



## ADDITIONAL AGENDA ITEMS

This is a supplement to the original agenda and includes a report that is additional to the original agenda.

### NOTTINGHAM CITY COUNCIL EXECUTIVE BOARD

**Date:** Tuesday, 24 February 2015

**Time:** 2.00 pm

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

**Governance Officer:** Zena West, Constitutional Services, **Direct Dial:** 0115 8764305

**Email:** zena.west@nottinghamcity.gov.uk

### AGENDA

### Pages

<b>15</b>	<b>MEDIUM TERM FINANCIAL PLAN - KEY DECISION</b>	<b>3 - 210</b>
	Report of the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration	

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**EXECUTIVE BOARD - 24 FEBRUARY 2015**

<b>Subject:</b>	<b>MEDIUM TERM FINANCIAL PLAN (MTFP) 2015/16 – 2017/18</b>		
<b>Corporate Director(s)/ Director(s):</b>	Glen O’Connell, Acting Corporate Director for Resources		
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
<b>Report author and contact details:</b>	Geoff Walker, Acting Director of Strategic Finance 0115 8763740 <a href="mailto:geoff.walker@nottinghamcity.gov.uk">geoff.walker@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Total value of the decision: Nil</b>			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> Ongoing throughout the process		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input checked="" type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input checked="" type="checkbox"/>
Help keep your energy bills down			<input checked="" type="checkbox"/>
Good access to public transport			<input checked="" type="checkbox"/>
Nottingham has a good mix of housing			<input checked="" type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input checked="" type="checkbox"/>
Support early intervention activities			<input checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>This report presents the Council’s Medium Term Financial Plan (MTFP) for 2015/16 – 2017/18. The MTFP comprises four elements: 1. General Fund revenue budget; 2. General Fund capital programme, 3. Housing Revenue Account (HRA) revenue budget and 4. HRA capital programme. Prudential Indicators are reported separately on this agenda within the Treasury Management Report.</p> <p>The MTFP report contains a large amount of important information. In order to make this accessible, the report comprises 6 annexes as follows:</p> <ol style="list-style-type: none"> <li><b>Annex 1</b> sets out the current 2014/15 forecast outturn for all 4 elements of the MTFP.</li> <li><b>Annex 2</b> sets out the proposed General Fund revenue MTFP for 2015/16–2017/18, reflecting funding for the delivery of the Council Plan and the various levels of service plan that support it.</li> <li><b>Annex 3</b> sets out the Capital Programme for 2014/15 (i.e. revised current year) –2019/20</li> <li><b>Annex 4</b> sets out the HRA budget which forms part of the HRA Business Plan that seeks to ensure that this ring fenced account remains in balance. An increase in rents is proposed which will finance the management and maintenance of the stock together with the introduction of a tenant reward scheme.</li> </ol>			

- 5. Annex 5** sets out the Chief Finance Officer's assessment of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the reserves.
- 6. Annex 6** sets out the Council's budget consultation activity and the responses to that consultation

This information enables Executive Board to set the HRA rent levels and service charges for 2015/16 and continue the tenant reward scheme and make recommendations to City Council in respect of the MTFP for 2015/16 – 2017/18, in particular in relation to:

- The General Fund revenue budget and council tax levels for 2015/16.
- The Capital Programme 2014/15 to 2019/20.

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

**The decision is not subject to call-in as Councillor Brian Parbutt, Chair of the Overview and Scrutiny Committee, has agreed that the decision is reasonable in all the circumstances and should be treated as a matter of urgency as the Council's budget has to be approved at the Full Council meeting on 9 March 2014 (which is before the call-in period has ended).**

**Exempt information:**

None

**Recommendation(s):**

**1 2014/15 Budget (Annex 1)**

- a. To note the current forecast outturn for the 2014/15 General Fund and HRA revenue budgets and capital programmes, as detailed within **Annex 1**.
- b. To endorse the allocations from Contingency as set out in **Table 1D** of **Annex 1**.
- c. To approve the budget virements and reserve movements set out in **Table 3** and **Appendices C and D**.

**2 MTFP 2015/16–2017/18 Revenue Element (Annex 2)**

- a. To note:
  - i. The General Fund revenue aspects of the MTFP as set out in **Annex 2**.
  - ii. That, at the time of despatch of this report, the Fire Authority had not formally approved their final council tax increases. The final precepts will be confirmed prior to the City Council meeting on 9 March 2015.
- b. To note, endorse and recommend to City Council:
  - i. The General Fund net budget requirement for 2015/16 of **£255.814m**, including the net movement in earmarked reserves as set out in **Appendix A**
  - ii. A basic amount of Council Tax level (Band D) of **£1,459.67** that will raise a total of **£89.108m** (an increase of **1.95%**)
  - iii. Delegated authority to the appropriate Director to implement all proposals after undertaking any necessary consultation

### **3 MTFP 2015/16–2017/18 Capital Programme Element (Annex 3)**

Executive Board to note, endorse and recommend to City Council:

- a. the Capital programme as detailed in **Appendix D of Annex 3**.
- b. the key principals for the governance and management of the capital programme as set out in **Section 9 of Annex 3**

### **4 MTFP 2014/15–2017/18 HRA Element (Annex 4)**

- a. To approve with effect from 31 March 2014 (subject to consultation):
  - i. an average increase in rent levels for all Council owned dwellings within the HRA of **2.2%**
  - ii. an increase in service and heating charges of **2.2%**.
  - iii. an increase in the service charge for independent living of **2.2%**.
  - iv. an increase in weekly garage rents of **£0.18** per week (52 week basis).
- b. To approve the:
  - i. cost pressures - inflation totalling **£0.903m**, as detailed in **Annex 4**.
  - ii. HRA working balance to be set at **£4.000m**.
  - iii. Public Sector Capital Programme as set out in **Appendix A of Annex 4**.
  - iv. maintenance of a capital allowance to avoid pooling of receipts generated from HRA land and building sales to be used to fund affordable housing and regeneration schemes as set out in **Annex 4**.
  - iv. Delegation of authority to Nottingham City Homes (NCH) to award capital contracts up to the value of the scheme/programme as set out in **Appendix A of Annex 4** of the report
- c. To note the continuation of the tenant reward scheme as implemented in 2014/15 as set out in **Annex 4**
- d. To note, endorse and recommend to City Council the 2015/16 HRA budget, as set out in **Annex 4**.

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

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

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

## **1. REASONS FOR RECOMMENDATIONS**

1.1. This report presents and seeks endorsement for the draft MTFP for 2015/16–2017/18 to enable Executive Board to approve rent increases and make recommendations to City Council for consideration on 9 March 2015 when they meet to set the budget and council tax for 2015/16.

