1.300)	(2.300)
2	Big Ticket	Strategic Asset Management	Resources & Neighbourhood Regeneration	Development	Corporate Landlord	Fully implement the corporate landlord.	(0.150)	(0.300)	(0.500)
3	Big Ticket	Strategic Asset Management	Resources & Neighbourhood Regeneration	Development	Property Information	Efficiency savings.	0.000	(0.050)	(0.150)
4	Big Ticket	Strategic Asset Management	Resources & Neighbourhood Regeneration	Development	Investment Property	Increased investment property activity leading to increased income over next 3 years.	(0.200)	(0.600)	(1.000)
5	Big Ticket	Strategic Asset Management	Resources & Neighbourhood Regeneration	Development	Strategic Investments	Disposal of surplus assets and new strategic investments.	(0.500)	(1.250)	(2.250)
6	Big Ticket	Strategic Asset Management	Resources & Neighbourhood Regeneration	Development	Additional Staffing to realise above	Staffing resource to deliver SAM Big Ticket physical assets savings.	0.318	0.318	0.318
7	Big Ticket	Strategic Asset Management	Resources & Neighbourhood Regeneration	Development	Existing savings targets		1.032	1.316	1.316
<b>STRATEGIC ASSET MANAGEMENT</b>							<b>0.000</b>	<b>(1.866)</b>	<b>(4.566)</b>

**EFFICIENCIES - ADULTS & HEALTH**

**APPENDIX A.4**

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE		
						2014/15 £m	2015/16 £m	2016/17 £m
1 Cost Reduction	n/a	Adults & Health	Communities	Health and Well Being Team	Deletion of one post within the team, currently vacant.	(0.040)	(0.040)	(0.040)
<b>ADULTS &amp; HEALTH</b>						<b>(0.040)</b>	<b>(0.040)</b>	<b>(0.040)</b>

# EFFICIENCIES - CHILDREN'S SERVICES

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Income Generation	n/a	Children's Services	Children & Families	Quality and Commissioning - Income generation	Income generation through sale of data packs to schools both within and outside the City.	(0.050)	(0.050)	(0.050)
2	Cost Reduction	n/a	Children's Services	Children & Families	Non staffing budget	Review of all non staffing budgets within Children & Families.	(0.161)	(0.161)	(0.161)
3	Cost Reduction	n/a	Children's Services	Children & Families	Youth & Play	This proposal simplifies the staffing structure and increases flexibility in delivery, and will not in itself result in any reduction in provision of play and youth activities.	(0.080)	(0.121)	(0.121)
4	Cost Reduction	n/a	Children's Services	Children & Families	Educational Psychology	Releases a vacant management role and integrates management of the Educational Psychology Team within broader FCT structures.	(0.050)	(0.050)	(0.050)
5	Cost Reduction	n/a	Children's Services	Children & Families	Children Centres	Changes to opening hours releasing savings from back office and running costs while maintaining service delivery and retaining front-line family resource.	(0.316)	(0.441)	(0.441)
6	Cost Reduction	n/a	Children's Services	Children & Families	Youth & Play	This affects Play and Youth posts which are or will shortly become vacant. This will result in some reduction in sessions across the City, but we will ensure that every ward has provision, and that we make the most flexible use of resources to limit the reductions in sessions.	(0.158)	(0.158)	(0.158)
7	Cost Reduction	n/a	Children's Services	Children & Families	Independent Reviewing Officers	Utilise government grant to fund one main stream IRO post.	(0.050)	(0.050)	(0.050)
8	Cost Reduction	n/a	Children's Services	Children & Families	Youth Offending Team	Deletion of two vacant posts	(0.067)	(0.067)	(0.067)
9	Income Generation	n/a	Children's Services	Children & Families	Services to Vulnerable Children & Adults	Obtain sponsorship from citizens and companies, to support services working with vulnerable children and adults in Nottingham City.	(0.050)	(0.050)	(0.050)
10	Cost Reduction	n/a	Children's Services	Children & Families	Commissioned Services	Negotiated funding reductions for commissioned services working with vulnerable children & families.	(0.068)	(0.068)	(0.068)
11	Cost Reduction	n/a	Children's Services	Children & Families	Disabled Children's Team	Efficiencies generated through service review.	(0.100)	(0.100)	(0.100)

# EFFICIENCIES - CHILDREN'S SERVICES

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
12	Income Generation	n/a	Children's Services	Children & Families	Market Development Team	Savings through seeking alternative forms of funding for one role in the Market Development Team.	(0.020)	(0.040)	(0.040)
13	Cost Reduction	n/a	Children's Services	Development	Nottingham Futures	A range of efficiency savings at Nottingham Futures from back office, procurement and management vacancies.	(0.095)	(0.095)	(0.095)
<b>CHILDREN'S SERVICES</b>							<b>(1.264)</b>	<b>(1.451)</b>	<b>(1.451)</b>

# EFFICIENCIES - COMMISSIONING & VOLUNTARY SECTOR

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Cost Reduction	n/a	Commissioning & Voluntary Sector / Children's Services	Children & Families	Procurement	Integrate corporate and departmental procurement functions, releasing savings from management costs.	(0.051)	(0.051)	(0.051)
2	Cost Reduction / Income Generation	n/a	Commissioning & Voluntary Sector	Communities	Community Centre Improvement Plan	Review of Community Centre provision to implement a 5 year Improvement Plan that will increase voluntary and community sector capacity to support a reduced overall service subsidy in future years	0.000	(0.100)	(0.150)
3	Cost Reduction	n/a	Commissioning & Voluntary Sector	Development	Housing Aid	Reduction in costs.	(0.060)	(0.060)	(0.060)
<b>COMMISSIONING &amp; VOLUNTARY SECTOR</b>							<b>(0.111)</b>	<b>(0.211)</b>	<b>(0.261)</b>

**EFFICIENCIES - COMMUNITY SERVICES**

**APPENDIX A.4**

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE		
						2014/15 £m	2015/16 £m	2016/17 £m
NONE								
<b>COMMUNITY SERVICES</b>						<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

# EFFICIENCIES - ENERGY & SUSTAINABILITY

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Income Generation	n/a	Energy & Sustainability	Communities	Energy Services	A review of Energy Services, reflecting the in-sourcing of Enviro Energy. Management efficiencies will be realisable. Proposal forms part of a wider restructuring of Neighbourhood Services.	(0.024)	(0.024)	(0.024)
<b>ENERGY &amp; SUSTAINABILITY</b>							<b>(0.024)</b>	<b>(0.024)</b>	<b>(0.024)</b>



# EFFICIENCIES - JOBS & GROWTH

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Cost Reduction	n/a	Jobs & Growth	Development	Economic Development	Non-recruitment to Economic Development post.	(0.050)	(0.050)	(0.050)
2	Cost Reduction	n/a	Jobs & Growth	Development	Economic Development	Reduction in training, maintenance, travel and subsistence.	(0.015)	(0.015)	(0.015)
3	Cost Reduction	n/a	Jobs & Growth	Development	Economic Development	Skills and Employment Partnership efficiencies.	(0.025)	(0.025)	(0.025)
4	Cost Reduction	n/a	Jobs & Growth	Development	Woodfield Industries	Efficiency savings.	(0.075)	(0.075)	(0.075)
5	Cost Reduction	n/a	Jobs & Growth	Development	Skills Programme budgets	Opportunity from external sources such as Youth Contract will allow efficiencies within our operations.	(0.025)	(0.025)	(0.025)
6	Cost Reduction	n/a	Jobs & Growth	Development	Skills management efficiencies	Reorganisation of Skills & Employment Teams will release efficiency savings.	(0.050)	(0.050)	(0.050)
<b>JOBS &amp; GROWTH</b>							<b>(0.240)</b>	<b>(0.240)</b>	<b>(0.240)</b>

# EFFICIENCIES - LEISURE & CULTURE

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Cost Reduction	n/a	Leisure & Culture	Communities	Lifeguarding	Review of operational working arrangements.	(0.030)	(0.030)	(0.030)
2	Cost Reduction	n/a	Leisure & Culture	Communities	Sport and Leisure Management	Review of General Manager working arrangements.	(0.090)	(0.090)	(0.090)
3	Cost Reduction	n/a	Leisure & Culture	Communities	Leisure Centre Maintenance	Maintenance budgets efficiencies across all sites.	(0.020)	(0.020)	(0.020)
4	Cost Reduction	n/a	Leisure & Culture	Communities	Leisure Centres	Removal of Standby payments for staff to attend alarm calls and use security company to attend in first instance.	(0.030)	(0.030)	(0.030)
5	Cost Reduction	n/a	Leisure & Culture	Communities	Waterpark seasonal patrol	Review of operational working arrangements.	(0.010)	(0.010)	(0.010)
6	Cost Reduction	n/a	Leisure & Culture	Communities	Cultural Grant Support	Reduction in support to external City groups.	(0.026)	(0.026)	(0.026)
7	Cost Reduction	n/a	Leisure & Culture	Communities	Library SLA arrangements	Negotiate new arrangements with partners.	(0.044)	(0.044)	(0.044)
8	Cost Reduction	n/a	Leisure & Culture	Communities	Central Library	Review of staffing structures.	(0.060)	(0.060)	(0.060)
9	Cost Reduction	n/a	Leisure & Culture	Communities	Book Fund	Reduction of 5% in Book Fund.	(0.021)	(0.021)	(0.021)
10	Cost Reduction	n/a	Leisure & Culture	Communities	Library Development Service	Full service review of library development programme and resources.	(0.030)	(0.030)	(0.030)
<b>LEISURE &amp; CULTURE</b>							<b>(0.361)</b>	<b>(0.361)</b>	<b>(0.361)</b>

# EFFICIENCIES - PLANNING & TRANSPORTATION

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Cost Reduction / Income Generation	n/a	Planning & Transportation	Development	Traffic & Safety	Traffic budget saving from Zero Base Budget challenge process.	(0.250)	(0.500)	(0.500)
2	Cost Reduction	n/a	Planning & Transportation	Development	Development Management	Development Management efficiencies.	(0.035)	(0.035)	(0.035)
<b>PLANNING &amp; TRANSPORTATION</b>							<b>(0.285)</b>	<b>(0.535)</b>	<b>(0.535)</b>

# EFFICIENCIES - RESOURCES & NEIGHBOURHOOD REGENERATION

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE		
						2014/15 £m	2015/16 £m	2016/17 £m

1	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Chief Executives Group	One Nottingham	Reduction to One Nottingham partnership funding	(0.250)	(0.250)	(0.250)	
2	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Development	Facilities Management	Soft facilities management efficiency savings	(0.095)	(0.120)	(0.120)	
3	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Development	Facilities Management	Establishment reduction - FM / Property Management.	(0.050)	(0.050)	(0.050)	
4	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Development	Major Programmes	Additional income generation and savings from enhanced performance management of BSF ICT contract.	(0.065)	(0.065)	(0.065)	
Page 188	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	IT contracts	Examination of IT contracts has identified the potential to reduce annual costs in the following areas: (1) Consolidating Flare into IDOX (2) Consolidate the Security Software (3) Terminate Teleware Voice System (4) Extend the GSM Gateway (5) Reduce the DDI Rental (6) Extend SIP (7) Reduce and Realign the number of LAN contracts.	(0.147)	(0.147)	(0.147)	
	6	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	IT budgets	Further consolidation of underspent IT budgets currently held in departments - dependent on corporate approach.	(0.090)	(0.090)	(0.090)
	7	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Cash Services	Cease payment to NCH for provision of cash collection service on our behalf.	(0.108)	(0.108)	(0.108)
	8	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Treasury Management	A restructure of the treasury management function with a reduction of 1FTE.	(0.037)	(0.037)	(0.037)
	9	Cost Reduction	n/a	Resources & Neighbourhood Regeneration (Corporate Items)	Corporate	Housing Benefit Subsidy reserve review	A review of the Housing Benefit Subsidy reserve could release £500k on a one off basis.	(0.500)	0.000	0.000
	10	Cost Reduction	n/a	Resources & Neighbourhood Regeneration (Corporate Items)	Corporate	Treasury Management Reserve review	A review of the Treasury Management reserve to release one off revenue contribution.	(0.915)	0.000	0.000

# EFFICIENCIES - RESOURCES & NEIGHBOURHOOD REGENERATION

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE		
						2014/15 £m	2015/16 £m	2016/17 £m

11	Income Generation	n/a	Resources & Neighbourhood Regeneration	Resources	Income generation in Legal Services	A review of the market has resulted in some potential to generate further income for legal services.	(0.014)	(0.014)	(0.014)
12	Income Generation	n/a	Resources & Neighbourhood Regeneration	Resources	Conveyencing costs	Net off conveyencing costs from capital receipts for General Fund transactions.	(0.050)	(0.050)	(0.050)
13	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Political Assistant Post	Temporary removal of vacant Liberal Democrat political assistant post.	(0.028)	(0.014)	0.000
14	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Civic support modernisation	Reorganisation and modernisation of the support provided to civics.	(0.059)	(0.059)	(0.059)
15	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Welfare Rights	Release of unused welfare rights budget.	(0.200)	(0.200)	(0.200)
16	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Business Support	Reduction of 2 FTE Team Leader posts.	(0.040)	(0.040)	(0.040)
17	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Coroners	A reduction in the number of jury inquests following the Coroners and Justice Act 2009	(0.030)	(0.030)	(0.030)
18	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Political Administration	Reduction of 0.5 FTE administrative support.	(0.008)	(0.008)	(0.008)
19	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	IT	Review of structure	(0.030)	(0.030)	(0.030)
20	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Review of IT licences	A review and rationalisation of IT applications could release a saving of £50k related to hardware and software costs.	(0.050)	(0.050)	(0.050)

# EFFICIENCIES - RESOURCES & NEIGHBOURHOOD REGENERATION

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
21	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Employee Assistance Programme	The contract for Employee Assistance Programme has recently been awarded to a new supplier producing a saving.	(0.040)	(0.040)	(0.040)
22	Cost Reduction	n/a	Resources & Neighbourhood Regeneration	Resources	Remove Co-ordinator role	Service redesign could achieve a reduction of 1 FTE co-ordinator role within HR&T.	(0.019)	(0.019)	(0.019)
<b>RESOURCES &amp; NEIGHBOURHOOD REGENERATION</b>							<b>(2.825)</b>	<b>(1.421)</b>	<b>(1.407)</b>

# EFFICIENCIES - STRATEGIC REGENERATION & COMMUNITY SAFETY

# APPENDIX A.4

PROPOSAL TYPE	BIG TICKET PROGRAMME	LEAD PORTFOLIO	LEAD DEPARTMENT	TITLE	NARRATIVE	REVENUE			
						2014/15 £m	2015/16 £m	2016/17 £m	
1	Income Generation	n/a	Strategic Regeneration & Community Safety	Communities	Late night levy	Income generation	(0.080)	(0.090)	(0.090)
2	Cost Reduction	n/a	Strategic Regeneration & Community Safety	Communities	Further integrate infrastructure functions	Further integrate NCC and Nottinghamshire Police infrastructure functions.	(0.070)	(0.090)	(0.090)
3	Cost Reduction	n/a	Strategic Regeneration & Community Safety	Communities	Crime and Drugs Partnership costs	Review of costs at the CDP.	(0.040)	(0.040)	(0.040)
4	Income Generation	n/a	Strategic Regeneration & Community Safety	Communities	Community Cohesion	PCC funding for Community Cohesion and Vanguard Plus activities. T	(0.200)	(0.200)	(0.200)
5	Cost Reduction	n/a	Strategic Regeneration & Community Safety	Communities	Taxi enforcement	Commission taxi enforcement from the city centre team.	(0.050)	(0.100)	(0.100)
6	Income Generation	n/a	Strategic Regeneration & Community Safety	Communities	Commercialisation / pest control drainage	Promote and increase income associated with the internal and external services provided by Pest Control including drainage testing. Becoming the Council's first choice pest control service provider.	(0.012)	(0.023)	(0.023)
7	Income Generation	n/a	Strategic Regeneration & Community Safety	Communities	Business permit charges	Increase Business permit cost to £200 per year.	(0.100)	(0.100)	(0.100)
8	Income Generation	n/a	Strategic Regeneration & Community Safety	Communities	Skip permits	Increase skip permit to £30.	(0.016)	(0.016)	(0.016)
9	Income Generation	n/a	Strategic Regeneration & Community Safety	Communities	Proceeds of crime	Make Proceeds of Crime work fully self funding	(0.050)	(0.050)	(0.050)
<b>STRATEGIC REGENERATION &amp; COMMUNITY SAFETY</b>							<b>(0.618)</b>	<b>(0.709)</b>	<b>(0.709)</b>

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# ANNEX 3

## CAPITAL PROGRAMME

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# Capital Programme

## Introduction

**Annex 3** sets out the capital programme for 5 years from 2014/15 to 2018/19, which has been developed with a strong focus on the delivery of Council Plan priorities.

As capital schemes are generally phased over more than one year it is appropriate that the 2013/14 programme is included within this Annex. The programme is continuously evolving and needs to be updated accordingly. Any changes to the programme are reported to Executive Board each quarter. For 2013/14 the quarter 3 assessment is also reported in **Annex 1** as part of the projected outturn.

The Housing Revenue Account (HRA) element includes new investment and amended programme which is set out in **Annex 4**.

## Context

Despite the challenges, Nottingham's medium term programme is still substantial. Resource reductions have been factored into projections and continue to be proactively monitored to ensure funding is secured before making any commitment to spend.

A detailed review of the phasing of expenditure for ongoing capital schemes and an up to date projection of capital resources has been completed. These are reflected in the forecast as at Quarter 3 within **Annex 1**.

The capital programme has been constructed as follows:

- Continuous reviews are undertaken to identify savings, funding and re-phasing of schemes.
- Where possible, uncommitted schemes have been re-phased, to allow a better match with the timing of available resources.
- Resource projections have been carefully evaluated and the Council will continue to seek to maximise external funding.
- Pressures and investments have been identified as part of the investment strategy; these will be considered separately to this report upon presentation of full business cases.

## Outlook

The availability of funds plays a key part in the size and content of the Capital Programme. The impact of national reductions in funding has significantly reduced the level of government support for capital investment and the Council must now rely more on its own funding to lever in other sources of external funding where this is available.

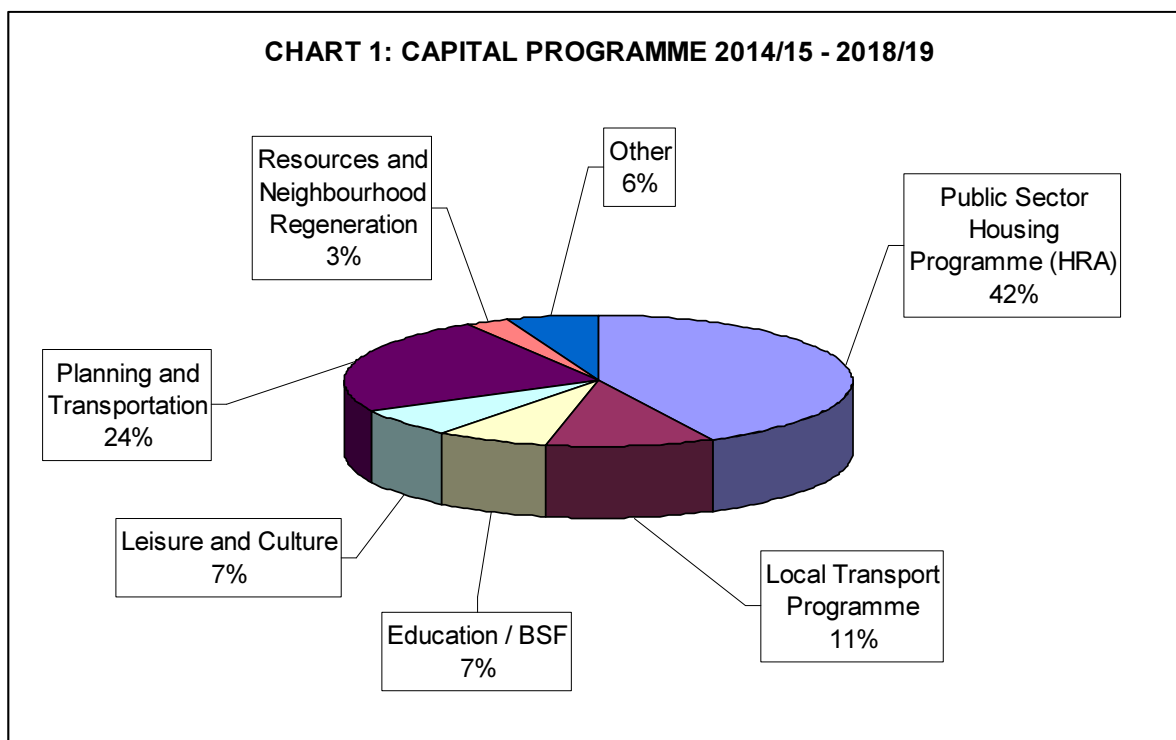
The Council is currently developing a Capital Investment Strategy which will focus on supporting a higher level of growth and regeneration within the City. Potential funding streams are being explored from a variety of sources, including prudential borrowing.

A number of potential capital schemes are currently being assessed and the decision to progress schemes will be dependent on securing the stated level of external funding or grant as appropriate.

The Capital Programme now presented, does not yet include provision for these schemes. Any resulting additional schemes will be subject to robust evaluation including deliverability of business plans and the appropriate governance arrangements.

## Overall Capital Investment

Chart 1 analyses the capital programme of £699.649m over the programme types.



**Table 1** summarises the proposed capital programme of £699.649m between the General Fund and the Housing Revenue Account. **Appendix D** contains further details.

PORTFOLIO	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
General Fund	101.785	191.496	49.363	32.149	18.169	9.983	<b>402.945</b>
HRA	60.715	77.080	48.069	34.545	37.691	38.604	<b>296.704</b>
<b>TOTAL</b>	<b>162.500</b>	<b>268.576</b>	<b>97.432</b>	<b>66.694</b>	<b>55.860</b>	<b>48.587</b>	<b>699.649</b>

## General Fund Capital

The value of the Capital Programme to 2018/19 is £402.945m. The programme includes a number of revised and additional schemes which have arisen during the third quarter of 2013/14. **Table 2** summarises the approvals since quarter 2 of £58.730m which include The Creative Quarter, Better Bus Areas, the Ring Road Major, Down Town and Nottingham Castle. These schemes are explained in more detail in the following sections. **Appendix A** provides a full list of revisions.

<b>TABLE 2: GENERAL FUND PROGRAMME - REVISIONS SINCE QUARTER 2</b>							
<b>DESCRIPTION</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b>Qtr 2 Projections</b>	<b>105.167</b>	<b>158.754</b>	<b>33.941</b>	<b>21.974</b>	<b>6.994</b>	<b>0.000</b>	<b>326.830</b>
Additions	6.183	18.859	12.812	0.353	10.540	9.983	<b>58.730</b>
Slippage / Acceleration	(9.500)	8.564	0.043	(0.664)	0.634	0.000	<b>(0.923)</b>
New Transport Programme proposals	0.000	4.550	1.106	4.789	0.000	0.000	<b>10.445</b>
Education Grant announcements	0.000	0.461	1.461	5.687	0.000	0.000	<b>7.609</b>
Savings / Other	(0.065)	0.308	0.000	0.000	0.001	0.000	<b>0.244</b>
<b>Q3 PROJECTIONS</b>	<b>101.785</b>	<b>191.496</b>	<b>49.363</b>	<b>32.149</b>	<b>18.169</b>	<b>9.983</b>	<b>402.945</b>

Refreshed Capital Programme 2013/14 – 2018/19+

Table 3 presents the revised General Fund Capital. Individual schemes are listed in Appendix D.

<b>TABLE 3 : GENERAL FUND CAPITAL PROGRAMME AND RESOURCES</b>							
<b>DESCRIPTION</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b>Local Transport Programme</b>	27.016	24.021	17.429	6.649	2.250	0.000	<b>77.365</b>
<b>Education / BSF</b>	20.976	13.910	9.350	5.686	0.000	0.000	<b>49.922</b>
<b>Other Services:</b>	53.793	153.565	22.584	19.814	15.919	9.983	<b>275.658</b>
<b>TOTAL PROGRAMME</b>	<b>101.785</b>	<b>191.496</b>	<b>49.363</b>	<b>32.149</b>	<b>18.169</b>	<b>9.983</b>	<b>402.945</b>
<b>Resources Available</b>							
Resources b/fwd	29.479	0.000	0.000	0.000	0.000	0.000	<b>29.479</b>
Prudential Borrowing	37.660	143.415	19.407	13.968	6.995	0.000	<b>221.445</b>
Grants & Contribution	30.144	33.421	23.166	17.321	8.692	8.272	<b>121.016</b>
Internal Funds / Revenue	15.617	7.886	1.318	0.000	1.848	1.711	<b>28.380</b>
Capital Receipts Secured	1.271	0.000	0.000	0.000	0.000	0.000	<b>1.271</b>
<b>TOTAL RESOURCES</b>	<b>114.171</b>	<b>184.722</b>	<b>43.891</b>	<b>31.289</b>	<b>17.535</b>	<b>9.983</b>	<b>401.591</b>
<b>(SURPLUS)/SHORTFALL excluding unsecured capital receipts</b>	<b>(12.386)</b>	<b>6.774</b>	<b>5.472</b>	<b>0.860</b>	<b>0.634</b>	<b>0.000</b>	<b>1.354</b>
Unsecured Capital receipts	1.270	9.062	3.062	2.612	0.870	0.870	<b>17.746</b>
<b>(SURPLUS)/ SHORTFALL</b>	<b>(13.656)</b>	<b>(2.288)</b>	<b>2.410</b>	<b>(1.752)</b>	<b>(0.236)</b>	<b>(0.870)</b>	<b>(16.392)</b>

The significant schemes included in the current capital programme are described below.

## **Local Transport Plan (LTP) £77.365m**

The main LTP programme comprises integrated transport block funding and highways capital maintenance. LTP funding is also used to lever in significant additional external resources. Detailed allocations and schemes are listed at **Appendix C**. The programme has been compiled on the basis that all schemes are consistent with the objectives set out in the LTP. Priority has also been given to:

- Enabling wider budget savings.
- Achieving co-ordination of schemes with other elements of the programme.
- Schemes that lever in other external funding (particularly Local Sustainable Transport funding, Better Bus Areas and Green Bus Funds).
- Ensuring sufficient advance feasibility and design is undertaken to maintain future programme delivery.
- Achieving a balance between large and small-scale schemes to ensure efficient use of staff resources.

Key investments include:

- Maintenance of classified roads in poor condition, residential roads, highway structures and bridges - **£7.660m**
- Supporting Economic Growth including a contribution towards the ring road major - **£17.728m**
- Programme of footway improvements, local parking, traffic management and local accessibility measures in neighbourhoods (including continuation of Area Capital component) - **£3.179m**.
- Further investment in local bus and sustainable transport schemes – **£23.573m**.
- Casualty reduction including safety treatments at accident hotspots, upgrade of crossing facilities, and implementation of 20mph zones - **£1.575m**.
- Investment in cycling and walking schemes - **£1.685m**
- Network Management including signalling - **£1.225m**
- Investment in the station hub – **£6.934m**
- Creative Quarter - **£9.550m**
- Southside Growth - **£3.060m**

## **Children's Services (Education) - £49.922m**

### Primary Reorganisation

This programme seeks to address the shortfall in primary school places within the City. It includes **£7.666m** for expansions of schools under primary schools re-organisation phase 1 which are currently under construction. Further approvals of **£10.579m** have recently been included and are at various stages of consultation. Approval to progress these schemes will be subject to the presentation of full business cases.

### BSF and Academies Programme

The programme includes **£8.080m** for the building and remodelling of some secondary, special schools and academies under the BSF programme. These include the provision of an ICT managed service.

The programme also includes provision for schools capital maintenance, basic needs grant and formula capital of **£16.576m**. This provision has been ring fenced to fund the primary schools re-organisation.

### **All Other Services - £275.658m**

#### **Renewal of District Heating Pipes - £2.140m**

This scheme relates to the renewal of elements of the district heating pipe network, which supplies heat, power and hot water to domestic and commercial customers. Approval is sought for the essential primary mains replacement of pipelines on Canal Street, Burton & Milton Street to be carried out in 2013/14 at an estimated cost of **£2.140m**.

It is essential the works be completed in 2013/14 as there is a real risk of potential service failure over the winter period which would have adverse impact on citizens and businesses.

This investment is to be funded through prudential borrowing and recharged to EnviroEnergy in accordance with the 1972 District Heating Agreement.

#### **Disabled Facilities Grant - £9.461m**

Delivering adaptations for disabled people in private homes, helping them live more independently. Adaptations are undertaken following an assessment of the need by the Occupational therapy (OT) services in Adult Care and Children's Services.

#### **Net Line 2&3 - £148.214m**

This investment is funded by prudential borrowing, the costs of which are expected to be covered by revenue received from the implementation of the workplace parking levy.

#### **The Leisure Transformation Programme - £16.438m**

Schemes still to be completed within the transformation programme include Harvey Hadden (**£15.765m**) and Southglade Leisure Centre (**£0.429m**).

Harvey Hadden includes provision of a 50m swimming pool and enhancement of the facilities by the inclusion of a 1.5km cycle track, an eighth lane at the athletics track and 3 additional squash courts to the facility. This recent addition will be funded by a package of grant funding.

#### **Nottingham Castle - £25.000m**

This project, to develop Nottingham Castle into a world class visitor attraction, is dependent on the successful outcome of a bid to the Heritage Lottery Fund. On 20 November 2012, Executive Board approved progression to the next round of bidding. Approval to spend will be dependent upon a successful bid and presentation of a fully revised business case.

#### **Forest Sports Zone - £1.615m**

Improvement to the Forest Sports Zone include the existing multi-use activity pitch, the creation of new purpose-built changing rooms and a new floodlit 3G sports pitch. The City will contribute £0.350m towards the cost of the scheme and the rest will be funded from grants from the Football Association and Sports England.

#### **Capital Works at Eastcroft- £8.986m**

Within the District Heating Scheme Agreement of 1972, there is provision for the National Coal Board or its successors (which include the current operator Wastenotts (Reclamation) Limited) to recover the costs of capital works undertaken at the plant from the City and County Councils. Historically the costs are apportioned on a 62%:38% basis

with the City taking 62% and the County 38% because the 38% is the maximum level of usage the City has permitted County to enjoy. Notification of planned works for the following year is received by 31 October. The City Council engages expert technical consultants to review the CAPEX proposals advanced by Wastenotts (Reclamation) Limited. Capital expenditure at Eastcroft, which benefits the third line, will not be accepted by the City Council and it is not contractually obliged to agree to any notified works albeit there are dispute resolution provisions that can be enacted if agreement is not reached by the parties. Ultimately an unresolved dispute could lead to the works actually being carried out and costs added to the contract gate fee, if these works are subsequently shown to be necessary and in proportion to the first and second lines at Eastcroft. This payment mechanism is considerably more expensive for the Council, and therefore due diligence at the time of notification is currently the best way of ensuring value for money.

In addition there are further pressures of **£3.410m** which have been identified but will be reviewed in 2014/15 as part of the management of the programme.

#### Vehicle Replacement Programme - £19.285m

The Council operates a fleet of c430 vehicles which are replaced on a rolling basis to maintain an efficient and effective fleet and service. The annual programme is c£3.500m and is funded from prudential borrowing. The revenue costs of repayments can be contained within the existing budgets as this is an extension of the existing programme.

#### Additional Area Capital - £4.615m

The purpose of the Area Capital Fund (ACF), established in 2006, has been to secure neighbourhood public realm improvements with a particular focus on improving footways.

### **Partnership Arrangements**

The City Council is delivering a range of high value, high profile schemes in partnership with other organisations including private sector partners, some of which are PFIs such as NET Phase 2. The following paragraphs summarise the schemes currently being delivered in partnership which involve capital investment projected to be incurred in 2014/15 onwards.

#### NET Phase 2 (Lines 2 and 3)

The contract for NET Phase 2 (which includes operating Line 1) was signed on 15 December 2011. The private sector partner of this PFI scheme is Tramlink; a consortium comprising Vinci Construction UK Ltd, Alstom Transport, Keolis (UK) Ltd and Wellglade Ltd. As with the NET Line 1 contract, availability payments will be made to Tramlink, initially to incentivise their ongoing operation of Line1, increasing in 2014/15 to reflect completion of construction and the operation of Lines 2 and 3 scheduled to be in December 2014. The City Council will also incur significant capital expenditure of c£146m through an upfront contribution of £100m which will be paid at service commencement plus land acquisition etc.

#### RE: FIT

Executive Board, on 20 December 2011, approved the selection of a partner under the RE:FIT Framework, to work with the City Council and following a procurement exercise, EON was selected. The project is for the partner to deliver improvements in energy consumption to 9 operational properties within the property portfolio. The total anticipated capital investment by the City Council in energy conservation measures is £1.268m; financed through the Energy Development Fund. Savings not achieved, across the portfolio of 9 properties, will be reimbursed by EON.

#### Nottingham Station Improvements (The Hub)

A funding agreement for the main station improvement works has been signed with Network Rail. The first stage of this contract, the new multi-storey car park, has been completed. The main works started in summer 2012 and are due to be completed by early summer 2014. The City Council has approval to contribute £18.130m towards the overall cost of £60m for this scheme. Funding will come from various grants with the balance of c£11.910m funded by the City Council from prudential borrowing, the costs of which will be covered by revenue received from the Workplace Parking Levy.

#### Building Schools for the Future (BSF) and Academies Programmes

The City Council successfully secured funding for the rebuilding and remodelling of five secondary and four special schools through Wave 2 of the BSF programme along with funding for four Academies and the provision of an ICT managed service at some of these schools. At January 2014, all but two schemes had been handed back to the City Council by the contractor, with the remaining schemes all under construction and on programme.

#### Growing Places Fund

On 22 May 2012, Executive Board agreed that the City Council would act as the Accountable Body for this fund which totals around £25m capital allocated to the D2N2 Local Enterprise Partnership (LEP). The fund seeks to generate economic activity and growth in key sectors within the area of the LEP which comprises the administrative boundaries of Derby, Derbyshire, Nottingham and Nottinghamshire. It is intended that this will be a 'recycled' capital fund with awards being made in the form of repayable loans with interest at the agreed rate.

The largest of these loans (£5m) relates to the Boots Enterprise Zone. This loan will be paid back from the increase in business rates which will be generated. The City Council is contributing a further £2m. These funds will be used to finance a new access road and a larger programme of infrastructure which will unlock the site for major commercial development and housing. It is anticipated that work will commence during 2014/15.

#### Street Lighting PFI

The Council entered into a PFI contract for street lighting in May 2010. The first stage of the contract was a five year core investment period, starting in September 2010, to replace or upgrade the Council's street lighting stock, accompanied by the provision of ongoing maintenance to the Council's existing and new lighting stock over a 25 year period. The core investment is on programme and all wards across the city had benefited from some degree of upgraded lighting.

### **General Fund Resources**

Projected funding of **£419.337m** for the General Fund programme for the period to 2018/19 is set out in **Table 3**.

53% of the value of capital schemes is funded from prudential borrowing, mainly due to Net Line Phase 2, 29% from external grants and contributions and 11% funded by capital receipts and other internal funds.

#### Prudential Borrowing

The Council's ability to borrow, known as prudential borrowing, enables local decisions to be taken about borrowing to fund capital investment. The key principle of prudential borrowing is that it must be affordable and sustainable. Prudential borrowing between 2013/14 and 2018/19 totals **£221.445m** and the revenue impact is reflected in the MTFP. Schemes funded by prudential borrowing are detailed in **Appendix B**.



### Capital Receipts

Risk assessed capital receipts projections of **£17.746m** have been included in the programme (the full current market value of the risk assessed capital receipts is **£29.370m**). Risk assessments are updated frequently as the status of potential disposals change. For planning purposes it is prudent to only seek to rely on those in the “low” risk category plus a proportion of the medium and high risk categories to avoid inherent over-programming and resultant cash flow difficulties.

### Grants and Contributions

Current resources within the programme include projections for grants and contributions of **£121.016m** of which **£81.593m** is secured and **£39.423m** is indicative, based on latest projections. **Table 4** provides further details.

