



NOTTINGHAM CITY COUNCIL
EXECUTIVE BOARD

Date: Tuesday, 20 November 2018

Time: 2.00 pm

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham,
NG2 3NG

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

Corporate Director for Strategy and Resources

Governance Officer: Noel McMenamin, Constitutional Services, Tel: 0115 8764304
Direct Dial: 0115 8764304

AGENDA

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12	THE DEVELOPMENT OF A REGIONAL ADOPTION AGENCY - EXEMPT APPENDICES Report of the Portfolio Holder for Early Intervention and Early Years	133 - 218
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ALL ITEMS LISTED 'UNDER EXCLUSION OF THE PUBLIC' WILL BE HEARD IN PRIVATE FOR THE REASONS LISTED IN THE AGENDA PAPERS. THEY HAVE BEEN INCLUDED ON THE AGENDA AS NO REPRESENTATIONS AGAINST HEARING THE ITEMS IN PRIVATE WERE RECEIVED

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE 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

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

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NOTTINGHAM CITY COUNCIL

EXECUTIVE BOARD

MINUTES of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 16 October 2018 from 2.00pm-2.16pm

Membership

Present

Councillor Jon Collins (Chair)
Councillor Neghat Khan
Councillor Dave Liversidge
Councillor Sally Longford
Councillor David Mellen
Councillor Toby Neal
Councillor Dave Trimble
Councillor Sam Webster

Absent

Councillor Graham Chapman (Vice Chair)
Councillor Jane Urquhart

Colleagues, partners and others in attendance:

Councillor Andrew Rule

Candida Brudenell	- Corporate Director, Strategy and Resources
Ian Curryer	- Chief Executive
Chris Henning	- Corporate Director, Development and Growth
Rebecca Langton	- Executive Officer to the Leader
Noel McMenamin	- Governance Officer
Tanya Najuk	- Head of Asset Management
Paul Seddon	- Director of Planning and Regeneration
Linda Sellars	- Director of Quality and Change
Kevin Shutter	- Director of Strategic Asset and Property
Craig Stanley	- Majority Group Assistant
Jason Tyler	- Strategic Asset Business Partner
Keri Usherwood	- Portfolio Communications Manager
Andy Vaughan	- Corporate Director, Commercial and Operations

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is Friday 26 October 2018. Decisions cannot be implemented until the working day after this date.

33 APOLOGIES FOR ABSENCE

Councillor Graham Chapman – work
Councillor Jane Urquhart – work

Alison Michalska – other Council business

34 DECLARATIONS OF INTERESTS

Councillor Jon Collins declared a personal interest in agenda item 4 'Draft Waterside Supplementary Planning Document' (minute 36 below) as a Council-appointed director of Blueprint, which did not prevent him from speaking or voting on the item.

35 MINUTES

The minutes of the meeting held on 18 September 2018 were agreed as a true record and were signed by the Chair.

36 DRAFT WATERSIDE SUPPLEMENTARY PLANNING DOCUMENT (SPD)

The Board considered a report of the Portfolio Holder for Housing and Planning, seeking approval to make the draft Supplementary Planning Document (SPD) for the Waterside area available for a period of public consultation.

The document proposed a planning framework for sustainable future development, including housing, a primary school and access routes to the River Trent, while seeking to ensure permeability with existing neighbouring communities.

The Board supported the proposals, noting that an updated SPD will come back to the Executive Board for its consideration once consultation is complete.

RESOLVED to:

- (1) make the draft Waterside Supplementary Planning Document appended to the report available for public consultation;**
- (2) delegate authority to the Portfolio Holder for Housing and Planning to approve any minor changes to the draft Supplementary Planning Document prior to public consultation commencing.**

Reasons for decisions

The SPD will help ensure that development delivered in Waterside meets the Council's aspirations for the area in terms of nature and disposition of uses and phases of development.

Other options considered

Not producing an SPD. This would not give any assurance that the Council's aspirations could be met.

37 LOXLEY HOUSE WORK PLACE AND HUB PHASE 2: OUTLINE BUSINESS CASE AND RELATED APPROVALS

The Board considered a report of the Leader/Portfolio Holder for Regeneration and Growth, outlining proposals to maximise the potential of Loxley House and other assets.

It is proposed to move services from disparate locations across Nottingham to a central location at Loxley House, while freeing up other assets within the Council's estate for development and/or disposal, in line with the Corporate Asset Management Plan and Strategic Regeneration Programme.

RESOLVED to:

- (1) approve the Outline Business Case for the Loxley house Work Place and Hub Phase 2 programme of works as outlined at Appendix A to the report;**
- (2) approve the financial model of the project as defined at Appendix B to the report;**
- (3) delegate authority to the Corporate Director for Development and Growth, in consultation with the Leader/Portfolio Holder for Regeneration and Growth, to enter into work contracts, including the procurement of consultants, and to commit any expenditure required during the delivery of the programme, subject to costs being contained within the parameters of the financial model, noting that all requirements will be procured in conjunction with the Procurement Team and in accordance with the Council's own Contract Procedure Rules and Public Procurement Regulations 2015;**
- (4) approve the establishment of 1 Full-Time Equivalent (FTE) Grade I Change Manager post and 1 FTE Grade H Change Manager post and recruitment to these posts under scheme of delegation number 16, for a fixed term period of 12 months;**
- (5) delegate authority to the Head of Legal Services to amend existing licence agreements to reflect changes and to enter into any service level agreements required to facilitate the programme and protect the interests of the Council;**
- (6) delegate authority to the Corporate Director for Development and Growth, in consultation with the Leader/Portfolio Holder for Regeneration and Growth, to approve the Final Business Case, subject to the value being within the funding envelope set out within the Outline Business Case;**
- (7) delegate authority to the Strategic Director of Finance to opt to tax Loxley House if required to protect the Council's position;**
- (8) increase the Capital programme by £1.823 million as detailed in the exempt finance comments.**

Reasons for decisions

The proposals will release sites for development and will generate income and accrue savings for the Council.

They provide an opportunity to implement more flexible working throughout Loxley House, and to consolidate public-facing services within a single location.

They also provide the flexibility to recover VAT on any rental income from partners, subject to licences being in place, and this being the most favourable approach in the particular circumstances.

Other options considered

Do nothing: rejected as this could block at least 2 development opportunities and frustrate the most efficient use of resources.

Relocate Revenues and Benefits and Housing Aid to other buildings: rejected as no appropriate buildings have been identified.

Reconfigure Loxley House Ground Floor without introducing agile working: rejected, as existing back-office ground floor colleagues need relocating elsewhere within Loxley, requiring desk ratios to be improved.

Appoint external consultants as change managers: rejected as is cost prohibitive.

Use internal resources as change managers: rejected, as there is no in-house capacity to support this programme.

38 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item 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.

**39 LOXLEY HOUSE WORK PLACE AND HUB PHASE 2: OUTLINE
BUSINESS CASE AND RELATED APPROVALS EXEMPT APPENDICES**

The Board considered exempt appendices of the Leader/Portfolio Holder for Regeneration and Growth's report.

RESOLVED to approve the exempt appendices to the report.

Reasons for decision

As detailed in the report.

Other options considered

As detailed in the report.

Subject:	Treasury Management 2018/19 Half Yearly Update
Corporate Director(s)/Director(s):	Laura Pattman, Strategic Director of Finance
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration
Report author and contact details:	Theresa Channell, Head of Strategic Finance and Deputy S151 Officer Tel: 0115 8764157 Email : theresa.channell@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criteria for Key Decision:	
(a) <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	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure:	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision: Nil	
Wards affected: All	
Date of consultation with Portfolio Holder(s): Throughout the financial year to date	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input checked="" type="checkbox"/>
Schools	<input checked="" type="checkbox"/>
Planning and Housing	<input checked="" type="checkbox"/>
Community Services	<input checked="" type="checkbox"/>
Energy, Sustainability and Customer	<input checked="" type="checkbox"/>
Jobs, Growth and Transport	<input checked="" type="checkbox"/>
Adults, Health and Community Sector	<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years	<input checked="" type="checkbox"/>
Leisure and Culture	<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
This report sets out details of treasury management actions and performance from 1 April 2018 to 30 September 2018. In summary:	
<ul style="list-style-type: none"> £20m of new long-term borrowing has been undertaken in the period to 30 September 2018; The average interest rate payable on the debt portfolio was 3.316% at 30 September 2018; no debt rescheduling had been undertaken to 30 September 2018; the average return on investments to 30 September 2018 was 0.59% against a benchmark rate of 0.54% (7-day LIBID); there has been compliance with Prudential Indicators for 1 April to 30 September 2018; 	
Exempt information: None	
Recommendation(s):	
1 To note the treasury management actions taken in 2018/19 to 30 September 2018	

1 REASONS FOR RECOMMENDATIONS

- 1.1 To ensure that Councillors are kept informed of the actions taken by the Chief Finance Officer (CFO) under delegated authority. The currently adopted Treasury Management Code of Practice requires the CFO to submit at least three reports on treasury management each year; a policy and strategy statement for the ensuing financial year, a 6-monthly progress report and an outturn report after the end of the financial year. The Code also requires that the reports be considered by relevant scrutiny or executive committees, and that the City Council approves any treasury management strategy decisions.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 Capital Strategy

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2019/20, all local authorities will be required to prepare a Capital Strategy which is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

A report setting out our Capital Strategy will be taken to the full council, before 31st March 2019.

2.2 Treasury Management

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

- 2.3 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

The primary requirements of the Code are as follows:

Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.

- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee:

2.4 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2018/19 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, and prudential indicators;
- A review of the Council's investment portfolio for 2018/19;
- A review of the Council's borrowing strategy for 2018/19;
- A review of any debt rescheduling undertaken during 2018/19;
- A review of compliance with Treasury and Prudential Limits for 2018/19.

2.5 In respect of external investments, the Council is also required to ensure that the Ministry for Housing, Communities and Local Government (MHCLG) guidance is followed, with the priorities being, in order:

- security of the invested capital;
- liquidity of the invested capital; and
- commensurate with security and liquidity, an optimum return on those investments.

2.6 The successful identification, monitoring and control of risk are the prime criteria by which the effectiveness of the Council's treasury management activities is measured. Treasury management risks are identified in the Treasury Management Practices document. The main risks to the Council's treasury activities are:

- liquidity risk (inadequate cash resources);
- market or interest rate risk (fluctuations in interest rate levels and, thereby, in the revenue impacts of loans and investments);
- inflation risks (exposure to inflation);
- credit and counterparty risk (security of investments);
- refinancing risks (impact of debt maturing in future years);
- legal and regulatory risk (i.e. non-compliance with statutory and regulatory requirements, risk of fraud).

2.7 The treasury management reports written during the financial year of 2018/19 will take account of the following updates to guidance: -

- CIPFA Code of Practice on Treasury Management 2017
- CIPFA Prudential Code 2017
- CIPFA Treasury Management in the Public Services Guidance Notes 2018
- Statutory investment guidance where it has been updated in 2018 (MHCLG)
- Statutory MRP guidance where it has been updated in 2018 (MHCLG)

The council is awaiting further guidance to be issued from CIPFA (expected by end of 2018) to clarify how the revised Prudential Code is to be applied alongside the updated investment guidance from MHCLG.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 No other options were considered as the report is required by the Treasury Management Code of Practice.

4 TREASURY MANAGEMENT ACTIVITY TO 30 SEPTEMBER 2018

4.1 The Economy and Interest rates during 2018/19

- Growth and Inflation:

The first half of 2018/19 has seen UK economic growth post a modest performance, but sufficiently robust for the Monetary Policy Committee, (MPC), to unanimously (9-0) vote to increase Bank Rate on 2nd August from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019, albeit there were several caveats – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.

Some MPC members have expressed concerns about a build-up of inflationary pressures, particularly with the pound falling in value again against both the US dollar and the Euro. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June to 2.7% in August due to increases in volatile components, but is expected to fall back to the 2% inflation target over the next two years given a scenario of minimal increases in Bank Rate.

- Forecast Interest rates

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

The flow of generally positive economic statistics after the end of the quarter ended 30 June lead to the decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, to 0.75%. However, the MPC emphasised again, that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast.

Appendix B shows the money market interest rates, the PWLB borrowing rates for the half-year to 30 September 2018 and a forward view for PWLB rates.

4.2 Local Context

4.2.1 The Treasury Management Strategy Statement, (TMSS), for 2018/19 was approved by Full Council on 5 March 2018.

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

4.2.2 The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need

4.2.3 At 31/03/2018 the Council's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £1,369.8m. The revised forecast CFR at 31/03/2019 is now £1,534.2m due to the inclusion of 'planned' capital schemes yet to be approved including further commercial property acquisitions and the proposed program of works on the southern entrance to the city. Recognising schemes under development allows the council to understand the financial position if the schemes are subsequently approved and to set appropriate prudential indicators including the limit for external debt.

Table 1 below shows the original and expected financing arrangements of the capital programme. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

TABLE 1: CAPITAL EXPENDITURE	2018/19 Original Estimate £m	2018/19 Revised Estimate £m
Total capital expenditure	172.287	332.741
Financed by:		
Capital Receipts	16.244	22.680
Capital Grants & Contributions	53.725	77.812
Internal Funds / Revenue (inc. Major Repairs Reserve)	39.740	36.497
Total financing	109.709	136.989
Borrowing requirement	62.578	195.752

4.2.4 The council is evaluating further 'proposed capital schemes' that would increase the council's borrowing requirement, but as the financial implications of these schemes are yet to be fully quantified they have not been included in the above estimates.

4.3 Borrowing strategy

4.3.1 To finance the CFR the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

4.3.2 At 30/9/2018 the Council has increased the balance of external loans by £46.9m on the 31/3/2018 balance, as part of its strategy for funding previous years' capital programmes. The Council expects to borrow up to a further £99.5m in 2018/19 based on the revised capital program and forecast cash flow requirements.

4.3.3 **Table 2** summarises the Council's outstanding external debt at 30 September 2018 showing the value of debt and the average interest rate payable on the debt:

TABLE 2: DEBT PORTFOLIO				
	01-Apr-18		30-Sep-18	
DEBT	£m	Average Interest %	£m	Average Interest %
PWLB borrowing	787.3	3.448	799.2	3.487
Market loans inc LOBO	49.0	4.348	49.0	4.348
Local bonds & Stock	0.6	3.001	0.6	3.001
Temporary borrowing	28.7	0.43	63.7	0.682
TOTAL LOANS DEBT	865.6	3.398	912.5	3.316
Other inc PFI	208.0		206.5	
TOTAL DEBT	1073.6		1119.0	

At 30/09/2018, the Council had £1,119.0m of external borrowing including £206.5m of Private Finance Initiative (PFI) and lease liabilities. The Council has continued to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, subject to holding a minimum investment balance of around £30m. As at 31 March 2018 the Council had c.£296m of internal borrowing and expects to maintain this position as this is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

4.3.4 The chief objective when borrowing continues to be striking an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the long-term plans change being a secondary objective.

Affordability and the "cost of carry" remained important influences on the Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. To date short-term interest rates have remained, and are likely to remain for a significant period, lower than long-term rates. The Council determined it to be more cost effective in the short-term to maintain the use

internal resources and borrow short-term loans for some of its borrowing requirement.

4.3.5 The expected path for the interest rates on new fixed rate long term loans is a gradual increase over the coming years, but within this time frame there will be some volatility and therefore opportunities to fix new loans at low rates in periods where the UK Gilt yields fall.

4.3.6 In 2018/19 the Council has borrowed £20m from the Public Works Loans Board (PWLB) at a fixed rate of 2.31%, on a 50 year maturity loan basis to fund capital expenditure and maturing loans. The PWLB was the Authority's preferred source of long term borrowing given the transparency and control that its facilities continue to provide.

Temporary and short-dated loans borrowed from the markets, predominantly from other local authorities, has also remained affordable and attractive. In the 6 months to 30 September a total of £224m of such loans were borrowed at an average rate of 0.542% and an average life of 41 days which includes the replacement of maturing loans.

4.4 Debt rescheduling

Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

4.5 PWLB Certainty Rate Update

The Council qualifies for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate) for a 12 month period from 01/11/2017. The Council submitted its application to the MHCLG to access this reduced rate for a further 12 month period from 01/11/2018.

4.6 Lender's Option Borrower's Options (LOBO) Loans

The Council holds £34.000m of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £14.000m of these LOBO loans have options during the year, none have been exercised by the lender. The Council acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

4.7 Housing Revenue Account (HRA) Treasury Management Strategy

From 1 April 2002, the Council's HRA was allocated a separate debt portfolio based on the appropriate proportion of the Councils existing debt at that time. As a result of existing debt maturing, and not being replaced, the HRA accumulates an internal borrowing position. The interest payable in 2018/19 is expected to be £12.593m at an average rate of 4.10%. This includes £37.161m of fixed rate internal borrowing maturing 01 October 2044.

4.8 Investments

4.8.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite.

4.8.2 As shown by forecasts in section 4.1, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.75% Bank Rate.

The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

4.8.3 The Council held £57.0m of investments as at 30 September 2018 (£31.3m at 31 March 2018) and the investment portfolio yield for the first 6 months of the year is 0.59% against a benchmark (Average 7-day LIBID) of 0.54%.

4.8.4 **Appendix A** provides details of the Council's external investments at 30 September 2018, analysed between investment type and individual counterparties showing the current Fitch long-term credit rating.

4.8.5 As the Council has maintained a reduced level of investments it remains insulated from the low interest rates on short-dated money market instruments. The relatively low investment balance is a reflection of the overall strategy to reduce credit risk exposure by reducing investment balances to fund the capital programme and the repaying of maturing debt.

Table 3 below summarises investment activity in 2018/19.

TABLE 3 - Investment Activity in 2018/19

Investments	Balance on 01/04/2018 £m	Balance on 30/09/2018 £m	Avg Rate/Yield (%) Avg days to maturity
Short term Investments (call accounts, deposits)			
- Banks and Building Societies with ratings of A- or higher	0	10.0	0.95% / 95
- Local Authorities	10.0	15.0	0.75% / 9
Long term Investments	0.0	0.0	N/A
Money Market Funds	21.3	32.2	0.70% / 1
TOTAL INVESTMENTS	31.3	57.0	0.75% / 20
- Increase/ (Decrease) in Investments £m		25.7	

4.8.6 The Chief Financial Officer confirms that the approved limits within the Annual Investment Strategy have not been breached during the first 6 months of 2018/19.

4.8.7 The Council's budgeted investment return for 2018/19 is £0.120m, and performance for the year to date is £0.074m above budget for treasury investment income. This variance is offset against the increases in variable/short term borrowing costs.

4.8.8 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Council's minimum long-term counterparty rating is A- across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial

statements, information on potential government support and reports in the quality financial press.

4.9 Compliance with Prudential Indicators

4.9.1 The Council confirms compliance with its Prudential Indicators for 2018/19 set on 5 March 2018 as part of the Council's Treasury Management Strategy Statement.

4.9.2 The Council measures and manages its exposures to treasury management risks using the following additional indicators.

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. The limits on variable rate interest rate exposures are:

	2018/19 £m	2019/20 £m	2020/21 £m
Upper limit on variable interest rate exposure	300	300	300
Actual	141		

4.9.3 **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Lower	Upper	Actual
Under 12 months	0%	25%	10%
12 months and within 24 months	0%	25%	3%
24 months and within 5 years	0%	25%	10%
5 years and within 10 years	0%	25%	14%
10 years and within 25 years	0%	50%	18%
25 years and within 40 years	0%	50%	19%
40 years and above	0%	50%	26%

4.9.4 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2018/19 £m	2019/20 £m	2020/21 £m
Limit on principal invested beyond year end	100	50	20
Actual	0		

4.9.5 Operational Boundary and Authorised Limit for External Debt: The operational boundary is based on the Council's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

The table below shows the expected debt position during 2018/19.

	2018/19		2018/19
	Original Estimate	Current Position	Revised Estimate
	£m	£m	£m
Borrowing	952.8	912.5	1,012.6
Other long term liabilities*	201.0	206.5	201.0
Total debt (year end position)	1,153.8	1,119.0	1,213.6
Operational Boundary for external debt	1,313.8	1,313.8	1,313.8
Authorised limit for external debt	1,353.8	1,353.8	1,353.8

* On balance sheet PFI schemes and finance leases etc.

The increase in estimated borrowing in 2018/19 since the original estimate is due to the inclusion of 'planned' schemes within the capital program. No revision to this indicator is necessary as provision for planned schemes was included in the original approved limit. The additional capital expenditure will be subject to an affordability assessment as part of the business case approval from the Section 151 Officer.

4.10 Other

4.10.1 UK banks – ring fencing

The largest UK banks, (those with more than £25bn of deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

4.10.2 IFRS 9 accounting standard

This accounting standard came into effect from 1st April 2018. It means that the category of investments valued under the available for sale category will be removed and any potential fluctuations in market valuations may impact onto the Surplus or Deficit on the Provision of Services, rather than being held on the balance sheet. This change is unlikely to materially affect the commonly used types of treasury management investments but more specialist types of investments, (e.g. pooled funds and third party loans), are likely to be impacted.

The Ministry of Housing, Communities and Local Government (MHCLG), are currently conducting a consultation for a temporary override to allow English local authorities time to adjust their portfolio of investments. Councilors will be updated when the result of this consultation is known.

4.11 Risk Management

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 prepared for the treasury function.

The treasury management risk register's overall risk rating at 30 September 2018 was Likelihood = unlikely, Impact = minor. However there are a number of risks which are above target for which the Treasury Management working group continue to manage and take appropriate actions as required.

5 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

5.1 Treasury management payments comprise interest charges and receipts and provision for repayment of debt. A proportion of the City Council's debt relates to capital expenditure on council housing and this is charged to the HRA. The remaining costs are included within the treasury management section of the General Fund budget. The General Fund Treasury Management budget is £51.747m for 2018/19.

5.2 An estimated outturn for 2018/19 is included in the quarter 2 revenue monitoring report on the 18 December 2018 Executive Board agenda. The budget for 2019/20 will be submitted with the 2019/20 treasury management strategy, in February 2019.

6 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

6.1 Not applicable

7 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

7.1 Not applicable

8 SOCIAL VALUE CONSIDERATIONS

8.1 Not applicable

9 REGARD TO THE NHS CONSTITUTION

9.1 Not applicable

10 EQUALITY IMPACT ASSESSMENT (EIA)

10.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because: There are no proposed changes to processes or policies within this report.

**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 Money Market and PWLB loan rates

12.2 Treasury Management in the Public Services Code of Practice 2017–CIPFA

12.2 Prudential Code 2017-CIPFA

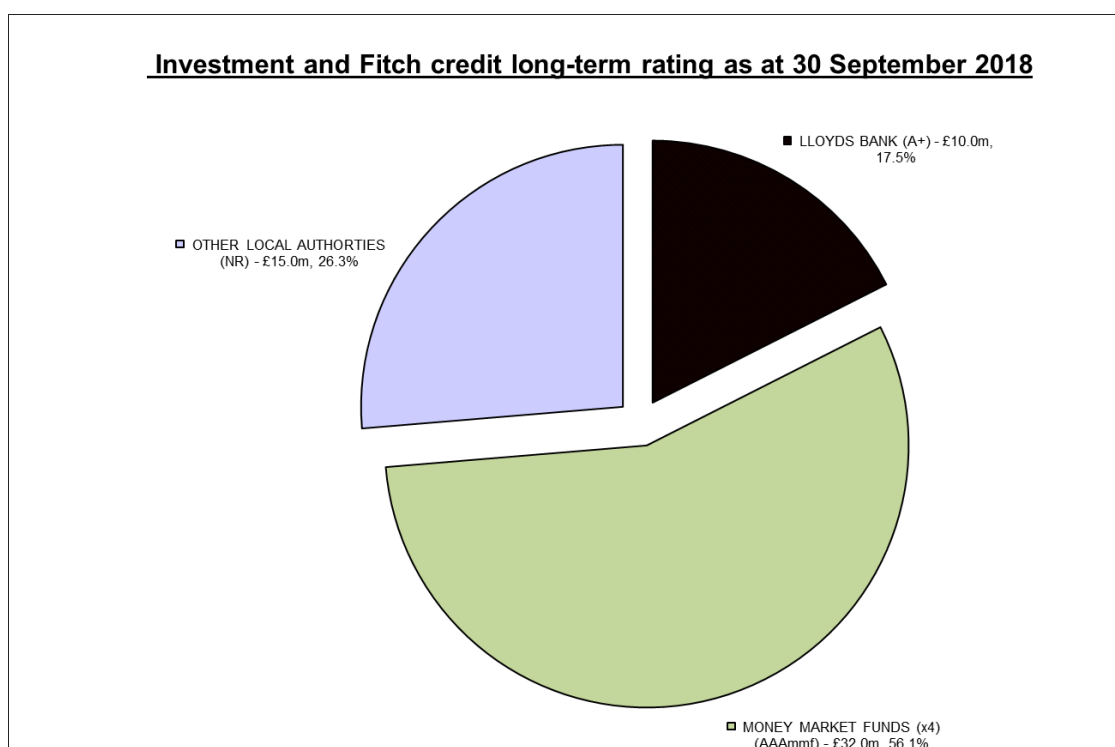
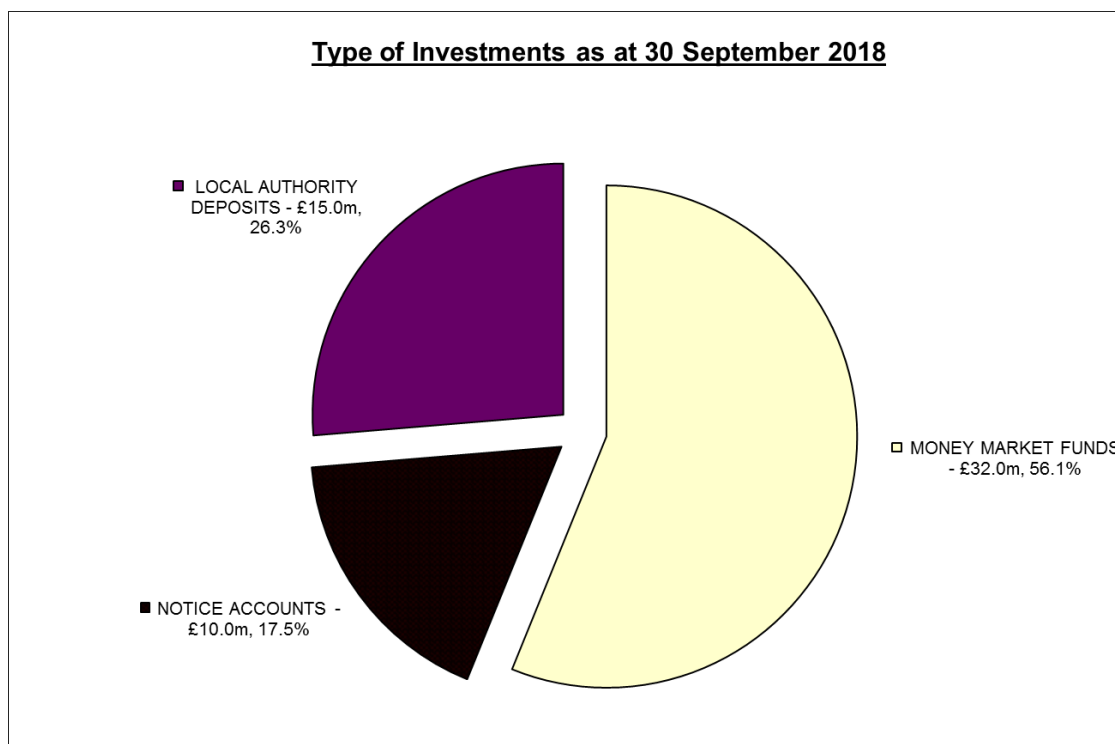
12.3 Treasury Management in the Public Services Guidance Notes 2018 - CIPFA