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

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

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

2.2. Unavoidably, this document contains considerable detail about the composition of the budget and the wide variety of issues taken into account in constructing the MTFP. Therefore, in seeking to make all this detail more accessible, the budget report has been constructed using Annexes, each of which focuses on a particular aspect of the MTFP. Each Annex has appendices to provide relevant additional information. The Annexes are as follows:

- **Annex 1** sets out the current 2014/15 forecast outturn for all 4 elements of the MTFP.
- **Annex 2** sets out the proposed General Fund revenue MTFP for 2015/16–2017/18, reflecting funding for the delivery of the Council Plan and the various levels of service plan that support it.
- **Annex 3** sets out the Capital Programme for 2014/15–2019/20
- **Annex 4** sets out the HRA budget which forms part of the HRA Business Plan that seeks to ensure that this ring-fenced account remains in balance. An increase in rents is proposed, which will finance the management and maintenance of the stock and seeks to continue a tenant reward scheme.
- **Annex 5** sets out the Chief Finance Officer's (CFO's) assessment of the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the reserves. This is required under The Local Government Act (Part II) 2003.
- **Annex 6** sets out details of budget consultation activity and the responses from various stakeholders

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

- follow the Council Plan priorities;
- deal with the impact of the significant funding reduction from and changing policy direction set by national Government;
- address, as far as possible, demand, legislative and inflationary pressures;

- take account of local interpretation of relevant regional and national priorities and programmes;
- support the determination to continue to improve our performance, optimally design our services and improve our offer to citizens;
- recognise the ongoing imperative to demonstrate value for money, particularly given the prevailing economic conditions and significantly reduced levels of funding; resulting in significant cost reductions whilst targeting resources at the highest priorities;

2.4. The draft MTFP reflects the culmination of the extensive work of councillors, colleagues and other stakeholders to fulfil a legal obligation to enable the setting of a balanced budget for 2015/16 in the context of a 3-year MTFP to fund provision of a wide range of services; many of them statutory. Resources have been redirected by:

- Identifying cost reductions – both efficiencies and policy change;
- Reviewing priorities and services and restructuring accordingly;
- Optimising external funding;
- Reviewing income streams;
- Implementing new ways of working and providing services

2.5. The MTFP process is supported by extensive consultation and the Council is committed to maintaining and developing this participation

Pre-budget consultation was carried out in October to December 2014 with **1,982** residents expressing their views on priority Council services. Further consultation has been undertaken from December 2014 with citizens, colleagues, businesses and the voluntary sector to consider the budget proposals set out in the draft Medium Term Financial Plan. A total of **240** people responded to online and paper surveys and around **200** attended public meetings.

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

So far there have been no significant changes to the Phase 1 and Phase 2 consultation proposals as published in December and January respectively. However the consultation period will continue to run until the Council meeting in March 2015.

2.6. HRA Tenant Consultation on 2015/16 Budget and Rents

Presentations were made Tenant and Leaseholder Congress in February 2015. Tenants were advised that the investment plan set out in the MTFP was predicated on a medium term plan for housing rent increases, and that given the constraints that could be imposed on future increases there is a need to increase rents in 2015/16 to protect the investment priorities of tenants. The increase for 2015/16 according to the plan was 2.2%, The tenant reward scheme will continue in 2015/16.

The key issues raised were as follows:

- Universal Credit was highlighted as a risk for funding the capital programme.
- General support for the planned investment programme
- Responsible Tenant Reward Scheme has been well received
- 2.2% rent increase was felt to be acceptable

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

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

#### **3.2. General Fund**

The Government has made an offer of a Council Tax Freeze Grant (CTFG) for 2015/16. The Council could choose to accept this CTFG in 2015/16. Reducing the proposed City Council Band D council tax increase of 1.95% to 0% to receive the council tax freeze grant would add an on-going net pressure of **£0.594m**.

#### **3.3. HRA**

Options for increasing rents have been considered to mitigate the impact on tenants balanced against protecting investment in the stock to meet tenant priorities. Tenants have been consulted on the preferred option of a **2.2%** rent increase.

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

4.1. The City Council's MTFP forms the cornerstone of financial management and control and service delivery within the organisation. Details for 2014/15 are contained in **Annex 1. Annexes 2–6 inclusive** cover the MTFP for 2015/16–2017/18. The key headlines for each of the four elements of the MTFP are:

#### **General Fund Revenue Budget**

- A forecast outturn underspend in 2014/15 (before allocations and carry forwards) of **£1.011m**;
- A 2015/16 net revenue budget requirement of **£255.814m** and a Band D council tax (excluding precepts) of **£1,459.67**;
- At the time of despatch of this report, the fire precepting authority had not formally approved their final council tax increases. The final precept will be confirmed prior to the City Council meeting on 9 March 2015.
- Funding for new pressures of **£0.759m** in 2015/16;
- Portfolio saving proposals of **£23.533m** in 2015/16;
- Further corporate savings from the Productivity Initiative of **£1.500m** in 2015/16.

#### **General Fund Capital Programme**

- An overall programme of **£714.080m**, of which **£128.325m** relates to 2014/15.
- Of this, **£212.325m** is funded from specific grants and contributions, **£50.555m** from capital receipts and other internal contributions and **£424.962m** from prudential borrowing.

#### **HRA Revenue Budget**

- An HRA expenditure budget of **£108.506m** in 2015/16.
- An average increase in rent levels of **2.2%**, generating **£2.714m**.
- An increase in service charges of **2.2%**, totalling **£0.095m**.



- An increase in garage rents generating **£18k**.
- Cost pressures of **£0.903m**.
- A closing working balance in 2014/15 of **£4m**.

### **HRA Capital Programme**

- An overall programme of **£324.606m** of which **£65.007m** relates to 2014/15.
- Of this, **£174.006m** is funded from the Major Repairs Allowance, **£24.964m** from specific grants and contributions, **£64.883m** from capital receipts and internal funds and **£28.826m** from prudential borrowing.

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

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

#### **4.2 Council Tax Requirement**

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

The proposals contained within this report will result in the City Council setting a Council Tax Requirement of **£89.108m** and a Band D City Council Tax of **£1,459.67**. The full statutory determinations will be set out in the report to Council on 9 March 2015. The final precepts for the Police Commissioner and Fire and Rescue Authority will be confirmed in the report to March Council.

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

- 5.1. The City Council is required to set a balanced budget for 2015/16 before 11 March 2015.
- 5.2. A detailed and comprehensive risk assessment has been undertaken in order to inform the CFO's assessment of the affordability of these budget plans and the consequent recommended levels of reserves and contingencies. This is summarised in **Annex 5**.

The Council has a duty under the Equality Act 2010 to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between protected groups (such as disabled people or ethnic minority groups) when considering proposed new or changing policies, services or functions, including decisions on funding for services, and decisions on implementation of policies developed outside the Council.

### **6. SOCIAL VALUE CONSIDERATIONS**

- 6.1. None

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

7.1. Not applicable

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

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

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

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

9.1. Budget working papers

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

10.1. Previously published documents are available on the Budget Consultation Web page

## **11. OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

11.1 Theresa Channell –Corporate and Strategic Finance, Telephone: 0115 8763657  
Email: [theresa.channell@nottinghamcity.gov.uk](mailto:theresa.channell@nottinghamcity.gov.uk)

## Equality Impact Assessment Form

**Title of EIA/ DDM:** Budget 2015-16 Community Impact Assessment

**Department:** Acting Corporate Director for Resources

**Service Area:** Strategic Finance / Policy & Insight

**Author (assigned to Covalent):**

**Name of Author:** Laura Catchpole

**Director:** Glen O'Connell

**Strategic Budget EIA** Y/N (please underline)

### **Brief description of proposal / policy / service being assessed:**

#### 2015/16 Budget Proposals

This document provides an overview of equality issues associated with the revenue element of the Council's draft budget proposals for 2015/16. It summarises the potential equality impacts identified in relation to the budget proposals, and the steps taken to minimise impact on protected groups during the development of the proposals.

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

During development of the proposals, implications for equality groups were considered. However, the size of the reductions and the speed with which the Council has had to react, due to the draft settlement figures being published on the 18 December 2014, means the Council has had limited time to share the proposals and seek feedback from communities. At the time of publishing this summary the consultation is still on-going until the 27 February 2015, therefore any further issues relating to equality implications of the proposals that are raised will be reported to Full Council.