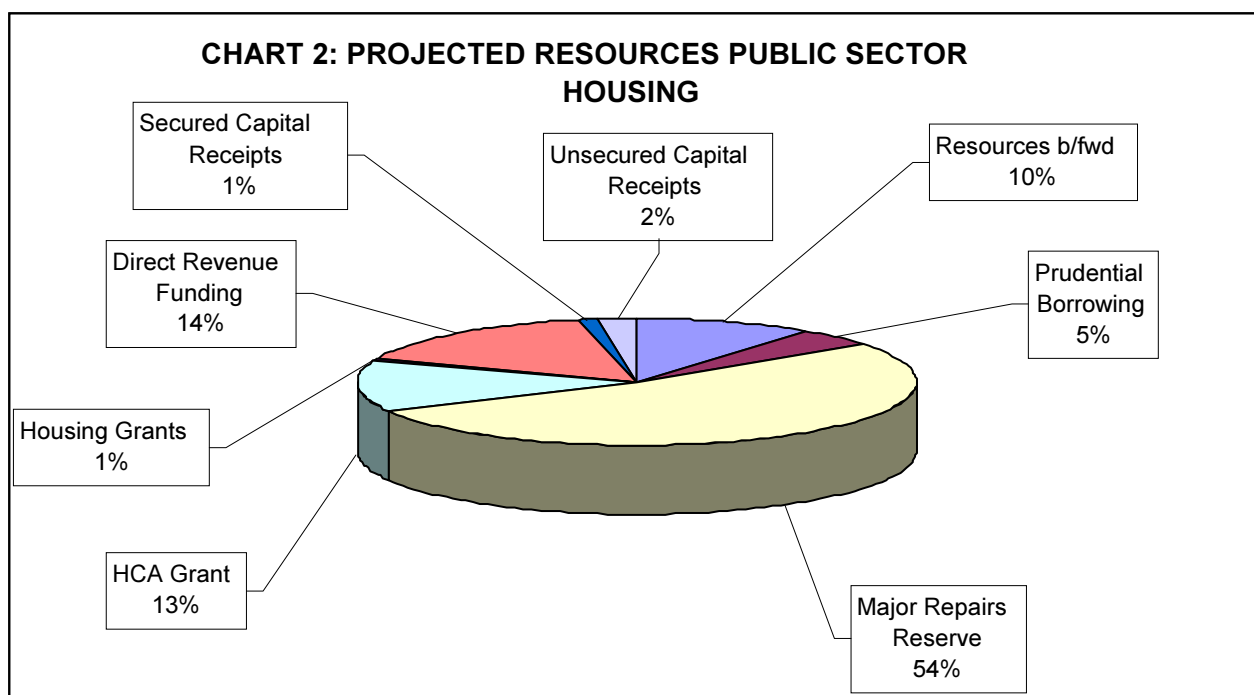
DESCRIPTION	SECURED £m	UNSECURED £m	TOTAL £m
Education Grants	28.717	2.133	30.850
Transport Grants	35.106	17.758	52.864
Other	17.770	19.532	37.302
<b>TOTAL</b>	<b>81.593</b>	<b>39.423</b>	<b>121.016</b>

### Public Sector Housing Capital

The Public Sector Housing Programme sets out the five year investment in the housing stock. Management of the stock is undertaken through a management agreement with Nottingham City Homes (NCH). Funding for the *Decent Homes* programme is awarded to the Council and the allocation of these funds to individual schemes is agreed between the Council and NCH. **Table 5** shows investment to 2018/19 of **£317.918m**. Further details are set out in **Appendix D**.

DESCRIPTION	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Public Sector Programme	60.715	77.080	48.069	34.545	37.691	38.604	<b>296.704</b>
<b>TOTAL PROGRAMME</b>	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>296.704</b>
<b>Resources Available</b>							
Resources b/fwd	33.344	0.000	0.000	0.000	0.000	0.000	<b>33.344</b>
Prudential Borrowing	0.000	0.000	0.000	0.000	6.000	9.000	<b>15.000</b>
Major Repairs Reserve	27.081	29.001	29.001	29.001	29.001	29.001	<b>172.086</b>
HCA Grant	28.270	13.301	0.000	0.000	0.000	0.000	<b>41.571</b>
Housing Grants	1.208	0.772	0.000	0.000	0.000	0.000	<b>1.980</b>
Direct Revenue Funding	6.667	5.972	6.185	7.841	8.076	8.319	<b>43.060</b>
Capital Receipts secured	3.388	0.000	0.000	0.000	0.000	0.000	<b>3.388</b>
<b>SUB -TOTAL RESOURCES</b>	<b>99.958</b>	<b>49.046</b>	<b>35.186</b>	<b>36.842</b>	<b>43.077</b>	<b>46.320</b>	<b>310.429</b>
<b>Capital Receipts Unsecured</b>	1.564	3.015	2.460	0.450	0.000	0.000	<b>7.489</b>
<b>TOTAL RESOURCES</b>	<b>101.522</b>	<b>52.061</b>	<b>37.646</b>	<b>37.292</b>	<b>43.077</b>	<b>46.320</b>	<b>317.918</b>
<b>Maintaining Decency</b>	0.000	0.000	0.000	0.000	0.000	0.000	<b>21.214</b>
<b>(SURPLUS)/SHORTFALL</b>	<b>(40.807)</b>	<b>25.019</b>	<b>10.423</b>	<b>(2.747)</b>	<b>(5.386)</b>	<b>(7.716)</b>	<b>0.000</b>

**Chart 2** shows the financing of the capital programme totalling **£317.918m**.



## Risk Management & Governance

The main risk in developing and managing the overall programme is that insufficient resources are available. Measures are in place to ensure that this risk can be managed effectively, including:

- clear accountability – i.e. named individuals responsible for delivery of each project/ programme
- monthly update of capital receipt forecasts and use of a risk based approach to forecasting capital receipts
- quarterly monitoring of overall capital expenditure and resources forecasts alongside actual contractual commitments
- quarterly monitoring of the Council's VAT partial exemption position to ensure that full eligibility to VAT reclaimed can be maintained and the partial exemption position will be continuously considered on a scheme by scheme basis
- assurance that schemes are only included into the programme once a full business case, (including prioritisation methodology, options appraisal and risk assessment) has been through the correct approval process
- requirement for written confirmation of external funding to be received prior to contractual commitments being entered into
- promotion of best practice in capital planning and estimating to ensure that scheme budgets and project/programme delivery plans are robust and realistic
- compliance with financial and contract procedure rules to ensure good governance
- additions to schemes will only be made in the context of available resources

**APPENDIX A**

<b>CAPITAL PROGRAMME ADDITIONS SINCE QUARTER 2</b>						
<b>DESCRIPTION</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18+ £m</b>	<b>Total £m</b>
<b>Local Transport Programme</b>						
City Deal - Creative Quarter	1.611	3.389	3.000	0.000	0.000	8.000
Better Bus Areas - Phase 2	0.000	1.700	1.458	1.850	2.250	7.258
Ring Road Major	0.000	4.116	5.120	0.000	0.000	9.236
Safer Cycling schemes	0.300	0.000	0.000	0.000	0.000	0.300
Shakespeare St - NTU	0.400	0.000	0.000	0.000	0.000	0.400
Bath St / Brook St	0.117	0.000	0.000	0.000	0.000	0.117
<b>TOTAL - Transport</b>	<b>2.428</b>	<b>9.205</b>	<b>9.578</b>	<b>1.850</b>	<b>2.250</b>	<b>25.311</b>
<b>Children's Services - Schools / BSF</b>						
Seagrave Primary - Electrical	(0.020)	0.000	0.000	0.000	0.000	(0.020)
Portland Primary - Structural	(0.048)	0.000	0.000	0.000	0.000	(0.048)
Seely Infants - Asbestos	(0.040)	0.000	0.000	0.000	0.000	(0.040)
Seely Primary - Amalgamation	0.108	0.000	0.000	0.000	0.000	0.108
Rise Park Primary - Roof	0.030	0.000	0.000	0.000	0.000	0.030
Contingency Fund - Miscellaneous Works	(0.030)	0.000	0.000	0.000	0.000	(0.030)
Rosslyn Primary - Expansion	0.100	0.000	0.000	0.000	0.000	0.100
Heathfield Primary Expansion - Early Works	0.200	0.000	0.000	0.000	0.000	0.200
Block Allocation - Basic Grant	(0.300)	0.000	0.000	0.000	0.000	(0.300)
Stanstead Primary - Heating	0.070	0.000	0.000	0.000	0.000	0.070
Contingency Fund - Miscellaneous Works	(0.070)	0.000	0.000	0.000	0.000	(0.070)
Block Allocation - Basic Grant	(0.160)	0.000	0.000	0.000	0.000	(0.160)
Northgate Primary - Reorganisation	0.160	0.000	0.000	0.000	0.000	0.160
Heathfield Primary - Expansion	0.190	2.500	1.497	0.000	0.000	4.187
Riverside Primary - Nursery	0.000	0.267	0.000	0.000	0.000	0.267
Rosslyn Primary - Expansion	0.190	1.005	0.000	0.000	0.000	1.195

**CAPITAL PROGRAMME ADDITIONS SINCE QUARTER 2**

<b>DESCRIPTION</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18+ £m</b>	<b>Total £m</b>
Nottingham Academy - Expansion	<b>0.500</b>	2.600	0.000	0.000	0.000	<b>3.100</b>
Basic Needs Grant Fund	<b>(2.404)</b>	(2.651)	0.000	0.000	0.000	<b>(5.055)</b>
<b>TOTAL-Children's Ser-Schools / BSF</b>	<b>(1.524)</b>	<b>3.721</b>	<b>1.497</b>	<b>0.000</b>	<b>0.000</b>	<b>3.694</b>
<b>Other Services</b>						
<b>Leisure and Culture</b>						
Nottingham Castle	<b>(0.723)</b>	0.900	(0.650)	(1.973)	18.273	<b>15.827</b>
Harvey Hadden Pool	<b>(0.200)</b>	2.789	0.000	0.000	0.000	<b>2.589</b>
Highfields Park Redevelopment	<b>0.200</b>	0.101	0.000	0.000	0.000	<b>0.301</b>
Poplar Avenue Play Area	<b>0.025</b>	0.000	0.000	0.000	0.000	<b>0.025</b>
Wollaton Park Play Area	<b>0.000</b>	0.195	0.000	0.000	0.000	<b>0.195</b>
Portland Leisure Centre	<b>0.750</b>	0.000	0.000	0.000	0.000	<b>0.750</b>
<b>Energy and Sustainability</b>						
Enviro Energy District Heating Pipes	<b>2.140</b>	0.000	0.000	0.000	0.000	<b>2.140</b>
<b>Strategic Regeneration and Community Safety</b>						
Broad Marsh - Highways Works	<b>0.400</b>	0.000	0.000	0.000	0.000	<b>0.400</b>
Broad Marsh - Property Acquisition	<b>0.312</b>	0.000	0.000	0.000	0.000	<b>0.312</b>
Acquisition Property Parliament Street	<b>0.253</b>	0.000	0.000	0.000	0.000	<b>0.253</b>
Broad Marsh Car Park - Safety Barriers	<b>0.130</b>	0.000	0.000	0.000	0.000	<b>0.130</b>
Downtown (Sneinton)	<b>0.000</b>	1.891	2.387	0.476	0.000	<b>4.754</b>
<b>Resources and Neighbourhood Regeneration</b>						
IT - Ultra band Connectivity in Creative Quarter	<b>0.150</b>	0.000	0.000	0.000	0.000	<b>0.150</b>
IT - Storage Area Network (SAN)	<b>1.742</b>	0.057	0.000	0.000	0.000	<b>1.799</b>
Joint Services Centre - Strelley Road	<b>0.100</b>	0.000	0.000	0.000	0.000	<b>0.100</b>
<b>TOTAL - Other Services</b>	<b>5.279</b>	<b>5.933</b>	<b>1.737</b>	<b>(1.497)</b>	<b>18.273</b>	<b>29.725</b>
<b>TOTAL ADDITONS</b>	<b>6.183</b>	<b>18.859</b>	<b>12.812</b>	<b>0.353</b>	<b>20.523</b>	<b>58.730</b>

## APPENDIX B

<b>PRUDENTIAL BORROWING SCHEDULE</b>							
<b>SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
HRA General Borrowing Estimate	0.000	0.000	0.000	0.000	6.000	9.000	<b>15.000</b>
<b>TOTAL - Public Sector Housing</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.000</b>	<b>9.000</b>	<b>15.000</b>
<b>General Fund</b>							
Replacement of Voluntary Set Aside Receipts	2.000	4.430	0.000	0.000	0.000	0.000	<b>6.430</b>
Leisure Transformation Programme	1.440	7.276	0.000	0.000	0.000	0.000	<b>8.716</b>
Primary Education	1.010	0.000	0.000	0.000	0.000	0.000	<b>1.010</b>
Vehicle Replacement Programme	5.598	4.187	3.000	3.000	3.000	0.000	<b>18.785</b>
Victoria Leisure Centre	0.023	0.000	0.000	0.000	0.000	0.000	<b>0.023</b>
Imps to Community & Cultural Property	0.062	0.202	0.000	0.000	0.000	0.000	<b>0.264</b>
Eastcroft Incinerator	1.753	2.955	0.571	2.495	1.190	0.000	<b>8.964</b>
Disabled Facilities Grants	1.900	2.700	2.835	2.026	0.000	0.000	<b>9.461</b>
Improvements to Fletcher Gate Car Park	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
Nottingham Station Hub	5.642	1.292	0.000	0.000	0.000	0.000	<b>6.934</b>
St Ann's Joint Services Centre	0.000	0.000	0.000	0.947	0.000	0.000	<b>0.947</b>
NET Lines 2/3-Land Acquisition / Quantative Risk etc	8.126	115.000	10.000	5.500	2.805	0.000	<b>141.431</b>
RE:FIT Carbon Reduction Programme	0.310	0.174	0.000	0.000	0.000	0.000	<b>0.484</b>
Southglade Food Park - Phase 2	0.587	1.060	0.001	0.000	0.000	0.000	<b>1.648</b>
Depot Accommodation and Fleet Services	0.270	0.000	0.000	0.000	0.000	0.000	<b>0.270</b>
Acquisition of Property	5.183	0.000	0.000	0.000	0.000	0.000	<b>5.183</b>
Royal Centre Improvements	0.000	0.750	0.000	0.000	0.000	0.000	<b>0.750</b>
Creative Quarter - City Deal	1.611	3.389	3.000	0.000	0.000	0.000	<b>8.000</b>
Enviro Energy - District Heating Pipes	2.140	0.000	0.000	0.000	0.000	0.000	<b>2.140</b>
<b>TOTAL GENERAL FUND</b>	<b>37.660</b>	<b>143.415</b>	<b>19.407</b>	<b>13.968</b>	<b>6.995</b>	<b>0.000</b>	<b>221.445</b>
<b>TOTAL</b>	<b>37.660</b>	<b>143.415</b>	<b>19.407</b>	<b>13.968</b>	<b>12.995</b>	<b>9.000</b>	<b>236.445</b>

## Transport Investment Programme Overview

### Context

The Nottingham Local Transport Plan 3 (LTP3), adopted in April 2011, sets out the policies and programme of investment for delivering transport improvements across Nottingham and is the main source of transport capital funding. It comprises two components: The Local Transport Strategy 2011 to 2026 (which outlines the long-term transport vision and strategy) and the Implementation Plan (detailing funding allocations and proposed transport measures on a three year rolling basis). The funding allocations set out below will inform the update of the Implementation Plan covering the period April 2014 to March 2017.

The local transport settlement amounts for 2014/15 are confirmed at **£7.669** (includes **£0.177m** additional maintenance support). The allocations for 2015/16 and 2016/17 are based on indicative levels that have been significantly reduced following the Government's spending review in 2013 and subsequent announcements. This is expanded below.

### Emerging Changes to Transport Funding

For local transport the most significant announcement following the 2013 Spending Review was the creation of the Single Local Growth Fund (SLGF) from 2015/16. It will be resourced through the reallocation of existing funding streams, including 44% of local transport authorities' Integrated Transport Block (ITB) funding.

The SLGF will be allocated to Local Enterprise Partnerships (LEPs) based on the strength of their emerging Strategic Economic Plans. It is anticipated that an element of the LTP settlement reduction will be retrieved from the LEP through a bidding process, prioritising schemes which promote economic growth but is not guaranteed.

The Department for Transport (DfT) is also reviewing the weightings that make up the formulae used for remaining ITB allocations. Allocations for local transport authorities for 2015/16 and beyond are to be announced in spring 2014. The DfT will also consulting separately on changes to the formulae for calculating future capital maintenance allocations and other bidding opportunities.

### Implications of Changes

There will be significant implications arising from the proposed changes to be introduced from 2015/16 onwards. Key issues will be:

- City has less direct control over the allocation of transport funding;
- The D2N2 LEP could receive a low allocation depending on quality of the Strategic Economic Plan;
- The LEP could choose to prioritise schemes other than transport;
- Reduced LTP core allocation will mean choices have to be made continuing existing programmes (e.g. Area Capital);
- Reduced opportunities for leverage of other external grant funding (e.g. Better Bus Areas, ERDF);
- The way capital maintenance allocations are determined could significantly change.

All of the above factors will need to be considered in future programme development.

## Local Transport Investment Programme

### Funding Streams

The Local Transport Investment Programme will be funded from a number of different funding streams including grant, competitive awards and prudential borrowing. Funding levels for 2014/15 are confirmed but future years funding are based on projections. The funding of the complete LTP programme is shown in **Tables C1** and **C2**

The detail of the schemes to be funded by the LTP grant allocation of **£17.247m** for years 2014/15 to 2017/18 is shown in **Section 1**.

DESCRIPTION	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	TOTAL £m
Integrated Transport Block (ITB)	2.843	5.756	3.224	3.224	0.00	15.047
Highways Capital Maintenance	2.251	1.736	1.565	1.565	0.00	7.117
Additional Maintenance	0.00	0.177	0.00	0.00	0.00	0.177
<b>TOTAL</b>	<b>*5.094</b>	<b>7.669</b>	<b>4.789</b>	<b>4.789</b>	<b>0.00</b>	<b>22.341</b>

\* £1.250m moved to other services for Area Capital Fund (£5.094m + £1.250m =£6.341m)

In addition to the LTP funding, the other significant funding streams which make up the overall Local Transport Investment Programme are shown in **Table 2** below. Total funding for the 5 year programme including 2013/14 is **£77.365m** this equates to a balanced programme which is shown in summary level in **Table C3** and in detail in **Appendix D** of this annex.

DESCRIPTION	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	TOTAL £m
DfT Sustainable Transport Fund	2.513	1.405	0.000	0.000	0.000	<b>3.918</b>
DfT Better Bus Areas	2.132	0.000	0.000	0.000	0.000	<b>2.132</b>
DfT Better Bus Areas 2	0.000	1.300	0.650	0.650	2.250	<b>4.850</b>
WPL Better Bus Areas	0.000	0.400	0.810	1.210	0.000	<b>2.420</b>
DfT Green Bus Fund Grant 3	0.118	0.000	0.000	0.000	0.000	<b>0.118</b>
WPL Fund - Green Bus Fund 3	1.600	0.000	0.000	0.000	0.000	<b>1.600</b>
DfT - Green Bus Fund Grant 4	1.500	0.000	0.000	0.000	0.000	<b>1.500</b>
WPL Fund - Green Bus Fund 4	1.600	0.000	0.000	0.000	0.000	<b>1.600</b>
WPL Fund - Green Bus Fund 5	0.000	3.250	0.000	0.000	0.000	<b>3.250</b>
Prudential Borrowing - Station Hub	5.642	1.292	0.000	0.000	0.000	<b>6.934</b>
Prudential Borrowing - City Deal Creative Quarter	1.611	3.389	3.000	0.000	0.000	<b>8.000</b>

TABLE C2: ADDITIONAL FUNDING STREAMS AND RESOURCES						
DESCRIPTION	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	TOTAL £m
ERDF Grant - City Deal Creative Quarter	0.000	1.550	0.000	0.000	0.000	<b>1.550</b>
Local Transport Board - Major Schemes	0.000	0.000	3.060	0.000	0.000	<b>3.060</b>
DfT - Ring Road Major Grant	3.564	4.116	5.120	0.000	0.000	<b>12.800</b>
Other funding (inc S106)	0.835	(0.350)	0.000	0.000	0.000	<b>0.485</b>
Transfer Resources	0.807	0.000	0.000	0.000	0.000	<b>0.807</b>
<b>TOTAL ADDITIONAL FUNDING</b>	<b>21.922</b>	<b>16.352</b>	<b>12.640</b>	<b>1.860</b>	<b>2.250</b>	<b>55.024</b>
<b>LTP ALLOCATION</b>	<b>5.094</b>	<b>7.669</b>	<b>4.789</b>	<b>4.789</b>	<b>0.000</b>	<b>22.341</b>
<b>TOTAL FUNDING</b>	<b>27.016</b>	<b>24.021</b>	<b>17.429</b>	<b>6.649</b>	<b>2.250</b>	<b>77.365</b>

### Proposals

Allocations are based on current known available funding. Funding for future years could change significantly so allocations are likely to change for the second and third years of the programme. These changes will be captured during the 2015/16 budget process. Additionally some elements of the 2013/14 programme and associated funding may not be completed by the end of March 2014 and may also need to be rolled forward.

The LTP3 Strategy anticipated lower levels of funding than previous years. It also reflects Council priorities for greater emphasis on supporting the local economy, maintenance, small-scale neighbourhood transport schemes and sustainable transport measures, given current funding constraints. Priorities for local transport investment are:

- **Supporting the local economy through the delivery of the City Centre Time and Place Plan** - investment in place-making will increase opportunities for local businesses, attract inward investment and boost the local economy;
- **Linking local people to jobs and training** through improving transport services and facilities to key employment areas and education sites;
- **Maintain our current transport system** Following a decade of substantial investment to improve our transport infrastructure, we will be prioritising investment to protect and preserve our existing transport system reflecting the economic and social importance to local communities;
- **Support neighbourhood transformation** through enabling local citizens and communities to have a greater say in what local transport improvements are made in their local areas and neighbourhoods. These will include footway improvements, local accessibility, parking and traffic management schemes;
- **Support sustainable transport modes** through continued investment in public transport, walking and cycling, including the introduction of more 20mph zones in residential areas across the City (particularly those that form a contribution to our successful Local Sustainable Transport Fund programme);
- **Greening of the transport system** by pursuing clean and efficient vehicle choice for fleets and buses and providing electric charging infrastructure.



To maximise performance, a combination of internal and levered-in external resources will be used to fund the Programme whilst complying with financial regulations and value for money considerations. The three year programme will also be managed flexibly to maximise the potential from new funding opportunities, new development, take account of issues arising from consultation with ward councillors, stakeholders and the public, legal procedures, detailed design and variations to scheme estimates. The programme has been prioritised against the following criteria:

- Consistency with the objectives set out in the LTP, Nottingham Growth Plan and the emerging Strategic Economic Plan;
- Enabling wider Council Strategic Choices budget savings to be achieved;
- Achieving co-ordination of schemes with other elements of the programme;
- Schemes that lever in other external funding (including developer contributions and economic development funding);
- Procurement arrangements which support the local economy and increase job opportunities for local people;
- Ensuring sufficient advance design is undertaken to maintain future programme delivery;
- Achieving a balance between large and small-scale schemes to ensure efficient use of staff resources.

**Table C3** shows the summary of the complete LTP programme.

<b>TABLE C3: SUMMARY LTP PROGRAMME</b>						
<b>DESCRIPTION</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>TOTAL £m</b>
Bus Infrastructure Schemes	0.585	0.600	0.500	0.500	0.000	<b>2.185</b>
Supporting Economic Growth	4.809	5.571	6.234	1.114	0.000	<b>17.728</b>
Cycling Schemes	0.690	0.400	0.200	0.200	0.000	<b>1.490</b>
Walking Schemes	0.075	0.060	0.030	0.030	0.000	<b>0.195</b>
Local Safety Schemes	0.425	0.550	0.300	0.300	0.000	<b>1.575</b>
Area Capital Contribution	0.000	1.250	0.760	0.760	0.000	<b>2.770</b>
Carriageway Maintenance	2.070	2.075	1.300	1.300	0.000	<b>6.745</b>
Bridges	0.316	0.269	0.165	0.165	0.000	<b>0.915</b>
Footway Maintenance	0.109	0.100	0.100	0.100	0.000	<b>0.409</b>
Network Management	0.335	0.450	0.220	0.220	0.000	<b>1.225</b>
Other LTP Funded Schemes	0.886	0.110	0.100	0.100	0.000	<b>1.196</b>
Station Hub	5.642	1.292	0.000	0.000	0.000	<b>6.934</b>
Green Buses	4.818	3.690	0.000	0.000	0.000	<b>8.508</b>
Sustainable Transport	2.513	0.965	0.000	0.000	0.000	<b>3.478</b>
Better Bus Areas	2.132	1.700	1.460	1.860	2.250	<b>9.402</b>
Other public Realm	1.550	0.000	0.000	0.000	0.000	<b>1.550</b>
Creative Quarter	0.061	4.939	3.000	0.000	0.000	<b>8.000</b>
Southside Growth	0.000	0.000	3.060	0.000	0.000	<b>3.060</b>
<b>TOTAL LTP PROGRAMME</b>	<b>27.016</b>	<b>24.021</b>	<b>17.429</b>	<b>6.649</b>	<b>2.250</b>	<b>77.365</b>

The main LTP programme is set out under the following headings:

- Highways Capital Maintenance
- Integrated Transport Block.

Detailed allocations are set out below.

#### Highways Capital Maintenance

This programme includes schemes for highway (carriageways and footways) and structural maintenance. Priorities are determined through condition surveys, taking account of coordination with the integrated transport block programme and, in the case of residential roads, informed by priorities of individual wards. Significant schemes within this block for the 2014/15 financial year include:

- Carriageway maintenance priorities including, Mansfield Road, Queen's Drive and Hucknall Lane;
- Continued residential roads carriageway programme (to be identified from condition surveys and neighbourhood priorities), funded by additional maintenance funding;
- City-wide programme of large patching works
- Corrosion protection for bridges over railways.

Detailed programmes for 2015/16 and 2016/17 will be determined over the coming year once actual funding allocations for these years are known.

#### Integrated Transport Block (ITB)

This programme comprises a wide range of projects to improve public transport, walking, cycling, highway improvements and measures to influence travel behaviour and support the local economy. Significant 2014/15 schemes included here are:

- Programme of footway improvements, parking and traffic management improvements in neighbourhoods prioritised by ward councillors and Area Committees (continuation of Area Capital Fund transport component);
- Cross City Branded Cycle Routes and cycle route improvements at North Sherwood Street/Shakespeare Street and Manvers Street (Toucan);
- Local contribution towards the Ring Road Major scheme;
- Investment in infrastructure and information that will support Better Bus Area fund programmes;
- Investment in the upgrading of life expired traffic signals equipment to bring them up to modern standards;

Casualty reduction and safer routes to schools programmes, including the ongoing implementation of 20mph safety zones.

The content of the 2015/16 and 2016/17 programmes are indicative as allocations are yet to be confirmed. Elements included in the integrated transport block programme will be used as matches for other funding streams to maximise leverage for the Council.

The LTP allocation is shown in **Section 1** of the 2014/15 Transport Programme tables.

### Local Sustainable Transport Fund (LSTF)

LSTF was initiated by the Government in 2011 as an opportunity to secure additional funding for packages of local transport measures which partially offsets some of the reduced LTP funding that has been incurred.

The Nottingham Urban Area LSTF bids were awarded funding and allocated **£4.925m** for the Key Component Bid (£1.075m of which was capital funding) and **£10.320m** (£4.140m was capital funding) for the main LSTF bid covering the period 2012/13 - 2014/15.

The Nottingham LSTF bids are a partnership lead by the City Council in conjunction with the Greater Nottingham Transport Partnership, Sustrans, NHS Nottingham City, Nottinghamshire and Derbyshire County Councils.

Key elements of the programme include smartcard integration, establishing community Smarter Travel Hubs, development of smarter choices support measures, building a low carbon public transport network, maintaining active travel partnership working (Ucycle Nottingham project) and personalised travel solutions.

Further details of the LSTF and associated programmes were set out in the report approved by Executive Board in September 2011.

Detail for the remaining LSTF programme is shown in **Section 2**.

### Local Sustainable Transport Fund2 (LSTF2)

The 2013 Spending includes £100m of capital funding in 2015/16 for sustainable travel initiatives for a new phase of the LSTF to be allocated through the Strategic Economic Plans (SEPs) currently being developed by Local Enterprise Partnerships (LEPs).

To support this capital funding allocation DfT announced £78.5m in revenue funding for 2015/16 for new/continuation of LSTF projects including bike ability training. The bidding guidance for the revenue element was published on 23 December 2013.

The maximum eligible bid is £1 million revenue. For revenue only projects, a minimum 10% local contribution is required and for revenue/capital bids a minimum 30% local contribution. Larger contributions, particularly from the private sector, will be considered favourably.

Bids need to be aligned with the local SEP and endorsed by the LEP and will be expected to enhance the benefits of any sustainable transport related capital funding awarded through the Local Growth Fund.

Although delivery is for 2015/16 only, bids need to support sustainable transport initiatives that form part of a long term strategy to facilitate economic growth and reduce carbon emissions. The deadline for applications is **31 March 2014**.

## **Bus Funding**

### Better Bus Areas (BBA) 2

The City Council was awarded **£11.300m** funding by the DfT under the second round of the Better Bus Areas Fund (2014/15 - 2017/18), match funded with **£4.000m** Workplace Parking Levy (WPL) Revenue. Of the **£15.300m** total, **£7.300m** is capital, with the

remaining **£8.000m** to be devolved to bus operators under a Local Bus Service Operators Grant arrangement. The funds will build on the successful first round of BBA funding and will enable Phase 1 Broadmarsh traffic reduction measures to be implemented, deliver city-wide traffic signal priority, Smartcard and information improvements with supporting infrastructure and enforcement to improve bus passenger journey times and service reliability.

The breakdown of the total projected BBA expenditure is shown in **Section 3**.

#### Green Bus Fund Round 4+

In 2012, the DfT announced a fourth and final round of funding for 'green' buses. A bid was submitted for 21 electric single-decker buses to be used on 'work based' link services which include Worklink Services 1, 2 and 3, and Citylink Services 1 and 2.

Orders are to be placed before March 2014. A further tranche of operating tenders will come up for renewal in September 2014 on work based Link contracts. This corresponds to the bidding timescales for Round 4.

The total cost of the project is **£6.990m**, which will be funded by the Green Bus Fund (**£2.900m**) with contributions from WPL (**£3.250m**), LTP ITB (**£0.400m**) and LSTF (**£0.440m**).

Total projected Green Bus Fund expenditure is analysed in **Section 4**.

#### **Neighbourhood/Area Working**

Certain elements of the programme require local input to determine final priorities for scheme delivery, including footway renewals, parking and traffic management improvements, residential road maintenance and elements of the road safety programme. This is achieved through ongoing consultation with ward councillors, neighbourhood managers, Area Committees, residents and other local stakeholders.

The purpose of the Area Capital Fund (ACF), established in 2006, has been to secure neighbourhood public realm improvements with a particular focus on improving footways. Due to the programme's success it was extended to include small-scale schemes to address local parking and traffic management issues within neighbourhoods. The LTP programme allows for a further continuation of the transport component of this programme, at a level of **£1.25m** for 2014/15. Future contributions to the ACF will be subject to review based on actual future year funding received.

The mechanism for allocating ACF to areas is determined by a fixed sum for each (£20,000 per annum), with the remaining funding derived by formulae based on population and deprivation.

The allocations for respective Areas and Wards for 2014/15 are shown in **Section 5**. The programme includes indicative allocations of £0.760m for 2015/16 and 2016/17, allocations to ward level will be determined once actual allocations are known.

#### **Major Schemes**

**The Ring Road Major Scheme** received full approval in July 2013 and work on site commenced shortly afterwards. A significant local contribution is required from the LTP and other local funding sources between 2013/14 and 2015/16, which is reflected

Annex 3 – Appendix C

in the three year programme. The total scheme cost is **£16.175m**, with **£3.375m** to be raised locally, through a combination of LTP and third party resources.

**The Southside Growth Corridor Scheme** was prioritised by the D2N2 Local Transport Board (LTB) at its meeting of 22 July 2013. The scheme is a package of major bus priority measures running east/west through Nottingham City Centre. It will create a cross-city bus corridor linking key regeneration zones, housing areas, employment and commercial development and the Nottingham Enterprise Zone. A local contribution of **c£3.000m** is needed to support the funding package. The source of the local contribution is yet to be determined but could include the LTP, SLGF, developer contributions or a combination of funding streams. Subject to completion of scheme appraisal and statutory procedures, work is anticipated to start in 2016/17 and take two years.

### **City Deal – Creative Quarter Public Realm**

As part of our City Deal, **£8.000m of Prudential Borrowing** was negotiated to fund highway improvements and public realm to support the Creative Quarter. The borrowing to be repaid using business rate uplifts for new businesses establishing within the Creative Quarter. The vision is to maximise employment development opportunities and foster a vibrant Creative Quarter on the eastern side of the City Centre, a package of transport infrastructure and associated access and public realm improvements has been developed. The package forms part of the wider City Centre transport strategy to help deliver the City's key Economic Growth Plan and City Centre Time and Place Plan objectives.

The required infrastructure includes the completion of the Connecting Eastside traffic reprioritisation scheme and major site access improvements plus further supporting public realm measures. The funding will be split as follows; **£3.000m** for public realm schemes and pedestrian improvements at junctions that commenced in 2013/14, and **£5.000m** from 2014/15 and beyond for Connecting Eastside Phase 2 to co-ordinate with other city centre transport and development priorities.

Connecting Eastside Phase 2 and site access improvements will greatly improve access to the whole Creative Quarter area and allow a more logical route for through traffic to be introduced separated from local access movements. In particular, an extended bus loop will allow services that currently terminate in the north of the City to be re-routed via the Creative Quarter and redeveloped Southside area.

Footway and priority measures will improve pedestrian access including from the Lace Market tram stop and main bus stops serving the area. Upgrading of the public realm will improve the quality of the environment making the area more attractive for investment and create new spaces for economic activity, outdoor performance or display consistent with an increase in creative activities.

Delivery detail and costs are shown in **Section 6**. Schemes will subject to detailed design. The extent and coverage for each element will be modified consistent with the funding available as appropriate.

### **European Regional Development Fund (ERDF)**

The Nottingham Creative Quarter project has been approved by DCLG for a grant of **£2.848m** from the European Regional Development Fund (ERDF) to support works up to **£5.848m** in and around the Creative Quarter, including highway and public realm

improvements, marketing and events and digital business support for companies. The transport element represents **£1.550m** to be matched against the **£3.000m** public realm City Deal investment as set out above.

Delivery detail and costs are shown in **Section 7**. Schemes will be subject to detailed design. The extent and coverage for each element will be modified consistent with the funding available.

### **Rail Funding**

A successful partnership bid for funding was made with East Midlands Trains (EMT), which will allow the expansion and enhancement of the cycle parking facilities at Nottingham Station. As a result, **£0.700m** of funds (provided by the DfT via the Association of Train Operating Companies) was awarded to EMT for investment in 2014/15. EMT, as fund holders, will lead on the implementation and the City Council will input into the design of the facility. Improvements will increase the number of parking spaces, a roof and an expansion in the number of hire bikes that are offered at the Station through the Citycard cycles scheme.

### **Programme Delivery**

To ensure good project management practice, significant and/or groups of LTP schemes will be subject to Gateway Review.

In addition, some reserve schemes are also in development. In the event of non-delivery of any main programme scheme, this can be replaced by a future year or reserve scheme to ensure full expenditure is still achieved for the financial year. This also ensures that a pool of schemes is ready for implementation in future years or bids for alternative sources of funding can be submitted at short notice.

The LTP is delivered through a combination of in-house resources and external contractors and suppliers. Wherever possible, procurement routes that maximise employment for local people through the creation of direct employment or training opportunities and prioritising the use of local companies will be used. The Nottingham Employment Hub will be used to match skilled local people to the jobs that will be created including in the transport sector. The detailed LTP programme is shown in **Appendix D** of this annex.