12.4 Statutory guidance on local government investments 3rd Edition 2018

12.5 Statutory guidance on Minimum Revenue Provision (MRP) 2018

APPENDIX A

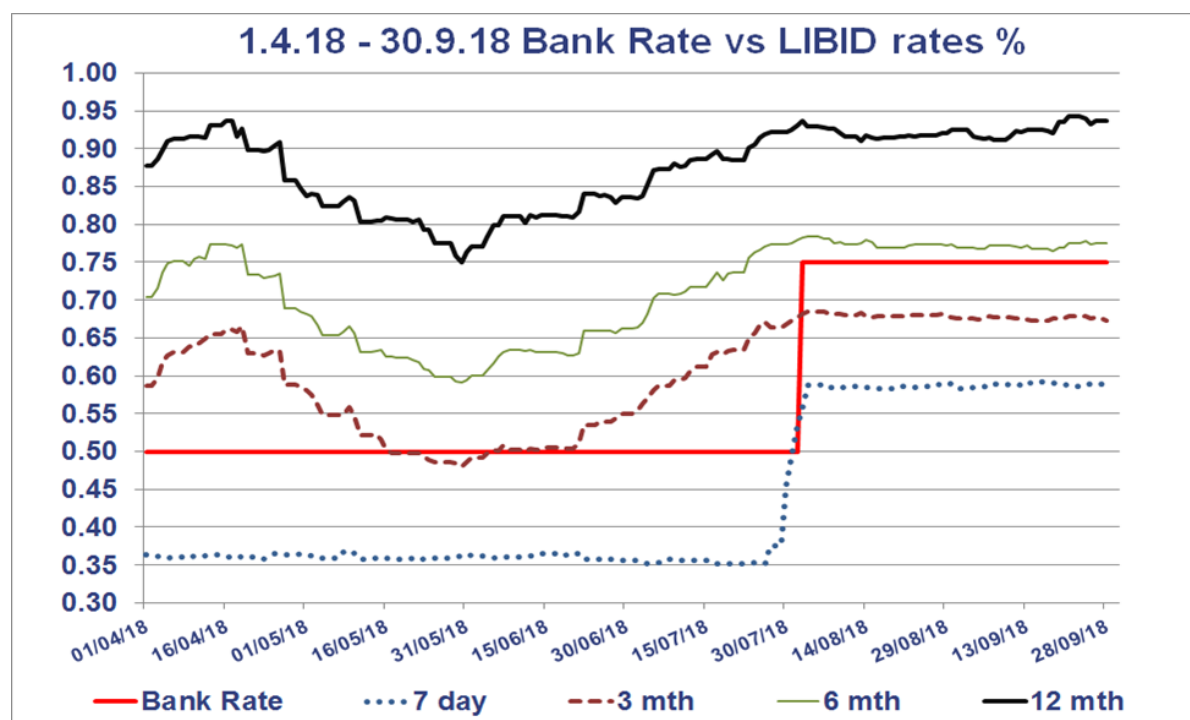
The charts below provide details of the Council's external investments at 30 September 2018, analysed between investment type and individual counterparties showing the current Fitch long-term credit rating.



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Money Market Data, PWLB Rates and Forecast Rates

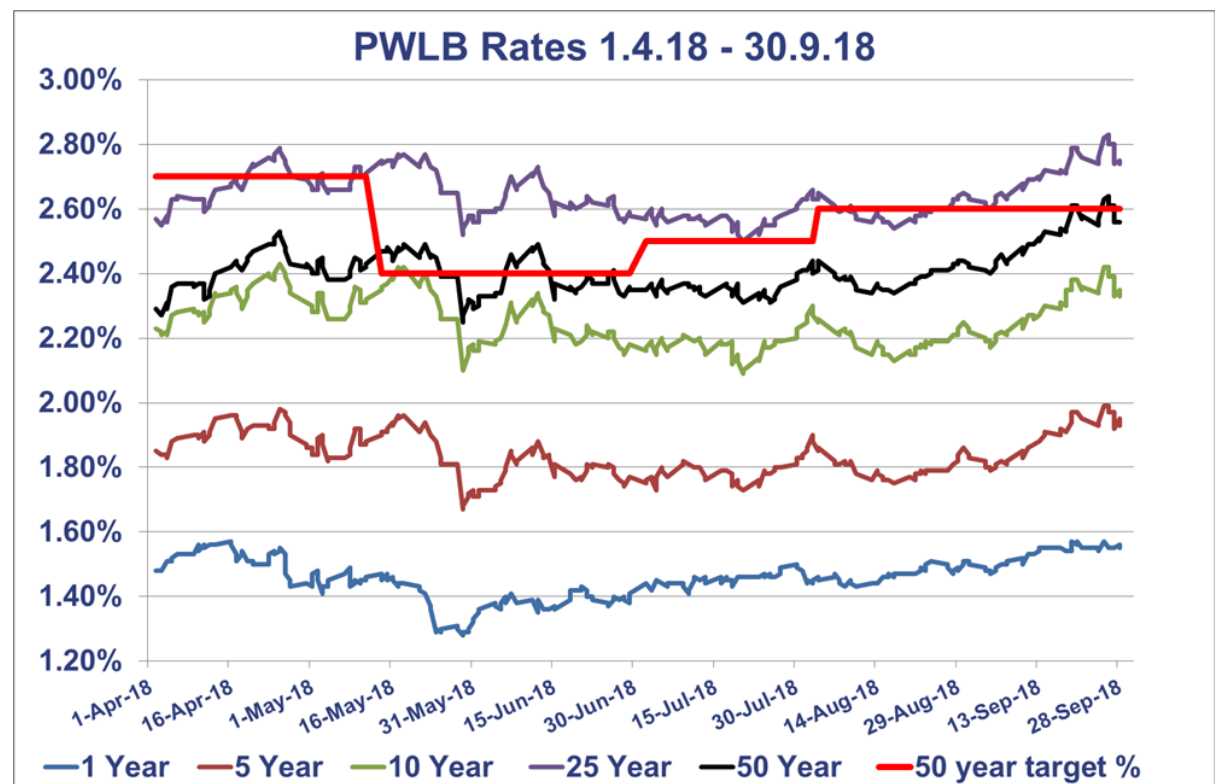
The table and graph below shows the UK Bank of England Bank Rate and benchmark rates within the short term money markets for the last 6 months.



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.75	0.59	0.60	0.68	0.78	0.94
High Date	02/08/2018	14/09/2018	18/09/2018	06/08/2018	03/08/2018	21/09/2018
Low	0.50	0.35	0.37	0.48	0.59	0.75
Low Date	01/04/2018	19/07/2018	30/05/2018	30/05/2018	30/05/2018	30/05/2018
Average	0.58	0.43	0.47	0.61	0.71	0.87
Spread	0.25	0.24	0.23	0.21	0.19	0.19

The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date:

PWLB certainty rates 1 April 2018 to 30 September 2018



	1 Year	5 Year	10 Year	25 Year	50 Year
3.4.18	1.48%	1.84%	2.22%	2.55%	2.27%
30.9.18	1.55%	1.93%	2.33%	2.74%	2.56%
Low	1.28%	1.67%	2.09%	2.50%	2.25%
Date	01/06/2018	29/05/2018	20/07/2018	20/07/2018	29/05/2018
High	1.57%	1.99%	2.43%	2.83%	2.64%
Date	17/04/2018	25/09/2018	25/04/2018	25/09/2018	25/09/2018
Average	1.46%	1.84%	2.25%	2.64%	2.41%

Forecast Interest rates

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View											
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.75%	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.85%	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%
10yr PWLB Rate	2.40%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%

The flow of generally positive economic statistics after the end of the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, to 0.75%. However, the MPC emphasised again, that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast. We do not think that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. We also feel that the MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by further increases of 0.25% in May and November 2020 to reach 1.5%. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. This is likely to lead to friction with the EU when setting the target for the fiscal deficit in the national budget. Unsurprisingly, investors have taken a dim view of this and so Italian bond yields have been rising.
- Austria, the Czech Republic and Hungary now form a strongly anti-immigration bloc within the EU while Italy, this year, has also elected a strongly anti-immigration government. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position as a result of the rise of the anti-immigration AfD party. To compound this, the result of the Swedish general election in September 2018 has left an anti-immigration party potentially holding the balance of power in forming a coalition government. The challenges from these political developments could put considerable pressure on the cohesion of the EU and could spill over into impacting the euro, EU financial policy and financial markets.
- The imposition of trade tariffs by President Trump could negatively impact world growth. President Trump's specific actions against Turkey pose a particular risk to its economy which could, in turn, negatively impact Spanish and French banks which have significant exposures to loans to Turkey.
- Weak capitalisation of some European banks.

- Rising interest rates in the US could negatively impact emerging countries which have borrowed heavily in dollar denominated debt, so causing an investor flight to safe havens e.g. UK gilts.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- President Trump's fiscal plans to stimulate economic expansion causing a significant increase in inflation in the US and causing further sell offs of government bonds in major western countries.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Subject:	Better Lives Better Outcomes: a new strategy for sustainable adult social care in Nottingham
Corporate Director(s)/Director(s):	Alison Michalska, Corporate Director- Children & Adults Catherine Underwood- Interim Director of Adult Social Services & Transformation
Portfolio Holder(s):	Cllr Sam Webster
Report author and contact details:	Helen Carlin, Transformation Programme Manager, Adult Social Care helen.carlin@nottinghamcity.gov.uk
Subject to call-in:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Criteria for Key Decision:	
(a) <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	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure:	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision:	
Wards affected:	
Date of consultation with Portfolio Holder(s): 12/10/19	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
This new strategy sets out a sustainable approach for adult social care. It outlines our ambition to change the way we work with citizens, communities and partners so that we are able to achieve good outcomes with the resources available. It is based on a principle of promoting independence: that we will work with citizens and communities, their needs, aspirations, skills and resources, to build their resilience and independence.	
Exempt information:	
None	
Recommendation:	
1 The Executive Board is asked to approve the new adult social care strategy; Better Lives: Better Outcomes and for this to become part of the Council's policy framework.	

1 **REASONS FOR RECOMMENDATIONS**

- 1.1 This strategy sets out the future approach of Nottingham City Council to delivering social care services to citizens in Nottingham. It represents a significant change to current policy and is about having a sustainable social care system due to cuts in government funding and increasing demand for services.

- 1.2 In July 2018, approval was given by the Executive Board for consultation to take place on the draft strategy. The strategy has now been revised following feedback from the consultation.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Our new strategy is all about a sustainable approach to supporting older adults and disabled people. It sets out our ambition to change the way we work with citizens, communities and partners so that we are able to achieve good outcomes within the resources available. It is based on a principle of promoting independence: that we will work with citizens and communities taking into account their needs, aspirations, skills and resources, to build their resilience and independence.
- 2.3 Consultation on the new strategy has taken place over the last two months with partners, stakeholders and citizens. Groups and organisations consulted include the National Health Service, Nottingham City Clinical Commissioning Group, housing providers, voluntary organisations, disability groups, equalities networks and citizen engagement networks. The strategy has also been taken to the Council's Health Scrutiny Committee and Health and Wellbeing Board. The strategy and a survey were made available online and promoted through social media channels as well as libraries, community centres and citizen engagement forums. An event for stakeholders and partners was held at Council House on 18th September. This was attended by over 50 people. We also attended a carers' roadshow and a listening day for adults with learning disabilities, all of which provided useful feedback.
- 2.4 The consultation closed on 30th September and we received 169 survey responses. On the whole, these have been very positive and the majority of people supported the aims and themes of the strategy. It is clear that there is a strong commitment from partners to working with us to achieve better outcomes for citizens. 67% of respondents either felt that the aims of the strategy may or would definitely meet the needs of citizens, whereas 81% felt the themes may or would definitely help enable better lives for older and disabled people in the city. 59% of respondents felt that prevention is very important in helping people live better lives. 64% of respondents believed that it is very important to be connected to local communities. 60% of respondents felt it is very important for people to remain independent and finally 66% of respondents felt that it is very important for people to have choice and control over the care they receive.
- 2.5 There was an overwhelming sense that respondents want to be better connected to their community, but in many cases this requires support to enable it to happen. Concerns about the effectiveness of signposting and the availability of information to people have been highlighted. We will look to address this to ensure that information regarding services in the community is readily available and accessible in different formats as well as targeted at groups who need this most, for example those living in deprived areas and those at risk of social isolation.
- 2.6 Several people also noted that the draft strategy did not specifically mention mental health. Our strategy is aimed at achieving better outcomes for all citizens in need of social care support - older adults, disabled people and those with mental health needs. For citizens with mental health issues, we will help them move towards recovery. Delivering improved outcomes and managing demand by focusing on prevention and early intervention, promoting independence and working with citizens in their communities has a strong resonance with the recovery model in mental health, focusing on supporting good quality of life and building resilience rather than just treating symptoms. The full strategy has been amended to reflect this.
- 2.7 Questions were raised regarding how we will measure the success of the strategy. A robust evaluation process will be designed once the strategy is implemented

which will include performance indicators for our programme outcomes. This will be reviewed on a quarterly basis to ensure that performance issues are dealt with promptly.

- 2.8 Now that the consultation has closed, all responses will be analysed and a detailed report will be written and made available via the Council's Consultation and Engagement website that housed the original consultation. We will also close the consultation loop by highlighting some key messages on social media channels, and feedback to the learning disability group.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Not applicable

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 There are no direct financial implications resulting from the recommendation in this report to approve the new strategy for sustainable social care services in Nottingham. The Better Lives Better Outcomes Strategy will support the council in achieving a balanced Medium Term Financial Plan (MTFP) and ensure services secure best value for citizens and the council.
- 4.2 The funding available to the local authority through national and local funding sources including specific revenue grants is incorporated into the Council's MTFP and this will be updated to reflect changes in legislation and future funding announcements.

Darren Revill, Senior Commercial Business Partner 23/10/18

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 Minor amendments made to Strategy. No further legal comment to make.

Claire Knowles
Team Leader
Children & Adults Legal Team
16.10.2018

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 Not applicable

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 Not applicable

8 REGARD TO THE NHS CONSTITUTION

- 8.1 Not applicable

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No

☐

An EIA is not required because:

(Please explain why an EIA is not necessary)

Yes

☒

Attached as Appendix x, and due regard will be given to any implications identified in it.

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

10.1 Better Lives Better Outcomes: a new strategy for sustainable adult social care in Nottingham

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1

Adult social care strategy – drafting version control

Version	Date	Author	Notes
v1	29/03/18	Catherine Underwood	Outline shared with Colin Monkton
V1a	03/04/18	Catherine Underwood	Updated from meeting with CM Circulated to HJ/LS/CM/CW/DR/JR/RB/EM
V2	25/04/18	Catherine Underwood	Updated content re ASC
V2i	27/04/18	Catherine Underwood	Updated from meeting 27/04/18 Circulated to HJ/LS/CM/CW/DR/JR/RB/EM/EF/CK/ES
V3	17/05/18	Catherine Underwood	Updated with contributions from colleagues Circulated to HJ/LS/CM/CW/DR/JR/RB/EM/CK/ES
V3i	21/05/18	Catherine Underwood	Reformatted/amendments incorporated
			Shared with Cllr Webster and Cllr McCulloch
V4	29/05/18	Catherine Underwood	Updated data inserts and Exec Summary To ASC Big Ticket meeting 01/06/18
V5	15/06/18	Catherine Underwood	Insertion of some missing numbers and proof read Inclusion of Employee Wellbeing elements via Jacqui Armand To Leadership Group 21/06/18
V6	25/06/18	Catherine Underwood	Updated Action Plan Updated input from Public Health To Executive Panel 26/06/18
V7	28/06/18	Catherine Underwood	Finance section updated by CW
V8	05/08/18	Catherine Underwood	Figures added to the infographic from JR/DR
V9	18/09/18	Helen Carlin	First draft of Final Strategy. Shared with CU & Cllr Webster for comments.
V10	24/10/18	Helen Carlin	Updated for Exec Board approval

Contents:

1. Foreword
2. Executive Summary
3. The current picture of adult social care in Nottingham
4. The context for adult social care
 - a) Policy context
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 - c) Demographic context
 - d) The financial context
 - e) The impact of adult social care in the local economy
5. The strategy for adult social care in Nottingham
6. Key areas of focus in implementing our strategy
 - a) Information and advice
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 - c) Supporting carers
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 - e) Nottingham City Council's care provision
 - f) Care and support providers
 - g) Quality matters
 - h) Housing
 - i) Employment
 - j) Digital opportunities
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 - l) Approach to funding
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8. Financial strategy
9. Working together: what we offer, what we ask
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Better Lives Better Outcomes: a new strategy for sustainable adult social care in Nottingham

1. FOREWORD by Cllr Sam Webster, Portfolio Holder for Adult Social Care & Health

Nottingham needs a sustainable social care system to help people live better lives. Despite a growth in demand for health and social care services, funding to Councils from Government has fallen significantly in recent years and so maximising the effectiveness of the money we spend is more important than ever.

To be sustainable we need to be:

- Supporting people to do what they can for themselves
- Helping friends and families to provide the best possible support for each other
- Providing connections to others who can help from within Nottingham's caring communities.

Where people do need more support, that support will promote wellness and maximise independence. For those who can pay for and arrange their own services, we will signpost them where necessary.

This strategy builds on the work which we are already doing to support citizens in Nottingham. At the heart is the development of a financial strategy to enable a sustainable social care system. Through an improved understanding of demand, we will identify how we can achieve that by:

- identifying potential for greater investment in targeted prevention,
- continuing to work with the NHS, integrating services where we can and where this means we can better support citizens with both health and care needs,
- developing further understanding of what can be delivered through people in local communities and investing in local groups to enable them to provide support to those most in need in their communities.

We are calling our strategy Better Lives Better Outcomes. We have consulted with partners and stakeholders and this reflects our shared ambition for Nottingham to be one of the best cities for adults in need of support to live well.

Signed:



Cllr Sam Webster

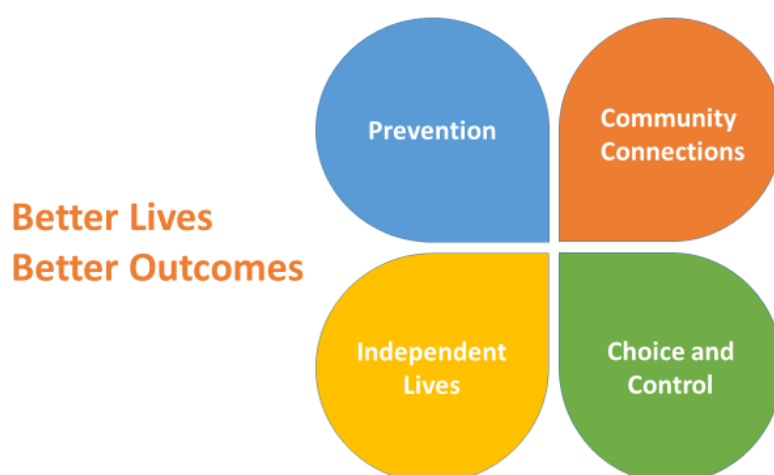
2. Executive summary

In 2017-18, Nottingham City Council supported over 7,300 older and disabled adults, along with over 1,500 carers, spending in total over £100m on adult social care. However, adult social care services are under increasing pressure: demand is increasing due to longer life expectancies and people living with longer periods of long term ill-health, the National Living Wage is having a significant impact on care costs along with inflation and funding from national government to local councils has been cut year on year. Nottingham faces the double impact of higher levels of deprivation meaning a greater proportion of citizens rely on state support, alongside lower levels of funding raised through council tax. The cost of providing adult social care has begun to outstrip the available resources and this is not sustainable. In 2017, the Council reviewed its adult social care services and asked the following questions:

- 1) How efficiently are services being run?
- 2) Are they achieving the right outcomes for citizens?
- 3) How can we make the best use of the resources available?

This review concluded that in comparison with other local authorities, services were run efficiently and were able to achieve best outcomes for citizens. However, the review also set out that they could achieve the best outcomes for more citizens more frequently and this would allow for better use of resources.

Adult social care covers social work, personal care and practical support for adults with a physical disability, a learning disability, or physical or mental illness, as well as support for their carers. This new strategy is all about a sustainable approach to supporting these groups of people, referred to as older adults and disabled people throughout the rest of this document. It sets out our ambition to change the way we work with citizens, communities and partners so that we are able to achieve good outcomes with the resources available. It is based on a principle of promoting independence: that we will work with citizens and communities, their needs, aspirations, skills and resources, to build their resilience and independence. This is why our strategy is called “Better Lives Better Outcomes”.



The four themes in the strategy will underpin our approach and we are inviting citizens, communities and other partners to work with us in this new framework. This will mean changing the

way we work together with a relentless focus on getting the best outcomes with the whole range of resources we have available between us.

Prevention: promoting healthy lifestyles and intervening early when people's wellbeing is at risk to avoid crisis and loss of independence.

Community Connections: ensuring citizens are connected to the resources and support in their local neighbourhoods so that no one is socially isolated and lonely.

Independent Lives: supporting personal and community resilience, strengths and resources, and reduce dependence on council funded support where possible.

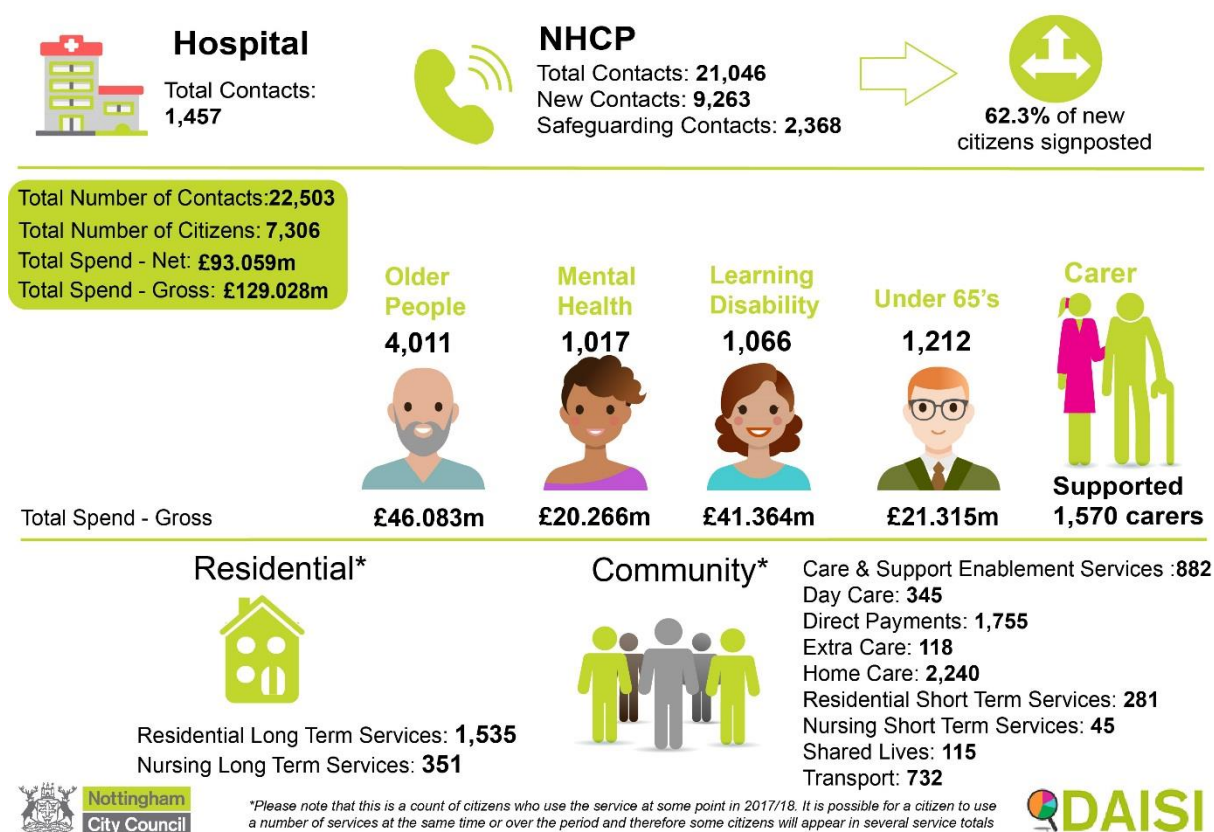
Choice and Control: seeing the citizen in the driving seat, shaping solutions around the outcomes that matter for individuals.

This is not a quick change. It is a radical reset of adult social care in Nottingham and as such will take time and commitment to put in place. This is not something the Council can do alone and we are inviting citizens, families, communities and partners across the City to play a full part in delivering Better Lives Better Outcomes in Nottingham.

Our measure of success will be the evidence of good outcomes for citizens using adult social care services and our ability to deliver these with the resources available.

3. THE CURRENT PICTURE: ADULT SOCIAL CARE IN NOTTINGHAM CITY

Snapshot of Adult Social Care 2017/18



Adult Social Care Survey

Each year citizens in every local authority are asked for their feedback about adult social services with a standard set of questions. Nottingham City's results show the indicators measured through the adult social care survey have largely improved across the board in 2016/17 compared to previous years in spite of a challenging environment.

ASCOF Measure	Year				
	2016/17	2015/16	2014/15	2013/14	2012/13
(1A) Social care-related quality of life	19.0	19.1	18.6	18.8	18.5
(1B) The proportion of people who use services who have control over their daily life	79%	77%	72%	79%	75%
(1I1) The proportion of people who use services who reported that they had as much social contact as they would like	48%	47%	37%	42%	N/A
(3A) Overall satisfaction of people who use service with their care and support	66%	68%	61%	65%	62%
(3D1) The proportion of people who use services who find it easy to find information about services	76%	75%	62%	68%	66%
(4A) The proportion of people who use services who feel safe	66%	70%	64%	64%	63%
(4B) The proportion of people who use services who say that those services have made them feel safe and secure	94%	84%	80%	75%	82%

Table 1: Adult social care survey results 2012/13-2016/17

Citizens Survey data - comparison with respondents age 55 and over

Each year, Nottingham City Council runs the Your City Your Services survey. The tables below compare the responses from all participants and older people, reflecting the experience of living in the city.