At the very minimum, each item set out in Table 1 have been the subject of an initial screening assessment that seeks to prevent the Council from making decisions in principle when agreeing the draft budget without being aware of the potential equality impacts. Where the full details of schemes have not yet been developed a stage two impact assessment will be undertaken prior to implementation of the decision to clarify the potential impacts and to identify any possible mitigation. The Equality Duty 2010 is a continuing duty, therefore it will be necessary to monitor the effects of the decision after implementation.

#### Context

This year's budget proposals are the fourth time the Council has had to consider where it can make savings in view of significantly reduced settlement from the Government. Settlement funding from the Government has decreased by £102 million since 2010/11, requiring the Council to carry out £123 million of budget savings over the past four years. In 2015/16, additional savings of £25 million have been proposed.

While the Council has strived to take a careful and measured approach to the budget and has done much to cushion frontline services and vulnerable citizens from the impact of the Government's austerity measures, the indication is that this will be impossible to sustain given the scale of future funding reductions over the longer term.

The Council continues to work with council networks such as the Local Government Association to campaign for a fairer funding settlement from central government for cities like Nottingham. As one of the ten Core Cities in the UK, the Council is campaigning for control over funding, programmes and policy to be devolved to cities to give us more freedom to grow our economy and reform our public services to get better outcomes for citizens.

The reduction in Government funding does come at a time when there are encouraging signs in the overall performance of Nottingham's local economy. The recovery at last seems to be gaining some traction given overall trends in output and employment, especially within the private sector. However while there is continued improvements in key labour market indicators, notably unemployment and out of work benefit claimants, rates within the City and wider Core City area remain above the national average. Earnings growth has also been quite subdued, however a rise in real household disposable income levels is expected in 2015 due to lower inflation. The City Council and partners remain focused on improving education and skill levels, investing in modern infrastructure and encouraging and supporting business development and inward investment.

#### *Council priorities:*

Currently in its fifth year, the [Nottingham Plan to 2020](#) sets the overall strategic direction and long-term vision for the economic, social and environmental wellbeing of the city. The over-riding ambition of the Council and its partners is to stimulate economic growth and break the cycle of poverty. The Nottingham [Growth Plan](#) is driving economic growth, creating jobs and helping to develop a high tech, innovative and creative economy.

#### *Council Tax:*

Council Tax is proposed to increase by 1.95%. The level of proposed Council tax has been set with a view to providing the resources the Council needs to manage and meet increasing needs and demand for vulnerable adults and children's services, in a context of decreasing external funding.

#### *Rent and housing:*

The level of rent has been set, based on guidance set out by the Government. Due to the way in which eligibility for Council housing is assessed, Council tenants are more likely to have lower incomes and be financially excluded or in financial difficulty. Tenant profile data indicates that Black or Minority Ethnic, female, and age groups 25-44 and 45-74 are statistically more likely to be affected by Council rent increases, although this financial impact is mitigated by compensating increases in Housing Benefit. The Housing Revenue Account Capital programme which forms part of the report includes a number of schemes which will benefit protected groups.

#### *Responding to Welfare Reform:*

The current government has made significant changes to the benefits and tax credits system. Many of the changes to the benefits system since 2010 have had a significant impact on Nottingham citizens for example, the introduction of housing benefit under-occupancy rules, changes to council tax benefit, the benefits cap and a range of changes to sickness and disability benefits. These changes have affected some of the most financially vulnerable working-age Nottingham citizens, including lower income working households. Low income pensioners have been protected from some of the changes. The Council have been working with advice services to support citizens affected and has shaped policy responses as far as possible to reduce the impacts. For example, working closely with Nottingham City Homes and other social housing landlords to reduce the impact of housing benefit changes, ensuring that discretionary housing payments were fully utilised and targeted as effectively as possible. The Discretionary Hardship Support Scheme was amended to enable it to respond more flexibly to emerging hardship and the Scheme has been

extended for another two years, to enable the Council to continue to support Nottingham's most financially vulnerable citizens.

*Health and Social Care integration:*

The £3.8 billion Better Care Fund (formerly the Integration Transformation Fund) is a single pooled budget to support health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities. It aims to drive the integration of health and social care services in order to deliver the right care in the right place at the right time. The Nottingham City BCF allocation is £23 million, however only £1.3 million of this is new money to further support the transition to integrated working. Several of the budget proposals relate to the drive to integrate health and social care.

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

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

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

The Government has continued to implement an extensive programme of policy change, accompanied by significantly reduced funding for the public sector. In response, our budget proposals:

- seek to address demographic and service pressures through service redesign;
- reflect the significant reductions in external funding (especially general and specific Government grants) by reducing expenditure on those activities;
- applying successfully for competitive funding such as from lottery bodies;
- progressing long-term policy decisions to increase income and investment, such as developing the tram network and developing the district heating system;
- reflect our determination to be efficient, improve performance and modernise our organisation;
- have aimed to protect some universal services that have been vulnerable in other parts of the country, such as leisure and cultural services and street cleanliness;
- improving joint working with partners, particularly focusing on integration, joined up operations, shared services and pooled resources;
- recognise the very challenging financial landscape and future outlook for the public sector generally.

Budgets have been redirected to enable resources to be targeted on the Council's current focus of protecting key services and supporting the

most vulnerable, keeping Nottingham clean and safe, protecting jobs and stimulating job growth, and bolstering the economy.

Resources are proposed to be redirected by:

- focussing on areas of biggest spend with a strategic approach. These areas of transformation will require whole council and partner input to transform the way we work and deliver significant savings.
- reducing demand through continued focus on prevention and early intervention
- identifying efficiencies and other types of cost reduction
- increase income or generate savings through a programme of commercialism, using strong in-house services to underpin competitive bids for other public sector contracts
- reviewing priorities and implementing new methods of service provision
- continuing to modernise our ways of working

Of the 181 proposals, 25% are within Resources and Neighbourhood Regeneration and focus on service redesign and efficiencies. A further 18% of proposals are focussed on Planning and Transportation where the main emphasis is on income generation. As a whole, 42% of the budget proposals continue to focus on service redesign and efficiencies, 38% on income generation, 12% propose to 'stop doing' some activity and 8% relate to responding to changing demands and re-commissioning of services.

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

#### *Demographic change<sup>1</sup>:*

The population of the city has increased over the last 10 years from 275,500<sup>2</sup> in 2003 to 310,800 in 2013 and Nottingham's population is set to continue growing. The greatest numerical increase in Nottingham expected over the next 25 years is projected to be in the 70-74 age group, although the 20-24 age band is also projected to see one of the largest numerical increases to 2037, and is projected to remain the largest group – primarily due to the large student population in the City. The over 90s age band is projected to an increase of more than double the 2012 estimate, reflecting increased life expectancy.

The proportion of under 15's is not projected to change - from 17% 2012 to 18% in 2022, and 17% in 2037. Nottingham's young age profile has become more pronounced due to the rising birth rate and the expansion of the City's two universities. The birth rate has increased from an historic low of around 3,200 per year in 2001 to an historic high of 4,500 in 2011. This has led to an increase in the 0-4 year olds of 30% over the last 10 years. Around 15% of the City's population are now full time students aged 18 or over, leading to a 38% increase in the 16-24 population of the city.