**2014/15 TRANSPORT PROGRAMME ALLOCATIONS - APPENDIX C SECTION 1 - LTP ALLOCATIONS**

<b>SCHEME</b>	<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>TOTAL £m</b>	<b>COMMENTS</b>
<b>SUPPORTING ECONOMIC GROWTH</b>						
Ring Road Major	Part of local contribution towards £16million highway scheme	1.255	0.950	0.000	2.205	Provides capacity for growth
Southside Growth Corridor - business case and scheme development	Major east/west bus transit corridor improvement	0.200	0.164	1.114	1.478	Links key employment and regeneration sites
Contribution to economic development fund	Transport contribution	0.350	0.000	0.000	0.350	Portfolio Holder Decision 05/10/2012
<b>TOTAL SUPPORTING ECONOMIC GROWTH</b>		<b>1.805</b>	<b>1.114</b>	<b>1.114</b>	<b>4.033</b>	
<b>PROMOTING ALTERNATIVES</b>						
<b>Bus Infrastructure</b>						
Better Bus Areas	Schemes to be advanced to compliment future Better Bus Area Programme, including priority access and information improvements	0.600	0.500	0.500	1.600	Maximises the benefits that the BBA2 funded improvements will bring
<b>Total - Bus Infrastructure Schemes</b>		<b>0.600</b>	<b>0.500</b>	<b>0.500</b>	<b>1.600</b>	
<b>Cycling Schemes</b>						
North Sherwood St - Shakespeare St		0.100	0.000	0.000	0.100	Key to providing a comprehensive cycle network into, through and around the City Centre to promote cycling as a viable mode and encourage active, healthy lifestyles.
Manvers Street Toucan		0.100	0.000	0.000	0.100	
Cross-City Branded Cycle Routes		0.100	0.150	0.150	0.400	

**2014/15 TRANSPORT PROGRAMME ALLOCATIONS - APPENDIX C SECTION 1 - LTP ALLOCATIONS**

<b>SCHEME</b>	<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>TOTAL £m</b>	<b>COMMENTS</b>
Small Scale Cycling Improvements	Lenton Green Corridor	0.015	0.000	0.000	0.015	
	Trent Valley Way	0.010	0.000	0.000	0.010	
	Broxtowe Trail	0.010	0.000	0.000	0.010	
	Wilford, Silverdale & Clifton	0.010	0.000	0.000	0.010	
	Hucknall Rd /disused rail corridor - resurfacing	0.015	0.000	0.000	0.015	
	Meadows Way cycle / pedestrian refuge	0.010	0.000	0.000	0.010	
	TROs on key routes	0.010	0.000	0.000	0.010	
	City Centre cycle stands	0.005	0.000	0.000	0.005	
	Links between River Leen and Bulwell	0.015	0.000	0.000	0.015	
	Further sites to be prioritised from development list	0.000	0.050	0.050	0.100	
<b>Total - Cycling Schemes</b>		<b>0.400</b>	<b>0.200</b>	<b>0.200</b>	<b>0.800</b>	
<b>Walking Schemes</b>						
General Improvements city wide	Reactive in nature, including signing, furniture and surface improvements	0.040	0.000	0.000	0.040	
Rights of Way Improvements Plan (RWIP2)	Preparation and publication	0.010	0.000	0.000	0.010	
Colwick Road steps	Safety enhancements	0.010	0.000	0.000	0.010	
Further sites to be prioritised from development list		0.000	0.030	0.030	0.060	
<b>Total - Walking Schemes</b>		<b>0.060</b>	<b>0.030</b>	<b>0.030</b>	<b>0.120</b>	
<b>TOTAL PROMOTING ALTERNATIVES</b>		<b>1.060</b>	<b>0.730</b>	<b>0.730</b>	<b>2.520</b>	



**2014/15 TRANSPORT PROGRAMME ALLOCATIONS - APPENDIX C SECTION 1 - LTP ALLOCATIONS**

<b>SCHEME</b>	<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>TOTAL £m</b>	<b>COMMENTS</b>
<b>ASSET MANAGEMENT</b>						
<b>Maintenance - Streetscape</b>						
City Centre Streetscape maintenance (schemes to be confirmed)	Refurbishment works as a priority from condition surveys	0.100	0.100	0.100	0.300	To upgrade the streetscape of the City Centre and to support business/traders
<b>Total - Street Scape</b>		<b>0.100</b>	<b>0.100</b>	<b>0.100</b>	<b>0.300</b>	
<b>Maintenance - Carriageways</b>						
Residential resurfacing programme	Priorities to be determined on technical scores from area highway inspectors and condition surveys	0.271	0.400	0.400	1.071	Programme to be agreed with Ward Councillors.
Residential micro-asphalt programme		0.600	0.000	0.000	0.600	
Large scale patching	City-wide programme of large patching works using patch planer	0.179	0.000	0.000	0.179	
Mansfield Road (Milton Street to Woodborough Road - both sides)		0.080	0.000	0.000	0.080	
Hucknall Lane (end of dual carriageway to Moor Bridge)		0.155	0.000	0.000	0.155	
Beckhampton Road (to tie into wider Traffic Management Improvements in 2012/13)		0.100	0.000	0.000	0.100	
Queens Drive (Crossgate Drive junction and inbound lanes).		0.150	0.000	0.000	0.150	
Bramcote Lane		0.010	0.000	0.000	0.010	
Further schemes to be identified		0.250	0.620	0.720	1.590	

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2014/15 TRANSPORT PROGRAMME ALLOCATIONS - APPENDIX C SECTION 1 - LTP ALLOCATIONS						
SCHEME	DESCRIPTION	2014/15 £m	2015/16 £m	2016/17 £m	TOTAL £m	COMMENTS
Street furniture, structural drainage and road marking schemes	City-wide programme maintaining upkeep of highway network.	0.250	0.250	0.150	0.650	
Condition Survey	Annual survey of highway condition	0.030	0.030	0.030	0.090	
<b>Total - Maintenance- Carriageways</b>		<b>2.075</b>	<b>1.300</b>	<b>1.300</b>	<b>4.675</b>	
<b>Maintenance-Bridges</b>						
Bridge Inspections	Inspections to identify condition deterioration	0.065	0.065	0.065	0.195	
Western Boulevard Railway Bridge (Basford)	Completion of corrosion Protection	0.007	0.000	0.000	0.007	
Church Street Railway Bridge	Completion of corrosion protection	0.007	0.000	0.000	0.007	
Wilkinson Street Railway Bridge	Completion of corrosion protection	0.047	0.000	0.000	0.047	
Bobbers Mill Railway Bridge	Corrosion protection	0.019	0.000	0.000	0.019	
Abbey Bridge Railway Bridge	Concrete repairs	0.020	0.000	0.000	0.020	
Western Boulevard Railway Bridge (Radford)	Corrosion Protection	0.040	0.000	0.000	0.040	
Subway 65125 – Bestwood Park Drive West	Replacement of defective parapets	0.064	0.000	0.000	0.064	
Bridge Maintenance Improvements		0.000	0.100	0.100	0.200	
<b>Total - Maintenance - Bridges</b>		<b>0.269</b>	<b>0.165</b>	<b>0.165</b>	<b>0.599</b>	
<b>TOTAL ASSET MANAGEMENT</b>		<b>2.444</b>	<b>1.565</b>	<b>1.565</b>	<b>5.574</b>	
<b>NEIGHBOURHOOD TRANSFORMATION</b>						

2014/15 TRANSPORT PROGRAMME ALLOCATIONS - APPENDIX C SECTION 1 - LTP ALLOCATIONS						
SCHEME	DESCRIPTION	2014/15 £m	2015/16 £m	2016/17 £m	TOTAL £m	COMMENTS
Highways Area Capital contribution- area parking, traffic management and footway improvements	LTP component of Area Capital Fund programme for highway related works. Including footway upgrading, local parking, traffic management and local accessibility schemes	1.250	0.760	0.760	2.770	Improvements to be developed in consultation with are committees and ward Councillors.
<b>TOTAL NEIGHBOURHOOD TRANSFORMATION</b>		<b>1.250</b>	<b>0.760</b>	<b>0.760</b>	<b>2.770</b>	
<b>ROAD SAFETY</b>						
Winchester Street, Phase 2	Speed management	0.150	0.000	0.000	0.150	
Bells Lane	Speed management	0.200	0.000	0.000	0.200	
Sustainable school travel		0.150	0.150	0.000	0.300	Compliments LSTF funding in 2014/15
Liveable Streets 20mph zones	Contribution to delivery of 9 area schemes citywide.	0.050	0.150	0.150	0.350	Compliments LSTF funding in 2014/15
Other Schemes to be confirmed	Schemes to be advanced from prioritised list	0.000	0.000	0.150	0.150	
<b>TOTAL ROAD SAFETY</b>		<b>0.550</b>	<b>0.300</b>	<b>0.300</b>	<b>1.150</b>	
<b>NETWORK MANAGEMENT</b>						
Advanced direction signing -	corridors to be confirmed	0.040	0.100	0.100	0.240	Improves efficient use of the highway network
Bramcote Lane Traffic Calming Upgrade		0.090	0.000	0.000	0.090	
Traffic signals upgrading Programme.						Required to sustain highway assets.

**2014/15 TRANSPORT PROGRAMME ALLOCATIONS - APPENDIX C SECTION 1 - LTP ALLOCATIONS**

<b>SCHEME</b>	<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>TOTAL £m</b>	<b>COMMENTS</b>
Derby Road/Gregory Street		0.100	0.000	0.000	0.100	
Hucknall Lane/Sandhurst Road		0.030	0.000	0.000	0.030	
Valley Road/Scotland Road		0.040	0.000	0.000	0.040	
Further sites to be prioritised from development list		0.150	0.120	0.120	0.390	
<b>TOTAL NETWORK MANAGEMENT</b>		<b>0.450</b>	<b>0.220</b>	<b>0.220</b>	<b>0.890</b>	
<b>OTHER SCHEMES</b>						
Programme coordination/development	Staff costs and advance design that will inform LTP programmes	0.060	0.050	0.050	0.160	
Sustainable Transport Monitoring	Annual monitoring of LTP performance indicators	0.050	0.050	0.050	0.150	
<b>TOTAL OTHER SCHEMES</b>		<b>0.110</b>	<b>0.100</b>	<b>0.100</b>	<b>0.310</b>	
<b>TOTAL - ALL SCHEMES</b>		<b>7.669</b>	<b>4.789</b>	<b>4.789</b>	<b>17.247</b>	

**APPENDIX C SECTION 2 – LSTF PROGRAMME (CAPITAL SPEND – DfT FUNDING)**

<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>
<b>Workstrand A – Key Component</b>			
Secure cycle parking facilities at 12 key locations	0.000	0.000	0.000
Citycard Cycle Club – expansion of cycle hire service	0.000	0.000	0.000
<b>Workstrand A – Main Bid</b>			
Personalised journey planning package offered to job seekers and short-term unemployed individuals	0.015	0.000	0.000
<b>Workstrand A – Total DfT Funding</b>	<b>0.015</b>	<b>0.000</b>	<b>0.000</b>
<b>Workstrand B – Key Component</b>	0.000	0.000	0.000
<b>Workstrand B – Main Bid</b>			
Delivery of a programme of 20mph speed limits across the City (match funded through the LTP)	0.350	0.000	0.000
Support for School Travel Plan development with capital grants for schools to refresh their travel plans and infrastructure improvements	0.200	0.000	0.000
<b>Workstrand B – Total DfT Funding</b>	<b>0.550</b>	<b>0.000</b>	<b>0.000</b>
<b>Workstrand C – Key Component</b>	0.000	0.000	0.000
<b>Workstrand C – Main Bid</b>			
Purchase of hybrid electric vehicles to replace life expired diesel buses used on Localink and Worklink fleets (match funding secured through the Green Bus Fund, WPL and LTP)	0.440	0.000	0.000
Promotion and cycle infrastructure development (including implementation of strategic cycle corridors – radial/orbital routes)	0.300	0.000	0.000
Smarter choices and low carbon infrastructure support for businesses including provision of electric vehicle charging at employment hubs and services such as the Ecostars programme	0.050	0.000	0.000
<b>Workstrand C – Total DfT Funding</b>	<b>0.790</b>	<b>0.000</b>	<b>0.000</b>
<b>Workstrand D – Key Component</b>			
Delivery of small scale infrastructure improvements to and within participating Ucycle sites	0.050	0.000	0.000
<b>Workstrand D – Main Bid</b>	0.000	0.000	0.000
<b>Workstrand D – Total DfT Funding</b>	<b>0.050</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL Key Component</b>	<b>0.050</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL Main Bid</b>	<b>1.355</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL DfT Funding</b>	<b>1.405</b>	<b>0.000</b>	<b>0.000</b>

### APPENDIX C Section 3 – Better Bus Areas Funding

PROJECT ELEMENT	2014/15 £m	2015/16 £m	2016/17 £m	201718 £m	TOTAL £m
Southern Gateway Area Bus Priority (Broadmarsh)*	0.000	0.770	1.680	0.000	<b>2.450</b>
Traffic Signal Priority (AVL/CCTV)	0.750	0.100	0.000	0.000	<b>3.300</b>
Smartcard Network	0.150	0.480	0.180	0.000	<b>0.810</b>
Real-time bus stop displays	0.800	0.110	0.000	0.000	<b>0.910</b>
Allocation for 2017/18	0.000	0.000	0.000	2.250	<b>2.250</b>
<b>TOTAL</b>	<b>1.700</b>	<b>1.460</b>	<b>1.860</b>	<b>2.250</b>	<b>7.270</b>

### APPENDIX C Section 4 – Total Projected Green Bus Fund Expenditure

ROUND 4+	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	TOTAL £m
Green Bus Fund	2.900	0.000	0.000	0.000	<b>2.900</b>
Local Sustainable Transport Fund	0.000	0.440	0.000	0.000	<b>0.440</b>
Local Transport Plan	0.400	0.000	0.000	0.000	<b>0.400</b>
Work Place Parking Levy	0.000	3.250	0.000	0.000	<b>3.250</b>
<b>Total Green Bus Fund</b>	<b>3.300</b>	<b>3.690</b>	<b>0.000</b>	<b>0.000</b>	<b>6.990</b>

### APPENDIX C Section 5 – Area Capital Fund Allocations

WARD	2014/15 TOTAL PER WARD £m	2014/15 TOTAL PER AREA £m
Bulwell	0.085	<b>0.135</b>
Bulwell Forest	0.050	
Basford	0.066	<b>0.145</b>
Bestwood	0.079	
Aspley	0.098	<b>0.223</b>
Bilborough	0.083	
Leen Valley	0.042	
Arboretum	0.066	<b>0.171</b>
Dunkirk and Lenton	0.041	
Radford and Park	0.064	
Berridge	0.070	<b>0.124</b>
Sherwood	0.054	
Wollaton East and Lenton Abbey	0.033	<b>0.067</b>
Wollaton West	0.034	
Dales	0.068	<b>0.218</b>
St Ann's	0.092	
Mapperley	0.058	
Bridge	0.060	<b>0.166</b>
Clifton North	0.048	
Clifton South	0.058	
<b>TOTAL</b>	<b>1.250</b>	<b>1.250</b>

The programme includes indicative allocations of £0.760m for 2015/16 and 2016/17, allocations to ward level will be determined once actual allocations are known.

## APPENDIX C Section 6 – City Deal – Creative Quarter Programme

SCHEME	DESCRIPTION	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	TOTAL £m
<b>Trinity Square public Realm Improvements</b>	Public realm improvements, linked to design competition	0.500	0.190	0.000	0.000	<b>0.690</b>
<b>Broad Street pedestrian environment improvements</b>	Upgrading of materials. Implementation of shared surface	0.451	0.000	0.000	0.000	<b>0.451</b>
<b>Bath Street/ Southwell Road/Carlton Road junction</b>	Implementation of pedestrian facilities around the gyratory	0.200	0.444	0.000	0.000	<b>0.644</b>
<b>George Street footway upgrading</b>	Upgrading of materials	0.122	0.000	0.000	0.000	<b>0.122</b>
<b>Manvers Street/ Pennyfoot Street junction improvement</b>	Implementation of pedestrian facilities at the junction	0.000	0.250	0.000	0.000	<b>0.250</b>
<b>Heathcoat Street footway upgrading</b>	Upgrading of materials. Possible widening of footways. Possible shared surface	0.000	0.505	0.000	0.000	<b>0.505</b>
<b>Pilcher Gate/ St. Marys Gate pedestrian environment improvement</b>	Upgrading of materials. Implementation of shared surface	0.168	0.000	0.000	0.000	<b>0.168</b>
<b>Stoney Street/Warser Gate junction plateau</b>	Speed reduction measure and improved pedestrian priority	0.097	0.000	0.000	0.000	<b>0.097</b>
<b>Connecting Eastside Phase 2</b>	Two way route on A60 between Southwell Rd and London Rd. Belward St, Bellar Gate and Cranbrook St reprioritised for public transport, cycling & local access.	0.000	2.000	3.000	0.000	<b>5.000</b>
<b>Programme</b>	Detailed design	0.073	0.000	0.000	0.000	<b>0.073</b>
<b>TOTAL</b>		<b>1.611</b>	<b>3.389</b>	<b>3.000</b>	<b>0.000</b>	<b>8.000</b>



**APPENDIX C Section 7 – ERDF Creative Quarter Approaches Public Realm Programme**

<b>PROJECT ELEMENT</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>TOTAL £m</b>
Castle Approach	0.220	0.000	0.000	<b>0.220</b>
Derby Road	0.590	0.000	0.000	<b>0.590</b>
Carrington Street	0.560	0.000	0.000	<b>0.560</b>
Carlton Road	0.180	0.000	0.000	<b>0.180</b>
<b>TOTAL</b>	<b>1.550</b>	<b>0.000</b>	<b>0.000</b>	<b>1.550</b>

APPENDIX D

CAPITAL PROGRAMME 2013/14 - 2018/19

PROGRAMME	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Public Sector Housing Programme (HRA)	60.715	77.080	48.069	34.545	37.691	38.604	<b>296.704</b>
Local Transport Programme	27.016	24.021	17.429	6.649	2.250	0.000	<b>77.365</b>
Education / BSF	20.976	13.910	9.350	5.686	0.000	0.000	<b>49.922</b>
<b>Sub Total</b>	<b>108.707</b>	<b>115.011</b>	<b>74.848</b>	<b>46.880</b>	<b>39.941</b>	<b>38.604</b>	<b>423.991</b>
<b>Other Services:</b>							
Adults and Health	0.539	2.872	1.000	0.000	0.000	0.000	<b>4.411</b>
Children's Services	0.641	0.344	0.000	0.000	0.000	0.000	<b>0.985</b>
Leisure and Culture	8.888	14.158	1.263	5.527	8.290	9.983	<b>48.109</b>
Planning and Transportation	18.387	121.812	13.000	8.500	5.805	0.000	<b>167.504</b>
Energy and Sustainability	4.987	3.129	0.571	2.495	1.190	0.000	<b>12.372</b>
Commissioning and Voluntary Sector	2.971	3.217	2.835	2.026	0.000	0.000	<b>11.049</b>
Strategic Regeneration & Community Safety	1.819	1.980	2.387	0.476	0.000	0.000	<b>6.662</b>
Community Services	2.365	0.750	0.750	0.750	0.000	0.000	<b>4.615</b>
Resources and Neighbourhood Regeneration	13.196	5.303	0.778	0.040	0.634	0.000	<b>19.951</b>
<b>Total Other Services</b>	<b>53.793</b>	<b>153.565</b>	<b>22.584</b>	<b>19.814</b>	<b>15.919</b>	<b>9.983</b>	<b>275.658</b>
<b>TOTAL EXPENDITURE</b>	<b>162.500</b>	<b>268.576</b>	<b>97.432</b>	<b>66.694</b>	<b>55.860</b>	<b>48.587</b>	<b>699.649</b>

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<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b>Public Sector Housing</b>							
<b>1. Meeting the Decent Homes Standard</b>							
<b>a) Safe</b>							
City Wide CCTV / Door Entry imp	0.130	0.160	0.060	0.060	0.100	0.100	<b>0.610</b>
Fire Alarm Installations	0.180	0.100	0.100	0.100	0.100	0.100	<b>0.680</b>
Replacement Care Alarms	0.015	0.015	0.015	0.015	0.015	0.015	<b>0.090</b>
Asbestos Works	1.300	1.690	1.100	1.100	0.969	0.000	<b>6.159</b>
Smoke Alarms	0.323	0.000	0.000	0.000	0.000	0.000	<b>0.323</b>
Smoke Alarms - DLO	0.315	0.000	0.000	0.000	0.000	0.000	<b>0.315</b>
TV Aerials	0.018	0.000	0.000	0.000	0.000	0.000	<b>0.018</b>
Lift Replacement - Lakehead House	0.082	0.000	0.000	0.000	0.000	0.000	<b>0.082</b>
Lift Replacement - Future Phases	0.453	1.057	2.250	0.900	1.080	0.349	<b>6.089</b>
Radon Awareness	0.000	0.195	0.000	0.000	0.000	0.000	<b>0.195</b>
Periodic and Subsequent Work	0.300	0.000	0.000	0.000	0.000	0.000	<b>0.300</b>
Water Hygiene- Pump Upgrades	0.140	0.070	0.000	0.000	0.000	0.000	<b>0.210</b>
High Rise Sprinkler Systems	0.250	0.250	0.250	0.250	0.250	0.000	<b>1.250</b>
Victoria Centre - Fire Equipment	0.250	0.000	0.000	0.000	0.000	0.000	<b>0.250</b>
Window restrictor programme	0.090	0.090	0.000	0.000	0.000	0.000	<b>0.180</b>
Structural Surveys & Rectification Works	0.000	0.000	0.100	0.100	0.100	0.100	<b>0.400</b>
<b>b) Secure and Warm</b>							
Nottingham Secure	4.250	2.730	0.000	0.000	0.000	0.000	<b>6.980</b>
Modern Living	18.150	8.320	0.000	0.000	0.000	0.000	<b>26.470</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Warmth for Nottingham	1.200	1.450	0.000	0.000	0.000	0.000	<b>2.650</b>
Warmth for Nottingham - DLO	1.500	1.500	0.000	0.000	0.000	0.000	<b>3.000</b>
Roof and Chimney Replacement	0.000	6.500	0.000	0.000	0.000	0.000	<b>6.500</b>
Externals (Properties)	0.000	0.500	0.000	0.000	0.000	0.000	<b>0.500</b>
Decent Homes Management Fee	1.907	1.907	0.000	0.000	0.000	0.000	<b>3.814</b>
Structural Surveys	0.350	0.100	0.000	0.000	0.000	0.000	<b>0.450</b>
Maintaining Decency	0.000	0.000	15.390	13.557	16.057	13.500	<b>58.504</b>
<b>2. Additional Tenant Priorities</b>							
<b>a) City Wide Door Programme</b>							
Composite Doors - City Wide	2.500	2.500	2.000	2.000	0.500	0.000	<b>9.500</b>
<b>b) Energy Efficiency &amp; Fuel Poverty</b>							
Voltage Optimisation	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Solid Wall Insulation schemes	1.000	4.400	4.000	3.600	3.000	2.000	<b>18.000</b>
BISF External Wall Insulation(Ex BISF)	0.000	2.100	0.000	0.000	0.000	0.000	<b>2.100</b>
LED Communal Lighting	0.250	0.250	0.250	0.250	0.250	0.250	<b>1.500</b>
Sneinton District Heating	0.040	2.960	0.000	0.000	0.000	0.000	<b>3.000</b>
Woodthorpe and Winchester CHP	0.000	1.000	0.000	0.000	0.000	0.000	<b>1.000</b>
<b>c) Modernising Hsg for Older People</b>							
Independent Living - Re-designation	0.734	0.750	0.500	0.500	0.500	0.500	<b>3.484</b>
Independent Living - Re-design	0.025	0.000	0.000	0.000	0.000	0.000	<b>0.025</b>
Benedict Court Major Alterations	0.000	0.280	0.000	0.000	0.000	0.000	<b>0.280</b>
Carnforth Court Major Alterations	0.000	0.224	0.000	0.000	0.000	0.000	<b>0.224</b>
Independent Living - DDA Works	1.077	0.623	0.000	0.000	0.000	0.000	<b>1.700</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Independent Living - Minor Works	0.153	0.000	0.000	0.000	0.000	0.000	<b>0.153</b>
High Rise Mobile Scooter Pavilions	0.100	0.900	0.250	0.250	0.250	0.000	<b>1.750</b>
<b>d) Area Environmental Improvements</b>							
Top Valley - Environmental works (new )	0.858	0.000	0.000	0.000	0.000	0.000	<b>0.858</b>
City Wide Environmental	0.730	0.266	0.000	0.000	0.000	0.000	<b>0.996</b>
Area Capital Fund	0.000	1.000	1.000	1.000	1.000	1.000	<b>5.000</b>
Estate / Area Impact Work	0.000	1.000	0.500	0.500	0.500	0.500	<b>3.000</b>
Pavements and Lighting on Estates	0.050	0.000	0.000	0.000	0.000	0.000	<b>0.050</b>
Paving Works (Area committee Schemes)	0.443	0.360	0.360	0.360	0.360	0.360	<b>2.243</b>
Garage Demolitions / Outbuildings	0.020	0.218	0.200	0.200	0.200	0.200	<b>1.038</b>
<b>e) Existing Stock Investment</b>							
Communal Facilities - Additional	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Major (Capital) Void Works	2.379	2.350	2.150	2.000	2.000	2.000	<b>12.879</b>
Timber to PCV Windows	0.000	0.000	0.000	1.000	1.000	1.000	<b>3.000</b>
Victoria Centre - Major roof repairs	0.150	2.278	0.000	0.000	0.000	0.000	<b>2.428</b>
Air Conditioning Replacement	0.000	0.000	0.020	0.020	0.000	0.000	<b>0.040</b>
High Rise Window Replacement	0.000	0.000	0.800	0.800	0.000	0.000	<b>1.600</b>
<b>3) Decommissions, Regen &amp; New Build</b>							
<b>Acquisitions</b>	0.000	0.250	0.000	0.000	0.000	0.000	<b>0.250</b>
<b>Decommissions Programme - Block</b>							
Demolitions	0.000	1.320	1.047	0.000	0.000	0.000	<b>2.367</b>
Re-housing Costs	0.000	0.660	0.000	0.000	0.000	0.000	<b>0.660</b>
Decommissioning etc	0.000	1.400	0.000	0.000	0.000	0.000	<b>1.400</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Security & Council Tax Costs	0.000	0.269	0.400	0.200	0.000	0.000	<b>0.869</b>
<b>Radford High Rise</b>							
Re-housing Costs - Clifford	0.188	0.000	0.000	0.000	0.000	0.000	<b>0.188</b>
Re-housing Costs - Highurst	0.218	0.000	0.000	0.000	0.000	0.000	<b>0.218</b>
Demolition Costs - Highurst	0.317	0.000	0.000	0.000	0.000	0.000	<b>0.317</b>
Demolition Costs - Clifford	0.668	0.000	0.000	0.000	0.000	0.000	<b>0.668</b>
Radford New Build (52 Units)	1.650	3.987	0.000	0.000	0.000	0.000	<b>5.637</b>
<b>Meadows Cross Wall</b>							
Re-housing / Leaseholders Costs - Ph1	0.105	0.000	0.000	0.000	0.000	0.000	<b>0.105</b>
Re-housing / Leaseholders Costs - Ph2	0.098	0.000	0.000	0.000	0.000	0.000	<b>0.098</b>
Demolition Costs	0.039	0.000	0.000	0.000	0.000	0.000	<b>0.039</b>
<b>Lenton High Rise</b>							
Re-housing Costs - Digby Court	0.505	0.000	0.000	0.000	0.000	0.000	<b>0.505</b>
Re-housing Costs - Lenton Court	0.316	0.000	0.000	0.000	0.000	0.000	<b>0.316</b>
Re-housing Costs - Willoughby Court	0.400	0.229	0.000	0.000	0.000	0.000	<b>0.629</b>
Re-housing Costs - Abbey Court	0.718	0.000	0.000	0.000	0.000	0.000	<b>0.718</b>
Re-housing Costs - Newgate Court	0.316	0.358	0.000	0.000	0.000	0.000	<b>0.674</b>
Demolition Costs - Lenton Court	0.838	0.000	0.000	0.000	0.000	0.000	<b>0.838</b>
Demolition Costs - Abbey Court	0.050	0.820	0.000	0.000	0.000	0.000	<b>0.870</b>
Demolition Costs - Digby Court	0.870	0.000	0.000	0.000	0.000	0.000	<b>0.870</b>
Demolition Costs - Lenton Garages	0.131	0.287	0.000	0.000	0.000	0.000	<b>0.418</b>
New Build - Sheltered (54 Units)	1.863	3.537	0.000	0.000	0.000	0.000	<b>5.400</b>
New Build - Flats (10 Units)	0.000	0.000	0.000	0.750	0.000	0.000	<b>0.750</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
New Build - Bungalows (16 Units)	0.000	1.520	0.000	0.000	0.000	0.000	<b>1.520</b>
New Build - Houses (62 Units)	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
New Build - Private	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Infrastructure Cost	0.000	0.250	0.250	0.000	0.000	0.000	<b>0.500</b>
Section 106 Contribution	0.000	0.250	0.250	0.250	0.000	0.000	<b>0.750</b>
<b>Locksley House / Robin Hood Chase</b>							
Re-housing Costs - The Chase / Locksley	0.108	0.000	0.000	0.000	0.000	0.000	<b>0.108</b>
Re-housing Costs - The Chase / Locksley	0.000	0.057	0.000	0.000	0.000	0.000	<b>0.057</b>
Demolition Costs - The Chase / Locksley	0.198	0.000	0.000	0.000	0.000	0.000	<b>0.198</b>
Robin Hood New Build (13 Units)	0.000	0.000	0.000	0.000	1.430	0.000	<b>1.430</b>
<b>Cranwell Cross Wall / Meadows Q Blocks</b>							
Demolition - Cranwell Road	0.064	0.000	0.000	0.000	0.000	0.000	<b>0.064</b>
Cranwell New Build (66 Units)	0.000	1.250	5.050	0.000	0.000	0.000	<b>6.300</b>
Cranwell Road Re-housing costs	0.402	0.134	0.000	0.000	0.000	0.000	<b>0.536</b>
Leaseholder Costs	1.353	1.120	0.000	0.000	0.000	0.000	<b>2.473</b>
Re-housing Costs - Meadows Q Blocks	0.331	0.862	0.134	0.000	0.000	0.000	<b>1.327</b>
Meadows Social Hsg New Build (42 Units)	0.000	1.140	3.300	0.000	0.000	0.000	<b>4.440</b>
<b>City Wide Infill Site Regeneration -Ph 1</b>							
Wending Gardens - New Build (4 Units)	0.157	0.000	0.000	0.000	0.000	0.000	<b>0.157</b>
Henning Gardens - New Build (7 Units)	0.677	0.000	0.000	0.000	0.000	0.000	<b>0.677</b>
Windmill Close - New build (12 Units)	1.259	0.000	0.000	0.000	0.000	0.000	<b>1.259</b>
<b>Denton Green</b>							

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Demolition	0.090	0.000	0.000	0.000	0.000	0.000	<b>0.090</b>
New Build	0.000	0.470	0.000	0.000	0.000	0.000	<b>0.470</b>
<b>Ragdale Road</b>							
New Build	0.000	0.570	0.000	0.000	0.000	0.000	<b>0.570</b>
<b>Meadowvale Raod</b>							
New Build	0.000	0.330	0.000	0.000	0.000	0.000	<b>0.330</b>
<b>Aspley JSC / Stepney Court</b>							
Aspley JSC / Stepney Court - Demolition & New Build	0.050	0.700	0.000	0.000	0.000	0.000	<b>0.750</b>
Aspley JSC / Stepney Court - Demolition & New Build	0.000	0.912	0.000	0.000	0.000	0.000	<b>0.912</b>
<b>Unallocated New Build</b>							
Unallocated	0.000	0.000	4.178	2.618	0.000	0.000	<b>6.796</b>
Phase 2 RTB Funded	0.000	0.000	0.000	0.000	0.000	5.600	<b>5.600</b>
Phase 2 HRA Borrowing Headroom	0.000	0.000	0.000	0.000	6.000	9.000	<b>15.000</b>
<b>4) Aids &amp; Preventive Adaptations</b>							
Adaptations for disabled persons	0.900	1.519	0.731	0.731	0.731	0.731	<b>5.343</b>
Adaptations for disabled persons - DLO	0.900	1.269	1.269	1.269	1.134	1.134	<b>6.975</b>
Preventative Adaptations - Older People	0.100	0.100	0.100	0.100	0.100	0.100	<b>0.600</b>
<b>Joint NCC / NCH Schemes</b>							
Sanctuary Project	0.065	0.065	0.065	0.065	0.065	0.065	<b>0.390</b>
HRA Shop Investment Strategy	0.182	0.000	0.000	0.000	0.000	0.000	<b>0.182</b>
St Ann's Estate Action-Stonebridge Park	0.325	0.000	0.000	0.000	0.000	0.000	<b>0.325</b>



<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
St Ann's Estate Action-Stonebridge Park(NCH)	0.000	0.565	0.000	0.000	0.000	0.000	<b>0.565</b>
Kingsthorpe / Kendale - Demolition	0.099	0.000	0.000	0.000	0.000	0.000	<b>0.099</b>
Highcross Court Decommissioning	0.028	0.000	0.000	0.000	0.000	0.000	<b>0.028</b>
Empty Properties	1.246	0.787	0.000	0.000	0.000	0.000	<b>2.033</b>
Mortgage Rescue Scheme	0.940	0.000	0.000	0.000	0.000	0.000	<b>0.940</b>
Office Improvements	0.200	0.000	0.000	0.000	0.000	0.000	<b>0.200</b>
IT Development Programme	0.039	0.000	0.000	0.000	0.000	0.000	<b>0.039</b>
<b>TOTAL PUBLIC SECTOR HOUSING</b>	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.54 5</b>	<b>37.69 1</b>	<b>38.60 4</b>	<b>296.70 4</b>
<b>Transport Programme</b>							
<b>Local Transport Plan</b>							
Bus Infrastructure Schemes	0.585	0.600	0.500	0.500	0.000	0.000	<b>2.185</b>
Supporting Economic Growth	4.809	5.571	6.234	1.114	0.000	0.000	<b>17.728</b>
Cycling Schemes	0.690	0.400	0.200	0.200	0.000	0.000	<b>1.490</b>
Walking Schemes	0.075	0.060	0.030	0.030	0.000	0.000	<b>0.195</b>
Local Safety Schemes	0.425	0.550	0.300	0.300	0.000	0.000	<b>1.575</b>
Area Capital Fund contribution	0.000	1.250	0.760	0.760	0.000	0.000	<b>2.770</b>
Carriageway Maintenance	2.070	2.075	1.300	1.300	0.000	0.000	<b>6.745</b>
Bridges	0.316	0.269	0.165	0.165	0.000	0.000	<b>0.915</b>
Other LTP Schemes	0.886	0.110	0.100	0.100	0.000	0.000	<b>1.196</b>
Network Management	0.335	0.450	0.220	0.220	0.000	0.000	<b>1.225</b>
Smarter Choices	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Footway Maintenance (Streetscape)	0.109	0.100	0.100	0.100	0.000	0.000	<b>0.409</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b>Nottingham Station Hub</b>							
Station Hub	5.642	1.292	0.000	0.000	0.000	0.000	<b>6.934</b>
<b>Green Bus Fund - Round 3</b>							
Green Bus Fund (Round 3)	1.718	0.000	0.000	0.000	0.000	0.000	<b>1.718</b>
<b>Green Bus Fund - Round 4</b>							
Green Bus Fund (Round 4)	3.100	0.000	0.000	0.000	0.000	0.000	<b>3.100</b>
<b>Green Bus Fund - Future</b>							
Green Bus Fund (Round 5)	0.000	3.690	0.000	0.000	0.000	0.000	<b>3.690</b>
<b>Local Sustainable Transport Fund</b>							
WP D Ucycle Sites	0.050	0.050	0.000	0.000	0.000	0.000	<b>0.100</b>
Secure Cycle Parking Facilities	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>
Infrastructure / Back Office	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Small Scale Infrastructure Projects	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
City Cycle Club	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>
MB wA Ways to Work	0.015	0.015	0.000	0.000	0.000	0.000	<b>0.030</b>
MB wB Hubs set-up costs	0.020	0.000	0.000	0.000	0.000	0.000	<b>0.020</b>
MB wB 20mph limits programme	0.350	0.350	0.000	0.000	0.000	0.000	<b>0.700</b>
MB wC Support for School Travel	0.200	0.200	0.000	0.000	0.000	0.000	<b>0.400</b>
MB wC Local link buses	1.060	0.000	0.000	0.000	0.000	0.000	<b>1.060</b>
MB wC Cycle infrastructure & promotion	0.300	0.300	0.000	0.000	0.000	0.000	<b>0.600</b>
MB wC4 Smart choice low carbon	0.050	0.050	0.000	0.000	0.000	0.000	<b>0.100</b>
MB wD Shared resources	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
MB w4.2 Establish Retail Network	0.217	0.000	0.000	0.000	0.000	0.000	<b>0.217</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
MB w4.2 Establish Retail Network	0.051	0.000	0.000	0.000	0.000	0.000	<b>0.051</b>
<b>Better Bus Areas</b>							
BBA Bus Lane Enforcement cameras	0.263	0.000	0.000	0.000	0.000	0.000	<b>0.263</b>
BBA Access bus stops & boarder	0.277	0.000	0.000	0.000	0.000	0.000	<b>0.277</b>
BBA Waiting facilities shelters	0.361	0.000	0.000	0.000	0.000	0.000	<b>0.361</b>
BBA Bus stop light & elect connect	0.180	0.000	0.000	0.000	0.000	0.000	<b>0.180</b>
BBA CCTV at stops (100 sites)	0.200	0.000	0.000	0.000	0.000	0.000	<b>0.200</b>
BBA Real time track develop l& licence	0.322	0.000	0.000	0.000	0.000	0.000	<b>0.322</b>
BBA Real time display connect & licence	0.179	0.000	0.000	0.000	0.000	0.000	<b>0.179</b>
BBA Real time tracking dev	0.350	0.000	0.000	0.000	0.000	0.000	<b>0.350</b>
<b>City Deal - Creative Quarter</b>							
Public Realm Imps - Trinity Square	0.500	0.190	0.000	0.000	0.000	0.000	<b>0.690</b>
Public Realm Imps - Broad St Pedestrian Env Imps	0.451	0.000	0.000	0.000	0.000	0.000	<b>0.451</b>
Public Realm Imps - Bath St / Southwell Rd / Carlton Rd	0.200	0.444	0.000	0.000	0.000	0.000	<b>0.644</b>
Public Realm Imps - George St Footway Upgrade	0.122	0.000	0.000	0.000	0.000	0.000	<b>0.122</b>
Public Realm Imps - Manvers St / Pennyfoot St Junction Imps	0.000	0.250	0.000	0.000	0.000	0.000	<b>0.250</b>
Public Realm Imps - Heathcoat St Footway Upgrade	0.000	0.505	0.000	0.000	0.000	0.000	<b>0.505</b>
Public Realm Imps - Pilcher / St Marys's Gate Pedestrian Imps	0.168	0.000	0.000	0.000	0.000	0.000	<b>0.168</b>
Public Realm Imps - Warser Gate Junction Plateau	0.097	0.000	0.000	0.000	0.000	0.000	<b>0.097</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Public Realm Imps - Design Fees	0.073	0.000	0.000	0.000	0.000	0.000	<b>0.073</b>
Public Realm Imps (ERDF) - Castle Approach	0.000	0.220	0.000	0.000	0.000	0.000	<b>0.220</b>
Public Realm Imps (ERDF) - Derby Road	0.000	0.590	0.000	0.000	0.000	0.000	<b>0.590</b>
Public Realm Imps (ERDF) - Carrington St	0.000	0.560	0.000	0.000	0.000	0.000	<b>0.560</b>
Public Realm Imps (ERDF) - Carlton Road	0.000	0.180	0.000	0.000	0.000	0.000	<b>0.180</b>
Connecting Eastside	0.000	2.000	3.000	0.000	0.000	0.000	<b>5.000</b>
<b>Better Bus Areas Phase 2</b>							
Southside scheme	0.000	0.000	0.770	1.680	2.250	0.000	<b>4.700</b>
Signal Priority	0.000	0.750	0.100	0.000	0.000	0.000	<b>0.850</b>
Real Time Information	0.000	0.800	0.110	0.000	0.000	0.000	<b>0.910</b>
Smartcards	0.000	0.150	0.480	0.180	0.000	0.000	<b>0.810</b>
<b>Local Transport Board - Major</b>							
Southside Growth Corridor Scheme	0.000	0.000	3.060	0.000	0.000	0.000	<b>3.060</b>
<b>TOTAL TRANSPORT</b>	<b>27.016</b>	<b>24.021</b>	<b>17.429</b>	<b>6.649</b>	<b>2.250</b>	<b>0.000</b>	<b>77.365</b>
<b>Education (Schools) Programme</b>							
Unallocated - Basic Grant	0.000	1.495	5.379	5.647	0.000	0.000	<b>12.521</b>
Maintenance Grant Unallocated	0.000	2.055	1.952	0.000	0.000	0.000	<b>4.007</b>
School Kitchen Imps	0.000	0.481	0.000	0.000	0.000	0.000	<b>0.481</b>
Condition - Project Management	0.057	0.000	0.000	0.000	0.000	0.000	<b>0.057</b>
Devolved Capital - 2008/09	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
Devolved Capital - 2010/11	0.031	0.000	0.000	0.000	0.000	0.000	<b>0.031</b>
Devolved Capital - 2011/12	0.019	0.000	0.000	0.000	0.000	0.000	<b>0.019</b>

**CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19**

<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Devolved Capital - 2012/13	0.020	0.000	0.000	0.000	0.000	0.000	<b>0.020</b>
Devolved Capital - 2013/14	0.557	0.000	0.000	0.000	0.000	0.000	<b>0.557</b>
Devolved Capital - 2014/15	0.000	0.529	0.000	0.000	0.000	0.000	<b>0.529</b>
Devolved Capital - 2015/16	0.000	0.000	0.502	0.000	0.000	0.000	<b>0.502</b>
Cantrell Foundation Unit Extension	0.000	0.032	0.000	0.000	0.000	0.000	<b>0.032</b>
Forest Fields Primary Reorganisation	4.744	0.200	0.000	0.000	0.000	0.000	<b>4.944</b>
Northgate Primary Reorganisation	0.841	0.000	0.000	0.000	0.000	0.000	<b>0.841</b>
Ambleside Primary Reorganisation	0.030	0.000	0.000	0.000	0.000	0.000	<b>0.030</b>
Berridge Infant Reorganisation	0.241	0.000	0.000	0.000	0.000	0.000	<b>0.241</b>
Robert Shaw Primary Reorganisation	0.748	0.000	0.000	0.000	0.000	0.000	<b>0.748</b>
Scotholme Primary Reorganisation	0.088	0.000	0.000	0.000	0.000	0.000	<b>0.088</b>
Southwold Primary Reorganisation	0.354	0.000	0.000	0.000	0.000	0.000	<b>0.354</b>
Lenton Primary Reorganisation	0.420	0.000	0.000	0.000	0.000	0.000	<b>0.420</b>
Welbeck Primary - Refurbish Family Cntr	0.090	0.000	0.000	0.000	0.000	0.000	<b>0.090</b>
Rufford Junior - Asbestos	0.076	0.040	0.000	0.000	0.000	0.000	<b>0.116</b>
Rise Park Primary - Roof	0.030	0.000	0.000	0.000	0.000	0.000	<b>0.030</b>
Claremont Pr Electric/Alarms	0.030	0.000	0.000	0.000	0.000	0.000	<b>0.030</b>
Firbeck Primary - Windows	0.042	0.000	0.000	0.000	0.000	0.000	<b>0.042</b>
Claremont Primary - Windows	0.013	0.000	0.000	0.000	0.000	0.000	<b>0.013</b>
Springfield Primary - Windows	0.000	0.035	0.000	0.000	0.000	0.000	<b>0.035</b>
Top Valley Secondary - Health & Safety	0.012	0.000	0.000	0.000	0.000	0.000	<b>0.012</b>
Brocklewood Primary - Heating	0.237	0.120	0.000	0.000	0.000	0.000	<b>0.357</b>
Whitegate Primary - Heating	0.033	0.150	0.000	0.000	0.000	0.000	<b>0.183</b>

**CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19**

<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Crabtree Farm - Accessibility	0.132	0.000	0.000	0.000	0.000	0.000	<b>0.132</b>
Bentinck Primary - Heating	0.161	0.000	0.000	0.000	0.000	0.000	<b>0.161</b>
Portland Primary - Heating	0.050	0.000	0.000	0.000	0.000	0.000	<b>0.050</b>
Hogarth Primary - Asbestos	0.066	0.000	0.000	0.000	0.000	0.000	<b>0.066</b>
Stanstead Primary - Heating Works	0.169	0.000	0.000	0.000	0.000	0.000	<b>0.169</b>
Snapewood Primary - Windows	0.050	0.000	0.000	0.000	0.000	0.000	<b>0.050</b>
Health and Safety Condition Contingency	0.076	0.000	0.000	0.000	0.000	0.000	<b>0.076</b>
Major Programmes - Fees	0.039	0.000	0.000	0.000	0.000	0.000	<b>0.039</b>
Jubilee Primary - Heating	0.200	0.200	0.000	0.000	0.000	0.000	<b>0.400</b>
Southglade Primary - Heating	0.150	0.000	0.000	0.000	0.000	0.000	<b>0.150</b>
Dovecote Primary - Heating	0.050	0.000	0.000	0.000	0.000	0.000	<b>0.050</b>
Dovecote Primary - Roof	0.000	0.100	0.000	0.000	0.000	0.000	<b>0.100</b>
William Booth Primary - Roof	0.000	0.150	0.000	0.000	0.000	0.000	<b>0.150</b>
Seely Junior - Roof	0.000	0.150	0.000	0.000	0.000	0.000	<b>0.150</b>
Portland Primary - Legionella / Electrics	0.090	0.000	0.000	0.000	0.000	0.000	<b>0.090</b>
Seely Infants - Asbestos Removal	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Walter Halls Primary – Year 5/6 Block	0.000	0.400	0.000	0.000	0.000	0.000	<b>0.400</b>
Contingency Fund - Miscellaneous Works	0.255	0.000	0.000	0.000	0.000	0.000	<b>0.255</b>
Riverside Primary - Expansion	1.030	0.500	0.000	0.000	0.000	0.000	<b>1.530</b>
Riverside Primary - Nursery	0.000	0.267	0.000	0.000	0.000	0.000	<b>0.267</b>
Rufford Primary - Expansion	0.265	0.300	0.000	0.000	0.000	0.000	<b>0.565</b>
Seely Primary - Early Design Works	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Seely Primary - Amalgamation	0.108	0.000	0.000	0.000	0.000	0.000	<b>0.108</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Rosslyn Primary Expansion	0.290	1.005	0.000	0.000	0.000	0.000	<b>1.295</b>
Heathfield Primary Expansion	0.390	2.500	1.497	0.000	0.000	0.000	<b>4.387</b>
Nottingham Academy Expansion - Grant	0.500	2.600	0.000	0.000	0.000	0.000	<b>3.100</b>
Project Management 2010/11	0.085	0.000	0.000	0.000	0.000	0.000	<b>0.085</b>
PCP - Greenfields Primary	0.000	0.062	0.000	0.000	0.000	0.000	<b>0.062</b>
PCP - Henry Whipple Primary	0.000	0.159	0.000	0.000	0.000	0.000	<b>0.159</b>
PCP - Blue Bell Hill	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
PCP - Sycamore Primary	0.039	0.000	0.000	0.000	0.000	0.000	<b>0.039</b>
PCP - St Ann's Well Primary	0.122	0.000	0.000	0.000	0.000	0.000	<b>0.122</b>
Access Improvements - Minor Schemes	0.145	0.000	0.000	0.000	0.000	0.000	<b>0.145</b>
Contingency for residual balances	0.040	0.090	0.000	0.000	0.000	0.000	<b>0.130</b>
<b>BSF</b>							
Bluecoat / Wollaton BSF	2.783	0.000	0.000	0.000	0.000	0.000	<b>2.783</b>
Ellis Guilford School BSF	0.143	0.000	0.000	0.000	0.000	0.000	<b>0.143</b>
Samworth (NUSA) - Bilborough	0.015	0.000	0.000	0.000	0.000	0.000	<b>0.015</b>
Nottingham (Eastern) Academy	0.606	0.000	0.000	0.000	0.000	0.000	<b>0.606</b>
ICT Provision BSF	1.534	0.270	0.000	0.000	0.000	0.000	<b>1.804</b>
BSF Lifecycle costs	0.515	0.000	0.000	0.000	0.000	0.000	<b>0.515</b>
Hadden Park - Water system / Roof	0.071	0.020	0.020	0.039	0.000	0.000	<b>0.150</b>
Manning Academy BSF (inc ICT)	2.064	0.000	0.000	0.000	0.000	0.000	<b>2.064</b>
<b>TOTAL SCHOOLS</b>	<b>20.976</b>	<b>13.910</b>	<b>9.350</b>	<b>5.686</b>	<b>0.000</b>	<b>0.000</b>	<b>49.922</b>
<b>Other Services</b>							
<b>Adults and Health</b>							

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Welland Ct - Day Centre etc	0.000	0.109	0.000	0.000	0.000	0.000	<b>0.109</b>
Bestwood Day Centre - Relocate Services	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Adult Social Care (DoH Grant) 12/13	0.029	0.000	0.000	0.000	0.000	0.000	<b>0.029</b>
Adult Social Care (DoH Grant) 13/14	0.000	0.433	0.000	0.000	0.000	0.000	<b>0.433</b>
Adult Social Care (DoH Grant) 14/15	0.000	0.450	0.000	0.000	0.000	0.000	<b>0.450</b>
Integrated Community Equipment	0.400	0.400	0.000	0.000	0.000	0.000	<b>0.800</b>
Adult Social Care Estate Investment Plan							
Martin Jackaman - Branding / Roof	0.000	0.371	0.000	0.000	0.000	0.000	<b>0.371</b>
The Oaks - Refurb / Branding / Signing	0.000	0.200	0.000	0.000	0.000	0.000	<b>0.200</b>
Cherry Trees - Branding / Beds / Signage	0.000	0.050	0.000	0.000	0.000	0.000	<b>0.050</b>
Martin Jackaman - Pool / Interior Design	0.000	0.209	0.000	0.000	0.000	0.000	<b>0.209</b>
Long Meadow -Externals/ Internals /Branding	0.000	0.160	0.000	0.000	0.000	0.000	<b>0.160</b>
Summerwood - Minor Work / Branding	0.000	0.040	0.000	0.000	0.000	0.000	<b>0.040</b>
Albany - Branding	0.000	0.010	0.000	0.000	0.000	0.000	<b>0.010</b>
Estate Improvements - Interior Design	0.000	0.010	0.000	0.000	0.000	0.000	<b>0.010</b>
Laura Chambers-Entrance/Branding/ Beds	0.000	0.060	0.000	0.000	0.000	0.000	<b>0.060</b>
Oakdene Closure and Security	0.000	0.010	0.000	0.000	0.000	0.000	<b>0.010</b>
Willow Close - Closure and Security	0.000	0.010	0.000	0.000	0.000	0.000	<b>0.010</b>
Laura Chambers - New Wing	0.000	0.000	0.800	0.000	0.000	0.000	<b>0.800</b>
Willows - Develop / Mothball / Dispose	0.000	0.000	0.200	0.000	0.000	0.000	<b>0.200</b>
Meals at Home - Kitchen Pod at NUH	0.000	0.350	0.000	0.000	0.000	0.000	<b>0.350</b>
Oakdene - Fire Prevention Works	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>



<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b>TOTAL ADULTS &amp; HEALTH</b>	<b>0.539</b>	<b>2.872</b>	<b>1.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.411</b>
<b>Children's Services</b>							
Henry Whipple Site - MALT 3 (CAHMS)	0.000	0.021	0.000	0.000	0.000	0.000	<b>0.021</b>
Pathfinder Short Breaks	0.336	0.000	0.000	0.000	0.000	0.000	<b>0.336</b>
Small Group Care Home - Wood View	0.235	0.000	0.000	0.000	0.000	0.000	<b>0.235</b>
Foster Carer's Car Loans	0.012	0.000	0.000	0.000	0.000	0.000	<b>0.012</b>
My Place - 29-31 Castle Gate Purchase / Improvements	0.058	0.053	0.000	0.000	0.000	0.000	<b>0.111</b>
Youth Capital Plus - Green Lane - Phase 2	0.000	0.270	0.000	0.000	0.000	0.000	<b>0.270</b>
<b>TOTAL CHILDRENS</b>	<b>0.641</b>	<b>0.344</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.985</b>
<b>Leisure and Culture</b>							
<b>General</b>							
Forest Recreation Ground Master Plan	0.023	0.000	0.000	0.000	0.000	0.000	<b>0.023</b>
Forest Recreation Ground Master Plan –P2	1.035	0.000	0.000	0.000	0.000	0.000	<b>1.035</b>
Flexible Fitness - Equipment	0.191	0.000	0.000	0.000	0.000	0.000	<b>0.191</b>
Tennis Centre - imps	0.001	0.000	0.000	0.000	0.000	0.000	<b>0.001</b>
Wollaton Hall and Park Refurbishment	0.075	0.000	0.000	0.000	0.000	0.000	<b>0.075</b>
Centre for Contemporary Arts Nottingham	0.069	0.000	0.000	0.000	0.000	0.000	<b>0.069</b>
Nottingham Castle - Heritage Lottery Bid	0.000	0.600	0.600	5.527	8.290	9.983	<b>25.000</b>
Concert Hall - Customer Lift	0.120	0.000	0.000	0.000	0.000	0.000	<b>0.120</b>
Concert Hall Seats / Theatre FOH Lift	0.027	1.050	0.000	0.000	0.000	0.000	<b>1.077</b>
Victoria Park & St Mary's Rest Garden	0.007	0.000	0.000	0.000	0.000	0.000	<b>0.007</b>
Priory Park / Lenton / Dunkirk Parks	0.003	0.000	0.000	0.000	0.000	0.000	<b>0.003</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Sycamore Recreation Ground (Fair Play Pathfinder)	0.002	0.000	0.000	0.000	0.000	0.000	<b>0.002</b>
Victoria Embankment (Fair Play Pathfinder)	0.007	0.000	0.000	0.000	0.000	0.000	<b>0.007</b>
Bulwell Forest Master plan	0.136	0.000	0.000	0.000	0.000	0.000	<b>0.136</b>
Sandy Banks Playground Improvements	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Mountfield Drive / Hazel Hill Park Imps	0.047	0.000	0.000	0.000	0.000	0.000	<b>0.047</b>
Pennant Park / Fernleigh Park Imps	0.006	0.000	0.000	0.000	0.000	0.000	<b>0.006</b>
Park Lane/Britannia Ave Playgrounds Imps	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
Lincoln Street Park Improvements	0.031	0.000	0.000	0.000	0.000	0.000	<b>0.031</b>
Vernon Park Pond improvements	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
Broxtowe Country Park Improvements	0.008	0.000	0.000	0.000	0.000	0.000	<b>0.008</b>
King George Park Improvements	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
Arboretum Café Development	0.050	0.283	0.000	0.000	0.000	0.000	<b>0.333</b>
Sandpiper Park Improvements	0.009	0.000	0.000	0.000	0.000	0.000	<b>0.009</b>
Gawthorne Street Playground Imps	0.003	0.000	0.000	0.000	0.000	0.000	<b>0.003</b>
Ruddington Lane Playground Imps	0.002	0.000	0.000	0.000	0.000	0.000	<b>0.002</b>
Silverdale Playground - Phase 2	0.018	0.000	0.000	0.000	0.000	0.000	<b>0.018</b>
Sycamore Park Improvements	0.020	0.000	0.000	0.000	0.000	0.000	<b>0.020</b>
Robin Hood Chase Playground Imps	0.006	0.000	0.000	0.000	0.000	0.000	<b>0.006</b>
Rocket Park / Jersey Gardens Imps	0.012	0.000	0.000	0.000	0.000	0.000	<b>0.012</b>
Victoria Embankment / War Memorial	0.017	0.000	0.000	0.000	0.000	0.000	<b>0.017</b>
Broxtowe Country Park Improvements	0.002	0.000	0.000	0.000	0.000	0.000	<b>0.002</b>
3 x Outdoor Gyms	0.019	0.000	0.000	0.000	0.000	0.000	<b>0.019</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Barton Green Playground Imps	0.001	0.000	0.000	0.000	0.000	0.000	<b>0.001</b>
Tintagel Green Playground Imps	0.030	0.000	0.000	0.000	0.000	0.000	<b>0.030</b>
Parkdale Road Playground Imps	0.035	0.000	0.000	0.000	0.000	0.000	<b>0.035</b>
Colwick Woods Playground Imps	0.105	0.000	0.000	0.000	0.000	0.000	<b>0.105</b>
John Carroll Play Area	0.020	0.000	0.000	0.000	0.000	0.000	<b>0.020</b>
Radford Recreation Ground	0.035	0.000	0.000	0.000	0.000	0.000	<b>0.035</b>
Hedley Villas Playground	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
Mickleborough Drive Railway Cutting	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Astley Drive Playground	0.011	0.000	0.000	0.000	0.000	0.000	<b>0.011</b>
Broxtowe Country Park - BMX / Pump Track	0.072	0.000	0.000	0.000	0.000	0.000	<b>0.072</b>
Forest Rec Ground - Sports Zone Imp	0.050	1.565	0.000	0.000	0.000	0.000	<b>1.615</b>
Hucknall Walkway Improvements	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
Bulwell Forest Play Area	0.035	0.000	0.000	0.000	0.000	0.000	<b>0.035</b>
Right Track CC - New Play Area	0.042	0.000	0.000	0.000	0.000	0.000	<b>0.042</b>
Lincoln St / Japonica Drive Remove Playgrounds	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
Stockhill Park - New Playground	0.031	0.000	0.000	0.000	0.000	0.000	<b>0.031</b>
Stockhill Lane Park - Pavilion Imps	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Sandy Banks Playground Improvements	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Sunrise Nature Reserve Imps	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Bestwood Lodge Drive Improvements	0.003	0.000	0.000	0.000	0.000	0.000	<b>0.003</b>
Churchfields Plantation Improvements	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Poplar Avenue Play area	0.025	0.000	0.000	0.000	0.000	0.000	<b>0.025</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Wollaton Park Children's Play Area	0.000	0.195	0.000	0.000	0.000	0.000	<b>0.195</b>
Highfields Park - Development	0.200	0.101	0.000	0.000	0.000	0.000	<b>0.301</b>
Portland Leisure Centre - Condition Survey	0.750	0.000	0.000	0.000	0.000	0.000	<b>0.750</b>
Victoria Market Improvements	0.001	0.000	0.000	0.000	0.000	0.000	<b>0.001</b>
<b>Transformation Programme / Victoria</b>							
Victoria Leisure Centre Scheme	0.023	0.000	0.000	0.000	0.000	0.000	<b>0.023</b>
Project Management	0.070	0.070	0.063	0.000	0.000	0.000	<b>0.203</b>
Harvey Hadden Sports Centre	5.300	9.865	0.600	0.000	0.000	0.000	<b>15.765</b>
Southglade Leisure Centre	0.000	0.429	0.000	0.000	0.000	0.000	<b>0.429</b>
Clifton Leisure Centre	0.018	0.000	0.000	0.000	0.000	0.000	<b>0.018</b>
<b>TOTAL LEISURE AND CULTURE</b>	<b>8.888</b>	<b>14.158</b>	<b>1.263</b>	<b>5.527</b>	<b>8.290</b>	<b>9.983</b>	<b>48.109</b>
<b>Planning and Transportation</b>							
<b>NET Project</b>							
NET Line 1 - Residual Land Costs	0.500	0.000	0.000	0.000	0.000	0.000	<b>0.500</b>
NET Lines 2/3 - Design & Implementation	0.690	0.475	0.000	0.000	0.000	0.000	<b>1.165</b>
NET Lines 2/3 - Land Acquisitions	6.200	13.000	7.000	4.000	2.000	0.000	<b>32.200</b>
NET Lines 2/3 - Quantative Risk Assess	1.928	2.000	3.000	1.500	0.000	0.000	<b>8.428</b>
NET Lines 2/3 - Capital Injection	0.000	100.000	0.000	0.000	0.000	0.000	<b>100.000</b>
NET Lines 2/3 - Contingency	0.000	0.000	0.000	0.000	0.305	0.000	<b>0.305</b>
NET Lines 2/3 - FAP	1.336	0.400	0.000	0.000	0.000	0.000	<b>1.736</b>
NET 2&3 - Agreements	0.370	0.290	0.000	0.000	0.000	0.000	<b>0.660</b>
NET 2&3 - Land & Property Cost	0.600	0.600	0.000	0.000	0.000	0.000	<b>1.200</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
NET 2&3 - Design Further	0.200	0.100	0.000	0.000	0.000	0.000	<b>0.300</b>
NET 2&3 - Project Management	0.760	0.660	0.000	0.000	0.000	0.000	<b>1.420</b>
NET 2&3 - Design Advance	0.200	0.100	0.000	0.000	0.000	0.000	<b>0.300</b>
<b>Other Schemes</b>							
Vehicle Acquisitions etc	5.598	4.187	3.000	3.000	3.500	0.000	<b>19.285</b>
Fletcher Gate Car Park Improvements	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
<b>TOTAL PLANNING AND TRANSPORT</b>	<b>18.387</b>	<b>121.81 2</b>	<b>13.000</b>	<b>8.500</b>	<b>5.805</b>	<b>0.000</b>	<b>167.50 4</b>
<b>Energy and Sustainability</b>							
Eastcroft Heat & Power Plant works	1.753	2.955	0.571	2.495	1.190	0.000	<b>8.964</b>
RE:FIT - Carbon Reduction Programme	1.094	0.174	0.000	0.000	0.000	0.000	<b>1.268</b>
Enviro Energy District Heating Pipes - Canal St	2.140	0.000	0.000	0.000	0.000	0.000	<b>2.140</b>
<b>TOTAL ENERGY AND SUSTAINABILITY</b>	<b>4.987</b>	<b>3.129</b>	<b>0.571</b>	<b>2.495</b>	<b>1.190</b>	<b>0.000</b>	<b>12.372</b>
<b>Commissioning and Voluntary Sector</b>							
<b>Community Sector</b>							
Imps to Community and Cultural Facilities	0.050	0.202	0.000	0.000	0.000	0.000	<b>0.252</b>
The Chase	0.008	0.000	0.000	0.000	0.000	0.000	<b>0.008</b>
Bakersfield and Neighbourhood (BANCA)	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Sheila Russell CC Improvements	0.032	0.000	0.000	0.000	0.000	0.000	<b>0.032</b>
<b>Housing</b>							
Discretionary Grants - Age Concern	0.135	0.000	0.000	0.000	0.000	0.000	<b>0.135</b>
RHG 07/08 - PSA7 Target - Stonebridge	0.000	0.315	0.000	0.000	0.000	0.000	<b>0.315</b>
RHG 07/08 - Decent Homes Warm Front	0.064	0.000	0.000	0.000	0.000	0.000	<b>0.064</b>

CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19							
PROGRAMME AND SCHEME	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Grants							
Regional Housing Board - Equity Loan	0.420	0.000	0.000	0.000	0.000	0.000	0.420
Disabled Facilities Grants	1.900	2.700	2.835	2.026	0.000	0.000	9.461
S106 Affordable Housing - Stonebridge	0.269	0.000	0.000	0.000	0.000	0.000	0.269
Albany Works	0.083	0.000	0.000	0.000	0.000	0.000	0.083
<b>TOTAL COMMISSIONING AND VS</b>	<b>2.971</b>	<b>3.217</b>	<b>2.835</b>	<b>2.026</b>	<b>0.000</b>	<b>0.000</b>	<b>11.049</b>
<b>Strategic Regen and Community Safety</b>							
Stronger Safer Communities Fund	0.059	0.059	0.000	0.000	0.000	0.000	0.118
<b>Broad Marsh Redevelopment</b>							
Broad Marsh - Southside Plan - Site	0.143	0.000	0.000	0.000	0.000	0.000	0.143
Broad Marsh - Compensation to tenants	0.020	0.030	0.000	0.000	0.000	0.000	0.050
Broad Marsh - Donaldsons	0.002	0.000	0.000	0.000	0.000	0.000	0.002
Broad Marsh Car Park - Safety Barriers	0.130	0.000	0.000	0.000	0.000	0.000	0.130
Broad Marsh - Highways and Transport	0.400	0.000	0.000	0.000	0.000	0.000	0.400
Broad Marsh - Acquisition of Property	0.312	0.000	0.000	0.000	0.000	0.000	0.312
<b>Other Schemes</b>							
Re-investment of Capital Receipts	0.753	0.000	0.000	0.000	0.000	0.000	0.753
Downtown (Sneinton Market) and Creative Quarter	0.000	1.866	2.338	0.467	0.000	0.000	4.671
Downtown (Sneinton Market) Project Mgt	0.000	0.025	0.049	0.009	0.000	0.000	0.083
<b>TOTAL</b>	<b>1.819</b>	<b>1.980</b>	<b>2.387</b>	<b>0.476</b>	<b>0.000</b>	<b>0.000</b>	<b>6.662</b>
<b>Community Services</b>							
<b>Area Based Capital Investment Plans</b>	<b>2.365</b>	<b>0.750</b>	<b>0.750</b>	<b>0.750</b>	<b>0.000</b>	<b>0.000</b>	<b>4.615</b>

CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19							
PROGRAMME AND SCHEME	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
<b>Resources and Neighbourhood Regen</b>							
<b>Property Schemes</b>							
Disabled Persons Access Grants	0.005	0.010	0.010	0.000	0.000	0.000	<b>0.025</b>
Capitalised Maintenance 2008 to 2010/11	0.110	0.000	0.000	0.000	0.000	0.000	<b>0.110</b>
Property Trading Fund	0.141	0.000	0.000	0.000	0.000	0.000	<b>0.141</b>
Demolition - Henry Mellish School	0.027	0.000	0.000	0.000	0.000	0.000	<b>0.027</b>
Demolition - Hazel Hill EPH	0.049	0.000	0.000	0.000	0.000	0.000	<b>0.049</b>
Marlstones - Demolition	0.027	0.000	0.000	0.000	0.000	0.000	<b>0.027</b>
Depot Accommodation / Fleet Services	0.270	0.000	0.000	0.000	0.000	0.000	<b>0.270</b>
1 Gilead St - IT removal etc before sale	0.022	0.000	0.000	0.000	0.000	0.000	<b>0.022</b>
187-195 Wollaton St/118-128 Derby Rd Roof	0.080	0.000	0.000	0.000	0.000	0.000	<b>0.080</b>
Southglade Food Park - Phase 2	2.096	3.826	0.010	0.000	0.000	0.000	<b>5.932</b>
Acquisition No.1 Science Park	5.183	0.000	0.000	0.000	0.000	0.000	<b>5.183</b>
Acquisition of 81-85 Upper Parliament St	0.253	0.000	0.000	0.000	0.000	0.000	<b>0.253</b>
<b>IT Schemes</b>							
Data Communications Network Contract	0.078	0.034	0.000	0.000	0.000	0.000	<b>0.112</b>
Document Management System	0.000	0.011	0.000	0.000	0.000	0.000	<b>0.011</b>
Corporate Infrastructure Refresh	0.000	0.240	0.000	0.000	0.000	0.000	<b>0.240</b>
On Line Booking Systems - Tennis Centre	0.026	0.000	0.000	0.000	0.000	0.000	<b>0.026</b>
Loxley House Structured Cabling	0.002	0.000	0.000	0.000	0.000	0.000	<b>0.002</b>
Loxley House - Resources Mngt System	0.030	0.000	0.000	0.000	0.000	0.000	<b>0.030</b>

<b>CAPITAL PROGRAMME BY DETAIL 2013/14 - 2018/19</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Adults SDS System	0.131	0.000	0.000	0.000	0.000	0.000	<b>0.131</b>
LH-Traffic Control Centre Move	0.030	0.000	0.000	0.000	0.000	0.000	<b>0.030</b>
Server Virtualisation Project	0.070	0.000	0.000	0.000	0.000	0.000	<b>0.070</b>
E-mail upgrade	0.450	0.000	0.000	0.000	0.000	0.000	<b>0.450</b>
Microsoft Upgrade	1.794	0.895	0.718	0.000	0.000	0.000	<b>3.407</b>
Ultra band Connectivity in Creative Quarter	0.150	0.000	0.000	0.000	0.000	0.000	<b>0.150</b>
Storage Area Network (SAN) Refresh	1.742	0.057	0.000	0.000	0.000	0.000	<b>1.799</b>
<b>Joint Service Centres</b>							
Joint Service Centre - Bulwell LIFT	0.050	0.200	0.000	0.000	0.000	0.000	<b>0.250</b>
Joint Service Centre - St Ann's	0.280	0.030	0.040	0.040	0.634	0.000	<b>1.024</b>
Joint Service Centre - Strelley Road	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>
<b>SUB TOTAL</b>	<b>13.196</b>	<b>5.303</b>	<b>0.778</b>	<b>0.040</b>	<b>0.634</b>	<b>0.000</b>	<b>19.951</b>
<b>TOTAL – OTHER SERVICES</b>	<b>53.793</b>	<b>153.56</b> 5	<b>22.584</b>	<b>19.81</b> 4	<b>15.91</b> 9	<b>9.983</b>	<b>275.65</b> 8
<b>TOTAL - ALL PROGRAMMES</b>	<b>162.500</b>	<b>268.57</b> 6	<b>97.432</b>	<b>66.69</b> 4	<b>55.86</b> 0	<b>48.58</b> 7	<b>699.64</b> 9



## HOUSING REVENUE ACCOUNT

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## Housing Revenue Account (HRA)

### Introduction

This Annex sets out the detail for both the revenue and capital elements of the HRA.

The HRA is the Council's landlord account, which provides for the management and maintenance of the Council's stock of c27,200 dwellings. Legislation requires this account to be ring-fenced from the Council's other financial transactions. The budget has been set under the HRA self-financing system introduced from 2012/13, whereby the HRA is sustained from the rental income.

The HRA has to be kept in balance, achieved through raising sufficient income from tenant rents to fund the investment needed to maintain the stock. A working balance is also needed to deal with emerging pressures. Any balance on the account, either positive or negative, has to be carried forward to the following year. This means, for example, that the 2013/14 outturn will impact on the 2014/15 budget through the balance carried forward.

Nottingham City Homes Limited (NCH) is responsible for the management of the housing stock under a partnering agreement with the Council completed in 2011, for which a management fee is paid to cover some of the services provided. This fee from the Council is a charge on the HRA. NCH is also responsible, under a separate contract that started in July 2008, for repairs to the stock through a series of budgets delegated to it from the Council.

The City Council published its 30 year HRA plan (2012 – 2042) in November 2012. It underpins the long term approach to service planning for the HRA demonstrating how investment in the housing stock will be sustained. The 30 year business plan has been updated to take account of movements in the financial assumptions, demonstrating that the **HRA has sufficient resources over the life of the business plan**. The key assumptions in the business plan are:

- § Rent rises each year at above RPI over the life of the plan reflecting Government policy for social rents
- § Average Inflation at 2.5% per annum over the business plan
- § The cost of borrowing will increase over the medium term to a long term average rate of 5%
- § Total investment in the housing stock of £2.0bn over 30 years

The key headlines in the HRA budget for 2014/15 are as follows:

#### **HRA Revenue**

- § A proposed average increase in rent levels of **7.5%**
- § The agreement in principal to the introduction of a tenant incentive scheme worth up to £100 per annum to each tenant
- § An increase in service charges of **3.2%**
- § A sustainable working balance of **£4m**.

## HRA Capital

- § An overall Public Sector Housing Programme of **£296.704m** of which **£77.080m** relates to 2014/15.
- § **£22.682m** has been specifically allocated to decommissioning, regeneration and new build.

## HRA Forecast Outturn 2013/14

**Table 1** summarises the HRA budget and forecast outturn for 2013/14. **Annex 1** provides further details of the variances and the reasons for them.

<b>TABLE 1: HRA FORECAST OUTTURN 2013/14</b>			
<b>DESCRIPTION</b>	<b>ORIGINAL BUDGET £m</b>	<b>ESTIMATED OUTTURN £m</b>	<b>VARIANCE £m</b>
<b>INCOME</b>			
Rent income	(93.583)	(92.883)	0.700
Service charges	(3.753)	(3.753)	0.000
Other rent (inc. garages)	(1.175)	(1.947)	(0.772)
Other income	(0.083)	(0.318)	(0.235)
<b>TOTAL INCOME</b>	<b>(98.594)</b>	<b>(98.901)</b>	<b>(0.307)</b>
<b>EXPENDITURE</b>			
Repairs	19.815	18.900	(0.915)
Management	34.625	34.414	(0.211)
Capital charges	38.790	39.903	1.113
Direct Revenue Financing	6.547	6.667	0.120
<b>TOTAL EXPENDITURE</b>	<b>99.777</b>	<b>99.884</b>	<b>0.107</b>
<b>DEFICIT / (SURPLUS)</b>	<b>1.183</b>	<b>0.983</b>	<b>(0.200)</b>
Working balance B/F	(5.183)	(5.028)	0.155
<b>WORKING BALANCE C/F</b>	<b>(4.000)</b>	<b>(4.045)</b>	<b>(0.045)</b>

The budget for 2014/15 has been refreshed to take account of proposed increases in charges, income adjustments, inflation, cost pressures, capital financing costs and changes to assumptions. The financial impact of this refresh is shown in **Table 2**.

## HRA Budget Refresh 2014/15

<b>TABLE 2: HRA BUDGET REFRESH SUMMARY</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Increased income	(6.325)
Tenant reward scheme	2.700
Inflation	1.306
Cost pressures	0.981
Capital financing costs	2.476
<b>MOVEMENT IN WORKING BALANCE</b>	<b>1.138</b>

**Table 3** summarises increased income and is subject to approval as part of this report.

<b>TABLE 3 – INCREASED INCOME 2014/15</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Rent	(5.904)
Other income	(0.316)
Service charges	(0.084)
Independent living charges	(0.007)
Heating charges	(0.001)
Garage rents	(0.013)
<b>TOTAL</b>	<b>(6.325)</b>

### Rent

The Government introduced a convergence policy to align the rents of local authorities with those of housing associations. The intended convergence was to be achieved in 2015/16. The rents were calculated based on key factors such as the number of bedrooms and the 1999 property valuation. Rent increases were then based on the RPI increase calculated each September. The City Council took the decision to extend the period to achieve rent convergence to 2019/20 to protect tenants from high rent increases in recent years when the rate of inflation (RPI) was high.

The Government has recently consulted on a change to national rent policy as follows:

- § The policy to be applied for 10 years from April 2015
- § Individual rents to increase at CPI + 1%
- § No changes to the calculation of formula rents
- § Individual rents could be up to 5% above formula rent
- § Expectation that new tenancies will be moved to target rent
- § Government policy to be applied through guidance, not regulation
- § Government to continue to exercise control through the limit rent

The local rent policy introduced in 2012 to achieve rent convergence by 2019/20 would have led to a rent increase of 5.48% being proposed for 2014/15. Given the proposed changes to rent policy being consulted on by the Government consultation has been undertaken in January and February to look at an alternative approach which could avoid higher rent increases in the short term whilst protecting tenants from a significant rent increase this year.