Overall how satisfied are you with your local area as a place to live?

	All respondents	55 and over
Satisfied or very satisfied	85%	87%

Can you rely on people in your local area such as friends, family and neighbours?

	All respondents	55 and over
Agree or tend to agree	89%	90%

Can you rely groups in your local area such as voluntary groups?

	All respondents	55 and over
Agree or tend to agree	77%	75%

To what extent does the Council treat you fairly?

	All respondents	55 and over
Agree to a great or some extent	82%	83%

Is it easy to understand the information provided by the Council?

	All respondents	55 and over
Agree to a great or some extent	58%	60%

Do you know where to go for advice?

	All respondents	55 and over
Agree to a great or some extent	63%	65%

Table 2: Your City Your Say Survey results

4. THE CONTEXT FOR ADULT SOCIAL CARE

a) The policy context:

The local authority's responsibilities for the care and support of vulnerable adults are set out primarily in the Care Act, including:

- promoting people's wellbeing
- preventing, reducing and delaying need for care and support services
- providing information, advice and advocacy to help people make their own decisions
- ensuring vulnerable adults are safeguarded from harm
- taking considered risks
- ensuring people have choice and control in their lives
- ensuring carers are supported to continue their caring role
- assessing people's needs and working with them to plan how to meet their needs
- arranging care and support where needs cannot be otherwise met

The Care Act 2014 also gives local authorities, health services and other public bodies responsibility for integration – working together for the benefit of citizens.

Other legislation gives us specific responsibilities in relation to assessment and planning when people have problems with their mental health (Mental Health Act 1983, as amended) and their capacity to make decisions for themselves (Mental Capacity Act 2005) for example. The Mental Health Act is currently under review, with a report expected later this year. MCA is also under review with the Mental Capacity (Amendment) Bill currently before the House of Lords.

b) The changing approaches to health and care:

Ways of meeting health and care needs have changed over the decades: our expectations change and different solutions are developed. One example is the shift from old-fashioned institutional care to community-based support, helping people at home where possible. The Care Act makes it clear that local authorities must work to support the wellbeing and independence of all vulnerable adults, **preventing, delaying or reducing** the need for formal care services.

Nottingham prides itself on being a city where citizens should be able to fulfil their potential and we think this applies to all stages of life and to all citizens. Our strategy is about the support to older and disabled adults in our city. The Council has a key role to play in this, but we also know that families, carers, communities and other organisations make a vital contribution. This is why we see this strategy as creating a vision for outcomes which we can work together to deliver.

c) The demographic context

In 2017/18, Nottingham City Council supported over 7,300 older and disabled adults, along with over 1,500 carers, spending in total over £100m on adult social care. There were over 22,000 contacts with adult social care, with 9000 of these being new contacts.

Increasing demand

The challenge to meet increasing social care needs is one that is faced across the country. We celebrate the increase in average life expectancy, but one of the consequences is that people are living longer with care and support needs and living longer with complex disabilities. This increases demand for services. We need to reshape our approach to ensure that more people are supported.

The population of Nottingham is likely to rise to 332,700 by 2024, which equates to an increase of 6% over a decade.¹ This population increase is likely to be localised to Bridge, Dales, Leen Valley, Bestwood and Bulwell; the wards with the most house building. Citizens over 60 will account for half of the population increase, with the 70-74 age group experiencing the most growth in terms of the number of citizens and the number of people over 85 almost doubling.²

Citizens over 65

The number of older citizens in need of care is set to increase by an estimated 15% by 2025 and as much as 50% by 2035 (figure 1).

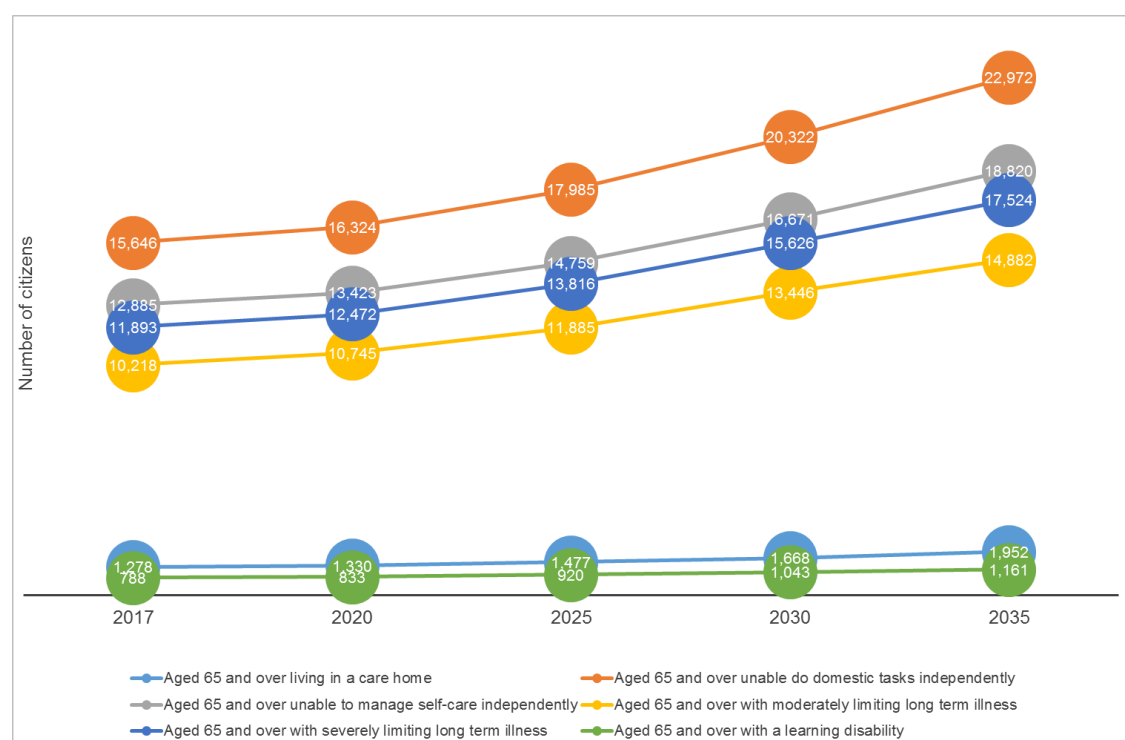


Figure 1: Estimated citizens aged 65 and over in need of care in Nottingham City (source: POPPI)

Citizens aged 18-64

The number of Nottingham citizens aged 18-64 in need of care is set to increase by an estimated 1% by 2025 and by 4% by 2035. The largest increase is anticipated in the number of citizens with moderate and severe learning disability, who are more likely to need high cost adult social care provision.

¹ Nottingham City Council, based on 2014 population estimates.

² <http://www.nottinghaminsight.org.uk/themes/health-and-wellbeing/joint-strategic-needs-assessment/general-resources/demography-chapter-the-people-of-nottingham-june-2017/>

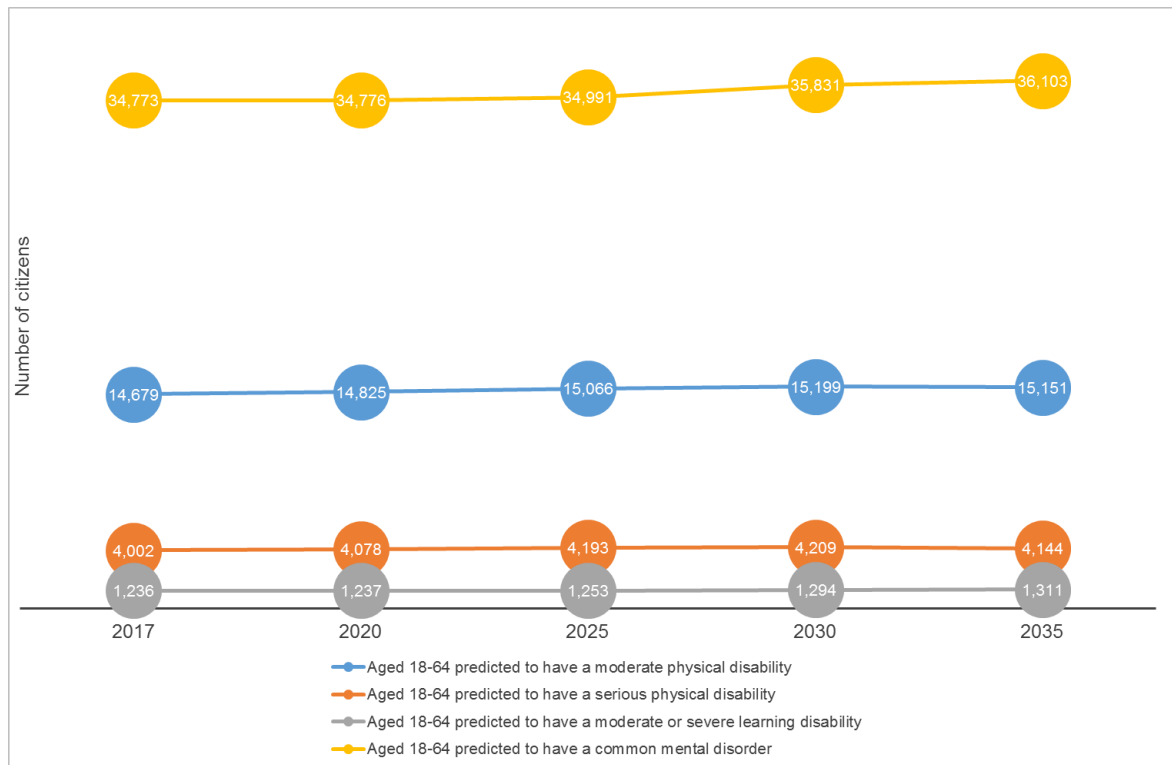


Figure 2: Estimated citizens aged 18-64 in need of care in Nottingham City (source: PANSI)

The window of need

A key measure of health is the 'window of need', the length of time between healthy life expectancy and life expectancy, or time spent living in poor health. In Nottingham in 2014-16, the window of need was 19.6 years for males and 26 years for females, which converts to 25% and 32% of life spent in poor health, respectively. This window is increasing over time. There is a linear relationship between window of need and deprivation as well as urbanisation.

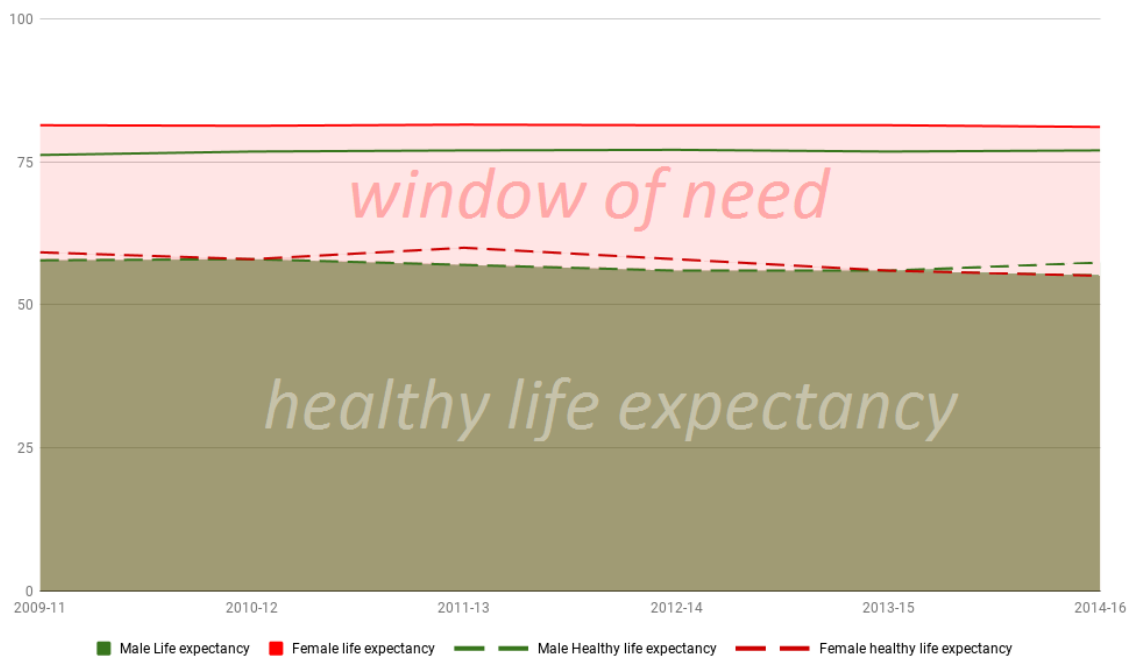


Figure 3: Life expectancy and healthy life expectancy in Nottingham

Health inequalities

Health outcomes vary statistically significantly as a factor of geography. People living in the poorest neighbourhoods experience poor health considerably earlier compared to those in wealthier areas of the city.

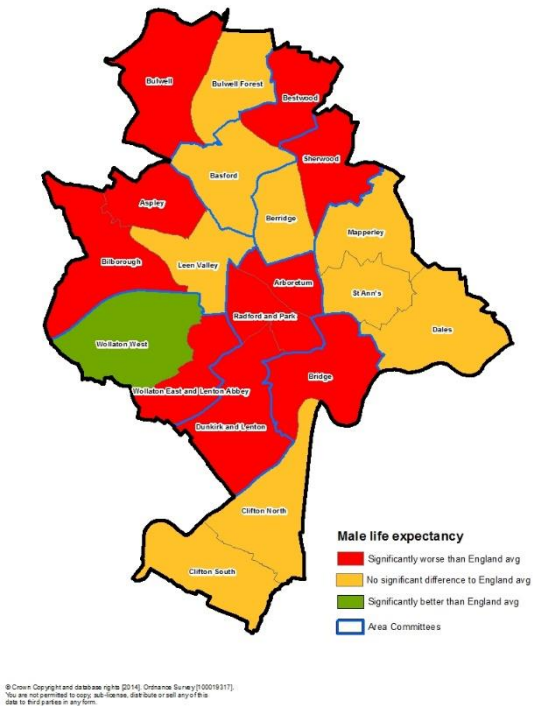


Figure 4: Life expectancy in males by ward

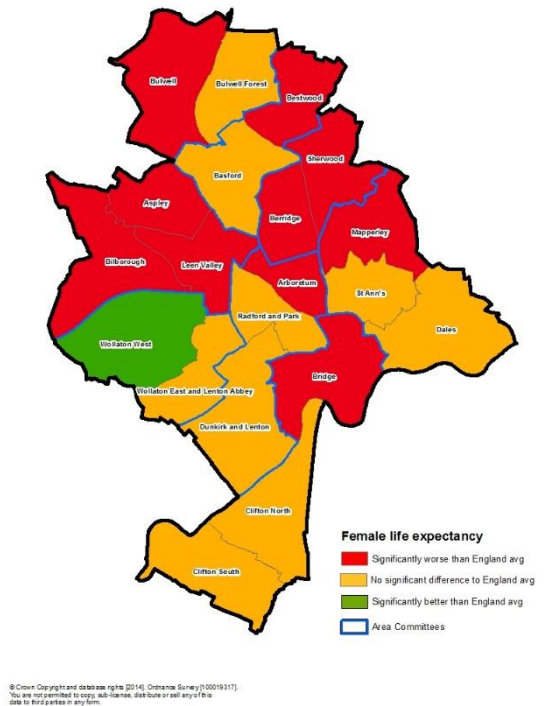


Figure 5: Life expectancy in females by ward

d) The financial context

Local authorities are legally required to balance their books and they have to manage funding fairly within the resources they have available. Alongside increasing demand we are now seeing substantial reductions in the budgets of local authorities and pressure on public sector funding in general. Whilst local authorities have successfully delivered major efficiencies over recent years, government funding is not keeping pace with the cost of providing services. *Nottingham City Council has seen a reduction of 72% in its Revenue Support Grant over the past 6 years and has fallen from £126.8m in 2013/14 to £35.0m in 2018/19.* The Council has addressed this by successfully tackling efficiency, through innovation and making savings. However, with even greater pressure, we need to think again about how we meet our commitments to citizens for their social wellbeing within the resources we have available.

Increasing costs

The cost of adult social care is set to increase in line with increasing demand. On top of this, increases in the national minimum wage and inflation combine to place considerable pressure on the cost of adult social care provision. It costs more over time to provide the same amount of services.

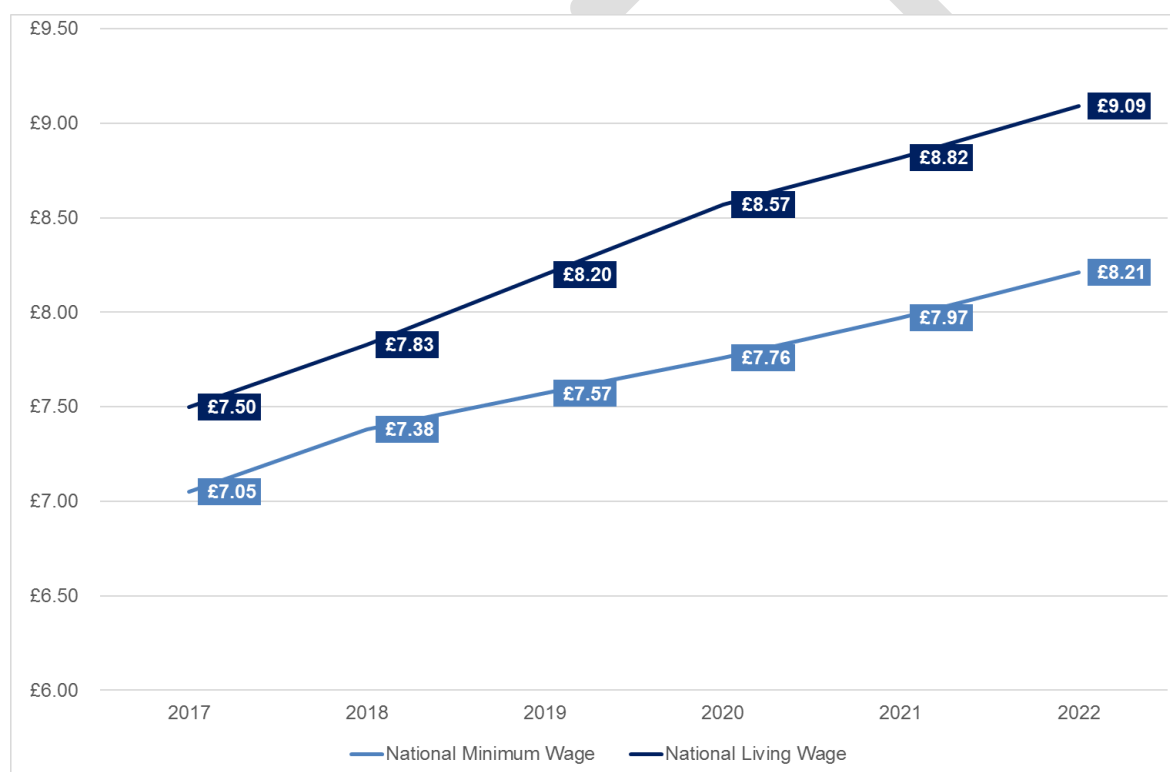


Figure 6: National Living Wage and National Minimum Wage (March 2018 forecast, Office for Budget Responsibility)

The Challenge for Nottingham City

Changes in government funding to local authorities have impacted particularly hard on Nottingham. With the reduction in national government funding, Councils are expected to rely more on local council tax. However, in Nottingham this generates a smaller sum than other authorities with more affluent populations. In addition, Nottingham has a higher level of demand than more affluent areas. We know for example, that in areas of deprivation people develop conditions of ageing at a younger age; the 'window of need' begins earlier.

Property value

Property value in Nottingham City is comparatively low. The median average house price in Nottingham City is £112,995, almost half of the England median house price of £236,519. This places the city at a rank of 98 out of 112 towns and cities in England and Wales.³

The average annual cost of a residential care home bed in 2013/14 was £28,500⁴ and a nursing home bed was £37,500. Even if the cost of care had remained the same, a Nottingham City resident owning an average-priced house could cover just over three years of residential care using the value of their property before meeting the threshold for the local authority to contribute to their care. This would be two and a half years of nursing care before meeting the threshold for local authority support. (As a result, Nottingham has a very high proportion of individuals who rely on the local authority and NHS to fund all or part of their care. The standard rate for NHS-funded nursing care is £158.16 a week, which means where citizens meet the threshold for having all of their care funded and there is eligibility for NHS-funded nursing care, the local authority still covers 78% of the cost.

Home ownership

Nottingham City has a lower proportion of households that are owned (outright or with a mortgage or loan) compared to England. There is a higher proportion of private rented and social rented households.

Tenure	Nottingham	England
Living rent free	1.50%	1.30%
Owned: Owned outright	20%	30.60%
Owned: Owned with a mortgage or loan	25.10%	32.80%
Private rented: Other	1.40%	1.40%
Private rented: Private landlord or letting agency	21.60%	15.40%
Shared ownership (part owned and part rented)	0.60%	0.80%
Social rented: Other	9%	8.30%
Social rented: Rented from council (Local Authority)	20.80%	9.40%

Table 3: Census 2011 households by tenure

Council Tax

The social care funding raised through the introduction of the Adult Social Care Precept does not have equal benefit across local authorities due to the varying amounts raised through Council Tax.

Nottingham City's Band D Council Tax (inclusive of Police and Fire precepts) is one of the highest in the country, but the average Council Tax paid per dwelling is the 25th lowest. This is due to 80% of dwellings in Nottingham City being in Council Tax Bands A and B. This is the fourth highest proportion of Council Tax Band A and B dwelling in England and Wales.⁵

Council Tax lost to student household exemptions is a significant issue for Nottingham City where the student population is 15%, higher than the other seven Core Cities and four times the national average. In 2017/18, Nottingham City Council lost £13m in Council Tax due to exemptions from student households. This challenge has been exacerbated by Government cuts to compensation for the Council Tax lost from exemptions, which reduced to £5m, leaving a funding shortfall of £8m.

³ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/townsandcitiesanalysis>

⁴ Laing Buisson 'Paying for Care' 2013/14

⁵ <https://www.gov.uk/government/statistics/council-tax-levels-set-by-local-authorities-in-england-2018-to-2019>

Deprivation and social mobility

In the district level Index of Multiple Deprivation, Nottingham is ranked 8th most deprived out of 326 towns and cities in England by the Average Score measure and 10th using the Average Rank measure. This compares with ranks of 20th and 17th in the 2010 index and 13th and 12th in the 2007 index, which shows that Nottingham's position relative to other districts in England is deteriorating.

Out of the seven separate domains that make up the Index of Multiple Deprivation, Health and Disability is the domain in which Nottingham performs worst.

According to the Social Mobility Index 2017, the median weekly salary of employees who live in Nottingham City, both Full Time and Part Time puts Nottingham 308th out of 324 local authorities. This leaves residents of Nottingham struggling to pay their bills and unable to save money to pay for their future care needs.

A consequence of the deprivation in Nottingham is that there are fewer people funding their own care and support and more citizens need to use state funded care. For example, we estimate there are around 400 people funding their own home care in Nottingham which is about 18% of the market.

Unemployment

In addition to low pay, Nottingham also has higher than average unemployment. Figures for December 2017⁶ indicate the rate of unemployment in Nottingham stood at 3.1% of the working age population. The England average for the same period was 1.9% and for the East Midlands was 1.6%. This also means fewer people are able to save for future care needs.

e) The impact of adult social care on the local economy

Given the pressures on funding social care it is easy to overlook care as a major part of the local economy.

In 2016, the adult social care sector provided 10,900 jobs split between the local authority, independent sector providers and direct payment recipients. The social care sector accounts for 3.7% of employment in Nottingham City comprising residential care (1.4% of employment) and non-residential social work (2.3% of employment).⁷

⁶ <http://www.nottinghaminsight.org.uk/d/192722>

⁷ Business Register of Employment Survey, Office for National Statistics (2016 source data).



.Figure 7: Size and structure of the adult social care workforce

Future years will see a growing demand for care and support services, with a wide range of roles and forms of organisation – from large national providers, to local businesses, charities and commercial businesses, through to individuals working independently as Personal Assistants. Care can offer an accredited and professionally qualified career structure.

The adult social care sector in the East Midland region contributed £3.7 billion to the English economy in 2016/17. Approximately half of this sum is the wage bill of the sector. The sector is projected to grow by 32% by 2030 if demand continues on the current trajectory and the workforce expands proportionately to meet this increased demand. For Nottingham City, projected sector growth equates to an estimated additional 3,488 employees, growing to 14,388 in 2030).



Figure 8: Projections of adult social care workforce growth in Nottingham City (Projected workforce based on Skills for Life EM Projection)

Recruitment and retention in social care provider services is a major block in securing adequate supply of care in Nottingham, particularly in home care. The turnover rate of adult social care employees in Nottingham is 28%, which is in line with the regional average. Over half of new employees were recruited from within the sector, retaining skill and experience.

In summary

The context for adult social care nationally is one of growing demand which is outstripping the available funding. However, there are particular factors in Nottingham, set out above, which mean that this impact is felt more acutely. To meet our commitments and ambitions to support older adults and disabled people in Nottingham we need a new approach to adult social care. This is why we are setting out a new strategy.

DRAFT

5. THE STRATEGY FOR ADULT SOCIAL CARE IN NOTTINGHAM

OUR VISION

Our vision is that all older and disabled citizens in Nottingham will be enabled to live as independently as they can, be connected into their communities and that where formal care and support is needed it helps to retain and restore independence. No one will live in residential care unless all other options have been exhausted.