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

<sup>1</sup> [Sub-national population projections, May 2014](#)

<sup>2</sup> [Mid 2002-2010 population estimates](#)

In the 2011 Census 18.1% of Nottingham’s population reported health problems or disabilities which limit their day to day activities. This is slightly higher than the national average of 17.6%. However amongst people of working age, 14.2% of people have health problems or disabilities which limit their day to day activities compared to 12.7% nationally. This larger gap shows that the overall figures are higher than might be expected given the relatively young age structure of the City. 40.2% of people who reported long term health problems or disabilities which affected their day to day activities were aged 65 or over, although this age group makes up just 11.6% of the population.<sup>3</sup>

	<b>Could particularly benefit X</b>	<b>May adversely impact X</b>	<b>How different groups could be affected</b> (Summary of impacts)	<b>Details of actions to reduce negative or increase positive impact</b> (or why action isn't possible)
People from different ethnic groups.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Budget proposals have been required to meet a funding shortfall of £30 million in 2015-16 and there will inevitably be an impact on some citizens.</p> <p>Measures are being taken to manage the changes in a planned way, and seek to minimise adverse impacts. Some of the proposals could bring benefits to citizens to protected groups.</p> <p><u>Adults</u> Due to the demographic increase in number of people, the demand for the Council’s support has also increased.</p> <p>For these reasons the Council has to consider doing things differently and over half of proposals are concerned with service redesign and efficiencies. The Council has had to look close at existing provision and ensure it is delivering the absolute best quality and value it can, however the Council has to make difficult decisions about</p>	<p>Steps have been taken as part of the budget process to minimise the impact on vulnerable and protected groups as far as possible. These have included, the revision and rejection of savings proposals on the basis of potential adverse impact on vulnerable groups and the identification of actions to reduce the any negative impact of specific saving proposals.</p> <p>The Commercialism Programme also aims to increase revenue and reduce costs, thereby protecting and improving services to citizens</p> <p><u>Adults</u> The Council will negotiate and work with individual service providers to ascertain the most appropriate way to minimise the impact of a reduction in service funding on citizens.</p> <p>Changes to adult social care services and policies will be subject to specific consultation and therefore proposals</p>
Men	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Women	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Trans	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Pregnancy/ Maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
People of different faiths/ beliefs and those with none.	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Older	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Younger	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Other (e.g. marriage civil partnership <u>looked after children</u> <u>cohesion/ good relations</u> <u>vulnerable children</u> <u>vulnerable adults</u>  <b><i>Please underline the group(s) /issue more adversely affected or which benefits.</i></b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

<sup>3</sup> [Census 2011 key datasets](#)

balancing provision across a range of needs of vulnerable people and some of these may have adverse impacts.

However, with a continued emphasis on preventative provision and self-directed support and a drive for efficiency and integration, some of the proposals may have beneficial outcomes for vulnerable adults.

Some of the proposals in relation to adult social care, fees and charges may result in some people being asked to pay more for the service, however only citizens who can afford to pay will do so.

Children and young people

78% of proposals in Children’s services are about service redesign and efficiency, with several proposals removing vacant posts and reducing management costs. Where possible the aim has been to avoid proposals that affect frontline services , however there could be some adverse affects for young people.

Workforce

As well as considering the impact on citizens and service users, consideration has been given to the impact of the budget proposals on the Council’s workforce. Wherever possible for required workforce reductions, steps have been taken to achieve this through natural turnover and the deletion of vacant posts.

may change. In addition, all proposals will adhere to the Fairer Charging Policy and duties under the Care Act 2014. The benefits of closer integration with health services will help to minimise the impact on our more vulnerable citizens.

In cases where proposals involve service redesign, efficiency and ‘stop doing’, alternative provision has been investigated to ensure citizens can access support in other ways.

Children and young people

The proposals are designed to improve access to services to help children avoid crisis by focussing on early intervention for the whole family.

Workforce

The Council will attempt to mitigate the amount of redundancies wherever possible by making referrals to Project People, where those at risk of redundancy have a three month period to secure an alternative post with the council. Alternative posts are offered based on the individuals transferable skills and potential to undertake the new duties.

All possible steps will be taken to ensure support needs around language, disability, maternity, paternity or pregnancy will be identified at an early stage. Mitigating action such as additional support and reasonable adjustments will be offer to individuals as appropriate.



Analysis of 2015/16 budget proposals indicates that there is no direct adverse impact in relation to disability, ethnicity and age. The gender ratio of those affected is also in line with the workforce as a whole, therefore there is no significant impact.

Overall impacts for the protected groups relating to savings proposals are summarised in Table 1.

Whilst wherever possible, steps are taken to achieve any required workforce reductions through natural turnover and the deletion of vacant posts, the cumulative effect of reduced budgets and required efficiency programmes over recent years means it is not always possible to achieve this. As a consequence, service reviews and restructures may result in individuals being made involuntarily redundant. The Council will attempt to mitigate the amount of redundancies wherever possible by making referrals to Project People, where those at risk of redundancy have a three month period to secure an alternative post with the council.

Steps taken to minimise adverse impact and promote equality for different groups relating to the budget proposals are summarised in Table 1.

#### Outcome(s) of equality impact assessment:

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

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

- As consultation for some proposals has yet to take place, this impact assessment will be amended as appropriate should those consultations require significant changes to the proposals.
- Arrangements for future monitoring of impacts are set out in EIAs for specific proposals where appropriate.
- Council officers will meet regularly with the Equality and Fairness Commission to discuss equality issues for specific service areas where relevant.
- Equality impact assessments (paying due regard to equality) are an explicit part of Council reporting and decision making processes and will be carried out for any further decisions arising from the Medium Term Financial Plan with potential equality impact.

- Service reviews to assess the impact of decisions.
- Appropriate diversity monitoring.

**Approved by (manager signature):**

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.

Glen O'Connell  
Acting Corporate Director for Resources

**Date sent to equality team for publishing:**

Send document or link to:  
[equalityanddiversityteam@nottinghamcity.gov.uk](mailto:equalityanddiversityteam@nottinghamcity.gov.uk)

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

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

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

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
Different ethnic groups  Page 19	Nottingham has a higher proportion (34.7%) of Black or Minority Ethnic (BME) citizens than the England rate of 20.2%. <sup>4</sup>  The City also has a high proportion of migrants from EU Accession countries compared to other Core Cities (NINO registrations). <sup>5</sup>	Proposals relating to race have also been assessed as relevant to children and young people given the younger profile of Nottingham’s BME community.  Budget proposals have considered actions to minimise the impact on BME citizens by: <ul style="list-style-type: none"> <li>• Ensuring that alternative provision and services are available in the community</li> <li>• There may also be opportunities to advance equality through commissioning and procurement opportunities.</li> <li>• Ensuring the development of accessible information where appropriate</li> <li>• For changes in the delivery of welfare advice, there will be through targeted communications, the development of joint-working arrangements between advice services and the commissioning of external services.</li> </ul>
Men, Women, Transgender	Nottingham’s population is 50% male and 50% female. <sup>6</sup>	Potential gender impact has also been assessed in relation to adult social care proposals, as a higher proportion of those receiving social care support are women.  Budget proposals have considered actions to minimise the impact on women, men and transgender citizens by: <ul style="list-style-type: none"> <li>• Any changes to the fairer charging policy, mean that only citizens who can afford to pay will do so. This is also subject to consultation.</li> <li>• Steps to integrate health and social care will bring benefits of a joined-up service, resulting in a clearer customer journey and also aim to reduce waiting times and help citizens maintain independence.</li> </ul>

<sup>4</sup> [Census 2011 key datasets](#)

<sup>5</sup> [EU Accession note \(May 2014\)](#)

<sup>6</sup> [Census 2011 key datasets](#)