The preferred option to the 5.48% consulted upon for 2014/15 is for a flat rate increase of 7.5%. In order to mitigate the impact of this rise it is proposed to introduce a tenant reward scheme that would reward responsible tenants with £100 per annum credited to their rent account. This would have the effect of making the average rent increase for these tenants 4.68% as shown in **Table 4**.

<b>TABLE 4 – PROPOSED WEEKLY RENT INCREASE 2014/15</b>		
<b>DESCRIPTION</b>	<b>Qualify for max. tenant reward £</b>	<b>Don't qualify for tenant reward £</b>
Average rent 2013/14	68.16	68.16
Gross increase in rent	5.11	5.11
<b>Rent 2014/15</b>	<b>73.27</b>	<b>73.27</b>
Less tenant reward scheme	(1.92)	-
<b>Adjusted for tenant reward scheme</b>	<b>71.35</b>	<b>73.20</b>
<b>Percentage increase</b>	<b>4.68%</b>	<b>7.50%</b>

The HRA business plan has used these assumptions in determining that the HRA Asset Management Plan (AMP) is affordable over the 30 year period. Applying the proposed rent increase will generate additional income of **5.904m** per annum.

The Government exercises control over local rents by charging the Council for the housing benefit costs where the average rent has exceeded the limit rent (every £1 rent charged above limit rent requires £0.66 of the increase to be paid back to Government to pay for the increased cost of Housing Benefit). The limit rent for Nottingham in 2014/15 is £75.47 per week and will be increased by CPI +1% per annum for the next 10 years if the Government goes ahead with the planned changes to rent policy. The proposed rent of £73.20 gives headroom of £2.27 per week, allowing some flexibility to manage the HRA in the future. A further **£3.146m** per annum could be generated if rents were raised to the limit rent. The HRA business plan assumes that the rent will move towards limit rent over the medium term.

#### Service Charges

**Table 5** lists the range of services provided to specific groups of tenants. A specific charge is made and increases in line with the September RPI would raise charges by **3.2%**, which is in line with the average increase in council house rents. Applying the revised rates would produce additional annual income of **£0.084m**.

<b>TABLE 5 : WEEKLY SERVICE CHARGES</b>			
<b>SERVICE</b>	<b>CURRENT 2013/14 £</b>	<b>PROPOSED 2014/15 £</b>	<b>INCREASE £</b>
Caretaking	4.92	5.08	0.16
Cleaning Service	2.89	2.98	0.09
Communal lighting	0.51	0.53	0.02
Communal TV system	0.86	0.89	0.03
Gas maintenance	1.16	1.20	0.04
Solid fuel maintenance	1.16	1.20	0.04
Homewatch	0.49	0.51	0.02
Security (CCTV)	5.13	5.29	0.16
Sheltered Accommodation : Services	3.06	3.16	0.10

### Independent Living Charges

These activities are aimed at providing for the non-housing costs that are necessary to support tenants in remaining in their own independent accommodation. **Table 6** shows the existing charges and it is proposed that the Independent Living and emergency alarm charges are increased by **3.2%** in line with the September RPI. Applying the revised rates would produce additional annual income of **£0.007m**.

<b>TABLE 6: INDEPENDENT LIVING CHARGES</b>			
<b>CHARGE</b>	<b>WEEKLY CHARGE 2013/14 £</b>	<b>PROPOSED CHARGE 2014/15 £</b>	<b>INCREASE £</b>
Independent Living	9.65	9.96	0.31
Emergency Alarm	2.36	2.44	0.08

### Heating Charges

Stepney Court and Foxtan Gardens are the only homes served with a communal heating scheme. Charges are recommended to be increased by **3.2%** in line with other recommended service charge increases. This will generate additional income of **£1k** and has been allowed for in the budget. Details are set out in **Table 7**.

<b>TABLE 7: HEATING CHARGES</b>			
<b>TYPE</b>	<b>WEEKLY CHARGE 2013/14 £</b>	<b>PROPOSED CHARGE 2014/15 £</b>	<b>INCREASE £</b>
<b>STEPNEY COURT</b>			
One bed	7.70	7.95	0.25
Two bed	8.50	8.77	0.27
<b>FOXTON GARDENS</b>			
One bed	13.78	14.22	0.44
Two bed	18.71	19.31	0.60

### Garage Rents

Garages not included as part of the rent of a dwelling are currently charged at an average £8.09 per week. It is proposed to increase this by **£0.25** per week (average **3.2%**), generating additional annual income of **£13k**. For garage tenants who do not hold a house tenancy or are a leaseholder, VAT is added to the rent charge.

### Other income

The income generated by the PV cells has exceeded the original budget by **£0.316m** as the performance of the cells has been better than anticipated.

### Tenant reward scheme

The City Council and NCH have worked together to look at ways in which to balance managing the impact of the rent increase with continuing to make sure homes are maintained to a high standard and to reward the many responsible tenants. The

scheme will give all responsible tenants a £100 credit on their rent account thereby reducing the effect of the rent increase to 4.68% (ie below the planned increase of 5.48%) in 2014/15. The details of how the scheme will be operated will be subject to further consultation with a view to ensuring that credits will be made to the rent accounts of responsible tenants in November / December 2014.

The initial work undertaken on the principals of such a scheme proposes that tenants will not qualify for the reward scheme if they:-

- § Fail to look after their garden
- § Fail to make arrangements to pay their rent arrears
- § Commit crime and anti-social behaviour

The cost of the scheme will be mitigated to some extent by savings generated from the changes in behaviour. No savings have been included in the MTFP and the full cost of the scheme has been included at this stage of **£2.700m** per annum. The scheme will be in place for at least three years and will be continuously reviewed to ensure that the scheme is effective.

The introduction of such a scheme was considered at a Tenant and Leaseholder Congress in February 2014. The outcome from the meeting was as follows:-

- § Generally supportive of the principles of a tenant reward scheme and believe that incentives could encourage changes in behaviour of tenants who don't currently act responsibly
- § Details of the criteria relating to the reward scheme need to be worked up sensitively so that people are not unfairly excluded
- § Support mechanisms need to be in place to help tenants become responsible tenants

**Table 8** shows the inflation factors assumed for 2014/15 based on best current intelligence.

<b>TABLE 8: INFLATION FACTORS FOR 2014/15</b>		
<b>DESCRIPTION</b>	<b>%</b>	<b>IMPACT £m</b>
Pay award	1.0	0.017
Inflation - Housing Repairs	2.7	0.457
Inflation – General	2.1	0.129
NCH Management fee	2.5	0.703
<b>TOTAL</b>		<b>1.306</b>

#### Pay award

The estimate is in line with General Fund assumption for the pay award of 1%.

#### Inflation

Inflation has been applied to the Housing Repairs budget applying the latest RPI-X percentage (December 2013). All other budgets have had inflation applied using the GDP deflator (Autumn Statement 2013).

### NCH Management fee

The fee is based on negotiations between the City Council and NCH colleagues and is in line with the existing MTFP assumption. In setting the fee it is recognised that NCH will deliver efficiencies to manage the following budget pressures:

- § Costs associated with welfare reform;
- § Increased pension contributions;
- § Additional utility cost inflation;
- § Accommodation charges associated with new Joint Service Centres.

**Table 9** shows the cost pressures impacting on the HRA due to reducing housing stock (right to buy, decommissioning and demolitions), joint working initiatives, the current economic climate and the impact that welfare reform has had to date.

<b>TABLE 9: COST PRESSURES FOR 2014/15</b>	
<b>DESCRIPTION</b>	<b>Impact £m</b>
Bad debt provision	0.200
Joint working / cost saving initiatives	0.500
Reduction in stock numbers	0.281
<b>TOTAL</b>	<b>0.981</b>

### Bad debt provision

The bad debt provision was increased in 2013/14 due to the announced introduction of universal credit. Part of the reforms will pay housing benefit direct to the tenant monthly in arrears (currently housing benefit is received directly by the landlord) so collecting rent will be harder in future years. The new system is currently being piloted in a small number of areas across the country. Early evidence suggests that arrears increased threefold. The implementation has been delayed until at least 2015 such that the provision will be doubled for the three years from 2015 – 2018 to give time to assess the impact and develop a robust future strategy.

The bad debt provision has been increased by £0.200m per annum to reflect the impact on collection rates of under occupation benefit reforms (“bedroom tax”).

The HRA balance has already been increased to £4.000m and will be retained at this level to manage the pressure and uncertainty on the HRA. It is assumed for the MTFP that progress will be made over time to reduce the impact of the changes on the HRA. The City Council and NCH continue to lobby the Government on the foreseen negative impact of the proposed changes but have to plan for the potential impact of the changes.

### Joint working / cost saving initiatives

The City Council and NCH has embarked on a review of services to be delivered in partnership to deliver General Fund savings whilst ensuring that the HRA is charged a proportionate share of the costs.



It is proposed elsewhere in this report that the City Council will require NCH to return a proportion of any surplus generated from trading activity (£0.750m in 2014/15). This proposal has no direct impact upon the HRA.

#### Reducing housing stock

The HRA stock at 1 April 2013 was 27,326 (excluding decommissioned properties). The stock has reduced in year by an estimated 111 properties as a result of right to buy sales and demolitions offset by new build. The net reduction in income to the HRA is estimated to be £0.281m per annum.

The introduction of self-financing of the HRA requires the HRA to generate sufficient resources to finance the capital investment to maintain the existing housing stock and tenant priorities. The 30 year Business Plan requires additional resources to be generated each year to finance this investment as reflected in **Table 10**.

<b>TABLE 10: CAPITAL FINANCING COSTS</b>	
<b>DESCRIPTION</b>	<b>IMPACT £m</b>
Capital charges	0.131
Depreciation	2.920
Direct Revenue Financing	(0.575)
<b>TOTAL</b>	<b>2.476</b>

#### Capital charges

The HRA is currently benefiting from the historically low short term interest rates, so the estimated average rate to be applied in 2014/15 is **4.17%** (reduced from 4.26%). This saving is more than offset due to £18.9m of fixed term borrowing being taken to support the new build programme, increasing borrowing costs by £0.131m in 2014/15. This removes an element of the interest rate risk from the business case for the new build programme. The HRA is expected to benefit from this reduction over the life of the MTFP but long term average interest rates of between 4.46% and 5% are still expected to be valid for the HRA business plan.

#### Depreciation

With the introduction of HRA Self Financing, the charge for depreciation is based upon component accounting. The sum that accumulates in the Major Repairs Reserve is only available for investment in major repairs of the stock and cannot be used to support the overall rent level. The value of the depreciation provision in 2014/15 budget is £29.001m; an increase of £2.920m on 2013/14 due to the new requirement to depreciate non-housing HRA assets. The effect of this is to increase the resources for capital investment, partially offset by a reduction in direct revenue financing.

#### Direct Revenue Funding

To ensure full funding of the Housing Investment Programme direct revenue financing of £5.972m has been made, a reduction of £0.575m offset by the increase in the depreciation charge.

### HRA Working Balance

Under HRA self-financing the Council will take on new risks arising from the HRA now being dependent upon rental income to sustain future investment in the housing stock. The working balance acts as a contingency to cover for unexpected significant expenditure or unplanned major additional expenditure. Given the economic climate and uncertainty over the impact of welfare reform it is prudent to retain the increased HRA working balance at **£4.000m**. The overall balance remains within the parameters set out in the MTFs.

## **HRA BUDGET 2014/15**

**Table 11** shows the summary of the overall impact on the HRA budget for 2014/15.

<b>TABLE 11: HRA BUDGET 2014/15</b>			
<b>DESCRIPTION</b>	<b>2013/14 BUDGET £m</b>	<b>MOVEMENT £m</b>	<b>2014/15 BUDGET £m</b>
Rent and other income	(94.841)	(6.415)	(101.256)
Service charges	(3.753)	(0.585)	(4.338)
<b>TOTAL INCOME</b>	<b>(98.594)</b>	<b>(7.000)</b>	<b>(105.594)</b>
<b>EXPENDITURE</b>			
Repairs *	19.815	6.989	26.804
Management *	34.625	(3.603)	31.022
Capital charges	38.790	3.051	41.841
Direct Revenue Financing	6.547	(0.575)	5.972
<b>TOTAL EXPENDITURE</b>	<b>99.777</b>	<b>5.862</b>	<b>105.639</b>
<b>Deficit / (Surplus)</b>	<b>1.183</b>	<b>(1.138)</b>	<b>0.045</b>

\* An adjustment has been made in the 2014/15 budget to reduce the NCH management fee by £6.726m and increase the repairs budget by the same amount to. This is to properly classify expenditure paid to NCH in the management fee that is should properly be classified as repairs.

The HRA MTFP 3 year projections have been updated to reflect the above changes. **Appendix A** shows the HRA MTFP for 2014/15 to 2016/17. The future years' projections are based on information currently available but subject to ongoing review. Projections for 2015/16 and 2016/17 incorporate the following assumptions:

- § The inflation indicators are consistent with those used throughout the entire MTFP.
- § Rent income allows for continuing stock reductions from Right to Buy (RTB) and decommissioning of property.
- § Rent levels have been assumed to increase in accordance with the proposed Government policy (CPI +1%).
- § Financing costs take account of the level of debt assumed from the self-financing settlement. The interest charges will be met in full from the HRA.
- § Depreciation charges are based on data provided by NCH on asset life spans and replacement costs.

## PUBLIC SECTOR HOUSING CAPITAL PROGRAMME

### Context

HRA capital expenditure is financed from resources generated from rental income to directly finance capital expenditure or fund prudential borrowing subject to the debt cap limit for the HRA. The HRA 30 year Business Plan has been refreshed to incorporate the self-financing changes and updated AMP. The proposed capital programme is affordable over the life of the business plan.

### The Programme

The Public Sector Housing Capital Programme sets out the five year investment in the housing stock. Management of the stock was transferred to NCH under a management agreement but the Council retains ownership. The allocation of these funds to individual schemes is agreed between the Council and NCH. **Table 12** shows the level of investment to 2018/19 against the existing capital programme approved to 2015/16.

<b>TABLE 12: PUBLIC SECTOR HOUSING CAPITAL PROGRAMME</b>							
<b>PROGRAMME MOVEMENT</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Existing programme	63.813	77.828	45.338	0.000	0.000	0.000	186.979
New/amended schemes	(3.098)	(0.748)	2.731	34.545	37.691	38.604	109.725
<b>TOTAL PROGRAMME</b>	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>296.704</b>

The detailed programme is shown in **Appendix B** and is based on existing approved commitments, new projects and amendments to existing schemes. **Appendix C** sets out those new/amended schemes recommended for inclusion within the programme.

The Public Sector Housing capital programme supports delivery of the Transforming Nottingham's Neighbourhoods priorities within the Housing Nottingham Plan and Council Plan, supporting delivery of the following key themes:

- The standard of existing homes – ensuring existing housing stock remains well maintained, well managed and energy efficient
- The supply of new homes – maximising funding to deliver new homes across all tenures
- Meeting specialist housing need – supporting vulnerable groups by prioritising and using prevention and early intervention measures to the full

The programme takes account of the NCH AMP, known commitments from schemes in progress, health and safety issues and other service investment needs. Overall, the programme has been financed within available financial resources during the period. **Table 13** shows the summary resources identified to support the programme.

<b>TABLE 13: CAPITAL PROGRAMME &amp; RESOURCES</b>							
<b>ELEMENT</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b>TOTAL INVESTMENT</b>	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>296.704</b>
<b>RESOURCES</b>							
Capital Resources	49.096	68.093	39.424	26.254	29.615	30.285	<b>242.767</b>
Capital Receipts	4.952	3.015	2.460	0.450	0.000	0.000	<b>10.877</b>
Direct Revenue Financing	6.667	5.972	6.185	7.841	8.076	8.319	<b>43.060</b>
<b>TOTAL RESOURCES</b>	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>296.704</b>

The financing of the capital programme is shown in **Appendix D**. The summary HRA capital programme for 2014/15 is shown in **Table 14**.

<b>TABLE 14: 2014/15 SUMMARY CAPITAL PROGRAMME</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Meeting the Nottingham Decent Homes Standard	26.634
Decommissioning demolition and regeneration	22.682
Additional tenant priorities:	
- City wide energy efficiency	10.710
- Additional improvements	17.054
<b>TOTAL</b>	<b>77.080</b>

#### Decent Homes Funding

The establishment of the national Homes and Community Agency (HCA) in December 2008 brought the responsibility for overseeing an integrated approach to housing and regeneration. This includes the delivery of the *Decent Homes* Programme, intended to bring all social rented housing up to defined minimum standards. The Council is required to fund the cost of making 10% of the stock decent from their own resources as demonstrated in **Table 15**.

<b>TABLE 15 : DECENT HOMES FUNDING &amp; SPEND</b>					
<b>DESCRIPTION</b>	<b>2011/12 £m</b>	<b>2012/13 £m</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>TOTAL £m</b>
Decent Homes spend *	31.554	23.355	33.703	29.134	117.746
Decent Homes Grant	23.007	21.550	28.270	13.301	86.128
<b>COUNCIL INVESTMENT</b>	<b>8.547</b>	<b>1.805</b>	<b>4.433</b>	<b>15.833</b>	<b>31.618</b>

\* The Decent homes spend in 2013/14 and 2014/15 includes the tenant priority scheme for City wide door programmes of £2.500m per annum eligible for decent homes funding.

### Right to Buy (RTB) Receipts

**Table 16** shows the updated assumptions for receipts from the RTB scheme after applying the pooling requirement and costs of disposal.

<b>TABLE 16 : PROJECTED RTB RECEIPTS</b>							
<b>PROJECTION</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
RTB sales	1.125	1.140	1.130	0.870	0.870	0.870	6.005
Retained RTB sales	1.752	1.000	0.500	0.250	0.000	0.000	3.502
<b>Total</b>	<b>2.877</b>	<b>2.140</b>	<b>1.630</b>	<b>1.120</b>	<b>0.870</b>	<b>0.870</b>	<b>9.507</b>
<b>HRA USE</b>	<b>1.752</b>	<b>1.000</b>	<b>0.500</b>	<b>0.250</b>	<b>0.000</b>	<b>0.000</b>	<b>3.502</b>

Currently RTB receipts are used to support the private sector housing programme in the 'All Other Services' programme in the General Fund.

From 1 April 2012, DCLG introduced changes to the treatment of capital receipts under the RTB. The changes require a proportion of the receipt to be used to repay housing debt. The requirement to pay over to the DCLG 75% of RTB sales receipts remains, but this has been modified to take account of the need to reduce the level of debt. Overall the stated national policy is to use part of the receipts in future to provide replacement homes for those sold under the RTB. These additional retained RTB sales will be used to support the new build programme within the HRA.

### HRA Other Capital Receipts

HRA capital receipts (other than RTB receipts) up to the values stated can be treated as 100% usable and not subject to pooling. The receipts may be used to finance any capital expenditure. Previously approved City Council policy on the allocation of capital receipts will require these sums (i.e. **£7.375m**) to be used for Public Sector Housing.

Executive Board approved the disposal of non-purpose built council houses (known as 'corporates') on 20 October 2009. **Table 17** shows the remaining profile of receipts from the project.

<b>TABLE 17: SALE OF CORPORATES &amp; OTHER HRA LAND</b>							
<b>PROJECTION</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Original Projection	1.120	2.015	1.960	0.000	0.000	0.000	5.095
(Reduction)/ Increase	1.880	(0.200)	(0.200)	0.000	0.000	0.000	1.480
<b>Revised Corporates</b>	<b>3.000</b>	<b>1.815</b>	<b>1.760</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.575</b>
Other Housing Land Sales	0.200	0.200	0.200	0.200	0.000	0.000	0.800
<b>Revised Projection</b>	<b>3.200</b>	<b>2.015</b>	<b>1.960</b>	<b>0.200</b>	<b>0.000</b>	<b>0.000</b>	<b>7.375</b>

### Capital Allowance

Under existing regulations the need to pool receipts generated by the disposal of other HRA (i.e. Non RTB receipts) assets can be removed in certain circumstances. This requires the establishment of a capital allowance relating to works to be undertaken meeting specified criteria, including the provision of affordable social housing and regeneration schemes. **Table 18** shows the capital expenditure on Decent Homes and new build of social housing which qualify for capital allowance.

DESCRIPTION	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Decent Homes	31.203	26.634	19.265	16.082	18.671	14.164	<b>126.019</b>
New Build	13.979	22.682	14.609	3.818	7.430	14.600	<b>77.118</b>
<b>TOTAL</b>	<b>45.182</b>	<b>49.316</b>	<b>33.874</b>	<b>19.900</b>	<b>26.101</b>	<b>28.764</b>	<b>203.137</b>

### HRA debt cap

The HRA has headroom within the amount of debt that it can sustain from the rental streams enabling the sound financial management of the capital investment programme over the 30 year plan and to enable investment in new social housing as shown in **Table 19**. The repayment in year is the repayment of the principal associated with the HRA share of annuity loans, thereby reducing the Capital Financing Requirement (CFR) in year:-

DESCRIPTION	£m
HRA CFR at 1 April 2013	283.304
Less debt planned to be repaid in year	(1.005)
HRA CFR at 1 April 2014	282.299
<b>Debt cap</b>	<b>319.748</b>
<b>Estimated headroom at 1 April 2014</b>	<b>37.449</b>

The Housing Business Plan assumes the use of the headroom over the life of the plan primarily to support investment in new social housing. Additional borrowing can be taken up to the cap subject to affordability. Currently the business plan is in balance such that any additional borrowing would need to generate sufficient revenue resources to fund the repayment of the borrowing and interest.

## APPENDIX A

<b>HRA – MEDIUM TERM FINANCIAL PLAN</b>			
<b>DESCRIPTION</b>	<b>BUDGET 2014/15 £m</b>	<b>BUDGET 2015/16 £m</b>	<b>BUDGET 2016/17 £m</b>
<b>INCOME</b>			
Rental Income	(101.463)	(104.507)	(107.642)
Service charges	(4.338)	(4.468)	(4.602)
Other rents (inc garage)	(2.168)	(2.168)	(2.168)
Mortgage Interest (RTB)	(0.011)	(0.010)	(0.010)
Bank Interest	(0.077)	(0.025)	(0.025)
Other income	(0.002)	(0.002)	(0.002)
<b>TOTAL INCOME</b>	<b>(108.059)</b>	<b>(111.180)</b>	<b>(114.449)</b>
<b>WORKING BALANCE B/F</b>	<b>(4.045)</b>	<b>(4.000)</b>	<b>(4.000)</b>
<b>TOTAL</b>	<b>(112.104)</b>	<b>(115.180)</b>	<b>(118.449)</b>
<b>EXPENDITURE</b>			
Establishment:			
NCH Management Fee	22.014	22.724	23.469
Tenant incentive scheme	2.700	2.700	2.700
Repairs to Dwellings	26.804	27.726	28.356
Public Realm	2.728	2.796	2.866
Housing Direct Service Areas:			
Strategy and Regeneration	2.222	2.278	2.334
CCTV	1.358	1.391	1.427
Charges for Capital:			
Capital Charges	12.840	12.840	12.840
Provision for Depreciation	29.001	29.001	29.001
Direct Revenue Financing	5.972	6.185	7.841
Provision for Bad Debts	2.465	3.539	3.615
<b>TOTAL EXPENDITURE</b>	<b>108.104</b>	<b>111.180</b>	<b>114.449</b>
<b>WORKING BALANCE C/F</b>	<b>4.000</b>	<b>4.000</b>	<b>4.000</b>
<b>TOTAL</b>	<b>112.104</b>	<b>115.180</b>	<b>118.449</b>

APPENDIX B

CAPITAL PROGRAMME BY SCHEME 2013/14– 2018/19

PROGRAMME AND SCHEME	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
<b><u>Meeting the Nottingham Decent Homes Standard</u></b>							
<b><u>Safe</u></b>							
City Wide CCTV / Door Entry Imp	0.130	0.160	0.060	0.060	0.100	0.100	0.610
Fire Alarm Installations	0.180	0.100	0.100	0.100	0.100	0.100	0.680
Replacement Care Alarms	0.015	0.015	0.015	0.015	0.015	0.015	0.090
Asbestos Works	1.300	1.690	1.100	1.100	0.969	0.000	6.158
Smoke Alarms - External	0.323	0.000	0.000	0.000	0.000	0.000	0.323
Smoke Alarms - DLO	0.315	0.000	0.000	0.000	0.000	0.000	0.315
TV Aerials	0.018	0.000	0.000	0.000	0.000	0.000	0.018
Lift Replacement Programme - Lakehead House	0.082	0.000	0.000	0.000	0.000	0.000	0.082
Lift Replacement Programme	0.453	1.057	2.250	0.900	1.080	0.349	6.089
Radon Awareness	0.000	0.195	0.000	0.000	0.000	0.000	0.195
Periodics and Subsequent Work	0.300	0.000	0.000	0.000	0.000	0.000	0.300
Water Hygiene- Pump Upgrades	0.140	0.070	0.000	0.000	0.000	0.000	0.210
High Rise Sprinkler Systems	0.250	0.250	0.250	0.250	0.250	0.000	1.250
Victoria Centre Fire Equipment	0.250	0.000	0.000	0.000	0.000	0.000	0.250
Window Restrictor Programme	0.090	0.090	0.000	0.000	0.000	0.000	0.180
Structural Surveys & Rectification Works	0.000	0.000	0.100	0.100	0.100	0.100	0.400
	<b>3.846</b>	<b>3.627</b>	<b>3.875</b>	<b>2.525</b>	<b>2.614</b>	<b>0.664</b>	<b>17.151</b>
<b><u>Secure Warm &amp; Modern</u></b>							
Nottingham Secure	4.250	2.730	0.000	0.000	0.000	0.000	6.980
Modern Living	18.150	8.320	0.000	0.000	0.000	0.000	26.470
Warmth for Nottingham	1.200	1.450	0.000	0.000	0.000	0.000	2.650



<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Warmth for Nottingham - DLO	1.500	1.500	0.000	0.000	0.000	0.000	3.000
Roof & Chimney Replacement	0.000	6.500	0.000	0.000	0.000	0.000	6.500
Externals	0.000	0.500	0.000	0.000	0.000	0.000	0.500
Management Fee	1.907	1.907	0.000	0.000	0.000	0.000	3.814
Structural Surveys & Rectification Works	0.350	0.100	0.000	0.000	0.000	0.000	0.450
Maintaining Decency	0.000	0.000	15.390	13.557	16.057	13.500	58.504
	<b>27.357</b>	<b>23.007</b>	<b>15.390</b>	<b>13.557</b>	<b>16.057</b>	<b>13.500</b>	<b>108.868</b>
<b><u>Additional Tenant Priorities</u></b>							
<b><u>City Wide Door Programme</u></b>							
Composite Doors City Wide	2.500	2.500	2.000	2.000	0.500	0.000	9.500
	<b>2.500</b>	<b>2.500</b>	<b>2.000</b>	<b>2.000</b>	<b>0.500</b>	<b>0.000</b>	<b>9.500</b>
<b><u>Energy Efficiency &amp; Tackling Fuel Poverty</u></b>							
No Fines/ Solid Wall Insulation Schemes	1.000	4.400	4.000	3.600	3.000	2.000	18.000
BISF Upgrades/ External Wall Insulation	0.000	2.100	0.000	0.000	0.000	0.000	2.100
LED Communal Lighting	0.250	0.250	0.250	0.250	0.250	0.250	1.500
Sneinton District Heating - BMK'S	0.040	2.960	0.000	0.000	0.000	0.000	3.000
Woodthorpe & Winchester - CHP	0.000	1.000	0.000	0.000	0.000	0.000	1.000
	<b>1.290</b>	<b>10.710</b>	<b>4.250</b>	<b>3.850</b>	<b>3.250</b>	<b>2.250</b>	<b>25.600</b>
<b><u>Modernising Housing For Older People</u></b>							
Independent living Re-design	0.734	0.750	0.500	0.500	0.500	0.500	3.484
Independent Living Re-Designation	0.025	0.000	0.000	0.000	0.000	0.000	0.025
Benedict Court Major Alterations	0.000	0.280	0.000	0.000	0.000	0.000	0.280
Carnforth Court Major Alterations	0.000	0.224	0.000	0.000	0.000	0.000	0.224
Independent Living - DDA Works	1.077	0.623	0.000	0.000	0.000	0.000	1.700
Independent Living Minor Works	0.154	0.000	0.000	0.000	0.000	0.000	0.154

PROGRAMME AND SCHEME	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Mobile Scooter Stores	0.100	0.900	0.250	0.250	0.250	0.000	1.750
	<b>2.089</b>	<b>2.777</b>	<b>0.750</b>	<b>0.750</b>	<b>0.750</b>	<b>0.500</b>	<b>7.616</b>
<b><u>Area Environmental Improvements</u></b>							
Top Valley Environmentals - New Phase	0.858	0.000	0.000	0.000	0.000	0.000	0.858
City Wide Environmentals - 2012-2013	0.730	0.266	0.000	0.000	0.000	0.000	0.996
City Wide Environmentals - Area Capital Fund	0.000	1.000	1.000	1.000	1.000	1.000	5.000
Estate/Area Impact works	0.000	1.000	0.500	0.500	0.500	0.500	3.000
Minor Paving Works	0.050	0.000	0.000	0.000	0.000	0.000	0.050
Paving Works - Area Committee Schemes	0.443	0.360	0.360	0.360	0.360	0.360	2.243
Garage / Outbuildings - Citywide	0.020	0.218	0.200	0.200	0.200	0.200	1.038
	<b>2.101</b>	<b>2.844</b>	<b>2.060</b>	<b>2.060</b>	<b>2.060</b>	<b>2.060</b>	<b>13.185</b>
<b><u>Existing Stock Investment</u></b>							
Major Void Works - DLO	2.379	2.350	2.150	2.000	2.000	2.000	12.879
Timber To PVCu Windows	0.000	0.000	0.000	1.000	1.000	1.000	3.000
Victoria Centre Roof	0.150	2.278	0.000	0.000	0.000	0.000	2.428
Air Con Replacement	0.000	0.000	0.020	0.020	0.000	0.000	0.040
High Rise Window Replacement	0.000	0.000	0.800	0.800	0.000	0.000	1.600
	<b>2.529</b>	<b>4.628</b>	<b>2.970</b>	<b>3.820</b>	<b>3.000</b>	<b>3.000</b>	<b>19.947</b>
<b><u>Decommissioning Regeneration &amp; New Build</u></b>							
<b><u>City Wide Demolition &amp; Regeneration</u></b>							
Highurst Court	0.218	0.000	0.000	0.000	0.000	0.000	0.218
Clifford Court	0.188	0.000	0.000	0.000	0.000	0.000	0.188
Highurst Court	0.317	0.000	0.000	0.000	0.000	0.000	0.317
Clifford Court	0.668	0.000	0.000	0.000	0.000	0.000	0.668
Radford New Build	1.650	3.987	0.000	0.000	0.000	0.000	5.637

<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Lenton Court	0.316	0.000	0.000	0.000	0.000	0.000	0.316
Digby Court	0.505	0.000	0.000	0.000	0.000	0.000	0.505
Abbey Court	0.718	0.000	0.000	0.000	0.000	0.000	0.718
Willoughby Court	0.400	0.229	0.000	0.000	0.000	0.000	0.629
Newgate Court	0.316	0.358	0.000	0.000	0.000	0.000	0.674
Garage Sites - Demolition Costs - Lenton	0.131	0.287	0.000	0.000	0.000	0.000	0.418
Lenton Court	0.838	0.000	0.000	0.000	0.000	0.000	0.838
Digby Court	0.870	0.000	0.000	0.000	0.000	0.000	0.870
Abbey Court	0.050	0.820	0.000	0.000	0.000	0.000	0.870
Lenton New Build - Phase 1 Includes ILS	1.863	3.537	0.000	0.000	0.000	0.000	5.400
Lenton New Build - Phase 2 Includes Flats	0.000	0.000	0.000	0.750	0.000	0.000	0.750
Lenton New Build - Phase 2 Includes Bungalows	0.000	1.520	0.000	0.000	0.000	0.000	1.520
Infrastructure Cost	0.000	0.250	0.250	0.000	0.000	0.000	0.500
Section 106 Contribution	0.000	0.250	0.250	0.250	0.000	0.000	0.750
Meadows Crosswall - Phase 1	0.105	0.000	0.000	0.000	0.000	0.000	0.105
Meadows Crosswall - Phase 2	0.098	0.000	0.000	0.000	0.000	0.000	0.098
Meadows Crosswall - Phase 2	0.039	0.000	0.000	0.000	0.000	0.000	0.039
The Chase / Locksley Phase 1	0.108	0.000	0.000	0.000	0.000	0.000	0.108
The Chase Phase 2	0.000	0.057	0.000	0.000	0.000	0.000	0.057
The Chase / Locksley Phase 1	0.198	0.000	0.000	0.000	0.000	0.000	0.198
Robin Hood New Build	0.000	0.000	0.000	0.000	1.430	0.000	1.430
Cranwell Road Flats	0.402	0.134	0.000	0.000	0.000	0.000	0.536

<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Meadows Q Blocks	0.331	0.862	0.134	0.000	0.000	0.000	1.327
Leaseholder Costs - Acquisitions - Cranwell / Meadows	1.353	1.120	0.000	0.000	0.000	0.000	2.473
Cranwell Road Flats - Phase 1	0.064	0.000	0.000	0.000	0.000	0.000	0.064
Cranwell New Build	0.000	1.250	3.495	0.000	0.000	0.000	4.745
Meadows New Build	0.000	1.140	4.775	0.000	0.000	0.000	5.915
Rehousing Costs	0.000	2.329	0.400	0.200	0.000	0.000	2.929
Demolition	0.000	1.320	1.047	0.000	0.000	0.000	2.367
Wendling Gardens - New Build	0.157	0.000	0.000	0.000	0.000	0.000	0.157
Henning Gardens - New Build	0.677	0.000	0.000	0.000	0.000	0.000	0.677
Windmill Close - New build	1.259	0.000	0.000	0.000	0.000	0.000	1.259
Denton Green - Demolition	0.090	0.000	0.000	0.000	0.000	0.000	0.090
Denton Green - New Build	0.000	0.470	0.000	0.000	0.000	0.000	0.470
Ragdale Road - New Build	0.000	0.570	0.000	0.000	0.000	0.000	0.570
Meadowvale Road - New Build	0.000	0.330	0.000	0.000	0.000	0.000	0.330
Aspley JSC / Stepney Court - Demo / New Build	0.050	0.700	0.000	0.000	0.000	0.000	0.750
Aspley JSC / Stepney Court - Demo / New Build	0.000	0.912	0.000	0.000	0.000	0.000	0.912
New Build - Unallocated	0.000	0.000	4.258	2.618	0.000	0.000	6.876
Phase 2 New Build - RTB Funded	0.000	0.000	0.000	0.000	0.000	5.600	5.600
Phase 2 New Build - HRA Borrowing Headroom	0.000	0.000	0.000	0.000	6.000	9.000	15.000

<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Acquisition	0.000	0.250	0.000	0.000	0.000	0.000	0.250
	<b>13.979</b>	<b>22.682</b>	<b>14.609</b>	<b>3.818</b>	<b>7.430</b>	<b>14.600</b>	<b>77.118</b>
<b><u>Aids &amp; Adaptations &amp; Preventive Adaptations (PAD)</u></b>							
Adaptations For Disabled Persons	0.900	1.519	0.731	0.731	0.731	0.731	5.343
Adaptations For Disabled Persons - DLO	0.900	1.269	1.269	1.269	1.134	1.134	6.975
Preventive Adaptations For Older People - PAD	0.100	0.100	0.100	0.100	0.100	0.100	0.600
	<b>1.900</b>	<b>2.888</b>	<b>2.100</b>	<b>2.100</b>	<b>1.965</b>	<b>1.965</b>	<b>12.918</b>
<b><u>Joint NCC / NCH Involvement</u></b>							
Sanctuary Project	0.065	0.065	0.065	0.065	0.065	0.065	0.390
HRA Shop Investment Strategy	0.182	0.000	0.000	0.000	0.000	0.000	0.182
St Anns Estate Action - Stonebridge Park - Unallocated	0.000	0.565	0.000	0.000	0.000	0.000	0.565
St Anns Estate Action - Stonebridge Park - PLOT	0.325	0.000	0.000	0.000	0.000	0.000	0.325
Kingsthorpe / Kendale - Demolition	0.099	0.000	0.000	0.000	0.000	0.000	0.099
Highcross Court Decommissioning	0.028	0.000	0.000	0.000	0.000	0.000	0.028
Empty Homes	1.246	0.787	0.000	0.000	0.000	0.000	2.033
Mortgage Rescue Scheme (Inc Buy Back / D-Homes)	0.940	0.000	0.000	0.000	0.000	0.000	0.940
Office Improvements	0.200	0.000	0.000	0.000	0.000	0.000	0.200
IT Development Programme	0.039	0.000	0.000	0.000	0.000	0.000	0.039
	<b>3.124</b>	<b>1.417</b>	<b>0.065</b>	<b>0.065</b>	<b>0.065</b>	<b>0.065</b>	<b>4.801</b>
<b>TOTAL</b>	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>296.704</b>