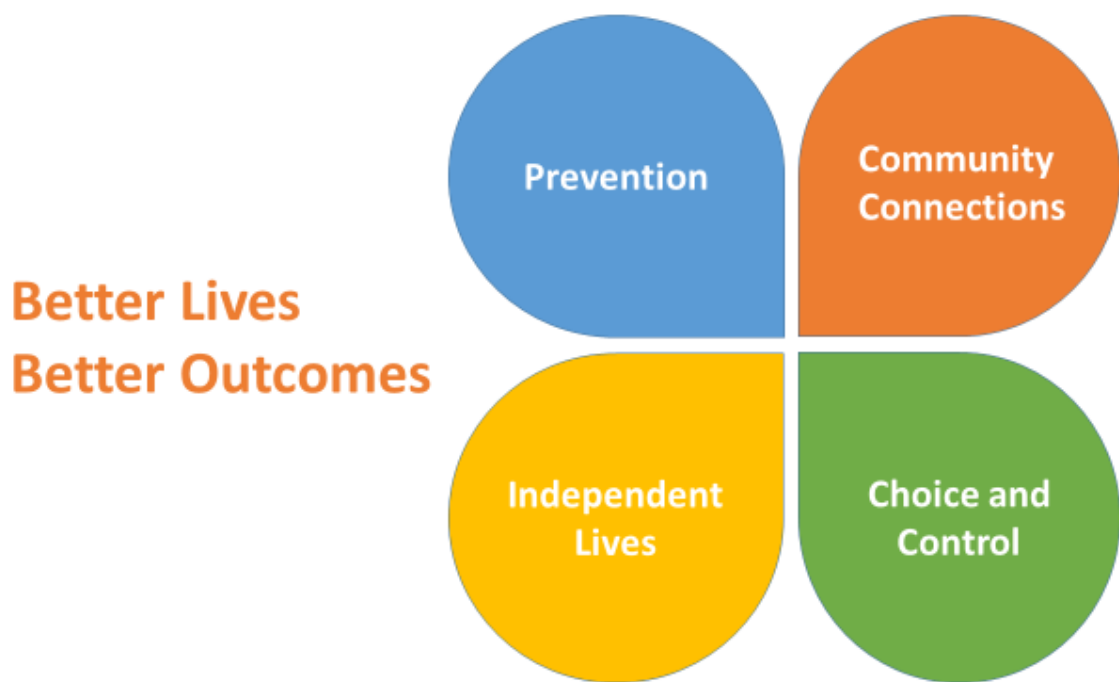
OUR CULTURE

Our approach is strengths-based and enabling: our starting assumption is that everyone has assets which they bring and we will seek to promote independence. We are working in co-production with citizens, recognising individuality and diversity and that people are the experts in their own lives. We are working to a social model, understanding and tackling the social factors that influence health and wellbeing and recognising a wide range of solutions. We believe that an independent life is a better life and we challenge ourselves and others to be creative in finding ways to achieve outcomes so that we reduce reliance on formal care and support services where possible. We look for solutions which represent value for money and work within the resources the Council has available.

THE STRATEGY FOR ADULT SOCIAL CARE

Our strategy for adult social care will ensure we use the resources we have available – citizen and community assets as well as the resources the local authority has – to ensure that citizens in Nottingham who have care and support needs are able to have a good quality of life and are as least reliant as possible on formal care services.

Our approach to adult social care is founded on four themes which reflect the principles set out in the Care Act: Prevention, Community Connections, Independent Lives, Choice and Control. This is not about processes but about real conversations to understand what will work best. These themes and way of working underpin our approach in adult social care. We are clear that these are essential to reducing reliance on formal support and care, so that we can ensure people achieve the outcomes they want within the resources available. This reflects the local authority responsibilities for adult social care as defined in legislation as well as the financial responsibilities that councils have to balance their budgets.



1. **Prevention** is at the heart of the council's offer. It is clearly set out in Nottingham's Health and Well-being strategy "Happier, Healthier Lives" which aims to increase healthy life expectancy in Nottingham and make it one of the healthiest big cities, as well as reducing inequalities in health by targeting the neighbourhoods with the lowest levels of healthy life expectancy. The council provides a range of services that promote health such as our parks and leisure offer, places to come together such as libraries and community centres or those that protect people from harm such as services that deal with rogue traders or anti-social behaviour in our community protection services. Our approach is underpinned by acting to 'prevent, reduce or delay' need for care and support, which is set out in the Care Act. We see early intervention to avoid crisis as key to preventing need from increasing unnecessarily.

Mr and Mrs K had both developed dementia. Mr K became aggressive towards care staff making it very difficult to continue to provide them both with the care they needed. JackDawe clinicians spent time with Mr and Mrs K and their family to understand more about their background and their behaviours. A much fuller understanding was reached using the 'ABC approach' of what triggered Mr K's aggression. A plan was put in place which included reducing the number of visitors to the home, treating undiagnosed depression, adjusting information giving and supporting Mrs K while Mr K was otherwise occupied. This reduced Mr K's difficulty in his wife receiving care and therefore reduced his violence towards staff. The couple could therefore continue to be cared for together and at home, which was their preference.

- 2. Community connections** and friendship can reduce need and promote wellbeing far better than any “service-based” intervention can. We know that loneliness is damaging for health and wellbeing and drives the need for care and support services. We are developing our Community Together Surgeries across the city so that at the first point of contact we can maximise the individual’s and the communities’ assets as the solution to any problems they are encountering. Nottingham’s people provide a range of support from looking out for neighbours to more organised arrangements such as self-help group or voluntary, faith-based or charitably based action. Community Together Surgeries can connect those most in need to those willing and determined to help.

Ms P’s GP contacted Health and Care Point, concerned about how she was managing her medication and health conditions, including diabetes and obesity. Working with Ms P and her PA, HCP made a referral to a Community Activator. The Community Activator was able to link with the Disability Sport Network and arranged for Ms P and her PA to have 3 months free access to a local leisure centre where she has been swimming and using the gym. Ms P had not been out of the house for some time, and this built her confidence and motivation to manage her health needs and improved her community connections.

- 3. Independent Lives** are more fulfilling lives. To this end, all the service interventions we put in place are enabling in nature. Our reablement service and occupational therapists have expert skills in helping people to access equipment that supports independence, and to regain their skills and confidence to remain independent. We are focusing on building skills with people who may never have had the opportunity to develop them, for example supporting people with a learning disability to learn skills to live more independently. Our focus is on real and meaningful employment or voluntary opportunities for working age adults through the work outlined in our *Employment strategy for disabled people*. Equally where employment is not an option we can signpost people to benefits they are entitled to which may help them meet some of their needs. We will only support a move into residential care where all other options have been exhausted and we are driving the development of alternative supported living arrangements. Finally, we will continue to review interventions and where the person has increased their independence, we will reduce these and any care provided accordingly.

Mrs B was 92 and couldn't manage at home following her hip surgery. She was supported by the reablement team, initially 4 times a day for personal care, dressing, medication and meals. At first providing direct care, the team provided a long handled sponge, shoe horn and sock aid, a trolley and perching stool to assist mobility and replaced an alarm pendant with a falls alarm. After 6 weeks Mrs B was able to be independent of formal care. She said not only had reablement improved her quality of life, but it had helped her make social contacts, for example joining her local Knit and Natter group.

Ms C has a learning disability and has been attending a day service for many years. She was supported to start volunteering at a local charity shop and is now able to do this independently of support. She has also become more independent at home, meaning she is better prepared for increasing independence when her parents are no longer able to care for her.

- 4. Choice and Control** We focus on the outcomes that matter to the individual. People should be able to define what they want to achieve and have choice and control over what happens to them and how support is shaped to meet their needs. This needs to be balanced against ensuring support is proportionate to need and efficient use of limited resources. Where people are at risk of harm, in protecting them from abuse and neglect we will keep their desires and wishes at the heart, so the outcomes that they want are achieved.

Due to problems with long standing alcohol use, a decision was made under the Mental Capacity Act 'Best Interests' that Mr A needed long term residential care. With the support of the residential home, on reassessment Mr A had regained capacity and was supported to return home with a minimal package of support.

"Ms G was discharged into residential care after being detained due to potential risks to self, fire risk and untreated mental disorder as seen in her complex delusional beliefs and hoarding in her property. Ms G was adamant she wanted to return home. A Care Act Assessment showed that while she did have severe and chronic mental illness she was able to manage living at home. Following a Blitz Clean, which was discussed with the citizen, Ms G was returned home with no care package, which was her preferred outcome."

6. KEY AREAS OF FOCUS IN IMPLEMENTING OUR STRATEGY

a) Information and advice

We know that there are times in life, particularly in older age, when people find they need some help or need to make changes to stay independent: things such as travel, mobility in the home, managing financial affairs or making social contacts. In addition, citizens may need to arrange care and support for themselves or a family member. The range of information and advice can be overwhelming. We think that citizens should know they can come to the Council for signposting to trusted sources of advice on a range of issues, including how to source care and support.

Ask LION – Local Information Online Nottingham – is the city’s community directory and the go-to place for all sorts of information and advice in our local communities. We will continue to develop this website to provide the information that helps citizens to connect to local community resources, find trusted sources of advice and choose the services they want to use.

b) Place-based planning

Independent lives are lived in Nottingham’s diverse neighbourhoods and communities. To succeed in achieving good outcomes for citizens, we need to work with the people and the resources in local areas, to understand what people need, what works for them and what the available opportunities are. Nottingham City Council invests in neighbourhoods, through local libraries, community protection officers and a whole range of activities and services. There is a whole range of other resources in our local neighbourhoods, from community groups, voluntary groups, police and health services, through to local businesses.

We want to develop place-based plans with local areas where we can identify the key ingredients to support independence and work out how we bring these together in the best way for the citizens in each local area.

c) Supporting carers

A carer is anyone who cares, unpaid, for a friend or family member who due to illness, disability, substance misuse or a mental health need cannot cope without his or her support. A young carer is someone under 18 who does this. Local authorities have clear responsibilities towards carers.

In 2017, adult social care supported 1,570 carers (6% of Nottingham’s carer population). Support included the provision of information, advice and signposting and indirect support to carers through financial support to the citizen cared for in direct payments and personal budgets. The number of carers supported by adult social care increased by 33% in 2017/18 compared to 2015/16.⁸

Taking on the responsibilities of caring can have a major effect on an individual’s life, often leading to isolation and exhaustion. For adult carers it can affect their ability to work and may lead to ill health and for young carers it can hold back their educational progress and limit their social development.

Carers play a significant role in supporting some of our most vulnerable people in society. Not only does this positively affect the quality of the life of these people, but also significantly reduces the

⁸ Adults Social Care National Data Collections, Short and Long Term Return (2015/16 and 2017/18).

demand for services, both in the reduction of care packages for those living in the community as well as avoiding or delaying the use of residential care.

Whilst there has been improvement within this area over the last five years there is a recognition that more is required to identify, advise and support the wellbeing of carers within the City. The City Council is committed to a local conversation with carers to revise and develop the Carers Strategy, to ensure a robust local offer that is driven by carers' experiences, needs and the outcomes they seek in their caring role.

d) Whole Life Disability

Following the Strategic Learning Disability Review and the SEND Reforms programme, which has included consultation and co-production with children, young people, adults and their families, the Council has committed to creating a Whole Life Disability Programme. The aim is to support children, young people and their families in a way that continues to promote independence and self-determination.

The Whole Life Disability service is based on a progression approach and will enable disabled children, adults and their families to have necessary and appropriate support for improving and maintaining independence irrespective of their age at the key points in their life. It will reduce the impact of transition between different ages and stages of life by working with individuals, their families and others who support them, to create a seamless experience. Starting at birth, it will ensure that disabled people and their families will have access to the right information and support to enable them to be actively included within their local communities. It will ensure they are supported to start developing the skills they will need to lead a more independent life through employment or becoming active contributors in their community. A strengths-based approach will be adopted that takes account of informal as well as formal networks of support to link people into their own community capacity rather than wrap services around them.

By taking this whole life approach, we can ensure that we support people when they really need it, but in ways that will ensure they can be as independent as possible.

e) A new plan for our care provision

Nottingham City Council provides an extensive range of direct care and support services including respite, day services, specialist home care, residential and respite care. We are committed to our own services playing their full part in Better Lives Better Outcomes and ensuring that what they offer to support citizens is driven by outcomes and supporting independence. For example, our new Nottingham Pathway team supports people with a learning disability to develop the skills and confidence to meet their outcomes within their local communities, whether that is moving from residential care into supported living or taking on voluntary work and joining a community group as an alternative to attending a day service.

As part of Better Lives Better Outcomes we will continue to develop Nottingham City Council's own direct care and support services, building on the changes they have already put in place to create the most impact for wellbeing.

f) Care and support providers

The City Council has responsibility to fund care and support services for people who have eligible needs, as defined in the Care Act, and who cannot afford to fund them, as defined by a means test.

The Council is also responsible for ensuring there is a market of care services available in the city, which is sufficient, diverse, and of good quality, regardless of who is funding the services.

Providers of care and support are crucial in helping us to deliver Better Lives Better Outcomes. We have set up new contracts that commit providers to meeting the outcomes that support people's independence. This means that people will be helped to develop or regain the skills that make a difference to their lives. We will be working with care and support providers to ensure that the services we arrange for people are focused on promoting independence and outcomes, and that they always offer best value for money.

g) Quality Matters.

In March 2017, there were 145 CQC regulated services in Nottingham of which 84 were residential and 61 were non-residential. The Care Quality Commission ratings of services show that care services in Nottingham City are generally good quality although they fall slightly below the average for England.

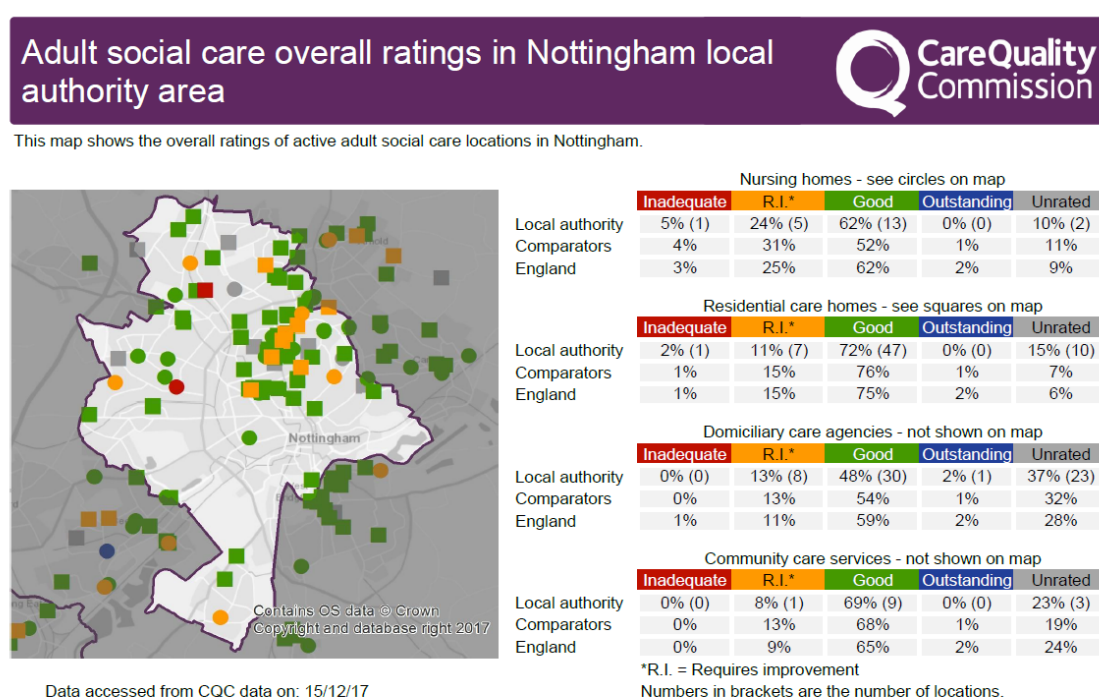


Figure 9: CQC Adult Social Care Overall Ratings in Nottingham local authority area

We will be resolute in driving out poor quality services and will pay providers sufficiently to ensure the workforce are provided with a decent wage and terms and conditions, whilst managing the market effectively to drive out unreasonable cost. At a time when resources are stretched, the City Council works closely with the Care Quality Commission and our Clinical Commissioning Groups to maintain a robust oversight of quality in care and support services through the Quality Improvement Framework shared data tool. This allows us to identify concerns early through shared intelligence and to work with providers accordingly to ensure local services are safe, effective, caring, responsive and well led.

h) Housing

A good home is the underpinning of independence and wellbeing. We think that adults with care and support needs should have the opportunity to have their own home if they are able to take on a tenancy and only to live in residential care where all other options have been exhausted. We are committed to developing solutions that support young people with disabilities to find a home and to have the skills or support to manage it.

Quality Homes for all, Nottingham's Housing Strategy 2018 – 2021, sets out the commitments which the City Council is making in relation to housing. It specifically recognises the importance of appropriate housing for people with care and support needs, especially older adults and adults with disabilities. There is a commitment to improve access to suitable housing including the development of bungalows and lifetime homes for older people, developing new independent living schemes, tackling fuel poverty and homelessness and better supporting tenants to engage with their communities.

Nottingham City Homes (NCH) provides housing for around one fifth of households in the city. We work closely with NCH to respond to the housing needs of older and disabled adults, to address the care and support needs of tenants and to engage with local communities. NCH has housing specialists working within the integrated hospital discharge teams, to address housing needs of people who are admitted to hospital, therefore supporting a swift and appropriate discharge home. NCH provides an assistive technology and contact centre service through Nottingham on Call and housing adaptations supporting citizens to maintain their independence and safety at home.

We see the right home as key to good outcomes and will ensure housing needs are considered as part of supporting people to maintain or establish their independence and outcomes.

i) Employment

For a successful, local economy, we need to draw upon all of the skills and talents in Nottingham. Too often we fail to see the assets disabled people can bring to the workplace. It is vital that we give everyone the opportunity to develop to their full potential and that we create an inclusive city where disabled children and adults are not marginalised.

At a time of unprecedented financial pressure on the public sector and economic uncertainty, it is essential that those people who may be more distant from the employment market, solely because of a life-long or acquired disability, are neither forgotten nor left behind.

Nottingham's '*Health, Disability and Employment Strategy*' for disabled people sets out a vision for Nottingham as 'a city that is inclusive, understanding and ambitious for people with mental health needs, long term conditions and disabilities to achieve their full potential and benefit from employment opportunities'.

We will embed employment in our approach to promoting Better Outcomes for adults, including recognising the importance for carers to sustain or gain employment.

j) Digital and technology in adult social care

Our everyday lives are transforming through the use of digital technology and we think that this same technology can transform the way we offer care and support to citizens. We want to make sure we are making the best use of the opportunities technology creates in our work with citizens by:

- Making information easily available across services and to citizens

- Enabling people to interact with services through digital channels
- Promoting independence and wellbeing through digital technology and devices
- Working better with the health services through analysing data together
- Using technology to support colleagues in their work, so they can spend the maximum time focusing on their work with citizens and can have the information they need at their fingertips.

We will also work with care and support providers to ensure their services make good use of technology to promote dignity, quality and efficiency.

k) Working with the health services

Adult social care has long established partnerships with local NHS bodies and we have integrated some services where this means we can better support citizens who have health and care needs:

- Nottingham Health and Care Point provides an integrated contact centre across health and care
- Care Delivery Groups have social workers embedded with GP practices across the whole city
- We have a £36m Better Care Fund pooled fund with the NHS
- We arranged joint packages of care with the NHS for over 500 citizens in the last year, including for people with learning disabilities/autism and behaviour which challenges within the Transforming Care programme

Effective work with the NHS supports outcomes in adult social care and we will continue to work closely with our NHS partners to ensure we achieve the right outcomes for citizens and sustainable approaches through working together. Greater Nottingham has been an early adopter of full system integration under the Sustainability and Transformation Partnership. We will work with our local health services to develop further integrated health and care in the way that best meets the needs of Nottingham citizens.

Our priorities in this work over the next 3 years will include:

1. Continuing to support urgent and emergency care by further strengthening our integrated discharge arrangements e.g. having housing experts in the hospital so everyone's housing needs are addressed.
2. Using data to support better clinical and practice decision-making, reducing variation.
3. Identifying funding sources to support further innovation.
4. Continuing to strengthen our ability to identify people at risk and to intervene with effective solutions.

l) Approach to funding

People's entitlement to local authority funded services is established in law and we will always honour these entitlements and make them clear to citizens.

We will work relentlessly to get the best value we can from the funding we have for social care. This doesn't mean simply paying low prices, it means paying the right prices. So while we will always expect good value, Nottingham will also make sure its funding of care services means employees can be paid properly. We will seek efficiencies or technology to remove unnecessary cost from our processes to ensure the front line services are our priority.

We will also ensure that we use our available funding fairly between citizens. As set out in the law, this will be based on need, on what other support options are available and on people's ability to fund their own care. We will consider value for money in all care and support we fund, whether this is services we pay for or through Direct Payments where citizens make their own arrangements. We will expect to meet needs in a cost effective way. We will regularly review needs and care and support plans, so that we can adjust arrangements over time.

We will ensure social care resources only fund social care. We will work with our partners in the NHS to ensure where both parties are funding, we have an appropriate agreement of who pays what. We will work closely with the NHS and other partners to make sure we are investing smartly together.

m) Nottingham City Council promoting health and wellbeing as an employer

Nottingham City Council employs over 6,000 people, over half of whom live in the city of Nottingham. It takes seriously its responsibilities to promote the current and future health and wellbeing of its employees, recognising that as a major employer it has the opportunity to contribute to reducing health inequalities in the city as well as benefiting both the individual employee and the organisation. Initiatives include:

- Supporting smoking cessation
- Providing counselling services and musculoskeletal rehabilitation
- Undertaking health promotion initiatives: healthy hearts, diabetes screening, cholesterol and blood pressure checks, stress management, back training, cancer awareness.
- Referral to weight management and activity hubs
- Being an accredited Mindful employer
- A range of work life balance initiatives, including flexible working, purchasing additional leave, childcare schemes, carers support
- Alternative ways to travel to work, supporting cycling and walking.

Council colleagues also take their own initiative – leading activity groups, such as Zumba classes, in their own time, supporting and motivating colleagues to get fit together.

Our strategy encourages all employers in the city to consider what they can do to support the health and wellbeing of their employees.

7. OUR APPROACH TO MEETING CARE AND SUPPORT NEEDS

We will always seek to resolve an enquiry at first contact where this is possible. Our Health and Care Point contact centre has a wealth of expertise and provides expert advice on sources of information and support. They will undertake a proportionate assessment to identify need and guide solutions.

We will roll out Community Together Surgeries, where citizens can meet a social care colleague in their local community to consider what their needs are, through a proportionate assessment, and how they can be met through local resources.

We recognise that many people are facing some sort of crisis when they first make contact with social services. We think that crisis is not the time to be passed around services and is not the time for making long term decisions. We will work closely with you to stabilise your situation in order to consider your longer term needs.

Whenever we work with citizens we will:

- Consider first what skills and strengths the individual has to build on to help them stay safe and independent
- Consider how family, friends and the local community are able to help
- Make sure people have access to equipment or technology where this can help them stay safe or independent
- Help people with short term support to manage a crisis or to develop the skills and confidence to remain or regain their independence
- Only after we have worked through these possibilities will we consider whether there is a need for formal care and support services. If there is a need for care and support, we will seek to plan services which help build independence and focus on clear outcomes.

Our resilience checklist:

There are some key ingredients to maintaining a good quality of life and independence and we will develop ways to ensure these are checked at every contact:

- ✓ **Social** – tackling social isolation
- ✓ **Physical activity** – being active for health and wellbeing
- ✓ **Finances** – maximising income, planning for the future
- ✓ **Housing** – suitable home, planning for the future
- ✓ **Technology** – assistive technology, digital inclusion.

Excellence in social care practice:

The commitment and expertise of social care colleagues is essential to achieving outcomes with citizens and using our resources to best effect. Working with citizens social care colleagues will take a strengths-based approach, which identifies the resources that are available to support the individual in meeting their outcomes. They will use their expertise to find creative solutions, to signpost to sources of support and where needed, they will assess needs, agree care, and support plans with citizens. Social care colleagues apply specialist expertise also in relation to ensuring people's rights are protected in a number of specific circumstances, including safeguarding, where capacity to make decisions is limited and detention under the Mental Health Act.

Recognising the crucial role of colleagues, supporting and developing social care practice will be a core element of delivering Better Lives Better Outcomes.

8. FINANCIAL STRATEGY

Nottingham City Council has seen significant reductions in funding since 2012/13 and this is going to continue into the medium term.

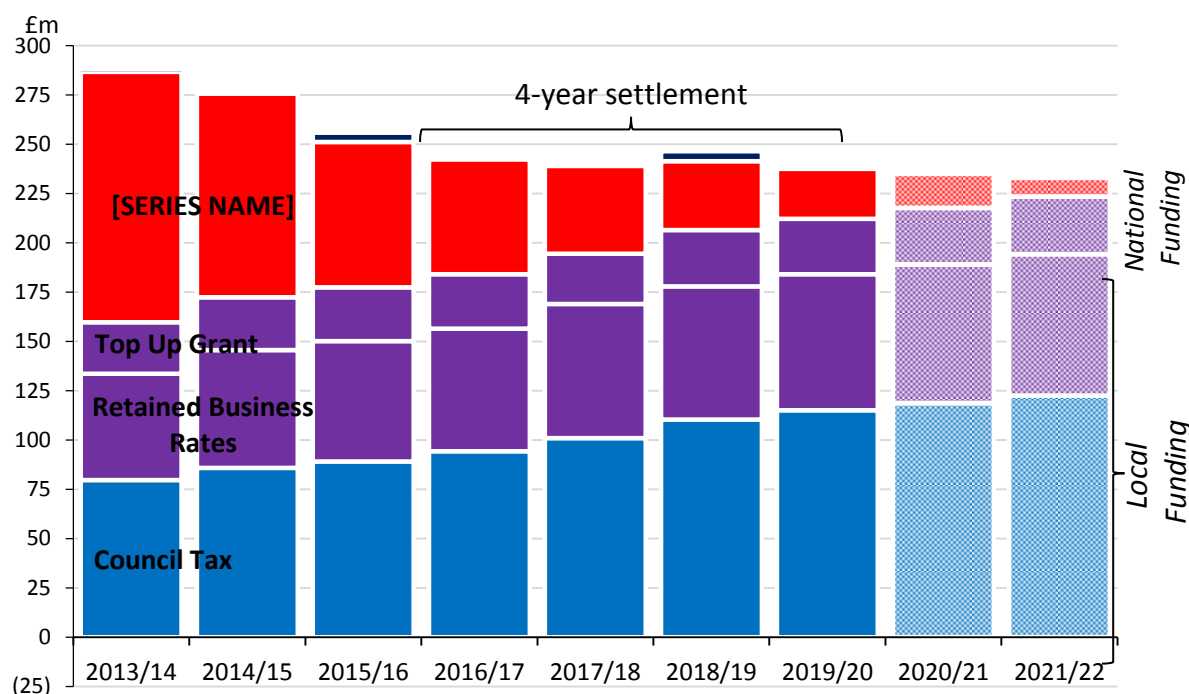


Figure 10: Nottingham City Council funding 2013/14-2021/22

Adult Social Care accounts for around 38% of the council's total net budget and as such a **sustainable financial model for this service is required** if a balanced budget is going to be determined for the future. If this does not happen, there will be a significant impact on the rest of the organisation.

The Better Lives Better Outcomes model has been developed in order to manage demand for funded care and support services and demonstrate financial viability going forward. This means:

- Taking every step we can as an authority to secure best value in the services we purchase, working with providers to ensure they are delivering excellent value in financially sustainable services.
- Relentlessly challenging ourselves to be in the forefront of efficiency as an authority.
- Shifting investment into prevention where we are able to release it from more institutional solutions and where there is good evidence that it prevents cost elsewhere.
- Maximising external funding sources, attracting investment into Nottingham, including opportunities afforded by the Greater Nottingham partnership.
- Making the case to government for Nottingham and for social care.