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
<p>Disabled people and carers</p>	<p>Nottingham has a higher proportion of people with a disability or long term limiting illness (18.2%) than the England average (17.6%).<sup>7</sup></p>	<p>Proposals may have potential adverse impacts on this group, as well as some potential benefits, they have been considered in conjunction with the impact on older people.</p> <p>Budget proposals have considered actions to minimise the impact on people with disabilities by:</p> <p>Any changes to the fairer charging policy, mean that only citizens who can afford to pay will do so. This is also subject to consultation.</p> <p>Steps to integrate health and social care will bring benefits of a joined-up service, resulting in a clearer customer journey and also aim to reduce waiting times and help citizens maintain independence.</p> <ul style="list-style-type: none"> <li>• Continuing the move towards early intervention, preventative provision and maintaining independence. Reductions will be as flexible as possible to minimise the impact on citizens and will be monitored to make sure the duties of wellbeing are met.</li> </ul> <p>Directing impact to provision that is non-statutory or discretionary and where this is the case, investigating alternative methods of funding/service delivery with partners.</p> <ul style="list-style-type: none"> <li>• Retain a high level of discretionary public transport measures to key disadvantaged groups, including disabled and older citizens.</li> <li>• For changes in the delivery of welfare advice, there will be through targeted communications, the development of joint-working arrangements between advice services and the commissioning of external services to ensure choice, consent and data protection.</li> </ul> <p>Strategic developments include:</p> <ul style="list-style-type: none"> <li>• The Vulnerable Adults Plan 2012-2015<sup>8</sup> will be refreshed in 2015. It is a preventative strategy: aiming to “invest in services that reduce needs and dependency and lowers future costs; develop innovative and new ways in which to mobilise and make use of all the resources of the community; and enable vulnerable citizens to remain independent for longer and make choice based personalised services a reality.”</li> <li>• Mental health is a priority for the Council and the Health and Wellbeing Board, published a Mental Health and Wellbeing Strategy called 'Wellness in Mind'<sup>9</sup>, in August 2014 by. The Council has also signed up to the Local Authority Mental Health Challenge and support the Time to Change Campaign.</li> </ul>
<p>Maternity and Pregnancy</p>		<p>There is no indication that these proposals will impact adversely or disproportionately on this group.</p>

<sup>7</sup> [Census 2011 key datasets](#)

<sup>8</sup> [Vulnerable Adults Plan 2012-2015](#)

<sup>9</sup> [Wellness in Mind](#)

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
People of different faiths/beliefs and those with none	Nottingham has higher proportions of Muslim, Sikh, Buddhist and citizens with no religion than the England average. <sup>10</sup>	<p>There is no indication that these proposals will impact adversely or disproportionately on this group.</p> <p>The Council has been working more closely with faith groups and similar organisations, for example on helping to manage impacts of welfare reform and build resilience within communities.</p>
Lesbian, gay or bisexual people	The ONS 2012 Integrated Household Survey found 1.5% to be lesbian, gay, or bisexual. <sup>11</sup> and Stonewall estimates of between 5-7% of the general population. <sup>12</sup>	<p>There is no evidence to suggest that these proposals will impact adversely or disproportionately on the lesbian, gay, bisexual and transgender community. However the Council acknowledges there is a need to work more effectively with citizens and colleagues to improve diversity monitoring to provide a more accurate picture.</p> <p>Strategic priorities include:</p> <ul style="list-style-type: none"> <li>• The Council will aim to promote opportunities to advance equality through our commissioning and procurements arrangements.</li> <li>• The aim to reduce ‘victim based’ crime and anti-social behaviour including tackling hate crime aiming to ensure people are safe in their neighbourhood and homes (an issue of particular importance to LGBT people) remains a priority.</li> <li>• The Community of Identity review continues to prioritise services which support people around issues in relation to gender and sexual orientation, funding was allocated from April 2014 for 2 years.</li> </ul>
Older	The number of people in the City aged 85 or over is projected to increase by over 2,000 by 2031, an increase of over 40%	<p>Proposals may have potential adverse impact on this group, as well as some potential benefits, they have been considered in conjunction with the impact on older people with disabilities and women.</p> <p>Budget proposals have considered actions to minimise the impact on older people by: Any changes to the fairer charging policy, mean that only citizens who can afford to pay will do so. This is also subject to consultation.</p> <p>Steps to integrate health and social care will bring benefits of a joined-up service, resulting in a clearer customer journey and also aim to reduce waiting times and help citizens maintain independence.</p> <ul style="list-style-type: none"> <li>• Continuing the move towards early intervention, preventative provision and maintaining independence. Reductions will be as flexible as possible to minimise the impact on citizens and will be monitored to make sure the duties of wellbeing are met.</li> <li>• Directing impact to provision that is non-statutory or discretionary and where this is the case, investigating alternative methods of funding/service delivery with partners.</li> </ul>

<sup>10</sup> [Census 2011 key datasets](#)

<sup>11</sup> [Integrated household survey statistics - sexual identity](#)

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

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
		<ul style="list-style-type: none"> <li>Retain a high level of discretionary public transport measures to key disadvantaged groups, including disabled and older citizens.</li> </ul> <p>Strategic developments include:</p> <ul style="list-style-type: none"> <li>The City Council is developing, in partnership with Nottingham Clinical Commissioning Group (CCG) and Nottingham Community and Voluntary Service, an initiative to build stronger communities where looking after each other is the norm rather than the exception.</li> <li>The Vulnerable Adults Plan 2012-2015<sup>13</sup> will be refreshed in 2015. It is a preventative strategy: aiming to “invest in services that reduce needs and dependency and lowers future costs; develop innovative and new ways in which to mobilise and make use of all the resources of the community; and enable vulnerable citizens to remain independent for longer and make choice based personalised services a reality.”</li> </ul>
<p>Younger</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 22</p>	<p>Nottingham has a higher proportion of young people than national average - 41% under 25 compared to 31% in England (mid 2013 estimates)<sup>14</sup></p> <p>Nationally, youth unemployment is still high at 16.6% of the economically active population (those working or unemployed but looking for work) (Aug - Oct 14), but has fallen by 4.1 percentage points since Aug - Oct 2013<sup>15</sup>. Equivalent figures for Nottingham are available from the Annual Population Survey covering the period July</p>	<p>Proposals relating to children and young people have been assessed as also relevant to race equality given the younger profile of Nottingham’s BME community.</p> <p>Budget proposals have considered actions to minimise the impact on older people by: As with adults, services for children continue to have an early intervention and preventative emphasis, aiming to reduce the need for high cost specialist interventions. The Priority Families programme seeks to focus on the whole family and unite the skills and expertise of all our frontline partners, rather than support one family member in isolation and tackle one problem at a time. Frontline staff are sharing expertise and being trained to focus on the whole family rather than the individual</p> <p>Expanding opportunities for schools to use children centre buildings, while maintaining Children's Centre services to the community.</p> <p>Strategic developments include:</p> <ul style="list-style-type: none"> <li>Nottingham has been successful in a Big Lottery Fund ‘Small Steps, Big Changes’ bid bringing £45 million into the city to work on the Early Years agenda over the next 10 years. The money will be used for a wide range of programmes, from peer breast feeding support classes, to nutrition initiatives, supported book-gifting, parent-child relationship programmes, infant massage classes and learning-through-play schemes in the home.</li> <li>The Council will take responsibility for commissioning 0-5 public health services from October 2015.</li> <li>The Children and Young People’s Plan is currently being revisited for 2015/16 to ensure</li> </ul>

<sup>13</sup> [Vulnerable Adults Plan 2012-2015](#)