## APPENDIX C - CAPITAL PROGRAMME SCHEMES AMENDMENTS FOR APPROVAL 2013/14 – 2018/19

PROGRAMME AND SCHEME	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
<b><u>Meeting the Nottingham Decent Homes Standard</u></b>							
<b><u>Safe</u></b>							
City Wide CCTV / Door Entry Imp	(0.100)	0.160	0.060	0.060	0.100	0.100	0.380
Fire Alarm Installations	0.000	0.100	0.100	0.100	0.100	0.100	0.500
Replacement Care Alarms	0.000	0.000	0.000	0.015	0.015	0.015	0.045
Asbestos Works	0.000	0.000	0.000	1.100	0.969	0.000	2.069
Lift Replacement Programme	0.000	(0.860)	1.050	0.900	1.080	0.349	2.519
Radon Awareness	(0.010)	0.010	(0.185)	0.000	0.000	0.000	(0.185)
Periodics and Subsequent Work	(0.200)	(1.500)	(1.000)	0.000	0.000	0.000	(2.700)
Water Hygiene- Pump Upgrades	0.060	(0.010)	(0.080)	0.000	0.000	0.000	(0.030)
High Rise Sprinkler Systems	0.000	(0.250)	(0.250)	0.250	0.250	0.000	0.000
Structural Surveys & Rectification Works	0.000	0.000	0.100	0.100	0.100	0.100	0.400
	<b>(0.250)</b>	<b>(2.350)</b>	<b>(0.205)</b>	<b>2.525</b>	<b>2.614</b>	<b>0.664</b>	<b>2.998</b>
<b><u>Secure Warm &amp; Modern</u></b>							
Roof & Chimney Replacement	0.000	3.296	0.000	0.000	0.000	0.000	3.296
Externals	0.000	(5.390)	0.000	0.000	0.000	0.000	(5.390)
Structural Surveys & Rectification Works	0.000	0.000	(0.100)	0.000	0.000	0.000	(0.100)
Maintaining Decency	0.000	0.000	0.000	13.557	16.057	13.500	43.114
	<b>0.000</b>	<b>(2.094)</b>	<b>(0.100)</b>	<b>13.557</b>	<b>16.057</b>	<b>13.500</b>	<b>40.920</b>
<b><u>Additional Tenant Priorities</u></b>							
<b><u>City Wide Door Programme</u></b>							
Composite Doors City Wide	0.000	0.000	0.000	2.000	0.500	0.000	2.500
	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>2.000</b>	<b>0.500</b>	<b>0.000</b>	<b>2.500</b>

<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b><u>Energy Efficiency &amp; Tackling Fuel Poverty</u></b>							
Voltage Optimisation	(0.050)	(0.950)	(0.500)	0.000	0.000	0.000	(1.500)
No Fines/ Solid Wall Insulation Schemes	0.000	2.500	2.900	3.600	3.000	2.000	14.000
LED Communal Lighting	0.000	0.000	0.000	0.250	0.250	0.250	0.750
Sneinton District Heating - BMK'S	(0.960)	0.960	0.000	0.000	0.000	0.000	0.000
	<b>(1.010)</b>	<b>2.510</b>	<b>2.400</b>	<b>3.850</b>	<b>3.250</b>	<b>2.250</b>	<b>13.250</b>
<b><u>Modernising Housing For Older People</u></b>							
Independent Living Re-Design	0.000	0.000	0.000	0.500	0.500	0.500	1.500
Benedict Court Major Alterations	(0.280)	0.056	0.000	0.000	0.000	0.000	(0.224)
Carnforth Court Major Alterations	0.000	0.224	0.000	0.000	0.000	0.000	0.224
Mobile Scooter Stores	0.000	0.000	0.000	0.250	0.250	0.000	0.500
	<b>(0.280)</b>	<b>0.280</b>	<b>0.000</b>	<b>0.750</b>	<b>0.750</b>	<b>0.500</b>	<b>2.000</b>
<b><u>Area Environmental Improvements</u></b>							
City Wide Environmentals – 2012-2013	(0.266)	0.266	0.000	0.000	0.000	0.000	0.000
City Wide Environmentals - Area Capital Fund	0.000	(1.000)	0.000	1.000	1.000	1.000	2.000
Estate/Area Impact works	(0.500)	0.500	0.000	0.500	0.500	0.500	1.500
Minor Paving Works	0.000	(0.050)	(0.050)	0.000	0.000	0.000	(0.100)
Paving Works - Area Committee Schemes	0.000	0.000	0.000	0.360	0.360	0.360	1.080
Garage / Outbuildings – Citywide	(0.218)	0.218	(0.800)	0.200	0.200	0.200	(0.200)
	<b>(0.984)</b>	<b>(0.066)</b>	<b>(0.850)</b>	<b>2.060</b>	<b>2.060</b>	<b>2.060</b>	<b>4.280</b>
<b><u>Existing Stock Investment</u></b>							
Communal Facilities	0.000	(0.352)	-0.352	0.000	0.000	0.000	(0.704)
Major Void Works - DLO	0.320	0.350	0.350	2.000	2.000	2.000	7.020
Timber To PVCu Windows	0.000	0.000	0.000	1.000	1.000	1.000	3.000
Air Con Replacement	0.000	0.000	0.000	0.020	0.000	0.000	0.020

<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
High Rise Window Replacement	0.000	0.000	0.000	0.800	0.000	0.000	0.800
	<b>0.320</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>3.820</b>	<b>3.000</b>	<b>3.000</b>	<b>10.136</b>
<b><u>Decommissioning Regeneration &amp; New Build</u></b>							
<b><u>City Wide Demolition &amp; Regeneration</u></b>							
Radford New Build	(0.150)	0.150	0.000	0.000	0.000	0.000	0.000
Abbey Court	0.050	0.820	0.000	0.000	0.000	0.000	0.870
Lenton New Build - Phase 1 Includes ILS	0.311	(0.311)	0.000	0.000	0.000	0.000	0.000
Lenton New Build - Phase 2 Includes Flats	0.000	0.000	0.000	0.750	0.000	0.000	0.750
Section 106 Contribution	0.000	0.000	0.000	0.250	0.000	0.000	0.250
The Chase Phase 2	(0.057)	0.057	0.000	0.000	0.000	0.000	0.000
Robin Hood New Build	0.000	0.000	(1.430)	0.000	1.430	0.000	0.000
Cranwell New Build	0.000	(1.750)	0.195	0.000	0.000	0.000	(1.555)
Meadows New Build	0.000	0.000	2.575	0.000	0.000	0.000	2.575
Rehousing costs	0.000	0.000	0.000	0.200	0.000	0.000	0.200
Demolition	(0.200)	(0.670)	0.000	0.000	0.000	0.000	-0.870
City Wide Infill Site Regeneration - Demo Phase 4	0.000	0.000	(0.700)	0.000	0.000	0.000	(0.700)
Denton Green - Demolition	0.090	0.000	0.000	0.000	0.000	0.000	0.090
Denton Green - New Build	0.000	0.470	0.000	0.000	0.000	0.000	0.470
Ragdale Road - New Build	0.000	0.570	0.000	0.000	0.000	0.000	0.570



<b>PROGRAMME AND SCHEME</b>	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
Meadowvale Road - New Build	0.000	0.330	0.000	0.000	0.000	0.000	0.330
Aspley JSC / Stepney Court - Demo / New Build	(0.150)	0.400	0.000	0.000	0.000	0.000	0.250
Aspley JSC / Stepney Court - Demo / New Build	0.000	0.912	0.000	0.000	0.000	0.000	0.912
New Build - Unallocated	0.000	(0.792)	0.848	2.618	0.000	0.000	2.674
Phase 2 New Build - RTB Funded	0.000	0.000	0.000	0.000	0.000	5.600	5.600
Phase 2 New Build - HRA Borrowing Headroom	0.000	0.000	0.000	0.000	6.000	9.000	15.000
	<b>(0.106)</b>	<b>0.186</b>	<b>1.488</b>	<b>3.818</b>	<b>7.430</b>	<b>14.600</b>	<b>27.416</b>
<b><u>Aids &amp; Adaptations &amp; Preventive Adaptations (PAD)</u></b>							
Adaptations For Disabled Persons	(0.419)	0.788	0.000	0.731	0.731	0.731	2.562
Adaptations For Disabled Persons - DLO	(0.369)	0.000	0.000	1.269	1.134	1.134	3.168
Preventive Adaptations For Older People - PAD	0.000	0.000	0.000	0.100	0.100	0.100	0.300
	<b>(0.788)</b>	<b>0.788</b>	<b>0.000</b>	<b>2.100</b>	<b>1.965</b>	<b>1.965</b>	<b>6.030</b>
<b><u>Joint NCC / NCH Involvement</u></b>							
Sanctuary Project	0.000	0.000	0.000	0.065	0.065	0.065	0.195
	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.065</b>	<b>0.065</b>	<b>0.065</b>	<b>0.195</b>
<b>TOTAL</b>	<b>(3.098)</b>	<b>(0.748)</b>	<b>2.731</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>109.725</b>

## APPENDIX D

### HRA CAPITAL RESOURCES APPLIED

RESOURCE TYPE	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	TOTAL £m
Resources b/f	33.344						33.344
Prudential Borrowing	0.000	0.000	0.000	0.000	6.000	9.000	15.000
Decent Homes - Capital Grants	28.270	13.301	0.000	0.000	0.000	0.000	41.571
Major Repairs Reserve	27.081	29.001	29.001	29.001	29.001	29.001	172.086
Capital Grants	1.208	0.772	0.000	0.000	0.000	0.000	1.980
Direct Revenue Financing	6.667	5.972	6.185	7.841	8.076	8.319	43.060
Capital Receipts	4.952	3.015	2.460	0.450	0.000	0.000	10.877
<b>Total resources</b>	<b>101.522</b>	<b>52.061</b>	<b>37.646</b>	<b>37.292</b>	<b>43.077</b>	<b>46.320</b>	<b>317.918</b>
<b>Capital expenditure</b>	<b>60.715</b>	<b>77.080</b>	<b>48.069</b>	<b>34.545</b>	<b>37.691</b>	<b>38.604</b>	<b>296.704</b>

Future commitment to maintaining decency							<b>21.214</b>
<b>Resources c/f</b>	<b>40.807</b>	<b>15.788</b>	<b>5.365</b>	<b>8.112</b>	<b>13.498</b>	<b>21.214</b>	<b>0.000</b>



# ANNEX 5

## ROBUSTNESS OF THE BUDGET

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A	General Fund Risk Assessment
B	Housing Revenue Account Risk Assessment

# **Robustness of the Budget and Adequacy of Reserves**

## **1. Introduction**

The Local Government Act (Part II) 2003 requires a council's Chief Finance Officer (CFO) to report to councillors on the robustness of budget estimates and the adequacy of that council's financial reserves. The City Council's CFO (also known as the Section 151 officer) holds the post of Deputy Chief Executive & Corporate Director for Resources. A summary of this evaluation is set out below.

The CFO is required to hold a current professional accountancy qualification. The current CFO qualified with CIPFA in 1992 and has both maintained membership of the Institute and engaged with their Continuous Professional Development scheme since then. She has been a CFO here and elsewhere since 2002.

## **2. Overall Robustness of the Budget**

The City Council's annual budget is constructed in order to deliver the Council Plan. The Medium Term Financial Strategy (MTFS) is the overarching framework within which the Council's financial planning and management activity takes place. The annual budget is an integral part of the rolling 3-year Medium Term Financial Plan (MTFP). This approach enables it to support delivery of the Council's priorities, services and improvements. It provides the means by which planned spending may be controlled within available resources. Therefore, this assessment of the robustness of the budget focuses on the likelihood that actual spending will vary from the budget and the consequent impact on the financial health of the organisation.

The Council is a going concern and the budget process is part of a continuous service planning and financial cycle. Therefore, a wealth of knowledge and understanding of the previous and current local and national financial and economic environments is used to make informed assumptions and judgements about the future. This activity seeks to establish a robust budget which is appropriate, realistic and constructed having taken a practical and appropriate assessment of risk.

Many of the details used to inform this assessment are set out in the other Annexes of this report and are therefore not replicated here.

### Assumptions

Underlying assumptions have been examined and found to be satisfactory as follows:

- The funding for inflationary pressures is considered to be appropriate, being consistent with known trends and reasonable forecasts.
- The income aspects of the overall budget are calculated based on previous and current trends, known influences and identified risks.
- There are appropriate bad debt provisions in place.
- Other known trends and known and potential pressures (e.g.: demographic changes, new legislation, changes of use etc.) have been evaluated, subjected to various peer reviews and professional challenge and adequately provided for.
- The organisational and financial frameworks and processes required in order to operate within the proposed budget are practical and adequately planned.

- Capital receipts used in the funding of the capital programme have been based on professional estimates both of timing and value with a specific risk assessment applied to determine likelihood of receipt.
- Borrowing is within the Council's Prudential Indicators.

Other mechanisms have been used in order to confirm the robustness of the budget estimates, which sit within an overarching planning and governance framework. These include:

- The strength and use of current performance and financial management procedures and reporting and forecasting arrangements (including for example: the Annual Governance Statement, internal and external audit reports, monitoring and forecasting reports, the performance appraisal system, performance boards and the accountability letters).
- The extent, value and complexity of the individual and collective proposed *Strategic Choices* in the context of the overall MTFP.
- The track record of services in relation to the implementation of previous and current budget proposals.
- The track record of services in being able to deliver services within budget and deal with emerging pressures within budget.
- The degree and quality of engagement by colleagues and councillors in the process to develop and construct the budget.
- The qualifications, experience and contribution of professional colleagues (ie: finance and HR) engaged throughout the process.
- Proposed rent levels and collection rate trends.
- The introduction and use of various gateways in relation to recruitment to permanent posts, of agency staff and the use of consultants.
- The proportion and profile of savings that is permanent, ongoing and sustainable. For example service transformation, workforce reduction, divestment, increased income etc.
- The level of expenditure and income that is one-off in nature.
- The process for the identification and evaluation of current contingent liabilities as set out in the most recently published Statement of Accounts.
- A review of the movements in and availability of contingency, provisions and earmarked reserves to meet unforeseen and emerging future cost pressures.
- The use of professional experience and best professional judgment, supported by appropriate professional and technical guidance.

#### Linking Service Delivery to the Budget

In addition to reviewing the framework for the construction of the budget, the CFO has also considered the adequacy of the processes through which it is then delivered, taking account of the fact that:

- Local government continues to see significant reductions in national funding and major changes to national policy.
- The Government's welfare reform programme has brought significant costs for local authorities, such as the localisation of Council Tax Support to replace the

national council tax benefit scheme, as well as the other costs associated with helping citizens prepare for significant changes to Housing Benefit etc.

- The Council has a three-year financial plan, providing a clear framework for both financial and non-financial plans and ensuring an alignment of financial resources with organisational priorities.
- Budgets have been constructed following detailed guidelines, based upon a baseline of the current policy framework and previously agreed levels of service, and that all service investments and reductions are identified separately.
- There has been widespread and practical engagement throughout the budget development and construction process with all senior colleagues and Executive Councillors.
- There have been extensive briefings of *Team Nottingham* colleagues and Executive Councillors in relation to the financial position and the reasons for it. There has also been a wide range of communications with stakeholders. All this has built a good degree of understanding of the issues and how this has impacted on the budget.
- Budgets have been subject to review by senior finance colleagues throughout the process in terms of reasonableness and accuracy.
- Elements of the budget have been subjected to peer review and challenge.
- The City Council's budget process provides all stakeholders with an opportunity to analyse and review the financial plans being proposed. Feedback has been sought on the detailed proposals from a number of sources, including councillors, trades unions, colleagues, the business representatives and community groups.
- The Corporate Leadership Team (CLT) has reviewed detailed information on the budget and associated issues and has been fully engaged in working up, analysing and recommending options.
- There is a clear performance management regime in place, with clear accountability of individuals and teams for the delivery of services within budget and including the delivery of all budget proposals. This starts with the individual Accountability Letters issued to all managers and financial targets being reflected in performance objectives and continues throughout the year within the performance appraisal process.

#### Monitoring – a confirmation of the robustness of the budget

The Council's financial controls are set out within financial regulations, allowing significant assurance of the strength of financial management and control throughout the Council. Formal accountability letters are sent to senior managers setting out their personal financial responsibilities, including implementation of savings and investments.

These arrangements provide a framework for financial monitoring and regular reports setting out spending to date and a projection to the year-end are provided to the CFO, Departmental Leadership Teams and CLT. In parallel, section plans are formulated and delivered to manage and minimise any significant variations to approved budgets.

These are supported by the current arrangements for reporting to councillors, through which reports are reviewed approximately quarterly by the Executive Board.



## Current Financial Position

### General Fund Revenue

Current monitoring indicates that the forecast General Fund outturn for 2013/14 will show an under spend of c **£1.700m**. Un-earmarked reserves levels have been informed by the by the detailed risk assessment undertaken as part of the budget process these are shown in **Appendix A and B**.

### Capital Programme

Capital programme schemes often span a number of years, so it is essential that a longer term view is taken on programming and resourcing. A risk-based assessment has been adopted to forecast the likely capital receipts from the sale of assets.

- General Fund

The forecast spend over the capital programme is **£402.945m** compared to resources of **£419.3371m**. There is a projected surplus of resources in 2018/19 of **£16.392m** but includes unsecured projected capital receipts of **£17.746m**.

- Housing Revenue Account (HRA) – Public Sector Housing

The forecast spend in the 5 year period is **£296.704m** which is fully financed from available resources generated within the HRA. The MTFP is estimated to generate an additional £21.214m of resources to fund future commitments to maintaining decent homes.

### HRA Revenue

The City Council is required to periodically review the HRA to ensure that it does not move into deficit. In order to allow for unforeseen expenditure or loss of income, a working balance is needed. The 2013/14 budget allowed for a working balance of **£4.000m** and given the introduction of the HRA self financing regime and the withdrawal of the HRA subsidy mechanism, it is recommended that the level of working balance be maintained at this level.

## **3. Adequacy of Reserves and Risk Assessment**

National decisions regarding public funding and expenditure have been taken by central Government to support their stated intention to reduce the national deficit. This has again resulted in a significant reduction in the level of funding available to the City Council. Although this has been met with a robust and detailed approach to the identification and delivery of the savings required as a consequence, this level of cost reduction attracts a heightened degree of risk associated with its delivery. Whilst the current proposed budget fairly represents sufficient resourcing for current planned activity, this risk cannot be ignored and the levels of contingency included within the budget reflect these risks.

The assessment of reserves is even more important in the context of the sustained cuts in funding. It is important to acknowledge that reserves are 'one off' funds and are therefore more suitable for funding 'one off' or unexpected costs. The use of reserves to fund ongoing expenditure is generally not advised, except in emergencies and/or to enable transition to new ways of working.

Taken together, reserves, contingencies and the processes within the financial framework provide capacity to deal with the changes arising from external forces. This

will include, for example: increased demand for services from citizens, changes in legislation and guidance from central government, economic changes, interest rate changes and employee relations. This list is indicative rather than exhaustive. The localisation of both Business Rates and Council Tax Support (formerly benefits) increases the significance of Council reserve levels as these are new significant variables on both income and expenditure.

In recommending an adequate level of reserves, the CFO considers and monitors the opportunity costs of maintaining particular levels of reserves. This opportunity cost may be the lost opportunity of investing those funds in service improvement and/or spending on alternative activities. There is a balance to be struck between setting prudent levels of contingencies and reserves considered to be an adequate 'safety net' to ensure the Council can operate successfully in a very challenging environment and ensuring sufficient funds are in place for service provision and other Council activities. The levels recommended here are considered to have achieved that balance.

**Table 1** shows the estimated Net Revenue Expenditure (NRE) and Unallocated Reserves for Nottingham compared with those of other councils. The data is based on 2013/14 CIPFA Finance and General Estimates, demonstrating Nottingham's reasonable position relative to similar councils.

<b>TABLE 1 : COMPARISON OF RESERVES WITH OTHER AUTHORITIES</b>			
<b>Authority</b>	<b>Net Revenue Expenditure £m</b>	<b>Estimated Unallocated Reserves as at 1 April 2013 £m</b>	<b>Estimated Unallocated Reserves as % of NRE</b>
Birmingham	1044.700	17.900	1.71%
Sheffield	483.904	10.722	2.22%
Leeds	590.574	19.245	3.26%
<b>Nottingham</b>	<b>269.140</b>	<b>9.500</b>	<b>3.53%</b>
Derby	197.333	7.143	3.62%
Newcastle	272.883	10.134	3.71%
Leicester	280.497	11.400	4.06%
Manchester	531.005	24.707	4.65%
Liverpool	515.008	24.789	4.81%

This decision is supported by a comprehensive risk assessment to ensure that the level of reserves represents an appropriately robust financial safety net for the organisation. In assessing these risks the CFO has consulted with relevant colleagues and stakeholders to ensure all risks have been identified. The importance of this work, its depth and accuracy, is further enhanced as a number of the proposals included within the budget plans involve significant changes to current structures, systems and processes, they involve higher levels of risk than those which broadly maintain current arrangements. At the most practical level those risks begin with the possibility of slippage and disruption in the transition from old to new arrangements. The CFO has sought to ensure that issues of this type and their potential budgetary implications are appreciated by relevant colleagues and councilors.

Given the level of savings included in this MTFP the CFO has undertaken an assessment of their deliverability and set out clearly the implications and contingency plans which apply where savings are not delivered as planned. Robust and timely

monitoring of savings delivery plans with ongoing contingency planning will be critically important throughout the year.

### General Fund

The MTFs requires the opening balance on the General Fund Reserve to be between 2% and 4% of the total net general fund revenue budget. For 2014/15 this range is **£5.5m to £11m**. This level of reserve has been informed by the risk assessment as detailed in **Appendix A** of this Annex. The proposed General Fund balance for 2014/15 is **£9.5m**, which is **3.4%** of the net general fund budget, as at 1 April 2014. This level is expected to be sufficient in all but the most unusual and serious combination of possible events and provides an optimum balance between risk management and opportunity cost.

The MTFs provides for a central contingency value of between 0.4% and 0.9% of the previous years net revenue budget (NRB) this equates to a range between **£1.147m** and **£2.582m** for 2014/15. The proposed level is **£2.151m** (i.e. **0.75%**) and takes account of the significant savings package and challenging future financial outlook

### Housing Revenue Account (HRA)

The MTFs requires the City Council to establish opening HRA reserves of between 2% and 3% of the gross HRA spend the precise level within this range being informed by the risk assessment with no opening working balance ever being set below the 2% threshold in an individual year. **Appendix B** details the risks and the working balance required in 2014/15 is **£4.000m**, which is **2.2%** of the gross expenditure.

### Review of Reserves

As an aspect of the Council's sound financial management, the level and use of all reserves is regularly reviewed by the CFO, her senior colleagues and the Leader and Portfolio Holder. Any significant issues are reported as an integral aspect of monitoring and forecasting reports to management and to councillors.

### Conclusions

In conclusion, with contingencies and reserves at the level set out here and in the overall budget report, the CFO considers that the proposed budget for 2014/15 is robust and that the level of reserves is adequate because:

- The overall budget process is established good practice and fit for purpose, there is an annual review of the process and continuous improvement is embedded;
- The process is supported by appropriately qualified and experienced professional colleagues;
- There has been good and extensive engagement in the budget development and construction process by senior colleagues and Executive Councillors;
- There have been thorough arrangements in place to challenge proposals and make revisions as a result;
- Known cost pressures (including inflation) have been identified and resourced at realistic levels;
- Risks have been identified (and where appropriate costed) and will be subject to control and management using established risk management procedures;

- There is clear accountability of both individuals and teams effected through the continued use of accountability letters, individual performance objectives, reporting, peer review and individual performance appraisals;
- There is a wider organisational understanding of the financial position, the reasons for it and the need for good financial management;
- Budget monitoring and scrutiny arrangements are in place, including arrangements for the identification of remedial action;
- There is an overall satisfactory track record within the Council for the implementation of the majority of strategic choices and for delivering services within budget;
- The increased levels of contingencies and reserves are considered to be, based on currently known information and professional judgment, adequate to deal with the inherent higher levels of risk within the budget arising from: a continued significant reduction in funding, high value cost reductions, increased demand from citizens, the complex nature of some of those changes requiring major service redesign and organisational change, the prevailing challenging economic situation, the impact of extensive policy changes from central Government; all in the context of the City's demographics;
- It is recognised that contingencies and reserves will continue to need to be constantly reviewed to determine adequacy and there are processes in place to increase such provisions should this be required.

This statement has been prepared in good faith and having made best endeavours to take into account all known prevailing relevant issues.

**Carole Mills, CPFA**  
**Deputy Chief Executive and Corporate Director for Resources**  
**Chief Finance Officer**  
**Nottingham City Council. 17 February 2014**

**GENERAL FUND- RISK ASSESSMENT**

**APPENDIX A**

DEPARTMENT/ POTENTIAL RISK	WORST CASE £m	ASSESSMENT OF RISK £m	ESTIMATED EXPOSURE £m
<b>CORPORATE RISK</b>			
<b>NNDR appeals risk</b> The income risk on Business rates is shared with Government. A 1% increase in the level of successful appeals could cost £0.600m.	0.600	High	0.540
<b>Council Tax Support</b> Potential for increase in Council Tax Support of 2%. A 1% increase in demand for CTS will reduce Council Tax collection by approximately £0.300m.	0.600	High	0.540
<b>Adverse variation in inflation</b> A 1% increase in inflation on supplies and services would lead to additional pressure of £2.5m. In recent years inflation has been consistently above Government estimates.	1.750	Medium	0.875
<b>Adverse variation in grant funding</b> Potential for Government to revise the funding mechanisms to squeeze local authority funding even harder in future years (eg by increasing the proportion of business rates centrally or amendments to fund the business rates safety net payments by top-slicing grants) A 1% variation in grant funding equates to £1.600m	1.600	High	1.440
<b>Restriction on charging for services</b> Potential for Government to restrict the level of local charges levied for some services	0.900	Medium	0.450
<b>TOTAL CORPORATE RISK</b>	<b>5.450</b>		<b>3.845</b>
<b>CHILDREN AND FAMILIES RISK</b>			
<b>Slippage in delivering Big Ticket Strategic Choices</b> Slippage in the Big Ticket implementation could result in delivery of savings. Although attempts would be made to identify alternative savings there is still a risk of the overall target of savings not being achieved.	2.813	Medium	1.407

DEPARTMENT/ POTENTIAL RISK	WORST CASE £m	ASSESSMENT OF RISK £m	ESTIMATED EXPOSURE £m
<b>Safeguarding -Children in Care</b> The MTFP assumes a growth rate of 4.6% per annum in Children in Care (budgeted at 619). Initial activity suggested an increase of 5.6%; if this level occurs the extra placements will be made externally, due to the limited number of internal provisions, at a cost of £2.5k per week, giving an exposure of £0.804m.	0.804	Medium	0.402
<b>Impact of Children &amp; Families Bill</b> The Children and Families Bill comes into effect in September 2014; it sets out to transform the way that services in relation to children with SEN will be delivered. This will have implications for the Local Authority which are still being quantified and are not accounted for in the MTFP	1.255	Medium	0.628
<b>Legal Costs</b> Increased demand for legal services as a result of increased activity related to Children in Care (CiC)	0.250	Low	0.063
<b>Renegotiation of the framework arrangement for Children in Care</b> The current framework for procuring external provisions for Children in Care is being renegotiated in Summer 2014. Risk associated with rates being higher than those assumed in the MTFP.	0.424	Low	0.212
<b>Adults Safeguarding costs</b> The service continues to experience increased demand over and above current levels in the MTFP.	1.614	Medium	0.807
<b>Outcome of OFSTED inspection</b> The outcome of an OFSTED inspection may increase costs.	0.500	Medium	0.250
<b>Educational Services Grant Reduction</b> Reduction of the Educational Services Grant	2.263	Medium	1.132
<b>Total Children &amp; Families Risk</b>	<b>9.923</b>		<b>4.901</b>

DEPARTMENT/ POTENTIAL RISK	WORST CASE £m	ASSESSMENT OF RISK £m	ESTIMATED EXPOSURE £m
<b>COMMUNITIES RISK</b>			
<p><b>Trading activities</b></p> <p>There is a range of trading activities in the communities department each with its own trading surplus target. The consequence of under achievement of the target could be an increase to the net charge to the general fund although there are mitigations in the MTFS that could be instigated to offset some of the risk.</p>	1.000	Medium	0.500
<b>Total Communities risk</b>	<b>1.000</b>		<b>0.500</b>
<b>DEVELOPMENT RISK</b>			
<p><b>Income from Planning and Building Control</b></p> <p>There is a risk of failure to achieve budgeted income targets for Planning and Building control as a result of lack of development activity due to economic conditions. Income budget for Planning and Building Control is £0.494m.</p>	0.115	Medium	0.058
<p><b>Loss of fee income from capital projects</b></p> <p>There is a risk of reduced fee income generated due to a decreased demand from external projects delivered by the Corporate Maintenance &amp; Design Services. This could be partly offset by reducing costs.</p>	0.300	Low	0.075
<p><b>Business rates uplift insufficient to fund City Deal TIF2 scheme in the creative quarter</b></p> <p>In order to generate additional activity in the City Deal area capital works are required to unlock the potential of the area. These capital works will be financed from prudential borrowing which will be repaid from increase business rate collection in the area. There is a risk that the additional business activity will not generate sufficient additional income to support the development and alternative capital resources will be required to mitigate any shortfall in resources.</p>	2.000	Medium	1.000
<p><b>Slippage in achieving Strategic Choice savings and Big Ticket Initiatives</b></p> <p>A range of challenging savings and Big Ticket initiatives has been included in the budget. There are risks in relation to the timescales for deliverability of these initiatives and their scale of impact.</p>	0.900	Medium	0.450
<b>Total Development Risks</b>	<b>3.315</b>		<b>1.583</b>

DEPARTMENT/ POTENTIAL RISK	WORST CASE	ASSESSMENT OF RISK	ESTIMATED EXPOSURE
	£m	£m	£m
<b>RESOURCES RISK</b>			
<b>Emergency Planning - Disaster Recovery</b> The financial impact of a disaster recovery programme. Under the Bellwin Scheme, amounts under 0.2% of net revenue should have to be contained within existing resources. Amounts over the 0.2% will only be funded at 85% of the qualifying expenditure.	0.856	Medium	0.428
<b>Reduction of external budgeted income from the sale of services to schools</b> Services to schools sold include HR, Legal, IT and Internal Audit. Expenditure could be reduced, but redundancies may be incurred and not all costs may be mitigated.	0.199	Medium	0.100
<b>Partners withdraw from services provided under SLA for Finance, HR, Legal and IT (SLA's are reviewed annually)</b> Viability of the business case is compromised. Investment in IT does not happen and savings are prevented.	0.230	Low	0.057
<b>Total Resources Risk</b>	<b>1.285</b>		<b>0.585</b>
<b>TOTAL POTENTIAL RISK</b>	<b>20.973</b>		<b>11.414</b>



<b>HRA – RISK ASSESMENT</b>			
<b>POTENTIAL RISK</b>	<b>WORST CASE</b>	<b>ASSESSMENT OF RISK</b>	<b>ESTIMATE OF EXPOSURE</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Development - Housing Revenue</b>			
Welfare reform impact on the level of rent collected	0.500	High	0.450
Welfare reform impact on other rents & service charges	0.100	Medium	0.050
Increase in void levels as a consequence of the introduction of the bedroom tax	0.500	Medium	0.250
Impact of interest rates on debt	0.285	Low	0.071
Increased demand for unplanned housing repairs	1.500	High	1.350
Failure to maximise Decent Homes grant	3.200	Medium	1.600
Increase in right to buy properties (additional 100)	0.300	Medium	0.150
<b>TOTAL - HRA</b>	<b>6.385</b>		<b>3.921</b>

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## ANNEX 6

### BUDGET CONSULTATION 2014/15

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## **ANNEX: BUDGET CONSULTATION 2014/15**

### **Summary**

Nottingham City Council is setting its budget within a context of difficult economic conditions, changes in national policy and continued substantial reductions in funding. In 2014/15, savings of £25.5m are proposed to be made. In line with the Council's commitment to citizen involvement, a full programme of consultation has been undertaken to support construction of the Council's Medium Term Financial Plan (MTFP). This report details the consultation that has accompanied the preparation of the budget, and includes responses received up to and including February 12<sup>th</sup> 2014.

## **1 BACKGROUND**

### Context

Budget consultation faces a number of practical difficulties. A unitary authority such as Nottingham City Council provides an enormous number of services which leads to a complex picture with many proposals to consult on. This is made more difficult by the short consultation period between the government notifying the Council of its funding levels and the annual budget-setting Council meeting.

### Impact of Consultation

Nottingham City Council has a long term commitment to using the views of citizens to feed into policy making and service improvement. This helps the Council understand the issues and services that matter to local communities. This understanding was reflected in the priorities that guided the Executive Board in developing the budget proposals. These are:

- Protecting front-line services
- Protecting jobs
- Supporting the most vulnerable
- Keeping Nottingham safe and clean
- Bolstering the economy

## **2 THE CONSULTATION**

### How we consulted

Consultation on the budget was conducted in two phases.

#### Phase 1

Before the budget settlement for 2014/15 was announced in December, pre-budget consultation was carried out between October and November 2013. Phase 1 consultation gathered views on:

- Which services are important;
- Issues of concern in the current economic climate;
- What the Council can do to make sure that the government's funding cuts are fair for all sections of the community.

Views were gathered via a survey which accompanied the Arrow magazine in October and which was also available online. There was also a programme of pre-budget consultation events with the public which were led by Executive Board Councillors. Consultation with Nottingham City Council colleagues was also undertaken.

The draft budget was approved for consultation by Executive Board on 17<sup>th</sup> December 2013.

## Phase 2

Phase 2 consisted of consultation on the draft budget proposals between December 18<sup>th</sup> 2013 and February 7<sup>th</sup> 2014. A budget consultation form was made available online and in hard copy to enable everyone to have their say on the proposals. Events were arranged across the City, which were publicised locally by neighbourhood management teams. Discussions held at these events were recorded and attendees were also invited to provide individual feedback via the budget consultation form. Consultation with businesses, colleagues, One Nottingham partners and the voluntary and community sector was also undertaken.

### The consultation events

The events provide the opportunity for citizens to engage directly with Executive Board Councillors. The style of the neighbourhood events in both phases of the consultation varied depending on local need:

- In some cases an item was added to existing events and meetings;
- Some sessions were arranged specifically to discuss the budget;
- Some used a drop-in format to enable citizens to have detailed discussions.

Citizens also had the opportunity to discuss the budget during regular weekly surgeries with councillors.

Consultation with Nottingham City Council colleagues involved:

- Presentations by the Chief Executive and the Leader
- Briefings
- Articles in the colleague magazine

During both phases of the consultation, targeted events were held which had additional provision for equalities groups and communities of identity. British Sign Language interpreters were provided and the venues were fully accessible. Invitations were sent to members of the City's equality engagement groups and community groups from different backgrounds. These events were intended to ensure that people with specific access requirements could partake in the budget consultation.

A breakfast briefing was held to engage and consult with the business community and a One Nottingham Learning Network event concentrating on the City Council's budget was held for One Nottingham partners. There was also an additional event organised for representatives from Nottingham's Voluntary and Community Sector as part of the second phase of consultation.

## Feedback to services

Feedback received in phase 2 of the consultation has been circulated to the relevant service heads and directors for their consideration.

### **3 RESULTS AND FEEDBACK FROM THE CONSULTATION**

#### Phase 1: Pre-budget consultation

2,524 responses were received from the pre-budget consultation. 90% of these came from the survey in the October Arrow magazine; the remainder responded online or completed a form at a consultation event.

Respondents were asked to rate a cross section of 24 council services on a scale of 1 (Not important) to 5 (Very important). For each service a mean average has been calculated out of 5. The services rated as the top 5 most important by respondents were:

1. Tackling crime and antisocial behaviour (4.4 out of 5)
2. Services to elderly and vulnerable people (4.3 out of 5)
3. Refuse Collection (4.3 out of 5)
4. Child Protection (4.3 out of 5)
5. Public Transport (4.1 out of 5)

The top 5 services remained the same as in 2011 and 2012, although the order changed slightly.

The full results of the survey are given in **Appendix C** to this report.

#### Phase 2: Consultation on the budget proposals

##### **Responses via the budget consultation form**

A total of 171 submissions were received. The main themes were concerns expressed around:

- The impact of changes to social care services
- The Home Safety Service, Home improvement Agency, Meals on Wheels, Age UK Notts Kindred Spirits Service and a general reduction in funding to Age UK. (It should be noted that Age UK Notts have been proactively campaigning around these changes)
- Planned reductions in services provided by the Public Health Nutrition team
- Reductions in library services
- The impact on citizens of a rise in Council Tax.
- The changes to Children Centres opening hours.
- Changes to housing related support (i.e. hostel closures)

In many cases, feedback showed that citizens were supportive of the Council and felt that it was doing the best it could, given the difficult circumstances.

## **Feedback from events in neighbourhoods**

Nine events were organised in neighbourhoods, and a total of 197 citizens attended to give their views. Most sessions received a presentation from an Executive Board member, followed by a question and answer session; one event was a drop-in enabling one-to-one discussion with councillors.