We can do all these things and we will, but without adequate funding from government Nottingham will be faced with making tough decisions about what type of services it can fund.

9. WHAT WE OFFER AND WHAT WE ASK

We believe that achieving good outcomes within the resources we have available to us will depend on a range of people working differently together. The success of this strategy is dependent on those contributions outlined below. We are setting out what you can expect of the Council and what we ask of you.

Nottingham City Council Adult Social Care.

Nottingham City Council has specific responsibilities towards people who might have support and care needs.

Our offer is:

- We will do everything we can to help people live independently and where people do need support we will ensure it helps you live your life, meet your caring responsibilities and enables your independence.
- If you come to us for help we will treat you as someone with unique talents and strengths, which we will help you to identify and use.
- If you come to us in crisis, we will work with you to restore your independence and avoid making any long-term permanent decisions until the crisis has passed.
- We will recognise the caring nature of and innovation in Nottingham's people and communities and work hard to connect people and unblock any obstacles for our citizens who reach out to help others.
- Where people are at risk of harm or neglect we will take account of what you would like to happen in keeping you safe.
- Where services are necessary, we will ensure they are good quality.

Our Citizens and Communities

Nottingham's people contribute a significant amount to helping people who might otherwise need support from social care.

Our ask is:

- Look out for others who might be vulnerable and tell us if you think someone is at risk of harm or neglect.
- Tell us about anything you are doing or want to do to help others so we can help you to connect others or unblock obstacles.
- If you approach us for support, work with us to identify your personal assets and resources as a starting point to meeting need.
- If you receive services, tell us if they aren't helping you live your life or if you have any concerns about quality.

Our Partners.

Nottingham's health and community providers contribute a significant amount to helping people who might otherwise need support from social care.

Develop your ability to sign post people to information and advice and resolve immediate issues so that people's needs can be met more quickly and social care can concentrate on those that really need us.

Nottingham employers.

Nottingham's employers can develop and offer opportunities for skills development and employment to people who might have care and support needs.

Understand the particular strengths disabled people can bring to the workplace and embed that understanding in your workforce, employees and HR processes.

DRAFT

10. ACTION PLAN

Early impact: 2018/19

Theme	Action
Community Led Support	We will have a Community Together surgery in 5 areas around the city by March 2019, in order to connect people with support networks and opportunities in their local area.
	We will develop the Nottingham Pathway service during 2018/19, to support people with a learning disability to develop the skills and connections to live as independently as they are able.
Housing	We will continue to support people to move from residential care into supported living during 2018/19
Care and Support	We will work with the contracted Care Support and Enablement providers to demonstrate and develop how they promote independence during 2018/19.
	By 2019 we will have reviewed our Shared Lives service and have a plan for extending it to support older adults and people with mental health problems.
Independent Lives	Our Whole Life Disability Team will ensure that all young people reaching adulthood have a plan which reflects the Better Lives Better Outcomes approach .
	By March 2019 everyone with care and support needs will have access to employment support if this is one of their outcomes.
Carers	We will work with partners to support carers in their vital caring role. By March 2019 we will have published a revised Carers action plan developed in co-production with carers.
	By November 2018 we will have put in place actions to optimise the available reablement service in Greater Nottingham with our NHS colleagues.
Employment	By March 2019 we will work with partners to ensure that everyone who has employment as one of their outcomes has access to employment support.

Next steps: 2019/20 – 2020/21

Theme	Action	
Employment	We will work with partners in One Nottingham and through Nottingham Jobs to identify how business can make Nottingham an exemplar for the employment of disabled people.	By 2021
Care and support	We will develop a strategic plan with partners and work together to ensure a career in care is supported as a valued and structured career in Nottingham.	By 2019
	We will continue to review and reshape our own care and support services to ensure they remain fit for purpose in providing citizens with high quality facilities which meet their outcomes.	2018 – 2021
Health integration	As part of our national Integrated Personal Commissioning Pilot we will work with the NHS to ensure that all citizens who need health and care services have access to an integrated assessment and integrated Personal Budget.	By 2019
	As part of the Greater Nottingham Partnership we will design integrated health and care services to meet needs of Nottingham's older citizens.	By 2021
Housing	We will set out our plans to ensure that housing development in Nottingham addresses the needs of older and disabled people.	By April 2020
	In partnership with our own housing company Nottingham City Homes and other partners we will plan to deliver the homes that older and disabled people need to support their independence and wellbeing.	To April 2021
	We will work with NHS and County Council partners to ensure we have the right housing and support for people with complex learning disabilities and/or autism in the Transforming Care Programme.	By March 2019.
Community Led Support	We will have Community Together Surgeries across the full city in order to connect people with networks and opportunities in their local area.	By October 2019
	We will actively address social isolation and loneliness working with our partners to ensure that all citizens with care and support needs have social connections.	By April 2019
	We want to plan with our communities and partners how we bring together the ingredients to support independence in every neighbourhood. We will develop Place-based Plans with local areas, having the first one in place by March 2019 and all by 2020.	By March 2020
	We will ensure that Council services in the community continue to develop their offer to support older and disabled people to be physically active, including our leisure services.	By March 2020

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Equality Impact Assessment Form

screen tip-section A

1. Document Control

1. Control Details

Title:	Better Lives Better Outcomes Strategy
Author (assigned to Pentana):	Tomasina Wallman
Director:	Catherine Underwood
Department:	Children and Adults
Service Area:	Adult Social Care
Contact details:	tomasina.wallman@nottinghamcity.gov.uk
Strategic Budget EIA: Y/N	N
Exempt from publication Y/N	N

2. Document Amendment Record

Version	Author	Date	Approved

3. Contributors/Reviewers

Name	Position	Date

4. Glossary of Terms

Term	Description

[screentip-sectionB](#)

2. Assessment

1. Brief description of proposal / policy / service being assessed

The new adult social care strategy; Better Lives Better Outcomes outlines Nottingham City Council's future approach to delivering social care services to citizens in Nottingham. Due to cuts in government funding and increasing demand for services, the cost of providing adult social care has begun to outstrip available resources and this is not sustainable. Our new strategy is all about a sustainable approach to supporting older adults, disabled people and those with mental health needs. It sets out our ambition to change the way we work with citizens, communities and partners so that we are able to achieve good outcomes within the resources available.

The strategy sets out a change in approach to providing adult social care services and provides a framework for us to work within. However, it does not go into detail on proposals to changes in provision of services. For any significant changes to services which will impact on citizens, decisions will need to be taken on each proposal and as part of this, individual equality impact assessments relating to each decision will be undertaken.

The draft strategy can be read here: J:\Better Lives Better Outcomes\Strategy\Strategy summary document\ASC Strategy_summary FINAL DRAFT_230718.docx

The current action plan for the strategy can be found here: J:\Better Lives Better Outcomes\Strategy\Action Plans\ASC Strategy ACTION PLAN v3.docx

[screentip-sectionC](#)

2. Information used to analyse the effects on equality:

We have conducted a consultation on the draft strategy the results of which are collated in this document: J:\Better Lives Better Outcomes\Strategy\Consultation\Consultation Report.docx

3. Impacts and Actions:

<u>screen tip-section D</u>	Could particularly benefit X	May adversely impact X
People from different ethnic groups.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Men	<input type="checkbox"/>	<input type="checkbox"/>
Women	<input type="checkbox"/>	<input type="checkbox"/>
Trans	<input type="checkbox"/>	<input type="checkbox"/>
Disabled people or carers.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy/ Maternity	<input 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	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Younger	<input type="checkbox"/>	<input type="checkbox"/>
Other (e.g. marriage/ civil partnership, <u>looked after children</u> , cohesion/ good relations, <u>vulnerable children/ adults</u>).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Please underline the group(s) /issue more adversely affected or which benefits.</i>		

<p style="text-align: right;"><u>screeentip-sectionE</u></p> <p>How different groups could be affected (Summary of impacts)</p>	<p style="text-align: right;"><u>screeentip-sectionF</u></p> <p>Details of actions to reduce negative or increase positive impact (or why action isn't possible)</p>
<p>-The main impact of this strategy will be on disabled people, carers and older people as it outlines a new approach to the provision of Adult Social Care in Nottingham and these groups are the primary users of this provision.</p> <p>-We expect these groups to benefit from this new strategy as it seeks to improve the provision of ASC through investment in preventative services which will delay the need for formal care and ultimately lead to better outcomes for citizens.</p> <p>-One of the main aims of the strategy is to increase independence and enable people to stay in their own homes. Feedback from the consultation has confirmed that most people prefer to live at home rather than in residential care where this is possible. We are also aiming to give people more control and choice over the type of care and support which they receive.</p> <p>-We are confident that this strategy will be beneficial for citizens as our consultation shows high levels of support for our main themes from partners, stakeholders and citizens.</p> <p>- This strategy will also impact carers as it will consider the support available to carers and look to improve this if necessary to ensure that carers are adequately supported. The strategy also sets out plans to improve employment opportunities for citizens with learning disabilities so that they are able to find employment if they want and are supported in doing this.</p>	<p>1 Actions will need to be uploaded on Pentana.</p> <p>-Based on the feedback from our consultation, the strategy has been updated to address the concerns raised by citizens and partners to ensure that these have been reflected in the final strategy.</p> <p>-Changes include more focus on mental health as it was not clear in the draft strategy that this new approach also applies to people with mental health needs.</p> <p>Questions were raised regarding how we will know that the strategy has been successful. Once this is implemented, we will need to ensure that robust performance indicators are in place to demonstrate whether outcomes are improving. These will be monitored on a quarterly basis so that we are aware of what is working and what is not. This will include monitoring the outcomes for different groups of citizens to see whether they are being impacted differently.</p> <p>We will ensure that issues raised regarding the availability of information are addressed so that those who speak different languages are not adversely affected and not able to make choices due to information not being accessible to them.</p>

<p>- Our consultation noted that the new approach could impact people of minority backgrounds adversely due to issues such as access to information being impinged by language barriers as well as the community-based approach which may have a different impact based on where the community is located.</p> <p>-Our consultation also raised issues about how our plan to look for more community-based solutions to ASC needs may not be as beneficial to some groups as others, for instance those who may feel less welcome in their community such as LGBT individuals or people from ethnic backgrounds that are a minority in their community.</p>	<p>-In order to ensure that all people benefit from community-based support including those who may feel less welcome in their community, we will address this issue as we continue to roll out our community together surgeries across the city. We will ensure that the different needs of communities in each locality are taken into account when planning these.</p>
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4. Outcome(s) of equality impact assessment:

<input checked="" type="checkbox"/>	No major change needed	<input type="checkbox"/>	Adjust the policy/proposal
<input type="checkbox"/>	Adverse impact but continue	<input type="checkbox"/>	Stop and remove the policy/proposal

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

<p>The aim of the strategy is to improve outcomes for all citizens. Once implemented, we will put in place a performance framework so that we are able to monitor outcomes and ensure that all citizens are benefitting equally. Performance indicators will enable us to see if there is any disproportionate impact on particular groups of citizens.</p>
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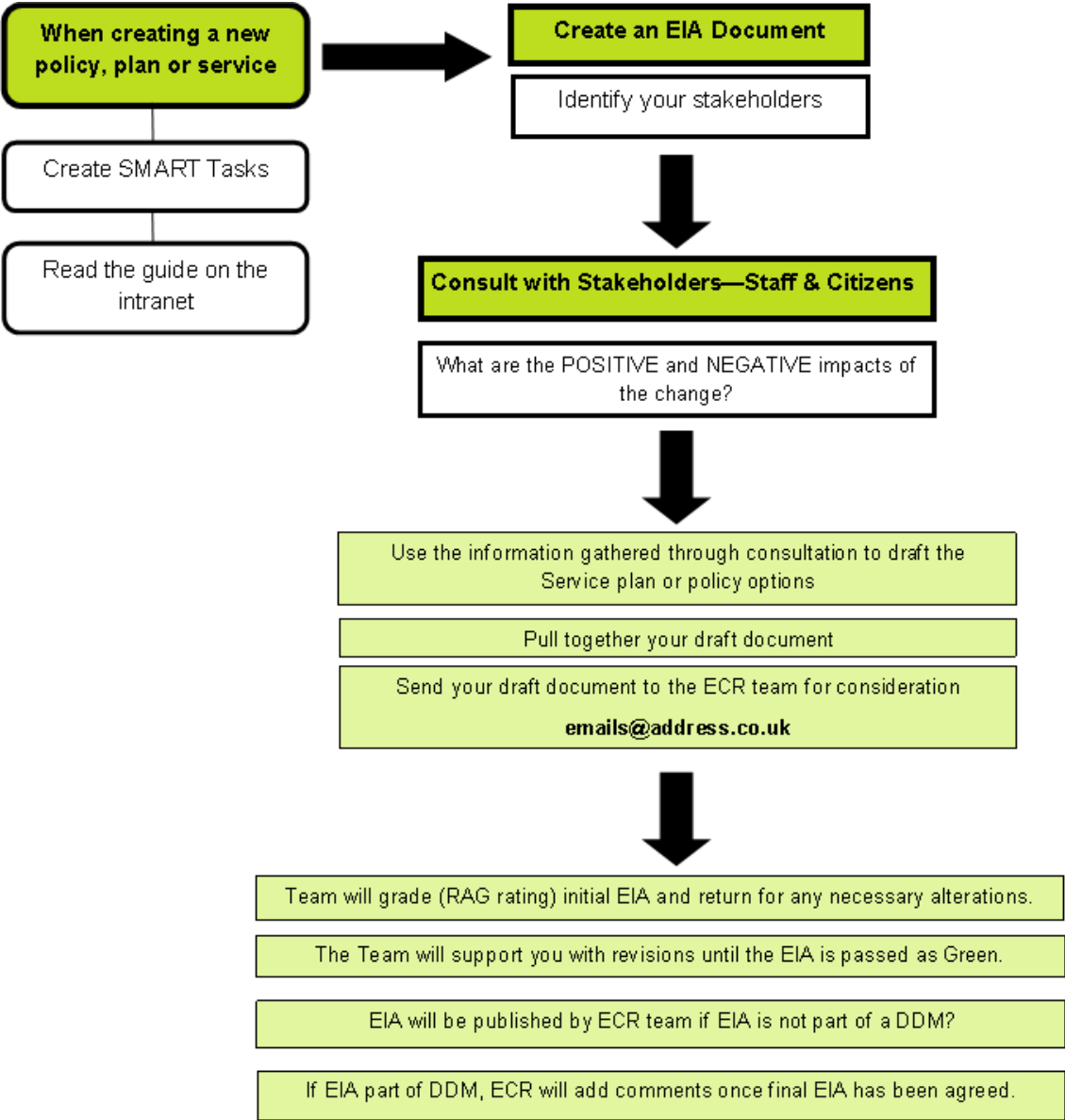
6. Approved by (manager signature) and Date sent to equality team for publishing:

Approving Manager:	Date sent for scrutiny:
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The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel & email to allow citizen/stakeholder feedback on proposals.	Send document or Link to: equalityanddiversityteam@nottinghamcity.gov.uk
SRO Approval: Helen Carlin, helen.carlin@nottinghamcity.gov.uk	Date of final approval:

Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:

1. Read the guidance and good practice EIA's
<http://intranet.nottinghamcity.gov.uk/media/1924/simple-guide-to-eia.doc>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user-friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly, when this is going to happen.
7. Clearly cross-referenced your impacts with SMART actions.



KEY
EIA— Equality Impact Assessment
ECR— Equality & Community Relations Team
DDM—Delegated Decision Making

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Subject:	Nottingham City Council suspension from within the Nottingham and Nottinghamshire Integrated Care System (ICS)
Corporate Director(s)/Director(s):	Ian Curryer, Chief Executive; Alison Michalska, Corporate Director for Children and Adults
Portfolio Holder(s):	Councillor Sam Webster, Executive Member for Adult Social Care and Health
Report author and contact details:	Colin Monckton, Director of Strategy and Policy
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a) <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	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure:	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision: n/a	
Wards affected: All wards	
Date of consultation with Portfolio Holder(s): 15 th October	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The Integrated Care System (ICS) in Nottingham and Nottinghamshire is a national accelerator site for the integration of health and care. This was formerly called the Sustainability and Transformation Partnership (STP). The purpose of the ICS is to deliver improved Health and Social Care in an integrated manner in order to achieve an efficient and effective use of resources to meet an agreed set of priority outcomes relating to Health and Social Care.</p> <p>Social Care is therefore an integral part of achieving this and the City Council is not in full agreement with NHS partners about the way in which the ICS is being developed and would like improvements to the governance and engagement with citizens. The City Council would also like to improve the way in which the social care role can be developed within the ICS and believes that without changes, the current activity will only address transformation of health.</p> <p>At this point there are some concerns about how social care and community services in Nottingham City will receive the necessary focus and prioritisation from the ICS, therefore the City Council is suspending its formal partnership role within the ICS whilst we seek to agree the parameters of our involvement.</p> <p>The suspension is for a period of up to 6 months, and could be lifted subject to the agreement of outcomes from negotiations with partner organisations.</p>	

Exempt information: State 'None' or complete the following	
None	
Recommendation(s):	
1	The City Council suspends its role in the ICS for a period of up to 6 months, with immediate effect, and delegates responsibility to the Chief Executive to write to health partners formally to inform them of the decision
2	The City Council works with all local health partners within the ICS to agree key principles to the way in which social care in the City is taken forwards within the ICS
3	The City Council will review the position after 6 months, or before

1 REASONS FOR RECOMMENDATIONS

- 1.1 The primary reason for the recommendations is to seek to agree some changes to the way in which the ICS is going to operate and to develop for the benefit of the City and its residents.
- 1.2 The City Council would like to see changes to the governance of the ICS, to include greater levels of democratic involvement and believe there can be more robust and meaningful engagement with citizens and stakeholders.
- 1.3 The City Council would like to agree the shared adoption of key principles in line with the Nottingham City Council Plan priorities, such as the development of local jobs, training and development of local people and a preference for investment in public services, local businesses, SMEs and voluntary sector organisations.
- 1.4 The ICS should play a critical role in tackling health inequalities in our communities and, therefore, we will seek to have a stronger leadership role across the partnership to represent community health and care services for the City area, being the democratically elected body and the strongest advocate of community development in the City.
- 1.5 The funding differences between health, which receives more funding, and adult social care, where funding is unable to keep up with demand, have presented significant problems in working in partnership. The underfunding of social care, and inherent imbalance between health and care, is holding back the development of the ICS.
- 1.6 The agreement of changes is something the City Council believes will benefit the development of health and social care integration in order to better serve the needs of the population within the City and wider ICS area.
- 1.7 In moving forward with these potential changes in place, the City Council may lift its suspension from the ICS at a point within the 6 month period.
- 1.8 If that is not achieved then the City Council will review its position at the 6 month period.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Recommendation 1: The City Council suspends its role in the ICS for a period of up to 6 months, with immediate effect, and delegates responsibility to the Chief Executive to write to health partners formally to inform them of the decision.
- 2.2 The City Council has been a part of the ICS since the outset and is in full agreement with the need to integrate and better fund social care with the range of health provision.
- 2.3 The City has greater health inequalities in comparison to much of the rest of the ICS area and as such, in order for the objectives of the ICS to be met, tackling these issues in a way tailored to the local communities is key.
- 2.4 The ICS in Nottingham and Nottinghamshire has a significant status, which not all areas have been given. Its purpose is to recognise the innovation and leadership in place locally and to enable more freedoms to act locally such that other parts of the UK can adopt methods used here where they are proven to work. However the City Council believes that the way plans are being developed is through NHS-centric methods and is running the risk of redesigning NHS services rather than remodelling the health and care system. We do not feel that decisions on services are being taken with the full involvement of all partners within the health and care system, but rather the decisions on the health and care aspects are often taken in their respective silos.
- 2.5 The City Council believes in strong public and not-for-profit delivery models for all key public services, including health and social care. However it is concerned that the ICS plans are designed to increase privatisation within health and care and would like formal assurances from the ICS that this is not the intention in Nottingham and Nottinghamshire.
- 2.6 The City Council has a number of priorities within the Council Plan that are about strengthening communities, creating local jobs and doing whatever is possible to ensure the people delivering services are representative of the communities they serve. We would like to agree similar principles within the ICS.
- 2.7 The City Council agrees with the ICS goals of trying to reduce variation in practice and increase standardisation, but in order to do so meaningful alignment of budgets is necessary across health and care. The ICS has consciously not included social care within their system control totals, rendering the inequality between health and social care funding an intractable feature of the current mechanisms.
- 2.8 The City Council agrees with the strategic changes to move away from overly bureaucratic commissioning processes to whole population level commissioning of outcomes but wants to see an approach that focuses on inequalities. It is unclear how the local integrated care partnerships will be developed and empowered to design and deliver services locally in the City, and the loss of the City CCG with its expertise on the local communities has caused a loss of identity of the City. The City Council remains the primary City public sector organisation and would like to agree ways in which to increase the representation of city needs within the ICS.

For these reasons the City Council will suspend its role in the ICS.

The statutory responsibilities for the City Council in regard to Adult Social Care, Children's Social Care and Public Health will continue and the extent of integrated working necessary to exercise those statutory responsibilities.

- 2.9 Recommendation 2: The City Council works with all local health partners within the ICS to agree key principles to the way in which social care in the City is taken forwards within the ICS
- 2.10 We would like to proactively work with partners to agree improvements to the way the social care and NHS organisations work together within the ICS and address the points raised in section 2.1 to 2.8
- 2.11 Recommendation 3: The City Council will review the position after 6 months, or before.
- 2.12 We remain committed to the integration of health and social care for the benefit of citizens within Nottingham City, and will review the suspension at the point of 6 months, or before.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 To remain fully within the ICS.

This option was rejected. The City Council has a number of issues with the way the ICS is developing and believes it is better to be open and honest about them with partners rather than proceeding with implied consent to the plans.

- 3.2 To formally notify NHS partners that the City Council does not wish to have any part in the development of the ICS in its current form and to remove our name from the partnership.

This option was rejected because we are committed to the integration of health and social care and would wish to continue to strive towards closer integration where there are benefits to citizens of doing so. We know that the ICS will continue without the local authority if we were to leave now, and we would rather seek to influence changes to the ICS before any decision was taken to leave. In the event that changes are not able to be made, and the City Council remained concerned about the way in which it is developing, then it is possible that the review of our suspension could result in us formally leaving at a later date

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 Although this decision **does not have any direct financial implications** there is the potential for it to **create material financial risks** for the organisation.

Nottingham City Council receives significant levels of funding for social care, either directly from Health or from Central Government; a majority of the funding allocated from Central Government requires collaborative or consultative working with partners to align to the grant conditions.

The potential financial risks are based on:

- a. The current level of funding, included in the Medium Term Financial Plan supporting the delivery of social care services, see **Table 1** below and
- b. The current value of social care pressures (financial and non-financial) being experienced by the Local Authority; financial values are set out in **Table 2** and
- c. The ability of the statutory officers to deliver their roles and responsibilities, which could impact on the terms and conditions of grant payments.

TABLE 1: FUNDING ANALYSIS			
	Actual 2017/18 £m	Forecast 2018/19 £m	Budget 2019/20 £m
Direct Health Funding			
Children's – Continuing Health Care (CHC)	-1.363	-1.199	-1.199
Adults – CHC	-13.349	-13.220	-14.220
Adults – CCG contribution to Better Care Fund (BCF) (pre cuts) – mandated under S75 arrangement. NCC receive c. 58% of this value.	-23.253	-22.306	-22.306
Special Education Needs – Contribution to Special Education packages	-0.132	-0.132	-0.132
Total	-38.097	-36.856	-37.856
Funding direct to LA but elements of spend undertaken in consultation/collaboration with Health			
iBCF	-8.570	-11.723	-14.564
Public Health grant	-34.723	-33.830	-32.951
Winter Funding		-1.550	
Total	-43.293	-47.103	-47.515

Table 2 below sets out the value of Social Care services for Nottingham.

TABLE 2: SOCIAL CARE MTFP		
	Adults £m	Childrens £m
2018/19		
Gross budget	140.681	55.326
Net budget	94.138	50.003
2019/20		
Demography Pressures	4.380	1.684

- 4.2 The shape of future working/partnership arrangements may need to be incorporated within the constitution.

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 It is understood that the proposal is to suspend the City Council's participation in the STP and the ICS. Neither of those are legal entities set up as a partnership or company. There is no explicit legal obligation to participate in the STP or ICS but there are numerous statutory duties which require the City Council (and its officers) to work with and integrate its services with health services. To give effect to the suspension the City Council is not legally obliged to serve a formal notice to withdraw, suspend or terminate its relationship with its health partners. However it is advised that the City Council should write to its health partners explaining the suspension, if possible include the terms on which it will end the suspension but also affirming that although it is suspending its participation in the STP and ICS it will continue to work with those partners to fulfil its legal obligations to co-operate and integrate its care services with health.
- 5.2 The STP and ICS are being delivered through governance arrangements. To suspend participation in the STP and ICS the City Council needs to suspend its participation in those governance arrangements. There are contractual arrangements between health partners and the City Council, for example through s75 agreements which are used to pool budgets and co-ordinate commissioning arrangements. However suspending participation in the STP and ICS does not mean that those arrangements should or have to be terminated or suspended.
- 5.3 The City Council has multiple points of contact with health partners. If the proposal is to suspend dealing with those partners in so far as that contact is part of the governance of the STP and ICS then notwithstanding that suspension the City Council must continue to discharge its statutory duties which means that there will be continuing relationships with health partners. For example the City Council has a statutory duty in accordance with the Health and Social Care Act 2012 to establish a Health and Wellbeing Board for its area. The Board must include representatives from the CCG. The Health and Wellbeing Board has a legal duty to ...' encourage persons who arrange for the provision of any health or social care services in that area to work in an integrated manner.' Notwithstanding the proposed suspension of the STP and ICS the City Council must continue with the Health and Wellbeing Board.
- 5.4 The Care Act 2014 places the City Council under an explicit duty to ...' exercise its functions under [the Act] with a view to ensuring the integration of care and support provision with health provision and health-related provision ...[in relation to the care and support of its citizens.] The City Council must continue to comply with that duty even though it proposes to suspend its participation in the STP and ICS.
- 5.5 The City Council must appoint the following statutory officers - Director of Adult Social Services, the Director of Public Health and the Director of Children's Services. To enable those officers to fulfil their statutory duties they must work with and attend forums with representatives from health. Those officers must discharge their statutory roles within the local care and health system. For example under the Children Act 2004 the City Council is under a duty to co-operate with health partners to improve children's well- being. The Director of Public Health has the responsibility for all of the City Council's duties to improve public health. Those named officers must continue to be able to discharge their statutory roles but it

would be permissible for them not to participate in actively promoting the STP and the ICS governance providing this does not detract from their statutory duties.