<sup>14</sup> [ONS 2013 mid-year population estimates](#)

<sup>15</sup> [ONS - Young people in the labour market \(December 2013\)](#) and [ONS - Young people in the labour market \(December 2012\)](#)

Equality group	Local context and related factors	Relevant budget savings proposals and steps taken to minimise impact
	<p>2013 to June 2014 and show a rate of 27.6% for Nottingham City compared to 18.4% for England. <i>(Although please note Nottingham figures should be treated with caution.)</i></p>	<p>that it is focussed on the key outcomes for children and their families in the coming year.</p> <ul style="list-style-type: none"> <li>• In conjunction with health partners, an Emotional Health and Wellbeing Pathway is being developed to support children and young people (ages 0-24 years) with emotional, mental health and wellbeing needs, and their parents/carers.</li> <li>• The Council will continue to drive improvements in our education settings to ensure that all young people are in a good or better school. This includes work on achievement and attainment, behaviour, recruitment, quality of teaching and leadership and governance.</li> <li>• All entry-level Council jobs have been ring-fenced as apprenticeships for City residents, and are targeted towards young people.</li> <li>• Youth Contract: The council's programme to reduce youth unemployment focuses on the 18-24 age group who are between 13-39 weeks unemployed with a view to preparing them for the labour market and preventing them from becoming long term unemployed. The primary objective is the reduction in unemployment for this group and the increase in the take up of the Youth Contract wage incentive.</li> <li>• The Council are working with the sexual health services in the City to develop an integrated service model which aims to improve sexual health.</li> </ul>
<p>Other (e.g. marriage/civil partnership, looked after children, cohesion/good relations, vulnerable children/adults)</p>	<p>32% of the population are married and 0.25 in a civil partnership.<sup>16</sup></p> <p>The number of children in care has increased by 8.9%, since 2012.</p>	<p>There is no indication that these proposals will impact disproportionately or adversely on marriage and civil partnership, look after children, cohesion/good relations, vulnerable children/adults.</p>

<sup>16</sup> [Census 2011 key datasets](#)

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# ANNEX 1

## FORECAST OUTTURN 2014/15

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## ANNEX 1 - FORECAST OUTTURN 2014/15

### Introduction

This annex summarises the current position and forecast outturn for both the revenue and capital elements of the General Fund and HRA. Our risk based forecasting reflects the diverse nature of the Council's activities and the wide range of cost and income drivers. This has been used in finalising the draft MTFP for 2015/16 – 2017/18. Some report tables may not sum exactly due to rounding.

### General Fund Revenue - Overview

**Table 1A** shows the current forecast outturn using best, medium and worst case scenarios. This is based on the ledger position as at 31 December 2014, updated for known future factors and the projected impact of positive management action to address identified pressures. This is an improvement of **£1.185m** (medium case) on the position reported to Executive Board in December 2014.

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

TABLE 1A: CURRENT FORECAST OUTTURN AS AT 31.12.14 (Q3)						
OUTTURN 2013/14 £m <sup>1</sup>	MEDIUM CASE @ 30.06.14 (Q1)	MEDIUM CASE @ 30.09.14 (Q2)	PORTFOLIO	(UNDER) / OVER SPEND		
				BEST £m	MEDIUM CASE £m	WORST £m
(0.063)	0.000	(1.595)	Adults, Commissioning and Health	(2.437)	(2.007)	(1.631)
(0.906)	0.000	2.214	Children's Services	1.455	1.738	2.317
0.074	0.000	0.054	Community Safety, Housing and Voluntary Sector	(0.635)	(0.353)	(0.141)
(0.374)	0.000	0.013	Community Services	(0.090)	(0.070)	(0.070)
(0.259)	0.000	0.000	Energy and Sustainability	(0.050)	0.000	0.050
(0.018)	0.000	0.000	Jobs and Growth	0.000	0.000	0.020
(0.151)	0.080	0.340	Leisure and Culture	0.135	0.240	0.500
0.189	0.000	(0.664)	Planning and Transportation	(1.111)	(1.069)	(0.614)
(0.083)	0.560	(0.189)	Resources and Neighbourhood Regeneration	(0.013)	0.553	1.332
(0.337)	0.000	0.000	Strategic Regeneration and Schools	0.000	0.000	0.000
<b>(1.928)</b>	<b>0.640</b>	<b>0.174</b>	<b>TOTAL PORTFOLIOS</b>	<b>(2.746)</b>	<b>(0.967)</b>	<b>1.764</b>
(0.701)	0.000	0.000	Corporate budgets	(0.044)	(0.044)	0.156
<b>(2.629)</b>	<b>0.640</b>	<b>0.174</b>	<b>NET COUNCIL POSITION</b>	<b>(2.790)</b>	<b>(1.011)</b>	<b>1.920</b>
<b>Change – best to medium</b>				<b>1.779</b>		
<b>Change – medium to worst</b>				<b>2.931</b>		

Notes 1: outturn before carry forwards

## Forecast & Actual Outturns

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

<b>TABLE 1B – BROAD CONTRIBUTORS TO THE FORECAST OUTTURN</b>	
<b>OVERALL ISSUE</b>	<b>2014/15 £m</b>
Staff vacancies (temporary impact)	(1.658)
Other small under/overspends against budgets (various)	(0.459)
Additional income generated	(1.283)
Cost pressure – Safeguarding (Children in Care)	3.798
Action within directorates to mitigate pressures	(4.062)
Reductions in income	0.853
Cost pressure - delays in delivering strategic choice savings	1.800
<b>TOTAL</b>	<b>(1.011)</b>

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

**Table 1C** shows the potential impact of the current forecast outturn on general reserves. This excludes adjustments for routine carry forwards into 2015/16 and the setting aside of funding for future commitments. This takes place as part of the final accounts process and is expected to reduce net reserves from the figure set out in **Table 1C**.

<b>TABLE 1C: POTENTIAL IMPACT ON GENERAL RESERVES</b>	
<b>ITEM</b>	<b>£m</b>
<b>Balance @ 01.04.14</b>	<b>9.600</b>
Add: Net underspend (medium case) from above	1.011
<b>ESTIMATED @ 31.03.15 (medium case)</b>	<b>10.611</b>

## Variations - Headline Issues

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

### **Adults, Commissioning and Health Portfolio - £2.007m FAVOURABLE**

#### **Adults -£0.243m**

Reduced internal costs associated with intake homecare however; this will increase spend in the external market.

#### **Early Intervention - -£1.596m**

- **Housing Related Support -£2.277m**

As part of the integration of Area Based Grants into mainstream Council funding a reserve was created to fund the transitional period of Housing Related Support

service reductions. This phase of service re-designs have all been fully implemented and the underspend reflects the balance of the reserve. This is a one off underspend.

- **Quality & Commissioning +£0.513m**

Within the Commercialisation Big Ticket there are savings attributable to the Procurement function of £0.350m net (£0.550m gross); these savings were assumed to be from contractual reductions. The 2014/15 forecast identifies that cashable savings are at a high risk of non-achievement.

### **Childrens Services Portfolio – overall variance £1.738m ADVERSE**

#### **Directorate -£0.800m**

This one-off underspend reflects the use of reserves to support the Education Support Grant reductions captured within the monitoring of other services within Children's and Adults.

#### **Vulnerable Children -£1.200m**

Delays in recruitment have significantly contributed to this one-off underspend.

#### **Safeguarding +£3.798m**

There is pressure on this budget due to:

- An increase of 11.1% growth of Children in Care being placed in external placements and
- A change in the mix of type of care which shows an increase of 4.35% in complex cases.