- Concerns were raised about reductions in social care services and the impact this will have on elderly and vulnerable people
- Questions were asked about the reasons for certain projects being undertaken in the current financial climate (such as investments in the Broadmarsh centre, work on Trinity Square and the planned 20mph zones)
- Comments were made around the cost of parking in Nottingham (including, but not limited to, the Workplace Parking Levy)
- Questions about the amount of money owed to the Council in unpaid taxes and tied up in Icelandic banks.

There were also concerns expressed about the scale of the reduction in money for Nottingham from central government, and citizens acknowledged the difficulties this resulted in for the Council.

## **Equality Issues**

Nine people attended a session organised for Communities of Identity, which mostly focussed on the impact of budget proposals on equality groups. In particular, they highlighted proposals around reductions in adult social care, early intervention services, and the Council's ongoing commitment to the voluntary sector. The need for an overarching Equality Impact Assessment of the proposals was also emphasised

## **Feedback from the business community**

At the briefing session for the business community, 11 businesses were represented and there was a wide-ranging discussion on a number of areas of the proposals. Much of the discussion focussed on potential for business growth in the city, although questions were also raised around Council efficiencies and property management/disposal.

## **Feedback from colleagues**

Six consultation sessions were organised at a variety of venues for colleagues to ask questions or make comments on budget proposals, and approximately 200 colleagues took part.

The main themes emerging from these sessions were:

- Concerns around the ongoing increment freeze whilst living costs continue to increase
- Concerns that reducing the flexi allowance to one day per month would not save money (unless it forced colleagues to buy additional unpaid leave) but would impact on colleague wellbeing
- Concerns that reductions in the number of front-line staff could result in worse services.
- Questions around the proposed redundancies
- Concerns about the impacts of parking costs for colleagues, citizens and businesses (including the Workplace Parking Levy).

- Concerns around reductions in Early Intervention services (such as home care, children's centres) and the long-term impact this could have on vulnerable service users.
- Questions about investing in the Broadmarsh centre when budgets were stretched.

### **Feedback from One Nottingham Partners**

55 partners from the public, private and voluntary sector attended the event. There were questions for the Councillors from the floor about:

- Reductions in services for the elderly and vulnerable, particularly the potential for them to result in additional costs at a later stage
- The alternative uses for money saved from the Public Health budget
- Measures which the city have put in place to mitigate the effects of welfare reform
- The long-term impact of some of the proposed cuts, particularly those relating to social care and children's centres.

### **Feedback from the Voluntary and Community Sector**

21 people attended a consultation session, representing 19 different voluntary and community sector organisations.

Discussions were wide-ranging, but the main themes emerging were:

- Concerns around the difficulties for city-wide organisations in engaging with the Council's increasingly area-based grants process.
- Questions on efficiencies being made within the Council and the potential for outsourcing services in future
- Concerns around the impact on citizens of the reduction in value of the Council Tax Support Scheme

### **Formal responses**

In addition to the survey responses and comments made at public meetings, a small number of formal submissions were received. The full content of these submissions has been supplied to relevant service head and directors, and the main issues highlighted in each are summarised below. Copies of the full submissions are not appended due to their length, but are available from the Corporate Policy team.

#### **(i) Nottingham Community & Voluntary Service**

Nottingham Community & Voluntary Service (NCVS) were encouraged by the Council's ongoing commitment to the voluntary sector, the strengthened relationships between the Council and voluntary sector, and the protection of money to the voluntary sector.

They expressed concerns about:

- The ongoing difficulties in accessing funding for city-wide groups
- The reduction in funding to One Nottingham (part of which has previously been distributed as small grants)
- The additional costs incurred by groups functioning as part of consortia
- The potential for groups to be asked to take on services the Council can no longer provide and provide them at a lesser cost.



## **(ii) Age UK Nottingham & Nottinghamshire initial submission**

Age UK Nottingham & Nottinghamshire are concerned about the potential impact of the proposed changes to social care on elderly people, including three services which they are currently commissioned to provide: the Home Improvement Agency, Home Safety Service and Kindred Spirits Service.

In particular, they feel that:

- The removal of Early Intervention Services could result in more long-term costs as former service users may develop critical care needs sooner.
- The reduction in these services may decrease the quality of life for former service users, including increased loneliness, and reduced health.

## **(iii) Age UK Nottingham & Nottinghamshire second submission**

Age UK Nottingham & Nottinghamshire also sent in a second submission focussing particularly on the work currently done by the Home Improvement Agency and Home Safety Service, the improvements these services have made in citizens' lives and the potential impact on citizens and the Council of ceasing these services. They supplied details of the number of people assisted, and case studies to illustrate the impacts of their interventions.

## **(iv) Nottinghamshire Police & Crime Commissioner**

The submission from the Police & Crime Commissioner's office focussed on the proposal to cease funding the jointly commissioned Appropriate Adult service. It emphasised the legal requirement for local authorities to provide such a service, and that the Police would have to use social services if this service were not available, with additional costs therefore being incurred by the Council. They also highlighted the economies of scale which could be achieved by having a jointly commissioned service covering both the City and County.

## **(v) Nottinghamshire Disabled People's Movement**

A lengthy submission was received from Nottinghamshire Disabled People's Movement, covering the potential impact on citizens, particularly those with additional needs (including disabled people and those with English as a second language). Specific concerns and questions were raised in relation to a large number of additional proposals. They also expressed concern about the overall effects of the budget proposals and the disproportionate impact they could potentially have on disabled and other vulnerable people, and proposed that services and facilities aimed at supporting the most vulnerable people, such as care for older people, disabled people, children at risk of harm, and early intervention services aimed, such as welfare support should face the lowest level of cut; with universal services like bin collection, litter clearing, parks, libraries and leisure services facing a higher level of cut.

- (vi) Association of Educational Psychologists**
- (vii) Educational Psychologist colleagues**

Two submissions were received which highlighted concerns over the proposed deletion of a vacant management post and the management of Educational Psychology within the wider Family Community Teams. These concerns related to the specialist nature of educational psychology and the impact on colleagues and service users of these posts being managed by someone who is not as knowledgeable about this field of work. They already provide services to external partners, particularly schools, and anticipate a future increase in demand, both of which they feel would be potentially jeopardised by this post deletion.

- (vii) Joint submission from colleagues in Housing Aid, Nottingham City Clinical Commissioning Group and the Council's Mental Health Social Care team.**

This submission related to the proposal not to proceed with the award of contract for a new short-term supported accommodation service for citizens with mental health support needs, and suggested that if this proposal were implemented, potential service users would be forced to access alternative services already committed to by partners, which would incur a greater cost. They are also concerned that it may result in an increased risk of homelessness for vulnerable service users.

#### **4 CONCLUSIONS**

Throughout the consultation a large amount of feedback has been received from a wide-ranging group of respondents, and this information has been fed back in order to inform the final decision-making process

Some of the issues which have emerged repeatedly relate to proposed reductions in Early Intervention services, and their potential long-term impact on both citizens' lives and Council budgets. These include changes to adult social care, housing-related support and children's centres. It should be noted that these have been amongst the proposals highlighted in presentations and online as key savings area, which may have contributed to the number of comments received about them.

Citizens have also expressed concern about the potential cumulative impact of these proposals on some of the most vulnerable citizens; this has been addressed in the Equality Impact Assessments carried out.

Overall, colleagues, citizens and businesses have recognised the difficult position the Council faces in having to make savings on this scale and have appreciated the opportunities to express their views and concerns through the consultation process.

## **Appendix A: Your City Your Services 2013 Data Report – 5 December 2013**

### **Background**

This report presents the latest findings from the 2013 Your City Your Services (YCYS) Survey. From the beginning of October 2013 the YCYS survey was available online (Intranet/Internet) and a paper version was distributed to every household across the City in the autumn edition of the Nottingham Arrow publication. The survey was also circulated and administered at a variety of community/neighbourhood meetings across all areas of the City during this time period.

The 2013 YCYC survey used a self-completion approach and fieldwork concluded on 29 November 2013.

A total of 2,524 responses were achieved from across the City compared to 1,308 in 2012 and 1,421 in 2011.

2,276 Arrow leaflets returns, 145 from events and 103 online submissions.

The information from the survey will be used to inform Councillors decisions in the 2014/15 budget making process.

### **Interpreting the data**

Please note that, as the Your City Your Services survey did not use a truly random sample, the confidence intervals stated within this report should be used as a guide only.

Percentage figures quoted have been rounded up/down to the nearest whole number. Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of “don’t know” categories, or multiple answers.

The base number of respondents for each question is given as (n = base number)

## Postcode Data

2,088 (83%) respondents provided full post code data. Table 1 provides a breakdown of these responses by Area Committee and Ward.

<b>Table 1: Response by Area</b> Base: n = 2,088		<b>Number of responses</b>
Area 1	Bulwell (116), Bulwell Forest (131)	247
Area 2	Bestwood (123), Basford (110)	233
Area 3	Bilborough (128), Aspley (78), Leen Valley (85)	291
Area 4	Sherwood (180), Berridge (119)	299
Area 5	Arboretum (64), Radford & Park (76), Dunkirk & Lenton (33)	173
Area 6	Mapperley (152), St Ann's (89), Dales (85)	326
Area 7	Wollaton West (194), Wollaton East & Lenton Abbey (41)	235
Area 8	Bridge (108), Clifton North (92), Clifton South (84)	284
	Area Total	2,088

<b>Table 2: Response by Locality</b> Base: n = 2,088		<b>Number of responses</b>
North	Area 1, Area 2, Area 3	771
Central	Area 4, Area 5, Area 7	707
South	Area 6, Area 8	610
	Area Total	

Like in 2012 Area 6: Mapperley, St Ann's and the Dales had the most responses (326). All Areas except Area 5 (173) had more than 200 responses.

Demographic data about the respondents can be found in appendix 1.

### How important are services?

For question 1 respondents were asked to rate on a scale of 1 (Not important) to 5 (Very important) a cross section of 24 council services.

For each service a mean average has been calculated out of 5. The top 5 services rated most important by respondents are:

1. Tackling crime and antisocial behaviour (4.4 out of 5)
2. Services to elderly and vulnerable people (4.3 out of 5)
3. Refuse Collection (4.3 out of 5)
4. Child Protection (4.3 out of 5)
5. Public Transport (4.1 out of 5)

Although the top 5 services remain the same as in 2012 **services to elderly and vulnerable people** has moved up one place to the second most important service to respondents. **Child protection** has dropped from second to fourth, while **refuse collection** has moved up from fourth to third.

The services seen as 'lowest' importance by respondents remains the same as in 2012 i.e. **Museums** (3.0 out of 5) and **Events** (2.8 out of 5)

**Table 3: Overview of 2013 service mean averages:**

Tackling crime and anti-social behaviour remains the most important service to citizens.

2013 Ranking		2013 Mean Score	2012 Ranking & Mean Score	Ranking Up/Down compared to 2012
1	Tackling crime and antisocial behaviour	4.4	(1) 4.4	Same
2	Services to elderly and vulnerable people	4.3	(3) 4.3	Æ
3	Refuse Collection	4.3	(4) 4.2	Æ
4	Child Protection	4.3	(2) 4.3	
5	Public Transport	4.1	(5) 4.1	Same
6	Schools	4.0	(6) 4.0	Same
7	Street cleaning	3.9	(9) 3.8	Æ
8	Recycling	3.9	(7) 3.9	
9	Parks and Open Spaces	3.9	(10) 3.8	Æ
10	Highway maintenance	3.9	(13) 3.7	Æ
11	Job Creation	3.8	(8) 3.9	
12	Community Protection Officers/Wardens	3.8	(11) 3.8	
13	Street lighting	3.8	(12) 3.8	
14	Youth Services	3.6	(17) 3.5	Æ
15	Housing	3.6	(15) 3.6	Same
16	Libraries	3.5	(16) 3.5	Same
17	Welfare Advice/Citizens' Advice	3.4	(14) 3.7	
18	Training	3.3	(20) 3.3	Æ
19	Planning	3.3	(22) 3.2	Æ
20	Leisure Centres	3.3	(21) 3.3	Æ
21	Sure Start/Nursery Education	3.2	(19) 3.3	
22	Support to Voluntary Sector	3.2	(18) 3.3	
23	Museums	3.1	(23) 3.0	Same
24	Events	2.8	(24) 2.8	Same

In general, the mean scores across service areas in 2013 have remained the same or have a slightly higher weighted score than in 2012. This indicates citizens are viewing Council services about the same as they did in 2012 or slightly more important to them overall.

### Which services have moved up/stayed the same/down?

Although there has been minimal change in mean scores compared to 2012 the overall ordering has seen some change.

The top six remain the same, but the order has changed with 'Child protection' down two and both 'Services to elderly and vulnerable people' and 'Refuse Collection up one.

In the middle third of the table, 'Street cleaning' has moved up two places to be ranked seventh and 'Highway Maintenance' has moved up three places to be tenth. 'Youth services' is up three places at fourteenth. 'Job Creation' has moved down three places and is ranked eleventh in 2013, and 'Welfare Advice/Citizens' Advice' is down three places to seventeenth.

The bottom six remain the same as in 2012, although again there has been a change to their order: notably 'Planning' has moved up three places to nineteenth and 'Support to the Voluntary Sector' has moved down four places to twenty-second.

**NB: Whilst orderings in certain instances have changed slightly up/down it should be remembered that mean scores have not significantly changed since 2012.**

### Further savings

Respondents were asked if they have any suggestions where further savings could be made. A total of 955 comments were received.

The main areas identified by respondents for potential further savings were:

<b>Comment theme</b>	<b>No of respondents</b>
Staff - Cut staff numbers / salaries / travel / perks. Cut managers. More efficient staff.	199
Publicity - stop arrow / publicity / mailed out surveys / political advertising	81
Democratic services – reduce the number of councillors / expenses / meetings / travel	79
General efficiency - General efficiency / less duplication / reduce non-essential (unspecified) costs and wastage. Focus on essentials	69
Volunteers / unemployed use volunteers / unemployed / offenders to help with city upkeep	55
Events - stop events / beach / ice rink / civic events / Christmas lights	50
Tram - stop tram	47
Bins / litter / street cleaning - more efficient / reduced frequency / charges / fines / use to make energy	46
Cut services - cut or reduce services (libraries, parks, leisure centres, CPOs, hostels...)	41
Street lighting - reduce street lighting	36
Welfare - cut / audit welfare claims. Control fraud.	35
Income and jobs - economic focus - income generation / job creation / retail rents etc.	29
Finance - better finance - investments / collection of charges / general fines / traffic cameras / increase charges	27
Energy efficiency - be more energy efficient	24
Transport projects - cut / reduce highways projects or repairs / traffic calming	21
Amalgamate functions - amalgamate functions / reduce duplication - with other agencies, other councils	20
Citizen responsibility	14
Assets - sell assets / buildings	13
Consultants - stop use of consultants	13
Buses - buses should be self-financing / reroute / cut costs	10
Bus Passes - charge small fee instead of free bus pass	9
Procurement / commissioning - better procurement / contracting / commissioning	9
Council tax - change council tax - increase / don't pay for benefit / everyone should pay	9
Preventative - preventative services	5

<b>Comment theme</b>	<b>No of respondents</b>
Resist cuts - resist / lobby	4
Lottery - City lottery	3
No suggestions - no suggestions / too many cuts already / already doing as much as poss.	34
Other - misc./unrelated	138

## **Generate Income**

Respondents were asked if they had any suggestions on how the Council could generate more income. A total of 824 comments were received.

The main areas identified by respondents on how the Council could generate more income were:

<b>Comment theme</b>	<b>No of respondents</b>
More fines (e.g. for antisocial behaviour, litter, dog mess, parking on pavements)	72
Better tourism promotion	61
More events	37
Cut waste, become more efficient, sack inefficient staff	33
Rent out empty shops at very low rate to encourage new small businesses	31
Cut expenses rather than increasing income	26
“Workfare” - get unemployed people to do work for free	22
Reduce car parking charges (so more people use city centre)	21
Chase outstanding debts, including business taxes	21
Create more jobs	21
Sell services to residents & businesses (eg MOT test centre, gardening)	21
Charge for services that are currently free, or increase charges for services	38
Sell advertising & sponsorship (eg on buildings, vehicles, roundabouts, parks, Arrow, at events)	20
Small fee for free events	19
Sell off assets	19
Audit benefits, prevent fraud	18
Charge for on-street parking & residents permits	18
Cut Council staff salaries, pensions & sick pay	17
Small fee for OAP bus passes	16
Have a Nottingham lottery	16
Hire out venues (e.g. parks, Council House, libraries)	16
Promote inward investment	15
Cut spending on communications (e.g. Arrow, this survey, banners)	13
Cut Councillor costs, cut number of Councillors	12
Sell services to other Councils	11
Charge to collect garden waste all year	10
Take all available money from national government, or lobby national government for more money	10
Increase Council Tax	10
Fewer managers	9
More partnership working with businesses and other Councils	9
Sell plants, compost, wood, fruit & vegetables	9

<b>Comment theme</b>	<b>No of respondents</b>
Fee for bulky waste collection	8
Increase parking charges	8
Charge foreigners more, reduce immigration	8
Fundraising, jumble sales, raffles, donations	7
Charge students (Council Tax, parking fees)	7
More markets	6
More recycling	6
Increase rents on Council housing	5
Put wind turbines or solar panels on Council buildings, reduce energy use	5
More use of volunteers	5
Scrap tram extension	5
Contract out work/privatise	5
Charge people outside Nottingham more to park, visit venues etc	5
Charge pubs for litter, damage & policing	5
Turn vacant shops and offices into housing	5
Small fee for free bus	4
Build more houses (income from selling some houses and from extra Council Tax)	4
Fix road surfaces to reduce compensation claims	4
Charge blue badge holders to park	3
Other	114



## Areas of concern

Respondents were asked to indicate their level of concern on a number of issues during the current economic situation. The following table provides an overview of respondent's level of concern.

<b>% Very concerned/Concerned</b>	<b>2013</b>	<b>Significant at 95% confidence level</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Cuts to public services	93%	No	90%	92%	94%
Debt problems	64%	Yes	58%	63%	61%
Losing my job	51%	No	54%	61%	52%
Welfare changes	77%	N/A	N/A	N/A	N/A
Impact on my health	73%	N/A	N/A	N/A	N/A

Compared to 2012 respondents are significantly more concerned in 2013 about debt problems (+6 percentage points). Levels of concern about debt increased with age up to people aged 45 to 59 (where 73% of people were concerned about debt), then decreased for the older age categories.

Although there is a 3 percentage point fall in the amount of people concerned about losing their jobs this is not significant.

Three out of four respondents are concerned about the Welfare Changes (77%) and the impact to their health (73%) of the current economic situation.

Respondents were given the opportunity to state any other areas of concern that they have. 840 comments were received.

The main topics of 'further concern' were around:

<b>Comment theme</b>	<b>No of respondents</b>
Employment, jobs - Local Jobs for Local People, lack of, availability	116
Welfare benefits - bedroom tax, Council tax, struggling to pay	108
Public Services - cuts, spending	99
Energy - fuel prices, utility bills	80
Transport - buses, parking, highways, removal of bus passes	73
Environment - street cleaning, bins, recycling	62
Health - physical, mental, NHS, hospital	51
Elderly - OAP, pensions	50
Youth – lack of opportunity	49
ASB/Crime - increase	48
Food - cost of living	47
Vulnerable – homeless, old	45
Housing - social, private	37
Money - debt, mortgages	32
Migrants - immigration	27
Education - primary, secondary, further	24
Empty properties - retail shops, houses	21
Equalities	19
Adult Social Care	16

<b>Comment theme</b>	<b>No of respondents</b>
Disabled	12
Children Social Care	8
Voluntary/Community sector	7
Budget	5
Other	88

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**For further information/analysis contact:**

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Jacqui Walker  
Research, Engagement and Consultation Manager  
Direct line: 64934

## Your City Your Services 2013 Survey Demographics

<b>Base:</b>	<b>Census 2011</b>	<b>YCYS 2013</b>	<b>+/-</b>
Male	50%	40%	- 10%
Female	50%	60%	+ 10%
Disabled	18%	32%	+ 14%
White	72%	89%	+ 17%
Black	7%	4%	- 3%
Asian (including Chinese)	13%	4%	- 9%
Mixed	7%	2%	- 5%
Other	1%	1%	0
16-24	27%	3%	- 24%
25-44	35%	24%	- 11%
45-59	19%	27%	+ 8%
60-64	5%	10%	+ 5%
65+	14%	35%	+ 21%

The sample is over represented by female, disabled, white and all age groups over 45.

The sample is under represented by male, Asian, mixed and age groups below 45.

## **Annex Report Information**

Report authors and contact details:

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Other colleagues who have provided input:

Tony Leafe, Consultation and Engagement Officer

### **LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

Your City Your Services Arrow and Online Survey October to December 2013

Comments made via online survey form - Jan/Feb 2014

Notes of consultation meetings across the City - Jan/Feb 2014.

Detailed budget submissions from Age UK Nottingham & Nottinghamshire, Nottinghamshire Police & Crime Commissioner, Association of Educational Psychologists, Nottinghamshire Disabled People's Movement and Council colleagues.

### **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS ANNEX REPORT**

NCVS response to Nottingham City Council's budget proposals 2014/15

**EXECUTIVE BOARD – 25 FEBRUARY 2014**

<b>Subject:</b>	Customer Access Programme – Business Case		
<b>Corporate Director(s)/ Director(s):</b>	Ian Curryer, Chief Executive – Programme Sponsor Mark Gannon, Director of IT – Senior Responsible Officer		
<b>Portfolio Holder(s):</b>	Councillor Nicola Heaton, Portfolio Holder for Community Services		
<b>Report author and contact details:</b>	Claire Brown, Customer Access Programme Manager 0115 8763207 <a href="mailto:claire.brown2@nottinghamcity.gov.uk">claire.brown2@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input checked="" type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Total value of the decision:</b> One-off costs of £4.2 million and annual savings of £2.4 million with Return on Investment (ROI) secured in year 3 of the Programme			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> Regular consultation meetings undertaken		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The Customer Access Programme recommends the establishment of a consolidated Customer Service Function which will deliver front line services through a single management structure across all our customer facing sites. The Customer Service Function will deliver services such as making an application, reporting a problem, requesting a service or making a payment online, over the phone and face to face. The Customer Service Function will offer primary services through a city centre contact point and the joint service centres and secondary services (assisted self-service) through libraries and other council or partner property as appropriate. The programme also recommends improved digital engagement with customers through a self-service portal.</p> <p>The benefits of the programme include:</p> <ul style="list-style-type: none"> <li>• improvements to customer experience as customer services are designed around the customer journey, reduced failure demand and increased resolution at first point of contact;</li> <li>• enhanced career progression pathways for colleagues who will be supported with agile technology to allow them to deliver a service they are proud of;</li> <li>• efficiency savings through simplified joined up services of £2 million (from year 3).</li> </ul> <p>There is more detailed information in the executive summary provided and further detail in the</p>			

main Business Case document which is available on request from Claire Brown, Customer Access Programme Manager (this document has not been circulated due to its size).

**Exempt information:**

None

**Recommendation(s):**

- 1 To agree the business case to allow the Customer Access Programme to progress to design and implementation.
- 2 To agree the following financial recommendations:
  - total expenditure of £4.206 million over years 1-4:
    - £2.0 million one off funding from the IT Efficiency Fund
    - £2.206 million to be funded from savings delivered
  - an element of the one-off expenditure will be capital and will be added to the capital plan once known.
  - Net potential savings totalling £1.973 million per annum from year 4 onwards.

## 1 REASONS FOR RECOMMENDATIONS

- 1.1 The business case shows that there is a case for change. The current structure of Customer Services at Nottingham City Council does not support the Citizens at the Heart agenda and leads to:
  - variable / disjointed / inconsistent provision of customer services across all access points;
  - duplication of processes, effort, data and costs;
  - no co-ordinated understanding of customer needs underpinned by performance data;
  - no strategy for customer contact or channel shift;
  - no customer contact function owning the relationship with customers;
  - creating unnecessary demand and cost and make the customer journey confusing;
  - no easy way to deliver services to customers with partner agencies;
  - missed opportunities.
- 1.2 This programme recommends cultural, structural and technical improvements which address these issues, designing services around the needs of the customer whilst making efficiency savings.

## 2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 An assessment was undertaken in partnership with PriceWaterhouseCoopers (PwC) during the Outline Business Case (OBC) stage. This assessed the current state of the Council in terms of standards of practice for customer service when compared to other Councils against PwC's expertise and experience and insight built up over a number of years.
- 2.2 The PwC assessment indicates a current climate of unsatisfactory customer service standards across the organisation. It also highlights the need for a single customer service function/contact centre along with improved processes and a more clearly defined and owned strategy.

### 3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 No other options were considered as the business case builds on the decision taken by the Executive Board on 18 June 2013.

### 4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 The investment required to deliver the programme has been estimated as shown in Table 1 below. Total costs over years 1-4 of the programme (2014/15-2017/18) are anticipated to be £4.206 million with recurring costs of £0.454 million per annum thereafter.

<b>TABLE 1: ESTIMATED COSTS</b>				
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18 onwards</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Costs associated with set up and running of self service	0.200	0.100	0.100	0.100
Payment Changes – Oracle and Civica	0.200	0	0	0
Restructure costs (redundancy, etc)	0	0.460	0.460	0
Telephony	0	0.300	0.100	0.100
CRM System Costs	0.900	0.100	0.100	0.050
Customer Service Function - Training	0	0.060	0.060	0
Programme Resources	0.204	0.204	0.204	0.204
<b>Total Estimated Costs</b>	<b>1.504</b>	<b>1.224</b>	<b>1.024</b>	<b>0.454</b>

Funding has been identified within the IT Efficiency Fund to offset £2 million of the one off investment in technology in 2014/15 and 2015/16. This is likely to be a mixture of Capital and Revenue funding. The remaining expenditure will be funded from the savings delivered, including £0.204 million in year 1 which will be funded from reserves and repaid from savings in year 2.

An element of the one-off expenditure above is likely to be capital although the exact value is not known at present.

- 4.2 By investing in the business case at the levels shown in Table 1 above, it has been estimated that it may be possible to deliver financial benefits as detailed in Table 2 below, with a payback on investment period of 3 years:

<b>TABLE 2: ESTIMATED FINANCIAL BENEFITS</b>				
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18 onwards</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Savings associated with Self Service Portal	0	(0.398)	(0.640)	(0.640)
Savings associated with targeted communication	0	(0.100)	(0.100)	(0.100)
Reduced telephony lines	0	(0.020)	(0.020)	(0.020)
Savings associated with Business Process Re-engineering	0	(0.899)	(1.667)	1.667
<b>GROSS FINANCIAL SAVING</b>	<b>0</b>	<b>(1.417)</b>	<b>(2.427)</b>	<b>(2.427)</b>

Less costs	1.504	1.224	1.024	0.454
Costs to be funded from ITEF	(1.300)	(0.500)	(0.200)	0
<b>NET POTENTIAL FINANCIAL BENEFIT</b>	<b>0.204</b>	<b>(0.693)</b>	<b>(1.603)</b>	<b>(1.973)</b>

This net potential financial benefit is an overall savings figure based on the processes in scope. Departmental figures have been assessed at a high level in order to validate the assumptions but the detail will be developed in a phased approach as the programme progresses.

**5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

5.1 Programme risks have been identified and are included in the business case. The risks will be managed in accordance with corporate policy and over seen by the Programme Office.

Legal Implications

5.2 It is important that appropriate and ongoing consultation takes place with relevant persons throughout the proposed change process including relevant consultation with trade unions and staff in relation to any structural proposals arising from the Customer Access Programme. It is advisable that this process is carried out in conjunction with HR colleagues.

**6 SOCIAL VALUE CONSIDERATIONS**

6.1 Not applicable

**7 REGARD TO THE NHS CONSTITUTION**

7.1 Not applicable.

**8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

**9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

9.1 Customer Access Programme Outline Business Case (OBC)

**10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

10.1 Executive Board report and minutes – 18 June 2013



## 11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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# Nottingham City Council

## Customer Access Programme Business Case Version 4.0 Executive Summary



Safer, cleaner, ambitious  
**Nottingham**  
A city we're all proud of



# Executive Summary

## Overview

The Council's priorities and the Citizen First Policy aim to ensure that, by 2015, services are flexible, cost-effective and meet Citizen's needs. The Customer Access Programme is one of several "Big Ticket" Programmes that will deliver new and improved ways of accessing Council services.

Nottingham City Council recognises that in order to meet increasing demand on services, against a backdrop of reduced resources, it must develop options that allow customers to self-serve and reduce the dependency for expensive face-to-face access.

Whilst the Council will be keen to encourage and develop Channel Shift, there will also be a strong emphasis on improving greatly the customer experience, without switching off currently available options.

With changing customer behaviours and an increased use of digital technology, customers are rightly demanding services that take account of emerging and ongoing technology developments.

The Customer Access Programme Team is working closely with other corporate colleagues to ensure the Programme design is appropriate to relevant policy, statutory requirements and manifesto pledges. There must also be a significant cultural change across the Council if improved ways of working are to be truly embedded.

The current structure of Customer Service functions across the Council is complex and disjointed. At best this results in difficulty in establishing and maintaining good service levels for customers and at worst leads to confusion and frustration for vulnerable customers. The current structure is also inefficient and does not support ambitions for increased self-serve by customers through channel shift.

The Customer Access Programme is a significant culture change programme for the Council and it is not just about new systems and processes. Moving the organisation's culture to be focused on customer service delivery will require significant changes to the organisation's operating model and will require a programme of service improvements and training to support colleagues in the organisation to move us from Good to Great.

## **Case for change**

The current structure of services gives rise to the following issues:

- Variable / disjointed / inconsistent provision of customer services across all access points;
- Duplication of processes, effort, data and costs;
- No coordinated understanding of customer needs underpinned by performance data;
- No strategy for customer contact or channel shift;
- No customer contact function owning the relationship with customers;
- We create unnecessary demand and cost and make the customer journey confusing;
- No easy way to deliver services to customers with partner agencies; and
- Missed opportunities.

The Council has realised savings and improvements within the current structure but to continue to make sustainable improvements and effect significant economies of scale a more transformational programme is required.

A 'health check' was performed in partnership with PwC as a part of the Outline Business Case. This assessed the current state of the Council in terms of standards of practice for customer service when compared to other Councils against PwC's expertise and experience and insight built up over a number of years.

As the scorecard produced showed that all areas were either amber or red – and no areas were green – this indicated a current position of unsatisfactory customer service standards across the organisation. It also highlights the need for a single customer service function along with improved processes and a more clearly defined and owned strategy.

## **Objectives and vision**

The Customer Access Programme aims to address these issues and bring about improved customer satisfaction and value for money from having services designed around our customers. It also aims to make us more efficient, by simplifying the ways in which customers access and use our services whilst making effective use of local and digital services.

It also aims to safeguard Council services and assets, through reducing delivery costs and complexity, making self-service options and automated processes more readily available, as well as improving face to face services in more locations.

The Programme aims to achieve significant, sustainable and cashable savings, alongside services that we can be proud of, together with improved systems which allow colleagues to provide an excellent service.

The **VISION** of the Customer Access Programme is to:

- Improve satisfaction and value for money by designing services around our customers;
- Simplify the ways in which customers access and use our services locally and make the most of digital and self-service options;
- Safeguard services and assets by reducing the cost of delivery, remove complexity, allowing resources to be rebalances to protect vulnerable citizens; and
- Deliver services that we can be proud of.

To achieve these objectives and vision, the Customer Access Programme will deliver excellent customer service, supported by:

- Systems which provide colleagues with the right information at the right time;
- Increased self-service applications and automated processes;
- Better, more targeted face to face services in more locations;
- A flexible, responsive, organisational structure;
- A service we would all be happy to receive and which would be good enough for our families;
- Significant, sustainable & cashable savings; and
- Interfaces to maximise the efficiency of other big tickets such as Strategic Asset Management

## **Options Appraisal & Findings**

A range of options were assessed against a set of principles agreed for the Programme. Options included variations on:

- Level of Transformation - from focused service transformation to full council and partner transformation;
- Programme Delivery - from big bang to phased implementation;
- Structural Changes; and
- Technical Solutions.

## **Preferred Option**

The preferred option is for:

- Total Service Transformation of all in scope customer facing functions (please see Appendix 1 for full list of services in scope);
- Creation of a consolidated Customer Service Function;
- Transformed services delivered with an initial service taken followed by further phases; and
- Technology to underpin self-service, channel shift and installation of a customer relationship management system (CRM).

## Financial Case – Costs & Benefits

The Financial Case shows **one off costs of £4.2m** and **potential annual savings of £2.4m** with a return on investment by Year 3.

Table 1 shows the cost benefit analysis of the preferred option.

<b>Cost Type</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Self Service Set Up	£200,000	£0	£0	£0
Self Service Ongoing	£0	£100,000	£100,000	£100,000
Payment Changes - Oracle & Civica	£200,000	£0	£0	£0
Staff Transfer - Severance	£0	£460,380	£460,380	£0
Telephony Set Up	£0	£300,000	£100,000	£100,000
CRM System Set Up	£900,000	£100,000	£100,000	£50,000
Customer Service Function - Training	£0	£60,000	£60,000	£0
Programme Resources	£204,000	£204,000	£204,000	£204,000
<b>TOTAL</b>	<b>£1,504,000</b>	<b>£1,224,380</b>	<b>£1,024,380</b>	<b>£454,000</b>
<b>Benefit Type</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Self Service Portal	£0	£398,249	£640,031	£640,031
Targeted Communication - Less Printing	£0	£100,000	£100,000	£100,000
Telephony - Reduced Lines	£0	£20,000	£20,000	£20,000
Business Process Re-engineering	£0	£898,968	£1,667,182	£1,667,182
<b>TOTAL</b>	<b>£0</b>	<b>£1,417,217</b>	<b>£2,427,213</b>	<b>£2,427,213</b>
Payback on investment in Year 3				
<b>Potential Net Savings</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Benefits	£0	£1,417,217	£2,427,213	£2,427,213
Less Costs	-£1,504,000	-£1,224,380	-£1,024,380	-£454,000
Add ITEF Funding	£1,300,000	£500,000	£200,000	£0
<b>TOTAL</b>	<b>-£204,000</b>	<b>£692,837</b>	<b>£1,602,833</b>	<b>£1,973,213</b>

Costs and savings are based on NCC data and are subject to sensitivity analysis which is provided in the Business Case.

There are also a number of non-financial benefits and these are show in summary in Appendix 5.

## Timescales

The Customer Access Programme is planned to run from Q1 of Financial Year 2014/15 to Q2 of Financial Year 2017/18 in order to fulfil its objectives. The implementation of individual initiatives will be on a phased basis so that services can transition and processes be embedded without impacting customers.

Please see Figure 1 for a high level overview of planned changes with key deliverables. Further information regarding timescales for change can be found in Appendix 2.

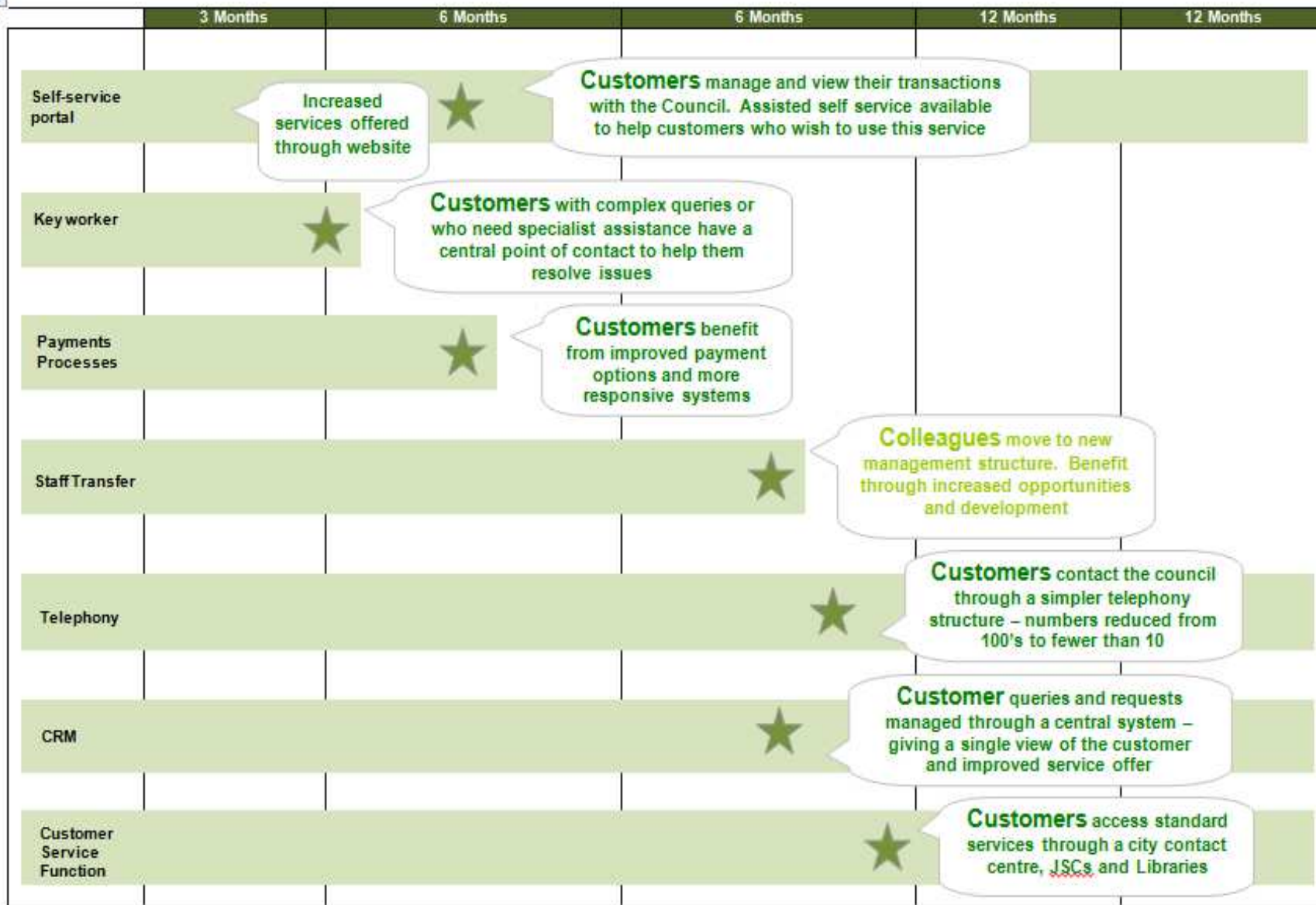
## **Recommendation**

Based on the analysis in the Business Case, it is recommended that the Preferred Option is approved. The Programme recommends the establishment of a consolidated Customer Service Function which will deliver front line services through a single management structure across all our customer facing sites. The Customer Service Function will deliver services such as making an application, reporting a problem, requesting a service or making a payment online, over the phone and face-to-face. The Customer Service Function will offer primary services through a city centre contact point and the joint service centres and secondary services (assisted self-service) through libraries and other Council or partner facilities as appropriate. The Programme also recommends improved digital engagement with customers through a self-service portal. Scenarios have been provided at Appendix 3 to show how some of the proposed changes will make a difference to our Customers.