Andrew James – Team Leader, Commercial Employment and Education
24.10.2018

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

6.1 Not applicable

7 SOCIAL VALUE CONSIDERATIONS

7.1 There are no specific changes to services that result from this decision, however in regard to social value, some of the reasons why the City Council is suspending its role within the ICS are in order to try and improve the ways in which the social, economic and environmental benefits that can arise out of the mechanisms by which health and social care integration are developed. The City Council believes that improvements to the way in which health and social care integrate have huge potential for increasing social value and these will be integral to the further discussions with NHS partners on how the ICS could be taken forwards.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 The NHS belongs to the people and is there to improve our health and wellbeing, supporting us to keep mentally and physically well, to get better when we are ill and, when we cannot fully recover, to stay as well as we can to the end of our lives.
- 8.2 It works in partnership with other organisations in the interest of patients, local communities and the wider population. The NHS is committed to working jointly with other local authority services, other public sector organisations and a wide range of private and voluntary sector organisations to provide and deliver improvements in health and wellbeing.
- 8.3 The NHS is founded on a common set of principles and values that bind together the communities and people it serves – patients and public represented by the NHS constitution.
- 8.4 Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making decisions relating to public health functions, we need to properly consider the NHS Constitution where applicable and take into account how it can be applied in order to commission services to improve the health of the local community.
- 8.5 The City Council intends to continue to support and abide by the Constitution in the exercise of its duties; the proposed suspension will not influence the carrying out of its statutory public health responsibilities, and towards improving health outcomes and reducing inequalities for our people and communities.

Alison Challenger, Director of Public Health, Nottingham City Council,
26.10.2018

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

(Please explain why an EIA is not necessary)

There are not any specific changes to service delivery proposed within this decision.

Yes



Attached as Appendix x, and due regard will be given to any implications identified in it.

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

10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 The Nottingham and Nottinghamshire Sustainability and Transformation Plan (June 2016) <http://www.stpnotts.org.uk/>

11.2 Health and Social Care Act 2012 Available at: <http://www.legislation.gov.uk/ukpga/2012/7>

11.3 Care Act 2014 Available at: <http://www.legislation.gov.uk/ukpga/2014/23>

11.4 Children Act 2004 Available at: <https://www.legislation.gov.uk/ukpga/2004/31>

Subject:	Allotment Rent Rates and Charges
Corporate Director(s)/Director(s):	Dave Halstead, Director, Neighbourhood Services Andy Vaughan, Corporate Director, Commercial & Operations
Portfolio Holder(s):	Dave Trimble, Portfolio Holder for Leisure and Localities
Report author and contact details:	Eddie Curry, Head of Parks, Open Spaces & Investment Funding James Dymond, Parks & Open Spaces Development Manager
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a) <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	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Total value of the decision: Additional income of approximately £33,000 per annum if direct-let rent increased to 46p/m ² per annum.	
Wards affected: All	
Date of consultation with Portfolio Holder(s): 17 October 2018	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>Proposals are being made to</p> <ul style="list-style-type: none"> • Increase allotment rents over a 3-year period. • Set fees and charges for tenancy administration to encourage good management of allotment plots by tenants. • Set up new allotment association leases on an individual site by site basis. <p>The additional income generate from these changes will be reinvested into the City's allotments to improve quality and bring derelict plots back into use to the benefit of the current waiting list containing over 800 applications.</p>	
Exempt information: None.	
Recommendations:	
1. To approve the increase of allotment rents to direct-let tenants to 46p per square metre over a 3-year period from 2019/20 to 2021/22.	
2. To delegate authority to the Director of Neighbourhood Services to sign new allotment association leases that include a new rent rate mechanism on a site by site basis.	
3. To approve the proposed fees and charges to direct-let allotment tenants as set out in	

section 2.6 of the report below.

4. To approve establishing an earmarked reserve to hold additional income generated which will be re-invested for site improvements.

1 REASONS FOR RECOMMENDATIONS

- 1.1 Allotment rents in Nottingham have historically been very low and comparison with other Core Cities shows that Nottingham is currently 2nd cheapest out of 7 cities:

City	Full annual price for a 250m ² plot (2018)	Price per m ²	Discounted Prices	
			Over 60/65	Low Income / Disability Benefit
Glasgow	£34.50	13.8p	£25.00	-
Nottingham	£55.00	22p	£41.25	£27.50
Manchester	£68.00*	27.2p	£34.00	£34.00
Leeds	£72.00	28.8p	£36.00	£36.00
Sheffield	£72.00	28.8p	£54.00	-
Birmingham	£92.00	36.8p	£47.00	-
Cardiff	£120.80*	48.32p	£60.40	-

(* including water; all other prices exclude water costs)

- 1.2 At present, Nottingham offers the following concessions:
- 25% discount for those over 65;
 - 50% discount for those eligible for low-income benefits or disability benefits.
- 1.3 The extra income generated from the increase in rents will be reinvested into the City's allotments in order to improve quality, access and security.
- 1.4 Funding will also be used to bring derelict plots / sites back into use as the current waiting list contains over 800 applications.
- 1.5 Consultation with direct-let tenants, allotment associations and the general public has shown that there are mixed views on raising rents in order to invest into site improvements. As a result, the proposed rent increase has been set at 46p/m² rather than the 56p/m² originally proposed.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 Allotments Act 1908 to 1931

As outlined in the Legal advice in Section 5, below, any decision on the level of rent to be charged pursuant to the relevant Allotment Acts must be based on the statutory test contained within Section 10 of the Allotments Act 1950, and should be based on a proper and comparable valuation exercise with the understanding that the rents to be charged are those which a tenant may reasonably be expected to pay for the land let.

Information on allotment rents from other local authorities varies significantly due to the different ways in which sites are managed across the country. However, price comparisons have been made with allotment rents in other

Core Cities, as shown in Appendix D. This demonstrates that the rent proposed by the end of the 3-year period would still be broadly within the range of current allotment rents in other Core Cities where the average price for a 250m² plot in 2018/19 is £69.54 (without any discounts):

Furthermore, the rents for other cities shown in Section 1.1 above do not take into account any future increases that may be planned.

2.2 Nottingham City Council Allotments

2,800 allotment plots are owned by Nottingham City Council.

Of these, approximately 800 plots are managed directly by the Allotment Service with tenancies to “direct-let tenants”.

The other 2,000 are leased to 18 allotment associations or companies under business leases. These are the majority of the large sites ranging from 600 plots down to 30 plots. These lease-holding associations are required to manage and maintain their allotment sites independently from the Council.

As of 8th October 2018, the current waiting list for a City allotment contains 836 names.

2.2 Current Rent Levels

The 2018 allotment rent is 22p/m² excluding water charges; this equates to:

- £33/year for a 150m² plot (small);
- £55/year for a 250m² plot (average);
- £88/year for a 400m² plot (large).

This was increased from a rate of 14p/m² in 2017.

The following concessions are offered as discounts on the prices above:

- 25% discount for those over 65;
- 50% discount for those eligible for low-income benefits or disability benefits.

Prior to this:

- Rents were not raised between 1996 and 2002;
- Rents were not raised between 2003 and 2011;

For direct-let sites water is charged separately and added to the rent based on the amount of water used on site. Water charges vary between nil and 6p/m². A £5.96 standing charge for water is also charged to every plot supplied with water.

2.3 Leasehold Sites

Leasehold rents are set at a rent review every five years. At review they are set to match the direct-let rent rate applicable at the time.

On an annual basis, if a site has been ‘well managed’ in the previous 12 months, 75% of the site’s rental income will be returned contractually to the leaseholder association to allow them to manage their site.

In addition to this rebate, individual allotment rent concessions (set by the lease at 25% of rent for qualifying tenants) are allowed from the remaining lease rent. 6.9% of potential leasehold revenue is allowed concessions.

2017's income from leasehold sites (i.e. 2,000 plots) was on average 17% of the total lease rent - £7,400.

If direct-let rent rates increase in the future, it would be expected that the tenants of the larger direct-let allotment sites may wish to become leasehold and set their own rent levels.

Part of the allotment rent consultation proposals is that we will offer a rent rate (and review mechanism) that can be agreed with the Council on a site-by-site basis for leasehold sites. The rate would be determined by existing site quality, allotment provision and the site's need for investment.

2.4 Allotment Service

The allotment Service includes 1.4 FTE Allotment Officers and an annual maintenance budget of £28,000 to carry out site repairs and improvements.

2017's income was:

- £20,500 from direct-let site rents from approximately 800 plots (as invoiced); and
- £7,400 from approximately 2,000 plots on leasehold sites.

2.5 Rent Increase Proposals

Quality audits of the City's allotments (last updated in 2017) show that significant investment is needed in many areas in order to provide the high quality service that we aspire to.

Improvements required include:

- Improved or new water supplies to sites with none at present;
- External security fencing and/or gates;
- Internal plot boundaries, e.g. new fencing;
- Path and avenue surfacing;
- Community facilities such as huts, shops or toilets.
- Renovating derelict plots and sites to bring them back into use.

As an example, each future annual increases of 8p/m² would generate an increase in revenue of around £11,000 per annum – this could be reinvested into site improvements.

The last round of leasehold site rent reviews have taken place over the last two years. Therefore increases to the direct-let rent rate will not have any great effect to leasehold rents until 2021-22.

2.6 Proposed Fees and Charges

Allotment plots across City sites range from very small sites of 50m² or less up to very large plots of c.400m². The administration of these plots, including site visits, preparing tenancy agreements, inspections, surrenders and breach notices, is not affected by their size and can be onerous, even for the smallest plots.

We therefore propose to introduce a minimum plot charge to cover our tenancy administration costs, i.e. all tenants are charged for at least a 125m² plot, even if they rent a smaller plot.

It is also proposed to introduce a charge of £50 for tenants who don't surrender their plots properly and necessitate forced entry, a change of locks and/or new site keys being ordered.

Finally, the issue of notices to tenants who breach their tenancy regulations for a second time will be increased £10 to £20.

2.7 Consultation on Proposed Changes

2.7.1 Direct-let tenants

Consultation with direct-let tenants (i.e. those on allotment plots managed directly by the Allotment Service) started in November 2017 with a direct mail-out to all 800 tenants and ran until the end of January 2108. The direct-let consultation paper is attached at Appendix A.

In this consultation, we asked about:

- Increasing rent rates up to 56p/m² to improve allotment site quality.
- Implementing a new structure for association sites with rent rates set on a site-by-site basis between the Council and the leaseholder.
- Introducing a minimum plot charge to cover our tenancy administration costs, i.e. all tenants are charged for at least a 125m² plot, even if they rent a smaller plot.
- Introducing new fees and charges such as £50 for tenants who don't surrender their plots properly and increasing notices for a second breach of tenancy regulations from £10 to £20.
- Transferring the responsibility for hedge-cutting on the outside of allotment plots to plot-holders

The survey was sent to 800 tenants and 68 responses (8.5% response rate) were received and are summarised below:

- 42.7% of respondents had no objection to or did not comment on the rent rate increase proposals; 57.4% objected to them.
- 94% of direct-let tenants had no view on leasehold rent rates.
- 80.6% of respondents had no objection to or did not comment on the introduction of a minimum plot rent; 19.4% objected.
- 98.5% respondents had no objection to or did not comment on the proposed new fees and charges; 1.5% objected.

2.7.2 Leasehold Allotment Associations

Consultation with allotment associations started in April 2018 with a direct mail-out to all associations who lease sites from Nottingham City Council. The leasehold association consultation paper is attached at Appendix B.

We explained that under the conditions of the current leases, any changes to direct-let rent rates would affect leasehold allotment site rents at each site's next rent review, which would be between two and four years away.

We explained that the Council has been investigating a new lease and management agreement template for all leasehold sites and that to encourage Allotment Associations to enter into a new model lease, the Allotments Service proposes that the rent rate for these leasehold allotment sites is agreed between the Council and allotment site leaseholders on a site-by-site basis; this would take into account the quality of the site management and allotment provision.

We also asked Associations about the topics in the direct-let consultation:

- Increases to direct-let rents;
- Introducing minimum plot charges;
- New and increased fees and charges;
- Hedge-cutting.

The results of this survey are summarised below:

- The Allotment Federation made a response on behalf of its 13 leasehold associations and STAA, as follows:
 - Rejection of the proposed rent increase as considered unreasonable and damaging to allotment gardening within the city.
 - Rejection of the proposed new lease as it is considered to be unworkable, over cumbersome, and places a significant risk on allotment societies.
 - Recommend that the allotment societies meet with the city council officers to agree alterations to the existing lease, these to include:-
 - a) Agreeing a rent and rebate level which reflects the cost of the service supplied by the city council to the allotment associations, and the service supplied by the associations to the city of Nottingham and its residents.
 - b) Add a clause to protect association trustees from claims by the city council.
 - The federation would like it noted that it feels that the council is trying to coerce associations to adopt the new lease. That the new lease if adopted by associations could enable the council to outsource the management of the allotment service to the private sector. Carillion is an example of what can then happen.
- In addition, 6 leasehold sites produced individual responses:
 - All leasehold responses rejected the proposal to increase the direct-let rent rate to 56p/m², if it were to be applied to their site.
 - Several leasehold sites have pointed out that they are ready to enter into leases.
 - There is a desire to keep lease arrangements as simple as possible and keep associations from being over-burdened if possible.

2.7.3 General Public

The final consultation phase was with the general public via an online SnapSurvey, also available in paper form, in October 2018. The public consultation paper is attached at Appendix C.

The online survey was promoted via email, social media, on the City council's website and also sent to all allotment associations and other relevant bodies.

The consultation included different information for different types of allotment user, or non-user.

The results of this survey are summarised below:

Survey participation by site type of respondent

	No. of Responses
Direct Let Tenants	14
Leasehold	64
St Anns	84
Non-NCC Allotment	23
Non-Allotment	18
Organisation	4
Other	4
Total	211
Other responses – textual	121

If you are an allotment tenant on an allotment owned by Nottingham City Council, can you tell us what rate (after an increase) would cause you to surrender your tenancy?

Rate at which a tenant may Surrender	Number of Responses	Stated % of Tenants Surrendering
25p/m2	46	34%
30p/m2	28	55%
35p/m2	27	75%
40p/m2	15	87%
45p/m2	5	90%
50p/m2	2	92%
56p/m2	11	n/a
	Total: 134	

If further investment becomes possible on your site, how strongly do you agree or disagree with the following improvements we could make?

I prefer a lower-quality site with lower rent:

	No. of Responses
Strongly agree	51
Agree	37
Neither agree or disagree	47
Disagree	28
Strongly disagree	15

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 The principal alternative option is not to raise allotment rents; this will mean that most sites remain in their current condition or potentially decline if future budgets

are unable to meet the demand for maintenance and repairs. Funding will also be very limited or not available for bringing derelict plots back into use.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 As a result of the proposals in this report, the expected additional income to be generated from directly let allotments from the Council is approximately £11,000 per annum, thereby giving a total increase of £33,000 by financial year 2021/22. However, this increase is subject to the consultation process, concessions applied to allotment holders and occupancy levels, so the actual increase achieved could be different to the expectation. The additional income to be generated from leasehold sites will be subject to a number of factors including management of the sites, site quality and date of the next review of the lease.
- 4.2 As outlined in the reasons for recommendations, the additional income generated from the increase in rents will be reinvested to make improvements to City's allotments. To facilitate this, an earmarked reserve will be established and maintained to cover improvement costs in future years.

Maria Balchin,
Senior Commercial Business Partner,
25 October 2018.

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 There is a statutory test, which is contained in the relevant Allotments Acts of 1922 and 1950, which is of particular importance to this proposal. One of the key provisions from a legal perspective is that the statutory test set out in Section 10 of the Allotments Act 1950 must be taken into consideration in any decision on amount of Allotment rents.

There is also recent case law and guidance relating to Allotment rents, including discussion on the above test, which can be found in a decision involving Leeds City Council.

In summary, the key points Nottingham City Council must consider are that any decision on the level of rent to be charged pursuant to the relevant Allotment Acts must be based on the statutory test contained within Section 10 of the Allotments Act 1950, and should be based on a proper and comparable valuation exercise with the understanding that the rents to be charged are those which a tenant may reasonably be expected to pay for the land let. The Act specifically states that:

“Land let by a council under the Allotments Act 1908 to 1931 for use as an allotment shall be let at such rent as a tenant may reasonably be expected to pay for the land if let for such use on the terms (other than terms as to rent) on which it is in fact let...”

It is understood that a proposal to reinvest money received from increased rental amounts could be a relevant consideration in the valuation exercise but it should not be the only factor and that notwithstanding those considerations

and any intention, the statutory test under Section 10 will be the determining factor.

Therefore, in summary, if (a) a proper and comparable valuation exercise is undertaken and (b) the rents determined pursuant to that valuation exercise are considered those that a tenant may reasonably be expected to pay for that land i.e. there is a two stage test undertaken and satisfied as suggested by recent case law and guidance, then the course of action should be considered acceptable. Recent case law and guidance suggests that to assist in supporting any valuation exercise it would be prudent to use comparables from other local authorities as to the Allotment rents those other authorities have charged.

As a final point to note, it is important to be aware that rental valuations should not be the remit of a legal officer but should be dealt with by an appropriately qualified person with experience in rents for tenancies of this nature (such as a surveyor).

Mick Suggett, Conveyancing Team Leader
Gavin Carr, Senior Solicitor
22nd October 2018

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 The allotments Service have considered the comparable allotment rents from the Core Cities group in order to establish a market rent. It is understood that previous NCC rent reviews have not been based on market evidence as a comparison and rents have therefore out of step with the market.

The recommended figure of £0.46 per square metre is not the highest rate being attained in the Core Cities, but does appear to be more in line with a comparable market rate.

- Rod Martin, Development and Disposals Manager, 25/10/18

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 Social value will be taken into consideration when Procurement exercises take place for improvement works on allotments.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 The Council is committed to providing food growing opportunities in the City on both allotments and community gardens as outlined in the Food Growing Framework strategy.

9 EQUALITY IMPACT ASSESSMENT (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

Yes



Attached as Appendix E, and due regard will be given to any implications identified in it.

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

10.1 None.

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 None.

Appendix A: Consultation Paper for Direct-Let Tenants

Appendix B: Consultation Paper for Leasehold Associations

Appendix C: Consultation Paper for General Public

Appendix D: Allotment Price Comparisons

Appendix E: Equality Impact Assessment

Consultation of rent increases and changes to fees, charges and tenancy conditions on Nottingham City Council's Direct Let Allotment Gardens

Alex Begg Allotment Officer (alex.begg@nottinghamcity.gov.uk)

Nottingham City Council Allotment Service 0115 9172727

November 2017 (updated September 2018)

Introduction

The Allotments Service has investigated how an increase in allotment garden rents, charges and tenants' responsibilities can help support the development and investment in allotment provision across Nottingham City.

Background

The Allotments Service manages both directly-let allotment tenancies and supervises the leases of other Council-owned allotment sites. There are approximately 2800 Council-owned allotment plots across the city, covering 1.9% of the land area of Nottingham City or just under 10% of the accessible open and green space in the city. The Allotments Service directly manages approximately 800 plots largely situated on the smaller allotment sites. The remaining 2000 plots are leased to and managed by 19 independent associations or allotment bodies.

Allotment Rent Rate

The current allotment rent rate is 14p/m² and has increased in increments from 7.2p/m² in 2011. Allotment rent rates country-wide have been traditionally very low and this is often reflected in the quality of allotment sites and the service provided to allotment tenants. The Council's Allotments Service has been increasing the quality of the allotment provision and has recorded a small increase in the quality since the first quality audit undertaken in 2012.

To allow the further improvement and development of the allotment provision the Council is consulting on raising the allotment rent rates over a number of years, for the Council's direct-let allotment gardens. Rent increases will allow further investment in Nottingham's allotment provision.

We calculate that rental income at the 'eventual rate', including the effect this will have on leasehold rental income, will allow the full-funding of the administration of the Council's Allotments Service & and the management and basic maintenance of the direct-let sites. This eventual rate is calculated at 56p/m². This eventual rent rate is comparable to other authority's current rent rates and the extra income will be used to invest into Nottingham's allotments.

Following changes to the charging for water in 2014, allotment tenants who are supplied with water, are charged a rate for water that covers costs of water and the supply network. No changes are proposed for the charging of water.

To offset the increases in rents for citizens who are entitled to eligible low-income benefits or eligible disability benefits, tenants can apply for a rent concession (discount) of 50%. Tenants over the age of 65 can apply for a rent concession (discount) of 25%.

The Allotments Service manages many small allotment plots with areas less than 125m². The administration of these tenancies and the resources needed for annual invoicing of rents, often outweigh the small rental income on these plots. We proposed that a minimum plot rent equivalent to 125m² is charged for these plots. For the current year this would be a rent of £17.50.

Leasehold Rent Rates

The current leasehold rent rate is set by the lease agreements, to match the direct-let rent rate at each rent review. The leasehold rents on current lease are reviewed every five years, under condition of the lease. We propose, for future allotment leases, that the rent rate for leasehold allotment sites is agreed between the Council and allotment site leaseholders on a site-by-site basis and will take into account the quality of the site and allotment provision. We hope that well managed, good quality sites, can be rewarded by lower leasehold rent rates that can be passed on the allotment tenants.

Charges and Fees

Much Allotment Officer time is spent managing breaches of allotment tenancies. It is not unusual for some tenants to abandon their allotments in a poor condition, needing council officer time to chase the tenant to rectify these breaches and often leading to organising repairs and invoicing the tenant concerned.

To encourage allotment tenants to surrender their plots in the proper legal manner, the Council proposes that we levy a £50 charge if we need to resort to issue a Tenancy Termination Notice. In this way, we hope that tenants will either, surrender their tenancy in a timely fashion when they no longer need the allotment plot, or they will rectify any breaches in a timely fashion. In addition, we propose the 'second and subsequent Breach Notice' charge is increased from £10 to £20.

Hedge Cutting

On some direct-let sites the costs of cutting hedges are high due to only having pedestrian access for the Council's operatives. We propose to consider the transfer of responsibility for cutting the **outside** of plot hedges to individual allotment tenants. We realise that in some instances, this responsibility could be overly onerous. The Allotments Service will be assessing the impact to tenants of this transfer of responsibility over the next year.

Summary of Current Proposals

1. The direct-let rent rate is increased over five years to a rate of 56p/m². This equates to a year-on-year increase of 8.4p/m² for the next 5 years.
2. For leasehold sites within a **new lease** structure, rent rates will be set by agreement between the Council and the site leaseholder.
3. A minimum direct-let rent is introduced that will equal a plot size of 125m² (50% of the standard allotment size).
4. Fees and charges for direct-let tenants: An increase to £20 for charge for the second and each subsequent Breach Notice; a new £50 charge for issuing a Termination Notice.

Please feel free to respond to these proposals by email at allotment.office@nottinghamcity.gov.uk, by letter or if these prove difficult please feel free to make contact with us by telephone on 0115 8763399.

Consultation of rent increases and changes to fees, charges and tenancy conditions on Nottingham City Council's Direct-Let and Leasehold (Association) Allotment Gardens

Alex Begg Allotment Officer (alex.begg@nottinghamcity.gov.uk)
Nottingham City Council Allotment Service 0115 8763399
March 2018

Introduction

The Allotments Service has investigated how an increase in allotment garden rents, charges and tenants' responsibilities can help support the development and investment in allotment provision across Nottingham City.

Current Situation

During November and December 2017, the council's Allotments Service consulted direct-let tenants on proposals to increase the rent rate; make changes to fees and charges; and change conditions of direct-let allotment tenancies, as laid out in this document.

Following the end of the consultation period and assessing the responses from the direct-let tenants, the council decided to:

1. Increase the length of the *direct-let tenant* consultation until 31 January 2018 (this has now been completed).
2. Increase the direct-let rent rate for 2018 to 22p/m².
3. Consult with the leasehold allotment associations/bodies and gardener organisations over the proposals.
4. Consult with the general public over the proposals.

Background

The Allotments Service manages both directly-let allotment tenancies and supervises the leases of other Council-owned allotment sites. There are approximately 2800 Council-owned allotment plots across the city, covering 1.9% of the land area of Nottingham City or just under 10% of the accessible open and green space in the city. The Allotments Service directly manages approximately 800 plots largely situated on the smaller allotment sites. The remaining approximate 2000 plots are leased to and managed by 19 independent associations or allotment bodies.

Consultation for Leasehold sites

Leasehold Rent

The lease rent (charged to associations by the council for the use of leasehold sites) is calculated on the area of occupied allotment plots, multiplied by the site's current rent rate. The site's rent rate is set at a rent review and are set to match the current direct-let rent rate. The timing of a site's rent review is set within the lease and is generally undertaken at five year intervals from the commencement date of the lease.

An allowance from a site's annual leasehold rent is made for any tenants that claim an allowable concession (discount) for older age, low-income or disability.

Once the rent has been calculated, Leasehold associations benefit from a rebate for the good management of the site in the previous year. Good management is determined from an annual site inspection undertaken by allotment officers. The rebate is set at 75% of the lease rent and this is returned to the association for the maintenance, management and

administration of the site. Under lease conditions, the rebate must be spent on the maintenance, management and administration. **The rebate cannot be used to subsidise the rents of allotment gardeners.** If this were to occur it would constitute a breach of the lease.

The Allotments Service has been slowly evolving a new “model lease” that will eventually replace the current allotment association sites leases. The new model lease gives extra conditions to allotment associations that includes offering higher quality allotment provision; holding an acceptable, fair and time ordered waiting list for allotments applicants; and adopting and working to an acceptable internal complaints procedure. The council is supportive of any association who adopts fair and equitable policies and procedures.

Proposal to break the link between direct-let rent rate and leasehold rent rates

To encourage Allotment Associations to enter into a new model lease, the Allotments Service proposes, that the rent rate for these leasehold allotment sites is agreed between the Council and allotment site leaseholders on a site-by-site basis and will take into account the quality of the site management and allotment provision.

We hope that well managed, good quality sites, can be rewarded by lower leasehold rent rates that can be passed on the allotment tenants.

Consultation for Direct let sites

Allotment Rent Rate for Direct-Let Sites

The current allotment rent rate is 14p/m² and has increased in increments from 7.2p/m² in 2011. Allotment rent rates country-wide have been traditionally very low and this is often reflected in the quality of allotment sites and the service provided to allotment tenants. The Council’s Allotments Service has been increasing the quality of the allotment provision and has recorded a small increase in the quality since the first quality audit undertaken in 2012.

To allow the further improvement and development of the allotment provision the Council is consulting on raising the allotment rent rates over a number of years, for the Council’s direct-let allotment gardens. Rent increases will allow further investment in Nottingham’s allotment provision.