Both of these issues equate to higher costs, with the Children in Care population increasing. The overspend which would have been £0.842m higher if interventions like the Edge of Care Hub and Multi Systemic Therapy had not been in place. These initiatives form part of the children's big ticket.

### **Community Safety, Housing and Voluntary Sector Portfolio - £0.353m FAVOURABLE**

#### **Environmental Health & Trading Standards -£0.187m**

Vacancies have been managed in Trading Standards and Pollution Control.

#### **Housing Options –£80k**

A number of vacant posts within the service has contributed to this underspend.

### **Community Services Portfolio – overall variance - £70k FAVOURABLE**

#### **Trading Operations**

##### **-£70k (after applying 50% traded surplus to reserves)**

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in these trading areas.

In accordance with the trading account principles set out in the Medium Term Financial Strategy, 50% of traded surplus may be retained for reinvestment in the service. The decision to reserve these surpluses should be taken in the context of the overall corporate outturn position.

## **Leisure and Culture Portfolio - £0.240 ADVERSE**

### **Sport & Culture + £240m**

Projected lower visitor numbers and income against annual targets in some trading areas like leisure centres and events plus installation of new escalator outside the Victoria Indoor Market has impacted on footfall and market traders.

## **Planning and Transportation Portfolio - £1.069m FAVOURABLE**

### **Development Control – Planning -£0.146m**

Improved planning application fee income as a result of improved economic climate.

### **Commercial Services, Highways & Energy Infrastructure, Trading Operations -£0.917m (after applying 50% traded surplus to reserves)**

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in these trading areas.

In accordance with the trading account principles set out in the Medium Term Financial Strategy, 50% of traded surplus may be retained for reinvestment in the service. The decision to reserve these surpluses should be taken in the context of the overall corporate outturn position.

## **Resources and Neighbourhood Regeneration Portfolio - £0.553m ADVERSE**

### **Property Trading Account +£68k**

The contribution from Bridge Estate to the City Council will be reduced due to voids at Wheeler Gate and Century House, and bad debts at Whitemoor Court.

### **Property – Support Services (Property) +£0.502m**

Slippage in the programme of Big Ticket Asset Management Savings has resulted in a projected overspend of £0.888m against budget.

Under the Operational Property Review (OPR) a set of assets for disposal has been identified and this will crystallise potential savings in the current year of £50k against the £0.500m target. The OPR has taken longer to progress due to agreeing a process for rationalisation. It is anticipated future years savings will be realised ahead of programme.

Additional one off savings on Operational Buildings are projected in year of £0.236m by pro-actively stopping essential spend to help mitigate the overspend.

In addition, one off income of £0.150m is now anticipated from the dissolution of the Consortium of Local Authorities Special Programme (CLASP). The City Council is a member of the CLASP consortium along with six other local authorities. The members have agreed subject to formal approval of their respective local authorities to dissolve CLASP as it is no longer required, all activities now undertaken by Scape, of which the City Council is also a shareholder. Following the dissolution of CLASP its assets will be distributed and the current estimate is a payment of £0.150m to each local authority.

### **Strategic Partnership -£0.191m**

A number of vacant posts within the service have contributed to this underspend. These savings are being captured as part of the 2015/16 budget process.

### **City Advertising +£0.340m**

A reduction in income generated from the internal provision, however any reduction in volume should result in a reduction in cost within services.

**Corporate Budgets -£44k FAVOURABLE**

**Planned Building Maintenance -£0.350m**

It is proposed to defer expenditure of £0.350m from the Planned Maintenance budget 2014-15 into the following financial year 2015-16.

It is anticipated that the proposed iPAMS system (Integrated Property Management System) will be implemented in 2015 allowing the input of data currently being gathered through a programme of condition surveys across both investment and operational properties.

The use of the iPAMS system will allow a better understanding and analysis of backlog maintenance requirements, in context with strategic information gathered from Strategic Asset Management plans and property rationalisation exercises currently underway.

Deferment of selected projects from this financial year will allow a more co-ordinated and efficient delivery of planned maintenance through the use of iPAMS for not only understanding maintenance needs but also managing programmes of work more effectively in 2015/16.

**Enviroenergy +£0.306m**

Income is below budget due to lower turnover as a consequence of the milder weather.

**Corporate Contingency**

This enables management of the financial impact of issues that were not able to be reflected when the budget was set. It is allocated under the delegated authority of the CFO in consultation with the Deputy Leader using designated criteria. Services are required to accommodate unforeseen expenditure and/or income shortfalls from within their cash limited budgets, only seeking allocations where this is proven to be impossible. Contingency is £2.151m in 2014/15. Since the December report, allocations of £1.008m have been approved up to the date of despatch of this report, as shown in **Table 1D**.

<b>TABLE 1D: CONTINGENCY ALLOCATIONS REQUIRING ENDORSEMENT</b>	
<b>ITEM</b>	<b>£m</b>
Civic reception for Carl Froch	0.054
Legal costs and support relating to employment tribunal	0.200
Implementation of Information Commissioners report relating to Data Protection Audit	0.130
Local Economic Partnership Core Funding	0.063
Clean Britain Awards – Neighbourhood Lamppost banners	0.007
Neighbourhood Tree Removal & Improvement Programme	0.095
Great Workforce Programme	0.050
Nottingham and Nottinghamshire Combined Authority	0.150
Children’s Social Care caseload	0.223
Sector specialist – Legal	0.036
<b>TOTAL</b>	<b>1.008</b>

The current uncommitted balance on general contingency is **£1.048m**, although there are a number of pending requests. Any unused element at year end will be reserved to fund slippage issues.

### Progress on implementation of budget decisions

#### Cost Reductions

**Table 2A** summarises progress by portfolio in implementing budgeted cost reductions of **£7.745m**. All are expected to be achieved by year end.

<b>TABLE 2A: COST REDUCTIONS</b>						
<b>PORTFOLIO</b>	<b>2014/15 TOTAL £m</b>	<b>POS'N @ 31.12.14 £m</b>	<b>Still to be achieved</b>		<b>Anticipated year end position</b>	
			<b>£m</b>	<b>%</b>	<b>£m</b>	<b>%</b>
Adults, Commissioning and Health	<b>(0.278)</b>	(0.209)	(0.070)	25.00	<b>(0.278)</b>	100.00
Children's Services	<b>(0.982)</b>	(0.736)	(0.245)	25.00	<b>(0.982)</b>	100.00
Community Safety, Housing and Voluntary Sector	<b>(0.678)</b>	(0.509)	(0.170)	25.00	<b>(0.678)</b>	100.00
Energy and Sustainability	<b>(0.024)</b>	(0.018)	(0.006)	25.00	<b>(0.024)</b>	100.00
Jobs and Growth	<b>(0.335)</b>	(0.208)	(0.127)	37.94	<b>(0.335)</b>	100.00
Leisure and Culture	<b>(0.361)</b>	(0.283)	(0.079)	21.75	<b>(0.361)</b>	100.00
Planning & Transportation	<b>(0.285)</b>	(0.166)	(0.119)	41.67	<b>(0.285)</b>	100.00
Resources and N'hood Regen.	<b>(4.802)</b>	(3.261)	(1.541)	32.09	<b>(4.802)</b>	100.00
<b>TOTAL</b>	<b>(7.745)</b>	<b>(5.390)</b>	<b>(2.356)</b>	<b>30.41</b>	<b>(7.745)</b>	<b>100.00</b>

#### Investments

**Table 2B** shows that all projects are expected to be achieved in 2014/15.

<b>TABLE 2B: INVEST TO SAVE</b>					
<b>PORTFOLIO</b>	<b>2014/15 TOTAL £m</b>	<b>POSITION @ 31.12.14 £m</b>	<b>UNIMPLEMENTED</b>		<b>FORECAST YEAR END</b>
			<b>£m</b>	<b>%</b>	<b>£m</b>
Adults, Commissioning and Health	<b>0.250</b>	0.188	<b>0.063</b>	25.00	0.250
Community Safety, Housing and Voluntary Sector	<b>0.406</b>	0.305	<b>0.102</b>	25.00	0.406
<b>TOTAL</b>	<b>0.656</b>	<b>0.191</b>	<b>0.465</b>	<b>25.00</b>	<b>0.656</b>

#### Big Tickets

**Table 2C** summarises progress made by portfolio on implementing Big Ticket items totalling **£14.874m**. At this stage **£1.800m** (12.1%) is not expected to be achieved, although most of this is being contained by alternate management action within directorates.