## **Governance**

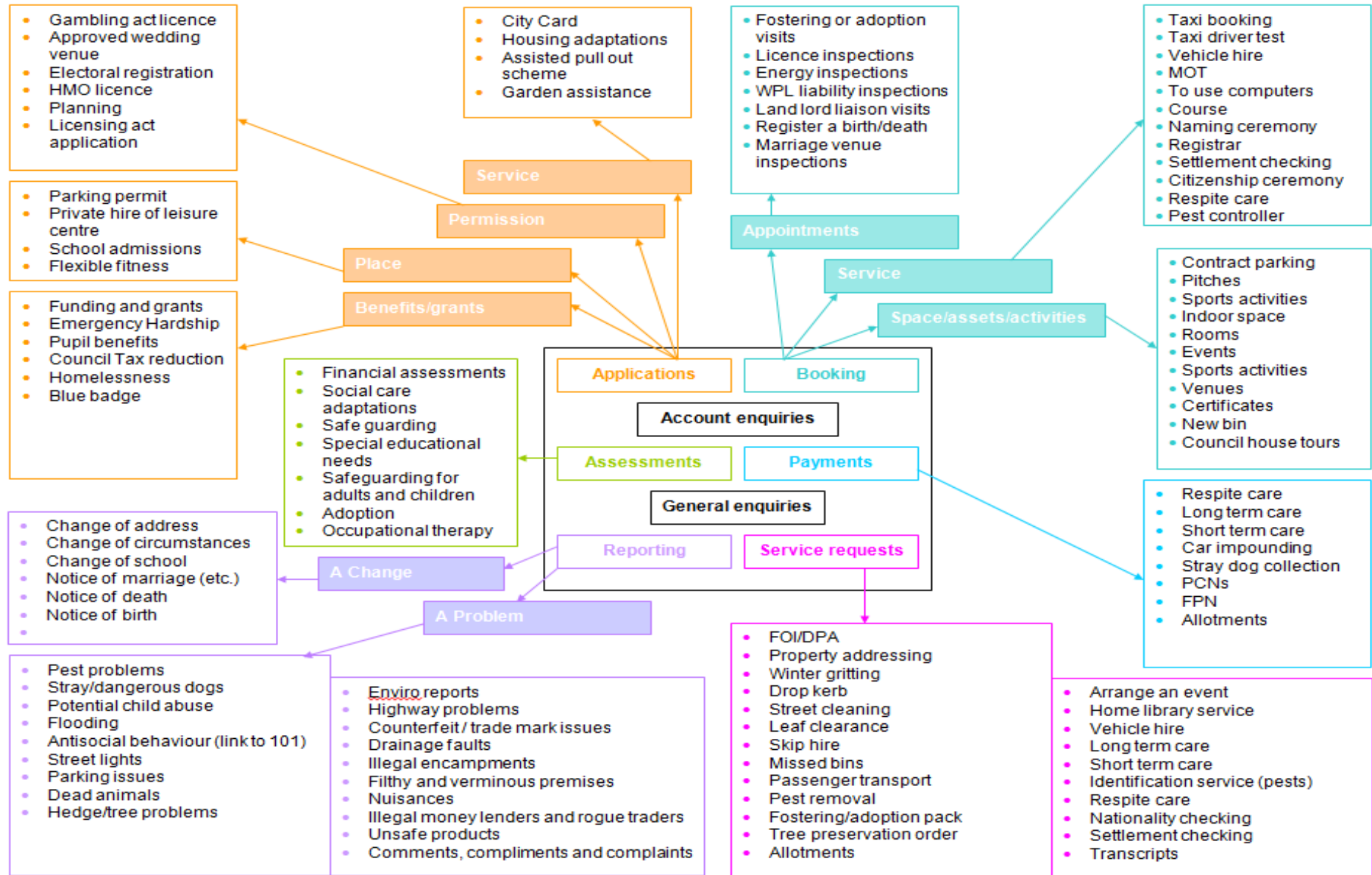
The programme will be governed through a delivery board reporting to the Customer Services Governance Board. Please see Appendix 4 for further information.

**Figure 1: High Level Programme Overview and Key Deliverables**





# Appendix 1: Processes and services in scope



## Appendix 2: Overall Programme Summary and Roll Out Schedule

Dependencies	1 – Exec board sign off, 2 – Programme resources agreed, 3 – Civica implemented, 4 – Oracle changes, 5 CF produce JDs. 6 – training delivered. 8 – IT decommission, old systems. 9 – Legal/HR support redundancy proposal, 10 – existing systems can integrate with new solution(s)										
	1	2	3	4	5	6	7a	8	9	10	7b
	3 Months			6 Months			6 Months			12 Months	
Self-service portal				★			Phase one processes online			Phase two processes online	
Key worker pilot	★										
Electoral services proof of concept				★							
Payments processes				★							
Staff transfer							Phase one training ★			Process transition to CRM including training and development for CSF colleagues (changes within CSF) processes will move gradually from existing to new system	
Telephony							Phase one training ★				
CRM							★			Phase 1 Processes Model office	
Customer service function										★	
High level objectives	<b>Key worker pilot</b> Implement a new role to work with customers with complex issues to improve service and reduce escalation to the Chief Executive.			<b>Self-service portal</b> Improve self service options through a customer portal in order to affect channel shift for identified processes.			<b>Staff transfer</b> Customer facing roles transfer to CSF management structure in order to facilitate establishment of CSF in later phases.			<b>Telephony</b> Deliver improvements to telephony systems, reduce quantity of numbers and manage performance against targets.	
	<b>Electoral services proof of concept</b> Prove concept for joined up working by delivering key electoral services target across departments.			<b>Payments processes</b> All payments can be made online and, where possible to an automated payment processing line for telephone payments. Releasing colleagues to processes in which they add more value.			<b>CRM</b> Provide a consistent view of the customer and enable customer service colleagues to offer improved service across different processes to the same standard, improve first point of contact resolution.			<b>Customer service function</b> Establish a CSF working with new systems and BPR processes to increase efficiency and improve customer services (all channels).	

Products	3 Months	6 Months	6 Months	12 Months	12 Months
<b>Self-service portal</b>	<ul style="list-style-type: none"> <li>• Full Business Case</li> <li>• Requirements for phase 1 processes</li> <li>• Tender document</li> <li>• Customer access strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Award contract</li> <li>• Development (phase 1)</li> <li>• Test process (phase 1)</li> <li>• Training package (phase 1)</li> <li>• Requirements for phase 2 processes</li> </ul>	<ul style="list-style-type: none"> <li>• Communications – Phase 1</li> <li>• Development (phase 2)</li> <li>• Test process (phase 2)</li> <li>• Training package (phase 2)</li> <li>• Requirements for phase 3 processes</li> </ul>	<ul style="list-style-type: none"> <li>• Communications – Phase 2</li> <li>• Development (phase 3)</li> <li>• Test process (phase 3)</li> <li>• Training package (phase 3)</li> </ul>	<ul style="list-style-type: none"> <li>• Communications – Phase 3</li> <li>• Lessons learned</li> </ul>
<b>Key worker pilot</b>	<ul style="list-style-type: none"> <li>• Design process</li> <li>• Recruitment docs</li> <li>• Training package</li> </ul>	<ul style="list-style-type: none"> <li>• Lessons learned</li> </ul>			
<b>Electoral services proof of concept</b>	<ul style="list-style-type: none"> <li>• Design process</li> <li>• Enable access</li> <li>• Determine measures</li> </ul>	<ul style="list-style-type: none"> <li>• Lessons learned</li> </ul>			
<b>Payments processes</b>	<ul style="list-style-type: none"> <li>• Requirements – payment systems</li> <li>• Requirements – cash</li> <li>• Payment process design</li> </ul>	<ul style="list-style-type: none"> <li>• Tender – payment modules</li> <li>• Commission changes to Oracle</li> <li>• Tender – cash solutions</li> <li>• Training – payment process</li> </ul>			
<b>Staff transfer</b>		<ul style="list-style-type: none"> <li>• Roles identified</li> <li>• Job descriptions</li> <li>• Consultation with unions</li> <li>• Consultation with staff</li> </ul>	<ul style="list-style-type: none"> <li>• Communications</li> </ul>		
<b>Telephony</b>	<ul style="list-style-type: none"> <li>• Requirements</li> <li>• Roll out plan</li> </ul>	<ul style="list-style-type: none"> <li>• Tender documents</li> </ul>	<ul style="list-style-type: none"> <li>• Award contract</li> <li>• Development – phase 1</li> <li>• Test – Phase 1</li> <li>• Training – Phase 1</li> </ul>	<ul style="list-style-type: none"> <li>• Development – phase 2</li> <li>• Test – Phase 2</li> <li>• Training – Phase 2</li> </ul>	<ul style="list-style-type: none"> <li>• Development – phase 3</li> <li>• Test – Phase 3</li> <li>• Training – Phase 3</li> </ul>
<b>CRM</b>	<ul style="list-style-type: none"> <li>• High level requirements (for tender)</li> </ul>	<ul style="list-style-type: none"> <li>• Tender documents</li> <li>• Detailed requirements – Phase 1</li> </ul>	<ul style="list-style-type: none"> <li>• Award contract</li> <li>• Development – phase 1</li> <li>• Test – Phase 1</li> <li>• Training – Phase 1</li> <li>• Detailed requirements – phase 2</li> </ul>	<ul style="list-style-type: none"> <li>• Development – phase 2</li> <li>• Test – Phase 2</li> <li>• Training – Phase 2</li> <li>• Requirements phase 3</li> </ul>	<ul style="list-style-type: none"> <li>• Development – phase 3</li> <li>• Test – Phase 3</li> <li>• Training – Phase 3</li> </ul>
<b>Customer service function</b>	<ul style="list-style-type: none"> <li>• Requirements (for tender)</li> <li>• Design service for phase 1</li> </ul>	<ul style="list-style-type: none"> <li>• Tender documents – booking system and work manager</li> <li>• Requirements for service space</li> <li>• Requirements for telephony team</li> </ul>	<ul style="list-style-type: none"> <li>• Phase 1 model office</li> <li>• Training package (phase 1)</li> <li>• Communications</li> </ul>	<ul style="list-style-type: none"> <li>• Open new customer service function</li> <li>• Communications</li> <li>• Transferred staff and processes – Phase 1 on new system phase 2 and 3 on existing</li> </ul>	

People	3 Months	6 Months	6 Months	12 Months	12 Months
Self-service portal		<ul style="list-style-type: none"> <li>Customer service colleagues trained to support customers with online processes. In libraries, joint service centres and some telephony colleagues (phase 1)</li> </ul>	<ul style="list-style-type: none"> <li>Customer service colleagues trained to support customers with online processes. In libraries, joint service centres and some telephony colleagues (phase 2)</li> </ul>	<ul style="list-style-type: none"> <li>Customer service colleagues trained to support customers with online processes. In libraries, joint service centres and some telephony colleagues (phase 3)</li> </ul>	
Key worker pilot	<ul style="list-style-type: none"> <li>New role created and small team of specialists recruited, trained and established through telephony processes</li> </ul>				
Electoral services proof of concept	<ul style="list-style-type: none"> <li>Colleagues in Libraries and JSCs adopt new processes to input electoral information ahead of the election in May</li> </ul>				
Payments processes		<ul style="list-style-type: none"> <li>Colleagues adopt new process for telephone payments</li> <li>Customers use automated payment systems</li> </ul>			
Staff transfer			<ul style="list-style-type: none"> <li>CSF manager role established</li> <li>Customer service colleagues roles transferred to CSF management structure. Colleagues continue to use existing processes and systems</li> </ul>		
Telephony			<ul style="list-style-type: none"> <li>Colleagues start to transfer to new telephony system, training rolled out incrementally in line with service shift to CSF</li> </ul>		
CRM			<ul style="list-style-type: none"> <li>Colleagues trained to use new technology as processes move to new system</li> </ul>		
Customer service function			<ul style="list-style-type: none"> <li>Customer service function target to open Jan 2015.</li> <li>Phase 1 processes model office established in situ – colleagues trained to deliver service through new processes</li> </ul>	<ul style="list-style-type: none"> <li>Colleagues transfer to CSF (physical transfer)</li> <li>Roles change and training is delivered to support cross training</li> </ul>	

Structure	3 Months	6 Months	6 Months	12 Months	12 Months
Key worker pilot	<ul style="list-style-type: none"> <li>New roles created and established with welfare rights key workers</li> </ul>				
Staff transfer			<ul style="list-style-type: none"> <li>New management structure created and roles transferred – virtual change in structure</li> </ul>		
Telephony			<ul style="list-style-type: none"> <li>Telephony structures established for CSF, processes and hand offs established</li> <li>Structure change led by CSF work stream</li> </ul>		
Customer service function			<ul style="list-style-type: none"> <li>Establishes a customer service function at Loxley house</li> <li>Establishes a telephone contact team</li> <li>Establishes a digital delivery team</li> <li>Establishes a performance and improvement function</li> <li>Establishes primary and secondary service delivery across Council Properties</li> </ul>		



Services	3 Months	6 Months	6 Months	12 Months	12 Months
Self-service portal	<ul style="list-style-type: none"> <li>Increased self-service options through customer service portal</li> <li>Phase one processes – Quick wins with low risk to reputation</li> <li>Phase 2 processes – High impact in terms of volume – medium risk</li> <li>Phase 3 processes – More complex processes including statutory processes</li> </ul>				
Key worker pilot	<ul style="list-style-type: none"> <li>Complaints and complex queries move to a central point in existing customer facing department</li> </ul>				
Electoral services proof of concept	<ul style="list-style-type: none"> <li>Service delivered across departments</li> </ul>				
Payments processes		<ul style="list-style-type: none"> <li>Majority of payment services electronic – including cash payments in JSCs and at Loxley</li> </ul>			
Staff transfer			<ul style="list-style-type: none"> <li>No change to services – colleague and structure change only</li> </ul>		
Telephony			<ul style="list-style-type: none"> <li>Service delivery standards monitored and improved through improved telephony reporting</li> </ul>		
CRM			<ul style="list-style-type: none"> <li>Services delivered through CRM – processes improved through BPR and services delivered more efficiently, particularly where multiple issues raised</li> <li>Phases dependant on technology solution</li> </ul>		
Customer service function			<ul style="list-style-type: none"> <li>Telephony services delivered through single point of contact</li> <li>Primary face to face services provided at customer contact centre at Loxley and the JSCs</li> <li>Secondary face to face support provided at Libraries and other Council establishments</li> </ul>		



Benefits	3 Months	6 Months	6 Months	12 Months	12 Months
				B003/4 (Y15/16)	B003/4 (Y16/17 + 17/18)
Self-service portal		B005 Increased online transactions – MP 092 further develop the Councils website so that more services are available online		Cashable savings – FTE £0.398  Less Printing (15/16) £0.100	Cashable savings – FTE £0.640  Less Printing (16/17 + 17/18) £0.100
Key worker pilot	Non-financial benefits – Improved customer service in complex cases. Reduced failure demand				
Electoral services proof of concept	Programme benefits – Proof of concept for cross department working and key worker roles for CSF				
Payments processes		B003/4 – savings included with self service portal line			
Staff transfer			B007 Career progression pathways for Customer Service Colleagues		
Telephony				Reduced phone lines (Y15/16) £0.020	Reduced phone lines (Y16/17 + 17/18) £0.020
CRM			B006 Reduced failure demand Unquantifiable cashable savings and non financial customer service improvements	B001 Decommissioning – unknown savings – considered significant	
Customer service function			B002 Reduced access points Non financial customer service improvements	B003 (Y15/16) Cashable savings – FTE £0.899	B003 (Y16/17 + 17/18) Cashable savings – FTE £1.667

Costs	3 Months	6 Months	6 Months	12 Months	12 Months+
Self-service portal		Year 1 – including set up and purchase costs £0.200		Ongoing costs (15/16) £0.100	Ongoing costs (16/17 + 17/18) £0.100
Key worker pilot					
Electoral services proof of concept					
Payments processes		Changes to Oracle & Civica £0.200			
Staff transfer				Severance (15/16) £0.460	Severance (16/17) £0.460
Telephony				Set Up Costs (15/16) £0.300	Ongoing Costs (16/17 + 17/18) £0.100
CRM		Year 1 – including set up and purchase costs £0.900		Ongoing costs (15/16) £0.100	Ongoing costs (16/17 + 17/18) £0.100 then £0.050
Customer Service Function				Training (Y15/16) £0.060	Training (Y16/17) £0.060

Costs are estimated based on the following assumptions:

- Both a Self Service Portal & CRM will be required. Assumption will be ratified depending on the Technology chosen.
- Redundancy / Severance Costs based on:
  - Average cost of Redundancy payments across NCC
  - 75% of affected posts will incur costs



Programme Resources	3 Months	6 Months	6 Months	12 Months	12 Months
Programme Resources	Programme Manager Dedicated Comms Resource				
Self-service portal	Workstream Lead				
Key worker pilot	Absorbed by PM		<div style="border: 1px solid black; padding: 5px;">                     Indicative Programme Resource Costs across 4 Years                      TOTAL PER YEAR - £0.204                      GRAND TOTAL - £0.816                 </div>		
Electoral services proof of concept					
Payments processes	Absorbed by Self-Service Portal workstream lead				
Staff transfer	HR Caseworker (6 months per year)				
Telephony	Workstream Lead				
CRM	Technology Requirements Analyst				
	Internal IT support (not quantified pending Technology decisions)				
Customer Service Function	Workstream Lead				

## **Appendix 3: Scenarios**

### Customer Experience

This section is provided to give some specific examples of the types of changes that the Programme will implement.

#### **Face to Face**

Customers currently seek assistance at the Joint Service Centres and at the Contact Centre at Angel Row. Colleagues working at these centres try to help customers with their queries – researching the answers on the web site. Customers who need more specialist advice are referred to free phones in the centre. The transactions a customer may be able to access vary depending on the centre visited.

In the future customers will be able to access a core set of services at any of the Council's customer service centres, receiving the same high standards of care across all sites and in the majority of cases without the need for an appointment. Colleagues will be supported by appropriate technology and training to be able to help customers more easily and efficiently.

#### **Telephone**

Customers currently access Council services through a range of different numbers. There are an estimated 500 published numbers in use. Customers who have multiple queries may have to make a number of calls. As an example, in two Council service areas 24 phone numbers are listed in the directory. This means that customers who wish to contact the Council have to determine which number to use and store many in their phone.

Customers will call one number to access any transactional service. There will be a structured IVR switchboard that leads quickly to the correct advisor.

As with the face to face channel, customers will complete several transactions in one phone call and contact will be logged onto the CRM system.

If the customer wishes to make a payment, they will be able to use an automated payment line to take card details provide instant confirmation.

#### **Online**

The online services currently offered vary in approach and quality. Some services offer forms or information to download and print, some allow application by email and some have online forms. The online services may not be linked to back office systems which forces additional re-work.

Customers will have access to a range of self service options through an online 'account' that integrates directly with back office systems. Customers will be able to access the majority of council services and have a view of all their previous and open transactions including any overdue accounts or upcoming bookings.

Reminders will be sent for items such as bin dates/school admissions/council tax to encourage customers to complete these tasks online.

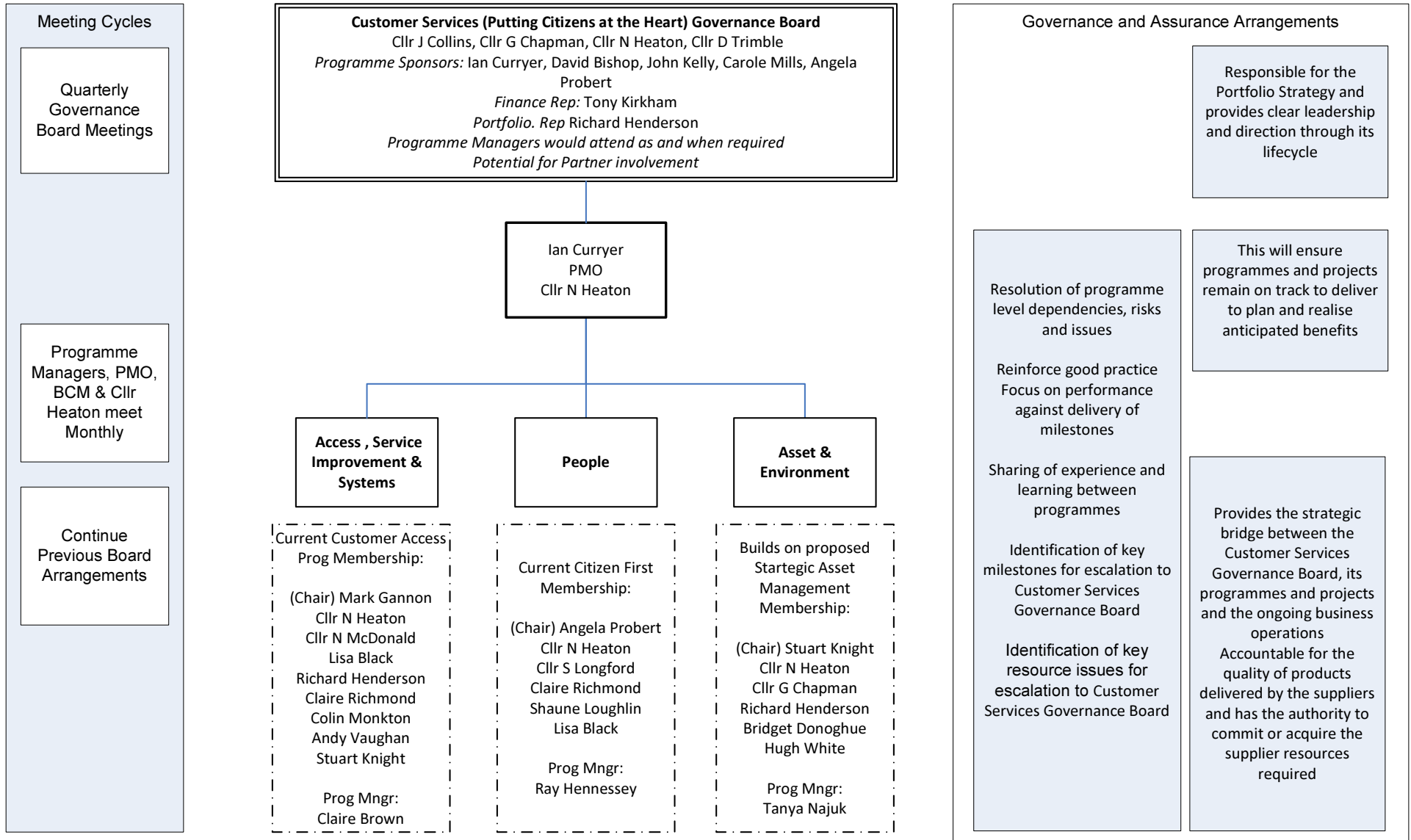
In the new system, online forms will be pre-populated with known information so that additional information required is minimal.

This will help to resolve issues, for example, with online payments. Currently if a customer pays a fine online, the system does not update in real time. Customers often become concerned that the payment has not been accepted and make the payment again.

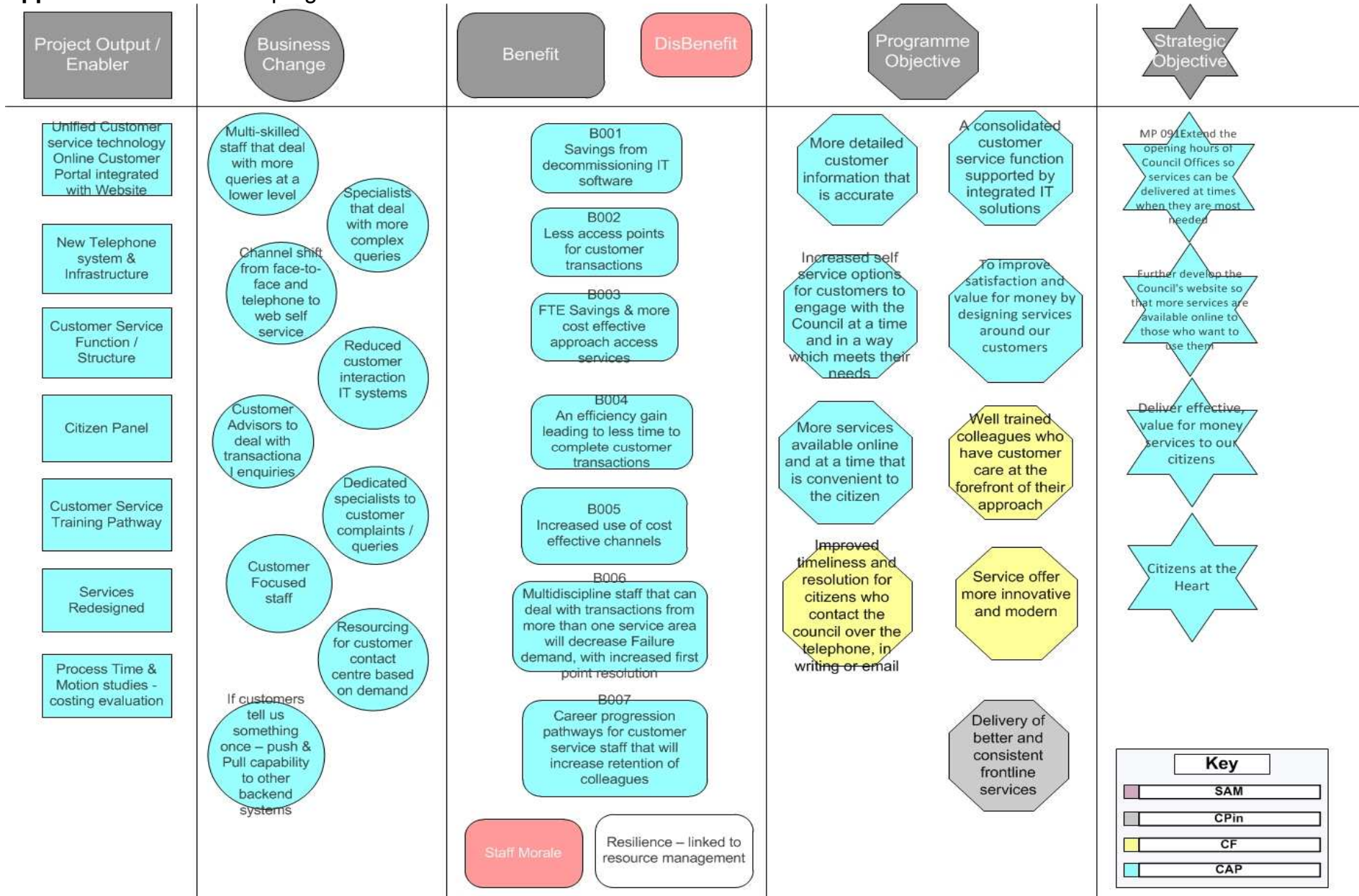
Similar issues result in concerns over our ability to notify people of a direct debit fail in a reasonable timeframe. In the case of meals at home this sometimes leads to customers owing three months payments before they are notified.

Whilst resolution of some of these issues does not result in direct financial savings for the Council it does enable the Council to provide a better service to vulnerable customers and to protect them from getting into debt.

## Appendix 4: Customer service programme governance



# Appendix 5: Overview of programme benefits



**Key**

- SAM
- CPin
- CF
- CAP

**Name and brief description of proposal / policy / service being assessed**

The Customer Access programme (CAP) is currently reviewing services across the organisation with a view to providing customers with a more consistent and streamlined experience when accessing Council services.

A large part of the programme will involve the consolidation of a number of existing customer facing processes into a single customer service unit/contact centre through which customers will be able to access and complete several services at a single point of contact. This will be supplemented by improved back office systems, more streamlined processes and a wider range of online options.

Service improvements are to be achieved through the rationalisation of existing processes into a more streamlined approach that will be supported by improved & fully integrated IT systems and software, while encouraging and increasing the use of improved online & self-service channels.

The Customer Access Programme will give customers more flexibility over the channels through which they choose to communicate with the council, making services more accessible and the customer experience more efficient.

**Information used to analyse the effects on equality**

The impacts of any changes concerning matters of equality have been carefully considered when thinking about the provision of future services and ongoing consultation with relevant groups will be carried out over the course of the programme.

It is suggested that the programme will have no negative impact on equality and in fact, while achieving its goals, will bring about some benefits for certain areas of the community. The detailed specifics and realisation of these benefits will be considered as the programme advances.

The Customer Access Programme is to carry out continued consultation across all demographics throughout the life of the programme in order to ensure that the needs of all citizens are met and that any potential impacts on these groups can be properly considered and mitigated. This will be done via a mixture of face to face and questionnaire (paper based/online) engagement.

The Customer Access programme is currently working with the council's Policy team (in partnership with the Clinical Commissioning Group), in order to put together a 'citizen panel' of 1000 demographically reflective citizens. It is planned that the programme will use this panel in order to regularly consult and engage with customers from all demographics at different stages of the programme; the panel should be in use by March 2014.

It is intended that CAP will also utilise this panel in order to address and take into consideration any concerns or issues raised about the potential equality impact of any changes being made and amend policies as appropriate.

Equality Impact Assessment Form

	Could particularly benefit (X)	May adversely impact (X)	How different groups could be affected: Summary of impacts	Details of actions to reduce negative or increase positive impact (or why action not possible)
People from different ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p><b><u>Ethnic Groups</u></b> It is not expected that the Customer Access Programme will have any adverse impact on any groups in terms of Ethnicity.</p> <p><b><u>Maternity&amp; Pregnancy/Disabled people or Carers/Older or Younger people</u></b> It is anticipated that by offering customers more ways of accessing our services, the programme will benefit those who may find it problematic to access certain services through limited channels or at different locations across the city. By opening new channels, and making existing channels easier to access, customers will have a greater choice when it comes to accessing council services. They will also be able to complete several tasks at a single point of contact should they so wish, which could potentially be less strenuous.</p> <p>In addition to the above, CAP has the potential to be of particular benefit to those who have problems with mobility (e.g. women during pregnancy or wheelchair users) or issues whereby being forced to use a certain channel may cause unwarranted distress.</p> <p><b><u>Other</u></b> A recent survey has shown that 30% of the Nottingham population are still without regular</p>	<p>Customers from BME communities for whom English is not necessarily a first language will be part of ongoing consultations following the setting up of the citizen panel in early 2014 to ensure that their needs are properly reflected.</p> <p>The Customer Access Programme will meet with DESN (NCC's internal disability group) and DIG (Disability Involvement Group) over the coming months in order to discuss with them the changes that are being made and the potential impacts thereof.</p> <p>It is also intended that we will work closely with Age UK in order to address the needs of our elderly citizens. Age UK are currently working on an elders charter that we may be able to add some consideration to.</p> <p>The Citizen Panel mentioned earlier in this document will be demographically representative of all aspects of the community and care will be taken to ensure that we are holistic in our approach and</p>
Men, women (including maternity/pregnancy impact), transgender people	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
People of different faiths/beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people	<input type="checkbox"/>	<input type="checkbox"/>		
Older or younger people	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Other (e.g. marriage/civil partnership, looked after children, cohesion/good relations, vulnerable children/adults)	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

Equality Impact Assessment Form

access to the internet therefore a holistic approach to digital inclusion will take place and the needs of this 30% will be addressed during consultation and in the overall channel shift strategy.

consult with all of these people to ensure that any impacts remain positive.

The majority of consultation with the groups above will take place during the testing phase over the next 6-9 months, as well as during any additional consultation with unions to discuss changes to existing job roles and access to new systems.

**Outcome(s) of equality impact assessment:**

No major change needed  Adjust the policy/proposal  Adverse impact but continue  Stop and remove the policy/proposal

**Arrangements for future monitoring of equality impact of this proposal / policy / service:**

Monitoring of equality impact for the Customer Access Programme will be ongoing and reviews will take place before any major implementations as well as throughout the lifecycle of the programme.

Approved by (manager signature): Claire Brown



**EXECUTIVE BOARD – 25 FEBRUARY 2014**

<b>Subject:</b>	<b>Replacement of the existing city-wide fleet of Multi Functional Devices (MFDs) and the Loxley House Print Room machines</b>		
<b>Corporate Director(s)/ Director(s):</b>	Carole Mills, Deputy Chief Executive/Corporate Director for Resources		
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
<b>Report author and contact details:</b>	Paul Ritchie, Procurement Category Manager – Facilities Management Tel. 0115 876 4194 Email: <a href="mailto:paul.ritchie@nottinghamcity.gov.uk">paul.ritchie@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input checked="" type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Total value of the decision:</b> £340,000 per annum over 5 years (£1,700,000 in total).			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> 13 January 2014		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The report sets out the Council's intention to enter into a new contractual arrangement with projected savings of £1.2 million over the next 5 years. This report details the plans to replace both the existing city-wide fleet of MFDs and the Loxley House Print Room machines. The Print Room machines are now out of contract and so are the majority of the MFDs.</p> <p>The Corporate Procurement Unit intends to tender the contract(s) via the Official Journal of the European Union to enable this.</p>			
<b>Exempt information:</b>			
<p>An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it may offer a competitive advantage to other companies tendering for future Council contracts.</p> <p><b>Appendix 1</b> shows our current MFD costs and estimated savings over the new contract period</p>			
<b>Recommendation(s):</b>			
<b>1</b>	To approve the OJEU procurement approach and delegate authority to the Deputy Chief Executive/Corporate Director for Resources, in consultation with the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration, to enter into		

contractual relationships with suppliers to supply and maintain the city wide fleet of MFDs and Loxley House Print Room equipment.

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 To enable the Council to make savings and replace both the existing city-wide fleet of MFDs and the Loxley House Print Room machines.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 All the Loxley House Print Room machines and the majority of the existing city-wide fleet of MFDs are now out of contract and the Council is required to ensure that a EU compliant contract is in place due to the value of spend. The existing MFD contract was let via a Government Procurement Service (GPS) framework agreement which restricts the number of suppliers that are able to tender for our requirements and it is intended that the Council go to market via a restricted two stage OJEU tender to allow all interested suppliers, including city suppliers the opportunity to submit a proposal for our requirements.
- 2.2 Consultation has taken place with Legal, Finance and Facilities Management (FM) Services colleagues. Legal are preparing the contract terms and conditions, IT are preparing the technical specifications and will support the roll out of the new arrangements, Finance have agreed the mechanism for realising the savings and FM Services - will support the rollout of the new arrangements.

## **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 The other option considered was to go back to market via the GPS framework but this was rejected as this approach would restrict the number of suppliers that would be able to participate in the tendering process including city suppliers..

## **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 Contained in the exempt appendix.

## **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 Legal Services will advise the Corporate Procurement Unit on appropriate terms and conditions of contract with the successful supplier and any other associated documentation for the project. This advice will be to protect the Council's interests and minimise risk wherever possible.
- 5.2 The procurement of the supplier must comply with all applicable EU regulations.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 The Employment Hub terms and conditions and questionnaire will be included in the tender documents.

## **7 REGARD TO THE NHS CONSTITUTION**

- 7.1 Not Applicable.

## 8 EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)



## 9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

9.1 None.

## 10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1 None.

## 11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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