The Allotments Service has calculated a rent rate that, if charged, would allow the full-funding by rental income, of the administration of the council’s Allotments Service and the management and basic maintenance of the direct-let sites. These calculations take into account the income from direct-let sites and leasehold sites. **This ‘full-funding rate’ is currently calculated at 56p/m².** This full-funding rent rate is comparable to some other authority’s current rent rates.

Proposal to increase direct-let rent rate

To allow further improvement of the allotment provision in Nottingham the direct-let rent rate is increased to the full-funding rate of 56p/m² in equal steps over 5 years. This equates to an increase of 8.4p/m² each year until 2022.

Following changes to the charging for water on Direct-Let sites in 2014, direct-let allotment tenants who are supplied with water, are charged a rate for water that covers costs of water and the supply network. No changes are proposed for the charging of direct-let water.

To offset the increases in rents for citizens who are entitled to eligible low-income benefits or eligible disability benefits, **direct-let allotment tenants** can apply for a rent concession (discount) of 50%. Tenants over the age of 65 can apply for a rent concession (discount) of 25% (please see note below regarding rent concessions for leasehold tenants).

The 50% concession will also be offered to tenants of leasehold sites who enter into the new model lease.

Small Plot Rents

The Allotments Service manages many small direct-let allotment plots with areas less than 125m². The administration of these tenancies and the resources needed for annual invoicing of rents, often outweigh the small rental income on these plots.

Proposal to create a minimum plot charge for direct-let allotments

We propose that a minimum plot rent equivalent to 125m² is charged for these plots. For 2017-2018 this would have meant a minimum plot rent of £17.50.

This Small Plot Rent will not affect the charging of leasehold rents.

Charges and Fees

Much Allotment Officer time is spent managing breaches of direct-let allotment tenancies. It is not unusual for some tenants to abandon their allotments in a poor condition, needing council officer time to chase the tenant to rectify these breaches and often leading to organising repairs and invoicing the tenant concerned.

Proposal to increase direct-let tenancy charges

To encourage allotment tenants to surrender their plots in the proper legal manner, the Council proposes that we levy a £50 charge if we need to issue a Tenancy Termination Notice. In addition, we propose the 'second and subsequent Breach Notice' charge is increased from £10 to £20.

In this way, we hope that tenants will either, surrender their tenancy in when they no longer need the allotment plot, or they will rectify any breaches in a timely fashion.

Hedge cutting

On some direct-let sites the costs of cutting hedges are high due to only having pedestrian access for the Council's operatives. We are considering the transfer of responsibility for cutting the **outside** of plot hedges to individual allotment tenants. We realise that in some instances, this responsibility could be overly onerous. The Allotments Service will be assessing the impact to tenants of this transfer of responsibility over 2018.

Summary of Current Proposals

1. The rent rate is increased over five years to a rate of 56p/m². This equates to a year-on-year increase of 8.4p/m² each year until 2022.
2. For leasehold sites within a **new lease** structure, rent rates and the reviewing mechanism will be set by agreement between the Council and the site leaseholder.
3. A minimum rent is introduced that will equal a plot size of 125m² (50% of the standard allotment size).
4. Fees and charges: An increase to £20 of the charge for the second and each subsequent Breach Notice; a new £50 charge for issuing a Termination Notice.

Please feel free to respond to these proposals by email at allotment.office@nottinghamcity.gov.uk or by letter at the address below or if these prove difficult please feel free to make contact with us by telephone on 0115 8763399.

A public consultation will be publicised for responses to these proposals directly from allotment gardeners and the general public.

Alex Begg
Allotment Officer
Parks and Open Spaces
Neighbourhood Services | Commercial and Operations | Nottingham City Council
Woodthorpe Grange, Woodthorpe Drive, Nottingham, NG5 4HA

Consultation of rent increases and changes to fees, charges and tenancy conditions on Nottingham City Council's Direct Let Allotment Gardens

Alex Begg Allotment Officer (alex.begg@nottinghamcity.gov.uk)
Nottingham City Council Allotment Service 0115 9172727
November 2017

Introduction

The Allotments Service has investigated how an increase in allotment garden rents, charges and tenants' responsibilities can help support the development and investment in allotment provision across Nottingham City.

Background

The Allotments Service manages both directly-let allotment tenancies and supervises the leases of other Council-owned allotment sites. There are approximately 2800 Council-owned allotment plots across the city, covering 1.9% of the land area of Nottingham City or just under 10% of the accessible open and green space in the city. The Allotments Service directly manages approximately 800 plots largely situated on the smaller allotment sites. The remaining 2000 plots are leased to and managed by 19 independent associations or allotment bodies.

Allotment Rent Rate

The current allotment rent rate is 14p/m² and has increased in increments from 7.2p/m² in 2011. Allotment rent rates country-wide have been traditionally very low and this is often reflected in the quality of allotment sites and the service provided to allotment tenants. The Council's Allotments Service has been increasing the quality of the allotment provision and has recorded a small increase in the quality since the first quality audit undertaken in 2012.

To allow the further improvement and development of the allotment provision the Council is consulting on raising the allotment rent rates over a number of years, for the Council's direct-let allotment gardens. Rent increases will allow further investment in Nottingham's allotment provision.

We calculate that rental income at the 'eventual rate', including the effect this will have on leasehold rental income, will allow the full-funding of the administration of the Council's Allotments Service & and the management and basic maintenance of the direct-let sites. This eventual rate is calculated at 56p/m². This eventual rent rate is comparable to other authority's current rent rates.

Following changes to the charging for water in 2014, allotment tenants who are supplied with water, are charged a rate for water that covers costs of water and the supply network. No changes are proposed for the charging of water.

To offset the increases in rents for citizens who are entitled to eligible low-income benefits or eligible disability benefits, tenants can apply for a rent concession (discount) of 50%. Tenants over the age of 65 can apply for a rent concession (discount) of 25%.

The Allotments Service manages many small allotment plots with areas less than 125m². The administration of these tenancies and the resources needed for annual invoicing of rents, often outweigh the small rental income on these plots. We proposed that a minimum plot rent equivalent to 125m² is charged for these plots. For the current year this would be a rent of £17.50.

Leasehold Rent Rates

The current leasehold rent rate is set by the lease agreements, to match the direct-let rent rate at each rent review. The leasehold rents on current lease are reviewed every five years, under condition of the lease. We propose, for future allotment leases, that the rent rate for leasehold allotment sites is agreed between the Council and allotment site leaseholders on a site-by-site basis and will take into account the quality of the site and allotment provision. We hope that well managed, good quality sites, can be rewarded by lower leasehold rent rates that can be passed on the allotment tenants.

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To encourage allotment tenants to surrender their plots in the proper legal manner, the Council proposes that we levy a £50 charge if we need to resort to issue a Tenancy Termination Notice. In this way, we hope that tenants will either, surrender their tenancy in a timely fashion when they no longer need the allotment plot, or they will rectify any breaches in a timely fashion. In addition, we propose the 'second and subsequent Breach Notice' charge is increased from £10 to £20.

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Summary of Current Proposals

1. The rent rate is increased over five years to a rate of 56p/m². This equates to a year-on-year increase of 8.4p/m² for the next 5 years.
2. For leasehold sites within a **new lease** structure, rent rates will be set by agreement between the Council and the site leaseholder.
3. A minimum rent is introduced that will equal a plot size of 125m² (50% of the standard allotment size).
4. Fees and charges: An increase to £20 for charge for the second and each subsequent Breach Notice; a new £50 charge for issuing a Termination Notice.

Please feel free to respond to these proposals by email at allotment.office@nottinghamcity.gov.uk, by letter or if these prove difficult please feel free to make contact with us by telephone on 0115 8763399.

Appendix D: Allotment Price Comparisons

		Glasgow	Nottingham	Manchester	Leeds	Sheffield	Birmingham	Nottingham	Cardiff
		2018-19	2018-19	2018-19	2018-19	2018-19	2018-19	Future (46p/m ²)	2018-19
	Plot Size		Exc. water	Water inc.	Exc. water	Exc. water		Exc. water.	Water inc.
Small plot - Standard rate (per annum)	150m ²	£17.25	£33.00	£34.00	£36.00	£52.00	£62.00	£69.00	£72.48
Small plot - Over 60 rate (per annum) (* Nottingham is Over 65)		£12.50	£24.75	£17.00	£18.00	£39.00	£32.00	£51.75	£36.24
Small plot - Low Income or Disability Benefit (Nottingham 50% Concession)			£16.50	£17.00	£18.00			£34.50	
Standard plot - Standard rate (per annum)	250m ²	£34.50	£55.00	£68.00	£72.00	£72.00	£92.00	£115.00	£120.80
Standard plot - Over 60 rate (per annum) (* Nottingham is Over 65)		£25.00	£41.25	£34.00	£36.00	£54.00	£47.00	£86.25	£60.40
Standard plot - Low Income or Disability Benefit (Nottingham 50% Concession)			£27.50	£34.00	£36.00			£57.50	
Large plot - Standard rate (per annum)	400m ²		£88.00			£112.00	£112.00	£184.00	£193.28
Large plot - Over 60 rate (per annum) (* Nottingham is Over 65)			£66.00			£84.00	£57.00	£138.00	£93.64
Large plot - Low Income or Disability Benefit (Nottingham 50% Concession)			£44.00					£92.00	

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Equality Impact Assessment Form

screen tip-section A

1. Document Control

1. Control Details

Title:	Allotment Rent Rates and Charges
Author (assigned to Pentana):	James Dymond
Director:	Dave Halstead
Department:	Commercial & Operations
Service Area:	Parks & Open Spaces
Contact details:	0115 876 4983
Strategic Budget EIA: Y/N	N
Exempt from publication Y/N	N

2. Document Amendment Record

Version	Author	Date	Approved
1.0	James Dymond	15-10-18	
1.1	James Dymond	07-11-18	

3. Contributors/Reviewers

Name	Position	Date

4. Glossary of Terms

Term	Description

[screentip-sectionB](#)

2. Assessment

1. Brief description of proposal / policy / service being assessed

20800 allotment plots are owned by Nottingham City Council.

Of these, approximately 800 plots are managed directly by the Allotment Service with tenancies to “direct-let tenants”. The other 2,000 are leased to 18 allotment associations or companies under business leases. These are the majority of the large sites ranging from 600 plots down to 30 plots. These lease-holding associations are required to manage and maintain their allotment sites independently from the Council.

It is proposed to increase allotment rents to direct-let tenants from the current rate of 22p/m² to 46p/m² over a 3 year period; this currently equates to:

- £33/year for a 150m² plot (small);
- £55/year for a 250m² plot (average);
- £88/year for a 400m² plot (large).

The proposed new rent rates will equate to:

- £69/year for a 150m² plot (small);
- £115/year for a 250m² plot (average);
- £184/year for a 400m² plot (large).

25% discount is offered to tenants over 65 years of age.
50% discount is offered to tenants on disability benefit or low income benefit.

It is also proposed to offer a rent rate (and review mechanism) that can be agreed with the Council on a site-by-site basis for leasehold sites, i.e. Associations. The rate would be determined by existing site quality, allotment provision and the site's need for investment.

Increased future income from the above proposals would be reinvested into site improvements.

[screentip-sectionC](#)

2. Information used to analyse the effects on equality:

Consultation results from consultation with direct-let tenants, leasehold associations and general public from November 2017 to October 2018.
Benchmarking of allotment prices with other Core Cities.

3. Impacts and Actions:

screentip-sectionD	Could particularly benefit X	May adversely impact X
People from different ethnic groups.	<input type="checkbox"/>	<input type="checkbox"/>
Men	<input type="checkbox"/>	<input type="checkbox"/>
Women	<input type="checkbox"/>	<input type="checkbox"/>
Trans	<input type="checkbox"/>	<input type="checkbox"/>
<u>Disabled people or carers.</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy/ Maternity	<input 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"/>
<u>Older</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Younger	<input type="checkbox"/>	<input type="checkbox"/>
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please underline the group(s) /issue more adversely affected or which benefits.</i>		

<p>How different groups could be affected (Summary of impacts)</p> <p><u>screentip-sectionE</u></p>	<p>Details of actions to reduce negative or increase positive impact (or why action isn't possible)</p> <p><u>screentip-sectionF</u></p>
<p>As allotments provide particular benefits to older and disabled people and community groups, raising rent levels potentially adversely affects those groups (subject to the concessions that are available), and some people may feel unable to continue their allotment use (with potentially negative impacts on their health and social activity).</p>	<p>1 Actions will need to be uploaded on Pentana.</p> <p>50% concessions are available on allotment rents to those on low income or with a disability. (This was increased from the previous rate of 25%).</p> <p>25% concessions are available on allotment rents to those over 65.</p> <p>Greater effort will be made to publicise these concessions in order that all those who qualify make use of them. This will be reinforced on our online information and also in the paper information (e.g. allotment handbook) that we send out to prospective tenants.</p> <p>The reinvestment of additional income from higher rents back into</p>

	<p>allotment sites will help to make some sites more accessible to older and disabled people – e.g. by improving site entrances or access routes. The Allotments Team will lead on this and work with allotment users on each site to ensure that any investment and improvements meets their needs.</p>
--	--

4. Outcome(s) of equality impact assessment:

<input type="checkbox"/>	No major change needed	<input type="checkbox"/>	Adjust the policy/proposal
<input checked="" type="checkbox"/>	Adverse impact but continue	<input type="checkbox"/>	Stop and remove the policy/proposal

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

Annual reviews take place of the eligibility criteria for allotment rents discounts.
--

6. Approved by (manager signature) and Date sent to equality team for publishing:

Approving Manager: Eddie Curry, 0115 876	Date sent for scrutiny: 15-10-18
--	----------------------------------

4982 The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel & email to allow citizen/stakeholder feedback on proposals.	Send document or Link to: equalityanddiversityteam@nottinghamcity.gov.uk
SRO Approval:	Date of final approval: 09-11-18

Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:

1. Read the guidance and good practice EIA's
<http://intranet.nottinghamcity.gov.uk/media/1924/simple-guide-to-eia.doc>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user-friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly, when this is going to happen.
7. Clearly cross-referenced your impacts with SMART actions.



Fri 09/11/2018 10:49

Richard Henderson

RE: Advice over EIA on proposals to increase allotment rent rates

To James Dymond

Cc Eddie Curry; Adisa Djan

You replied to this message on 09/11/2018 10:59.

Hi James

Apologies for the delays in replying – we are managing some vacancies at the moment which is impacting on capacity.

I've read the report and EIA and it's fine to go ahead.

Page 107

Richard Henderson
Director for HR and Customer

HR and Customer
Nottingham City Council
Loxley House
Station Street
Nottingham
NG2 3NG

Email: richard.henderson@nottinghamcity.gov.uk

Tel: 0115 876 3443

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Subject:	The Development of a Regional Adoption Agency
Corporate Director(s)/Director(s):	Alison Michalska, Corporate Director, Children & Adult Services
Portfolio Holder(s):	Councillor David Mellen, Portfolio Holder for Early Intervention and Early Years
Report author and contact details:	Helen Blackman, Director of Children's Integrated Services
Subject to call-in: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Key Decision: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Criteria for Key Decision:	
(a) <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	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure: <input type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Total value of the decision: £ 3.42 million over 3 years	
Wards affected: ALL	
Date of consultation with Portfolio Holder(s): TBC	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	X <input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Exempt information: State 'None' or complete the following	
None.	
Recommendation(s):	
<ol style="list-style-type: none"> 1. To approve Nottingham City Council joining a Regional Adoption Agency (RAA) as part of a partnership with other D2N2 Local Authorities. 2. A detailed business case has been prepared and agreed by the Strategic Leads from each of the Local Authorities regarding this proposal and is attached. The Executive Board are asked to agree this final Business Case. 3. The Executive Board are asked to formally agree to Nottinghamshire County Council being the 'host' Local Authority (this has previously been agreed in principle). 4. The Executive Board should note that in consequence of Nottingham City Council joining the RAA, that there will be a workforce transfer to the host authority with effect from 1st April 2019 under the provisions of TUPE (Transfer of Undertakings, Protection of Employment) Regulations - subject to the outcome of formal consultation. 5. Executive Board delegates authority to the Chief Financial Officer, to determine the allocation of the pension deficit (currently unknown) within the organisation. 6. To delegate authority to negotiate and agree the terms of the Inter-Agency Agreement to 	

establish the East Midlands Regional Adoption Agency (EMRAA), to the Director of Children's Services in consultation with the Portfolio Holder and Lead Member for Early Intervention and Early Years.

7. To approve the budget allocation of £1,169,586 per year for three years associated with the RAA.

1 REASONS FOR RECOMMENDATIONS

- 1.1 As previously outlined in the report to Executive Board dated 22nd May 2018, the Government has stated its intention that all individual local authority adoption agencies be combined into regional adoption agencies by 2020. The rationale is that, with 180 adoption agencies placing children in England, the system is too fragmented, and this has led to delay for children. Regionalisation should improve outcomes for children, adopters and adoptive families.
- 1.2 The principles of regional adoption agencies are:
 - To provide all children with an adoptive family that meets their needs.
 - To ensure that those affected by adoption receive the information, support and advice that they need to understand their adoption journey.
 - To ensure that families are well prepared, enabled and supported to care for the children with plans for adoption.
- 1.3 The aims are to ensure:
 - Early identification of children for whom adoption is the right option
 - Timely placement of children including sibling groups and older children
 - Sustainable placements with timely and appropriate support as needed
 - A sufficient range and number of adopters to meet children's needs
 - A range of different adoptions placement types e.g. foster to adopt
 - A well performing and improving service, evidenced in the adoption scorecard, productivity and timeliness.
- 1.4 Seven local authorities (Lincolnshire, Leicestershire (also provides adoption services for Rutland), Leicester, Derbyshire, Derby, Nottinghamshire and Nottingham) began participation in the DfE funded RAA programme in October 2015. The EMRAA partnership also includes two voluntary adoption agencies (Faith in Families and Coram). Lincolnshire, Leicester City, Leicester County and Rutland (known as L3R) will not be joining the partnership at present.
- 1.5 EMRAA has made good progress in developing adoption functions which draw on excellent and innovative practice. Developments include the setting up of permanence teams in many of the partner local authorities and in establishing the D2N2 pilot for Derbyshire, Derby, Nottinghamshire and Nottingham. Good progress continues to be made in aligning ways of working in respect of adopter recruitment, matching and adoption support across the EMRAA footprint.
- 1.6 BDO the financial consultants engaged by EMRAA, reviewed the local authorities spend on adoption activity. This work provides the basis to set out the business case for the D2N2 to unite as adoption agency in EMRAA.
- 1.7 One of the key principles of the D2N2 model is that it will be delivered at no additional cost to the authorities involved, although management costs and pension strain considerations remain under review.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The D2N2 RAA is being developed within the wider partnership of the East Midlands regional adoption agency (EMRAA) project (which includes Lincolnshire, Leicestershire, Leicester and Rutland councils L3R). Options for regional adoption arrangements were considered by the EMRAA project governance board in December 2017 in the context of the preferred approach of each local authority (following consultation with lead members and directors of children's services). The strategic leads of each local authority agreed that the preferred option is to develop a formal RAA for D2N2 and a regional adoption 'arrangement' for Lincolnshire, Leicester, Leicestershire and Rutland councils.
- 2.2 Effectively this provides for a twin-track approach to regionalisation for the EMRAA partnership where D2N2 constitutes a formal shared service and the L3R group seeks to establish protocols in respect of shared recruitment of adopters and matching children to potential families.
- 2.3 The proposed development of the D2N2 RAA meets the DfE requirements of a regional adoption agency. The DfE will consider the L3R proposal and determine whether there is sufficient likelihood of the future development to a full RAA. This consideration will determine the level of future funding to the EMRAA partnership.
- 2.4 The advantages of this approach include:
- maintaining the momentum of D2N2 partners in developing the RAA following the positive experience of the pilot project focused on permanence teams
 - providing an opportunity to align services across the EMRAA footprint (with the potential to include Lincolnshire, Leicester, Leicestershire and Rutland councils' adoption services at a later date subject to executive approval).
 - The development of both the RAA and the 'arrangement' will maintain a focus on service improvement and outcomes for children across the partnership.

2.5 Governance of the RAA

As set out in the previous paper to the Executive Board paper dated 22nd May 2018, the Project Governance Board, in consultation with lead members and directors of children's services have agreed the attached business case.

The legal agreements will document the arrangement to establish and operate the RAA. An inter-authority agreement will record the nature of the partnership and the principles of joint working that will be adopted by the authorities. There is agreement about the principles for this inter-authority agreement but the final decision on whether to proceed will depend on the final legal agreement and the outcome of consultation. There is a planned review of the agreement and the operation of the agency after one year, with a break clause at three years before entering an evergreen arrangement.

The agreement will document the commitment by Nottinghamshire County Council to provide the adoption services on behalf of the RAA to an agreed specification, together with the commitment by Derby, Derbyshire and Nottingham City Councils to provide the child care and permanence work to an agreed specification to support the work of the RAA. The funding mechanism for the RAA, risk sharing and partner payments terms will also be clearly outlined.

The inter-authority agreement will set out the expectation that decisions of the partnership board will be by consensus and in the event of a dispute that cannot be resolved by the partnership board, the issue will be referred to the Chief Executives of the partner local authorities to consider.

The Inter-Authority Agreement will also detail arrangements to dissolve the partnership and provide for the proposed governance structure.

2.6 Staffing and funding of the RAA

The Project Governance Board, in consultation with lead Members and Directors of Children's Services, considered the potential options available for the transfer of staff to the RAA, namely secondment or TUPE transfer of staff to the host local authority. After considering the legal advice obtained, it was agreed in principle that staff would transfer to the host organisation under the principles of TUPE.

A review of staff in scope, conducted across the four local authorities in early September 2018 identified 79.4 full-time equivalent staff in scope for the RAA. At most it is estimated that there are approximately 5.90 FTE over the preferred establishment. Nottingham City Council have identified 17.6 full-time equivalents (FTE) to transfer, which is 0.4 FTE over the initial budget indication. This will be vacancy managed until the point of transfer. In order to ensure that resource remains appropriate until the point of transfer, management within each of the local authorities have agreed to work together to temporarily fill any gaps.

Each local authority within the proposed partnership have held engagement events, as well as informal consultation/information sharing meetings with staff and trade unions. Nottingham City Council held an event on 25th September 2018, sharing the rationale for the forming of an RAA as well as the implications for staff in the event of proceeding on the basis of a transfer of staff under the TUPE (Transfer of Undertakings, Protection of Employment) Regulations.

The host authority have given assurance within the business case (4.3) that there will be no redundancies pre or post-transfer, as a result of the initial over-staffing and that the additional cost will be absorbed into the year 1 operating budget. They have outlined that there will be a move toward the preferred RAA staff establishment over the first two years of operation via vacancy management.

Initial due diligence has been provided to Nottinghamshire County Council in order to assist them in establishing any measures which may be required and formal consultation is planned to commence on 19th November 2018, subject to the approval of the proposals by Executive Board.

Pension: An initial actuaries valuation of the deficit has been requested and is currently being progressed by Nottinghamshire County Council Pension Administrators. As staff would transfer to the host authority 'fully funded', there likely to be a 'deficit' amount which will require allocation internally. However, there is no expectation of a cash payment to Nottinghamshire Pension Fund as a consequence of a staff transfer. In the event that the City Council leaves the Partnership, there is an expectation that staff would transfer to the new employer fully funded.

The cost of the actuaries valuation has been borne by the RAA project funding in order to assist the decision making process. As there has been no final agreement as to which staff would transfer, this can only be an estimate and a further

valuation would be required on the basis of the final staffing list, at the point of transfer.

2.7 The remit of the RAA and potential benefits

The D2N2 RAA will be part of the East Midlands regional Adoption Agency EMRAA and, as a minimum, provide the following adoption services:

- Tracking of children for whom adoption may be the plan for permanence. The establishment of permanence teams within each of the D2N2 local authorities provides a standard model which will inform the RAA on the potential needs of the child early in the planning process and enable improved targeted recruitment of adoptive families. Earlier, appropriate, placement of children is likely to reduce spend on looked after children budgets.
- Recruitment of adopters to meet the needs of D2N2 children for whom adoption is the plan for permanence.

The D2N2 group of local authorities placed an average of 282 children for adoption per year between 2012 and 2015 of which 57.5% were placed with adopters from the home authority. An average of 104 children per year (37%) were placed with adopters from local authorities outside the EMRAA partnership or with voluntary adoption agencies.

An analysis of inter-agency costs and income for the year 2015-16 indicates a net expenditure on inter-agency adoption placement fees of £1,537,000 for the D2N2 group, Nottingham City's element of this is £282k.

To achieve good adoption outcomes for children we will be able to place more children for adoption at no additional cost. The fee for placing children outside our local authority has increased recently by £4,000 per child to £31,000.

Increasing the number of children placed in house or within our new RAA area, is also likely to assist in improving outcomes for children through the provision of local timely and appropriate adoption support to families.

- Panels for approving adopters.

Work has taken place to understand the cost and frequency of running an Adoption Panel. As a result there will be five Adoption Panels running throughout the region for all members of the RAA. It remains a reasonable expectation that this shared resource will assist in the reduction of panel costs as well as reducing delays to decision making.

- Adoption support

The D2N2 group of local authorities spent £1,347,000 supporting adopted children and adoptive families in 2015/16 (including staff costs). Nottingham City's staffing costs for post adoption support will be dependent on the final decision regarding what is and what is not delivered by the RAA but, based on the current most likely model are £67,931. The non-staff costs for adoption support during this period was £325k of which £210k was funded by the Adoption Support Fund. Access to the Adoption Support Fund will cease in 2020.

The D2N2 RAA is likely to assist in sustaining (or improving) adoption support provision through economies of scale and joint commissioning of therapeutic support.

Further discussion and analysis has taken place to determine whether or not the remit of the RAA should include the following functions:

- Adoption allowances
- Letter box (post adoption contact)
- Step parent and inter-country adoptions
- Foster to adopt and concurrent adoption placements
- Addition Panel functions (e.g. matching and agency decisions, legal and medical advice)

It has been agreed that the step-parent adoption and inter-country adoptions will remain the responsibility of the individual Local Authority. Some services such as Fostering for Adoption will be a joint function.

2.8 Nottinghamshire County Council propose to charge a management fee to host the RAA. This is currently set at 7.5 % and is detailed within the Business Case.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 The DFE have stated that there is now a national expectation that all Local Authorities will form a Regional Adoption Agency by 2020. A range of models have been considered with the one proposed in this document appearing to offer the best potential to meet local need.
- 3.2 Alternatives may include joining a different RAA but this would add further distance to visiting and supporting children in placement and the money that has been provided by DFE to help with the project management costs was provided to the East Midlands local Authorities to work together.
- 3.3 We have considered not joining the RAA but this would leave us vulnerable to being compelled to join an RAA perhaps not of our choice in the near future.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The total budget for the D2N2 group is in the region of £5.324m per annum.
- 4.2 The proposed contribution by Nottingham City Council (NCC) is a total of £3.432m over a three-year period. Contributions per year are:
- | | | |
|-------|--------|---------|
| 7.1.1 | Year 1 | £1.170m |
| 7.1.2 | Year 2 | £1.171m |
| 7.1.3 | Year 3 | £1.091m |
- 4.3 Department of Education has granted up to £0.900m to help establish an East Midlands Regional Adoption Agency (EMRAA).
- 4.4 The reduction in year 3 assumes the EMRAA will make £0.795m savings by reducing the cost per unit of adoption orders. Each authority's share is dependent on their individual unit cost. NCC will receive a lower benefit compared to other partners due to a low unit cost.
- 4.5 Contributions include a 7.5% management charge (£0.082m) relating to central back office functions on behalf of the lead authority. Clarification of services included is required.

4.6 The aim of the project is to deliver the EMRAA within the current funding envelope however; this cost exceeds the existing adoption budget.

4.7 The service expects to breakeven by year 3, however confirmation of funding is required in relation to the additional £0.082m for years 1 and 2.

4.8 The EMRAA will manage the risk and absorb costs associated with increased adoptions.

4.9 There are no redundancies planned following transfer of staff to the EMRAA. The additional £0.393m due to the variation of staffing will be absorbed into the year 1 operating budget.

4.10 Further analysis is required to ascertain:

4.10.1 : Pension strain costs

4.10.2 : 7.5% Management contribution

4.10.3 : Exit costs

4.11 Actuarial assessments are required to determine the impact of the pension deficit liability. The DfE grant will cover the overall EMRAA assessment, however as NCC have requested an individual assessment there is likely to be a cost to NCC.

4.12 A report proposing the introduction of a pension strategy is due at CLT next month.

4.13 Pension liability is a significant financial risk to the organisation, and should be included in the risk register.

4.14 A robust governance structure is required to determine roles and responsibilities, in particular, responsibility for determining the apportionment of liabilities between local authorities.

4.15 Pending the outcome of the financial risks, delegated authority to:

4.15.1 Director of Childrens Services in consultation with the Portfolio Holder for Early Intervention and Early Years to negotiate and agree the terms of the Inter-Agency Agreement and to establish the EMRAA

4.15.2 Chief Financial Officer to determine the allocation of the pension deficit.

Christine Green, Finance Business Partner
25th October 2018

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 Employment-related Legal Comments (Jon Ludford-Thomas (Senior Solicitor, Commercial, Employment & Education Team)) 25.10.2018

5.1.1 As the Employment-related Legal Comments for the previous report to the Executive Board in this matter identified, there was the possibility that the creation of the Regional Adoption Agency ("RAA") could entail a relevant

transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”), with the contracts of employment of affected staff automatically transferred by operation of TUPE to the host organisation, Nottinghamshire County Council.

5.1.2 The Employment & Education Sub-team of Legal Services understands from Human Resources (“HR”) that Nottingham City Council (“NCC”) officers consider that TUPE is likely to apply here and, to that end, HR have commenced the information and consultation process with the representatives of affected NCC employees in accordance with TUPE. Therefore, it is advisable that if the decision is taken to approve NCC entering into the RAA this information and consultation process is progressed. It is also advisable that the pensions implications referred to in the Employment-related Legal Comments for the previous report in this matter are properly considered and addressed.

5.1.3 Lastly, it is advisable that NCC considers carefully the potential equality issues arising from all aspects of the proposals here in order to demonstrate consideration of and compliance with NCC’s public sector equality duty under the Equality Act 2010. Therefore, it is advisable that one or more Equality Impact Assessments is conducted by NCC on these proposals as soon as possible.

5.2 Children’s Social Care Legal Comments (Claire Knowles (Team Leader, Children & Adults Legal Team)) 25.10.2018

To assist with the background to what was initially a government backed initiative, in 2015 the Department for Education (DfE) reported that local authorities should be working towards Regional Adoption Agencies (RAA) by 2020. Their commitment to this approach is such that the Education and Adoption Act 2016 (the 2016 Act) gave the government a power to direct a local authority to enter into a RAA. The Act amends the Adoption and Children Act 2002, (the 2002 Act) so that local authorities are no longer required to maintain an adoption service within their area, but may secure provision by other local authorities or registered adoption agencies.

The new section 3ZA of the 2002 Act, gives the Secretary of State the power to direct individual local authorities to make arrangements for adoption functions, including:

- (a) the recruitment of persons as prospective adopters;
 - (b) the assessment of prospective adopters’ suitability to adopt a child;
 - (c) the approval of prospective adopters as suitable to adopt a child;
 - (d) decisions as to whether a particular child should be placed for adoption with a particular prospective adopter;
 - (e) the provision of adoption support services.
- to be carried out by another local authority or one or more adoption agencies on their behalf, through the formation of regional or sub-regional adoption agencies.

Separate meetings are in hand looking at the Legal Adviser and Medical Adviser roles to the Adoption Panels.

In relation to the Legal Adviser role this will ‘follow the child’ and therefore the Nottingham City Legal Advisers will give advice on Nottingham City only

cases even if they are heard at another authority's Adoption Panel within the RAA. Similarly, Nottingham City Legal Advisers will only advise the Nottingham City Agency Decision Maker. This applies to all four RAA authorities and their Legal Advisers.

Claire Knowles, Team Leader, Children & Adults Legal Team
25.10.2018

**Contract and Procurement comments - Andrew James, Team Leader
(Contract and Commercial)**

This report recommends that Nottingham City Council joins the D2N2 Regional Adoption Agency ('RAA'). The RAA will not be a separate legal entity. Nottingham City Council will rely on the power given to local authorities in the Adoption and Children Act 2002 to arrange for the provision of its adoption services by another local authority. The proposal is that the adoption services will be provided by Nottinghamshire County Council with the effect that RAA will be led by Nottinghamshire County Council. There is no requirement to undertake a procurement to commission Nottinghamshire County Council to provide the adoption services.

There will be an inter authority agreement setting out the responsibilities of each partner authority which is participating in the RAA. The agreement will identify the adoption services which are being provided by Nottinghamshire County Council. The report states that the agreement will be for an initial term of 3 years and after that the agreement will continue on an 'evergreen' basis – that means the agreement will roll-over indefinitely unless an authority wishes to leave the RAA. The agreement therefore needs to include the process for how an authority may choose to leave the RAA by giving notice and also whether there are circumstances where an authority can be excluded from the RAA. In either case the agreement must build in sufficient time for the exiting party to make its own arrangements for providing adoption services.

The agreement should set out the allocation of costs and liabilities between the partners. This will include payment of the City Council's contribution. The Legal Services team will assist the DCS in the negotiation of the agreement.

Andrew James Team Leader Commercial, Employment and Education
24.10.2018

5.3 HR OBSERVATIONS – MARIE READ (HR CONSULTANT) AND LYNN ROBINSON (HR BUSINESS LEAD)

5.3.1 A regional EMRAA HR Group established in January 2018, has been tasked to consider workforce options and associated employment risks for the delivery of shared regional adoption services. This model is to be based on a host organisation model, which has been agreed as Nottinghamshire County Council.

5.3.2 It has been agreed in principle to form a Regional Adoption Agency (RAA) and all D2N2 Local Authorities are in the process of seeking formal approval to implement with effect from 1st April 2019. As a result of this and through both legal and HR input/advice, it has been established that the forming of the RAA will result in a staff transfer to Nottinghamshire County Council in accordance with the principles of TUPE (Transfer of Undertakings Protection of Employment) Regulations. The HR Group have been able to identify the

staff in scope to transfer and Nottingham City Council has discharged its responsibility to inform staff and local Trade Unions of the proposals.

5.3.3 The RAA (Version 4.2) business case currently identifies at 4.1.8 that any costs relating to future redundancies would be apportioned equally between the partners (i.e. 25%). The issue of cost requires further clarification as to how this will be considered including the scope and period of time that any such may be applied. This is particularly relevant as post-transfer decisions will be made by Notts County Council as the host employer. This potentially creates a financial risk for the authority who will be obliged under an Inter-Agency Agreement to share the financial costs of decisions made by the employer. This might include elements such as redundancy compensation payments, associated pension strain, where release of pension benefits is applicable and other employment related liabilities including compensatory payments awarded by an Employment Tribunal.

5.3.4 In light of potential liabilities around shared responsibility for compensatory payments or any associated payments linked to redundancy, it is strongly recommended that Nottingham City Council's Legal Services provide scrutiny of the Inter-Agency Agreement, that is being drawn up by external legal advisors on behalf of the host organisation, to provide clear advice to the Director of Children's Services on the extent of any liabilities and risks to the organisation to enable informed decision to be made.

5.3.5 Assurance has been given by the Notts CC that there will be no redundancies related to current identified surplus staffing in the proposed structure. It has been agreed that this will be managed through vacancy management and that TUPE principles will apply.

5.3.6 The actuaries valuation currently being undertaken will be the deficit value at the point of transfer (as at 1st April 2019) and will not take account of future pension strain in the event of redundancies made. A further evaluation would be required to understand the impact should redundancy cost be shared between the Partners.

5.3.7 Initial due diligence has been provided to Notts County Council and any measures are being formulated. It will be for the host authority to lead on consultation on measures as a result of the transfer.

5.3.8 Consultation with staff and Trade Unions is planned to commence on 19th November 2018 (30 days) led by Notts County Council as the host Authority, subject to the agreement of the recommendations put to the Executive Board Members.

5.3.9 Future liabilities and risk for Nottingham City Council including that of the pension deficit, should be negotiated as part of the Inter-Agency Agreement, including those associated with any agreed exit strategy.

25th October 2018

Lynn Robinson (HR Business Lead)

Marie Read (HR Consultant)

6 Comments of Recognised Trade Unions

6.1 Comments from Unison are:

We are concerned that although the stated aims of Regional Adoption Agencies are very positive, that this could be a precursor to privatisation by parcelling up adoption agencies into bigger organisations. We would hope that if at any point this was proposed, that Nottingham City would strongly oppose this.

We seek clarity on the consultation arrangements (see comments in report By HR) and the role of Nottingham City Council in the consultation. Paragraph 5.38 refers only to the role of Nottinghamshire County Council in the consultation process and not the legal obligations of Nottingham City Council.

We seek clarity on issues around the fact that the RAA will have staff potentially on four different sets of pay, terms and conditions and the implications of this. Also what pay arrangements, terms and conditions will new staff be recruited on.

We will no doubt have many more questions and points needing clarification during the initial consultation process and beyond.

Unison 07th November 2018

7 EQUALITY IMPACT ASSESSMENT (EIA)

7.1 Has the equality impact of the proposals in this report been assessed?

No

X ☐

An EIA is not required at this stage because: A key priority of the RAA will be to ensure appropriate ethnicity and cultural matches between adopters and children, ensuring all health needs and equality issues are fully addressed through the adoption support offer and a strong focus on long-term positive outcomes for children for whom adoption is the plan for permanence. When the position regarding staffing will be developed

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

8.1 Business Case and Executive Summary

9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

9.1 Executive Board Report dated 22nd May 2018

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Subject:	Loan to Nottingham City Homes Registered Provider for Affordable Housing Acquisition
Corporate Director(s)/Director(s):	Chris Henning, Corporate Director for Development and Growth.
Portfolio Holder(s):	Councillor Linda Woodings, Portfolio Holder for Planning and Housing. Councillor Graham Chapman, Portfolio Holder for Finance, Resources and Commercial Services.
Report author and contact details:	Fran Cropper, Regeneration Team Leader, fran.cropper@nottinghamcity.gov.uk , 0115 8763956
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a) <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	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision: See exempt appendix.	
Wards affected: Wollaton West	
Date of consultation with Portfolio Holder(s): 10 May 2018	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input checked="" type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input checked="" type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>It has been agreed that Nottingham City Homes Registered Provider (NCH RP) will acquire the 14 affordable housing units which are being provided under a Section 106 agreement at Radford Bridge Allotments. This approval is to arrange the loan facility to NCH RP from Nottingham City Council to acquire the properties.</p> <p>These homes will be let out, by NCH RP, for social or affordable rents, and via the Homelink housing waiting list system.</p>	
Exempt information: State 'None' or complete the following	
<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 commercially sensitive 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 prejudice commercially sensitive negotiations in future when bidding for Section 106 affordable housing units.</p>	
Recommendation(s):	
1 To delegate authority to the Director of Finance to approve loan drawdowns subject to due diligence as detailed in the exempt finance comments.	
2 To ensure that the loan facility is adequate to repay the 10% deposit which was paid to the	

1 REASONS FOR RECOMMENDATIONS

- 1.1 To support Nottingham City Homes Registered Provider by providing a loan for the purchase of the 14 affordable housing units at Radford Bridge Allotments, subject to Chief Finance Officer approval following receipt of a satisfactory business case demonstrating the ability to repay the loan, supporting documentation and loan security.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Nottingham City Homes is an Arm's Length Management Organisation (ALMO) responsible for management and maintenance of the Council's housing stock. In October 2017 a subsidiary company of NCH was established as a Registered Provider of affordable housing (NCH RP). In order to finance the development and purchase costs of housing stock for the new RP, NCH will need to have access to a borrowing facility.
- 2.2 The Council will need to ensure that the interest rate for the subject loan is State Aid compliant and this will be fixed by the Chief Financial Officer at the time of the transaction.
- 2.3 The loan request will have an individual loan agreement and will include a legal charge over the assets as security for the borrowing.
- 2.4 Radford Bridge Allotments is a residential development by Avant Homes providing 89 new homes. As part of the planning permission granted a Section 106 agreement requires affordable houses to be provided, of which 10 are to be social rent, and four are affordable rent.
- 2.5 A phased handover from the developer to NCH RP is expected between July 2019 and August 2020.
- 2.6 The developer invited RPs, including the Council, to submit bids for the affordable housing. The Council was the successful bidder, and the contract with the developer allows for the Council to nominate the ALMO RP subsidiary as the purchaser.
- 2.7 At the point of exchange, the City Council paid a 10% deposit to the developer. The amount of the loan will need to be adequate to repay this deposit, as well as pay the remaining 90% balance upon practical completion.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 The Council could have purchased the affordable housing at Radford Bridge Allotments, however this is an opportunity for NCH RP to increase their stock and asset base.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 Please refer to appendix 2 for exempt finance comments.
Tom Straw – Senior Accountant (Capital Programmes), 19th September 2018

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 The City Council must ensure that a loan to NCH RP is not unlawful state aid. Providing a loan to NCH RP at an interest rate lower than the rate which NCH RP could obtain in the market from a comparable lender would be prima facie unlawful state aid. However it is likely that providing funding by the way of a loan for the purchase and provision of affordable housing supports the delivery of a public service or 'service of general economic interest' ('SGEI') on behalf of the City Council and is therefore not unlawful state aid. The City Council must entrust NCH RP with this SGEI obligation and the amount of the loan should be no more than is necessary to cover costs and a reasonable level of profit. The entrustment of the obligation can be included in the loan agreement. Andrew James - Team Leader, Commercial, Employment and Education, 24th September 2018.

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 Not applicable.

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 Not applicable.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 Not applicable.

9 EQUALITY IMPACT ASSESSMENT (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

This report is deemed outside of the scope for an EIA.

Yes



Attached as Appendix x, and due regard will be given to any implications identified in it.

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

- 10.1 None.

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 11.1 Delegated Approval ref 3039, December 2017: Affordable Housing Acquisition, Radford Bridge Allotments, Wollaton.

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Subject:	Public Transport Contactless Payment Delivery Strategy
Corporate Director(s)/Director(s):	Chris Henning, Development and Growth
Portfolio Holder(s):	Cllr David Liversidge
Report author and contact details:	Richard Wellings, Principal Public Transport Officer. Email: richard.wellings@nottinghamcity.gov.uk Tel:0115 8764896
Subject to call-in: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Key Decision: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Criteria for Key Decision:	
(a) <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	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure: <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital	
Total value of the decision: £3,400,000	
Wards affected: All	
Date of consultation with Portfolio Holder(s):	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input checked="" type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>Nottingham City Council have been awarded £2.4m from the Department for Transport National Productivity Investment Fund (NPIF) for the delivery of contactless payment on public transport in Nottingham. The city is now ready to proceed and award grant funding to Nottingham City Transport, Nottingham Express Transit, and trentbarton. A portion of the funding will also be retained by the council to upgrade our own link buses to accommodate contactless payment. This funding will see the implementation of Phase 1 of Nottingham's Contactless Payment approach which will deliver the following for public transport users and operators by April 2020:</p> <ul style="list-style-type: none"> • Passengers able to use their bankcards, mobile phones or smart watches to pay for journeys using contactless, with payment deducted directly from their bank accounts. • Automation of payment for both multi operator and single operator fares with no manual intervention from drivers or requirement to issue paper tickets. • Multi operator day and weekly fare capping available across Nottingham City Transport, Nottingham Express Transit and CT4N bus and tram services. With fares capped in line with the existing Robin Hood Pay As You Go fare structure within the Robin Hood network area. • Single operator fares for Nottingham City Transport, Nottingham Express Transit, CT4N and trentbarton made available through contactless payment. • Contactless payment readers installed on all Nottingham City Transport, trentbarton and Nottingham City Council buses currently operated by CT4N. 	

- Contactless payment readers installed on all tram platform validators and inspection devices.
- Implementation of the back office system required to manage and allocate payments to public transport operators.

Exclusions

trentbarton are currently reviewing their preferred system supplier for contactless payment. This decision will influence whether they are incorporated into phase 1 of Nottingham's contactless payment project as outlined above. If trentbarton opt for a system that is not compatible with the solution that Nottingham Express Transit and Nottingham City Transport have opted for. It will be incorporated into multi-operator day and weekly fare capping during a 2nd phase of the smart ticketing programme as part of either the proposed *Midlands Connect Regional Brokerage System*, enabling contactless payments between different ticketing systems or via a locally developed solution.

It should also be noted that "short-hop" functionality included in daily caps for contactless payment is outside of the scope of this project. This is due to the delay to the delivery of the core single and multi-operator functionality that would arise and the currently prohibitive cost of its implementation. It's delivery is further be complicated by the need for exit readers on buses. Although not included in this project Nottingham City Transport intend to include to offer contactless payment for "short –hop" and "group" tickets through work not funded by this grant, but this will require driver intervention and be a standard retail transaction rather than incorporated in the capping mechanism and fare structure for contactless payment which will reflect the existing Robin Hood Pay As You Go fare model.

Exempt information:

An appendix to the report is exempt from publication under paragraph 5 of Schedule 12A to the Local Government Act 1972 because it Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings. Having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the report contains legally privileged advice.

Recommendation(s):

- 1. Agree the phase 1 contactless payment approach which will deliver multi-operator fares with capping will on Nottingham City Transport, Nottingham Express Transit and CT4N services initially, with other operators joining in phase 2 of the programme once the Midland Connect Regional Brokerage system or a locally developed solution has been implemented.**
- 2. Delegate authority to the Corporate Director for Development and Growth to approve the grant funding to Nottingham City Transport as the lead contractor for the required back office system. With Nottingham Express Transit, Nottingham City Transport and trentbarton also grant funded to purchase the required contactless payment reader hardware, subject to appropriate governance and contract arrangements which protect the council being established.**

1 REASONS FOR RECOMMENDATIONS

- 1.1 Officers have been working with local transport operators via the Robin Hood partnership - the existing smart ticketing governance and development partnership, to establish the technological solution that will be taken forward to deliver the move to account based ticketing and contactless payment for public transport in Nottingham. Nottingham City Transport and Nottingham Express Transit, have selected INIT as their

preferred ticketing supplier with trentbarton currently undecided on the supplier they would like to commission for their delivery of contactless payment. Other local operators have not expressed an interest to participate in the rollout of contactless payment as part of this project, and therefore are not included in phase 1.

- 1.2 Midlands Connect, the new sub-national transport body for the West and East Midlands is developing a regional brokerage system that will support the local approach to smart ticketing that Nottingham's operators through the Robin Hood partnership would like to take forward. The regional brokerage system being developed by Midlands Connect will be able to process payments between different ticketing technology suppliers, which fits our ambitions locally for multi-operator integration and meets the needs of our local operators in terms of them being able to make individual decisions on individual ticketing suppliers.
- 1.3 The implementation of phases 1 and 2 of Nottingham's Contactless Payment approach will incrementally deliver full multi-operator fares across Nottingham and eventually lead to integration with public transport operators across the Midlands Region.
- 1.4 Phase 1 will see Nottingham City Transport, Nottingham Express Transit and Nottingham City Council supported buses services currently operated by CT4N grant funded in order to achieve the delivery of contactless payment for multi-operator fares and individual operator fares across the local network. Trentbarton will also receive funding to support the delivery of contactless payment for their individual operator fares during this phase on the proviso that as part of phase 2 of the project they can demonstrate that their chosen ticketing supplier will be able to work in tandem with the INIT system chosen by Nottingham City Transport and Nottingham Express Transit. Trentbarton integration into the Nottingham Contactless multi-operator fare structure is expected to be achieved via the Midlands Connect backed regional brokerage system or a locally developed solution has been implemented. An additional fall back option is full integration of other ticketing systems with the INIT system to create a full Nottingham contactless system if the regional brokerage system is delayed or not funded by central government.
- 1.5 In the interim and in lieu of the delivery of the Midlands Connect regional brokerage system multi-operator fares on contactless will be delivered on Nottingham City Transport, Nottingham Express Transit and our own contracted bus services. This represents approximately 85% of the local public transport market. This strategy will further enhance the integration of public transport locally. Whilst also facilitating the payment of single operator fares through contactless, a development which will be welcomed positively by regular, casual and new public transport users.
- 1.6 The existing Robin Hood Scheme will be retained for both season ticket and Pay As You Go passengers, providing an option for those passengers who do not have access to contactless payment, or those who wish to continue to benefit from multi-operator fares across Nottingham City Transport, Nottingham Express

Transit, trentbarton and CT4N bus and tram services. Cash fares will also be retained.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The ubiquity of contactless and account based payment, whether via a traditional bank card or mobile phone platforms such as Apple Pay and systems such as PayPal, has created an expectation amongst existing, potential, casual and regular public transport users that this type of payment option is available on local transport networks. Contactless payment for public transport has been enthusiastically welcomed by visitors and tourists in London. Similar benefits are expected to be accrued in Nottingham. The addition of these payment options simplifies ticketing, removing another barrier to public transport use. Full integration across the local public transport network and the introduction of contactless payment will ensure that passengers always benefit from the best value fare option, delivering equity across the network.
- 2.2 In 2017, All local bus operators were offered the opportunity to work with Nottingham City Council on an application into the National Productivity Investment Fund to secure funding to deliver contactless payment. Operators not covered by this project or who declined the opportunity to participate will be able to be incorporated into multi-operator contactless payment fares structures as part of phase 2 once the Midlands Connect Regional Brokerage system or a locally developed solution has been implemented.
- 2.3 Following discussions with project partners. It has been accepted that the contractual grant funding agreement will stipulate that Nottingham City Transport, with the largest share of the local public transport market will be appointed as the lead contractor, with grant funding for the central implementation and system hosting costs transferred to them. Nottingham Express Transit and Nottingham City Council will enter into a partnership agreement with Nottingham City Transport on this basis with a further agreement drawn up on how the contactless payment system will be managed, revenue distributed, bank account held and recurring costs met. Nottingham City Council will only be liable for their proportion of the recurring costs related to their supported services. Nottingham City Transport, Nottingham Express Transit and Nottingham City Council will also receive funding to make the requisite upgrades to their ticketing systems and card readers to enable the acceptance of contactless payment on their services. The current project allocations for the scheme capital costs are as follows:
- NCT Central Implementation Costs - £1.364m
 - NCT Vehicle Equipment - £0.457m
 - NCC Vehicle Equipment - £0.190m
 - Tramlink Platform Equipment - £0.475
 - Trentbarton Vehicle equipment – £0.480m

- 2.4 Installation costs of the vehicle hardware will be met through Nottingham City Council and public transport operator match funding.
- 2.5 Major Projects have formed a Project Assurance Group as part of the project initiation process. This will ensure appropriate controls and gateway reviews are in place to support the successful delivery of the project. Grant funding arrangements will be put in place with each operator that include provision for funding clawback and fully protect the interests of the council. A gateway review will be completed and signed off prior to the full initiation of the contactless payment project.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Postpone the delivery of phase 1 of the contactless payment project and wait until the Midlands Connect Regional Brokerage System has been implemented so that full multi-operator contactless payment can be delivered across different ticketing systems. This has been rejected as timescales for the delivery of the Regional Brokerage system have not been finalised and are outside of the scope of the NPIF funding award.
- 3.2 Continue with phases 1 and 2 of the Contactless Payment Project delivering individual operator contactless payment and multi-operator fares across operators with INIT systems in phase 1, with operators with other system suppliers added to the multi-operator contactless payment offer in phase 2 via the regional brokerage system or the fall back option of integration with the INIT platform. This is the preferred option.
- 3.3 Please see the attached appendices detailing the project governance structure and programme subject to approval.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 A report was approved in July 2018 which accepted the £2.4m grant from the Department for Transport National Productivity Investment Fund (NPIF). The report in July also outlined the total cost of the project which included £0.500m contributions from Nottingham City Council (funded from the Feasibility Reserve) and NCT, taking the total cost to £3.4m.
- 4.2 The table showing total funding is as below and was included in the July report.

Source:	18/19	19/20
	£m	£m
DFT Grant	1.600	0.800
LA Contribution	0.250	0.250
Third Party contribution	0.250	0.250
Total	2.100	1.300

- 4.3 This report provides further detail on the scheme and paragraph 2.3 shows the split of project allocations totalling £2.966m across partners.

The remaining £0.434m will be spent on installation costs and project management.

- 4.4 The financial comments in the July report stated that NCC are acting as the lead partner and will accept the grant on behalf of the partnership and will make necessary payments across the partnership. Paragraph 2.3 shows the amounts of those payments.
- 4.5 As stated in the July report should the final cost be more than the grant amount, the onus will be on the operators to find the additional funds as the grant was secured on the understanding that the system quoted for in the bid would be procured. There is no financial pressure on the Council from this project. The report in July outline information that was required to meet the grant conditions.

Susan Tytherleigh, Finance Business Partner, 10 October 2018

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 Please see the exempt legal advice note

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 N/A

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 N/A

8 REGARD TO THE NHS CONSTITUTION

- 8.1 N/A

9 EQUALITY IMPACT ASSESSMENT (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

Roll - out of contactless payment will not negatively affect any citizens. Payment systems for those without bank accounts will be retained to ensure that no one is excluded.

Yes



Attached as Appendix x, and due regard will be given to any implications identified in it.

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

10.1 N/A

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 National Productivity Investment Fund Bid

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of the Local Government Act 1972.

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