TABLE 2C: BIG TICKETS					
PORTFOLIO	2014/15 TOTAL £m	PROGRESS @ 31.12.14 £m	TO BE REALISED		FORECAST YEAR END £m
			£m	%	
Adults, Commissioning and Health	<b>(6.893)</b>	(5.273)	<b>(1.620)</b>	23.50	<b>(7.031)</b>
Children's Services	<b>(1.386)</b>	(0.665)	<b>(0.722)</b>	52.06	<b>(0.866)</b>
Community Services	<b>(0.370)</b>	(0.278)	<b>(0.093)</b>	25.00	<b>(0.370)</b>
Energy and Sustainability	<b>(1.900)</b>	(1.425)	<b>(0.475)</b>	25.00	<b>(1.900)</b>
Leisure and Culture	<b>(0.825)</b>	(0.619)	<b>(0.206)</b>	25.00	<b>(0.825)</b>
Planning and Transportation	<b>(1.758)</b>	(1.346)	<b>(0.413)</b>	23.46	<b>(1.758)</b>
Resources and N'hood Regen.	<b>(1.742)</b>	(0.347)	<b>(1.395)</b>	80.09	<b>(0.304)</b>
<b>TOTAL</b>	<b>(14.874)</b>	<b>(9.951)</b>	<b>(4.922)</b>	<b>33.09</b>	<b>(13.074)</b>

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

### Pressures

**£2.510m** of pressures are included within the 2014/15 budget. **Table 2D** shows that all pressures are expected to be used by 31 March 2015.

TABLE 2D: PRESSURES					
PORTFOLIO	2014/15 TOTAL £m	POSITION @ 31.12.14 £m	TO BE USED		FORECAST YEAR END POSITION £m
			£m	%	
Adults, Commissioning and Health	<b>1.614</b>	1.211	<b>0.404</b>	25.00	<b>1.614</b>
Children's Services	<b>0.750</b>	0.563	<b>0.188</b>	25.00	<b>0.750</b>
Resources & N'hood Regen.	<b>0.146</b>	0.125	<b>0.021</b>	14.54	<b>0.146</b>
<b>TOTAL</b>	<b>2.510</b>	<b>1.898</b>	<b>0.612</b>	<b>24.39</b>	<b>2.510</b>

### **Movement of Resources**

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

### **Movements in Earmarked Reserves**

Earmarked reserves are funds set aside for specific purposes. At 1 April 2014 the balance of earmarked reserves was **£148m** and includes schools statutory reserves, insurance and risk management reserves and Private Finance Initiative (PFI). During the year to date there is projected to be a net movement of **£7.485m** in earmarked reserves.

**Table** summarises the movements in each category of reserves during 2014/15. **Appendix D** provides more details of movement in reserves.



<b>TABLE 3: NET MOVEMENTS IN RESERVES</b>	
<b>TYPE OF TRANSFER</b>	<b>TOTAL £m</b>
Replenishment of existing reserve	(1.071)
Use of existing reserves	13.075
PFI/ BSF development costs	(1.334)
Previous MTFP decisions	(3.670)
<b>Grand Total</b>	<b>7.000</b>

In addition to the above there are net movements of **£0.485m** to capital schemes.

As part of the 2015/16 budget process, a review of earmarked balances has been undertaken to establish the purpose of the reserves and the likely timescale that these reserves will be utilised.

There are 5 main categories of earmarked reserves that the Council holds:

- Sums set aside for major schemes, such as capital developments, or to fund
- Transition and transformation
- Insurance and risk management
- Potential Liabilities
- School Balances
- Other specific

In 2014/15 earmarked reserves have been re-categorised to reflect the above and to realign to commitments against the capital programme and to reflect the level of risk and uncertainty associated with major capital schemes. Further details can be found in the **Appendix D**.

### **Public Sector Housing – Revenue Element Overview**

The HRA budget was approved by City Council in March 2014 and budgeted for a working balance of **£4.045m** brought forward at 31 March 2014 and closing balance of **£4.000m** at 31 March 2015. The working balance acts as a contingency to cover unexpected significant expenditure or loss of income.

### **Working Balance Brought Forward - increase of £0.809m**

The actual position of the Working Balance carried forward from 2013-14 was **£4.854m**, which is an increase of **£0.809m** from that reported in the Budget. This was due to slippage in the capital programme, details of which were set out in the outturn report considered by Executive Board in June 2014.

### **Direct Revenue Finance: increase of £0.504m**

The increase in the working balance is applied as Direct Revenue Financing, reflecting slippage in the capital programme from 2013-14.

### **PV cells: increased expenditure of £0.080m**

Expenditure required on monitoring equipment and maintenance of PV cells.

### **Mobile phone mast income: reduced by £0.015m**

Reduced income from mobile phone masts previously sited on the Lenton flats that have been demolished.

**Capital Charges: increased by £0.210m**

Increased interest costs due to decisions taken to finance new build programme.

**Table 4** shows the revised working balance at 31 March 2015.

<b>Table 4: HOUSING REVENUE ACCOUNT WORKING BALANCE</b>	
Estimated balance at 31 March 2015	<b>£m</b> <b>4.000</b>
<b>Add</b>	
Increased working balance b/f 2013/14	0.809
	4.809
<b>Less</b>	
Increased Direct Revenue Finance	(0.504)
PV cells	(0.080)
Mobile Phone mast income	(0.015)
Capital Charges	(0.210)
<b>Revised working balance 2014/15</b>	<b>4.000</b>

**Capital Programme - Overview**

**Appendix A** details the programme by portfolio. Actual expenditure to 31 December 2014 is **£80.197m** representing **41.5%** of the revised budget for 2014/15 as detailed in **Appendix B**. The forecast spend for 2014/15 is **£193.332m**.

**Capital Programme – General Fund**

**Table 5** shows the General Fund forecast spend for 2014/15 as **£128.325m**; a reduction of **£25.235m** since quarter 2, reflecting the combined impact of approvals in the period, slippage and re-phasing of schemes. Actual expenditure to 31 December 2014 is **£49.350m**; representing **38.5%** of the 2014/15 forecast.

<b>TABLE 5 : GENERAL FUND CAPITAL PROGRAMME AND RESOURCES</b>							
<b>PORTFOLIO</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Local Transport Programme	22.974	25.938	23.871	16.369	0.000	0.000	89.152
Education / BSF	15.990	13.658	5.647	0.000	0.000	0.000	35.295
Other Services	72.624	167.762	26.360	11.901	13.818	7.988	300.453
Schemes in Development	16.737	93.262	112.582	46.800	19.800	0.000	289.180
<b>Total Programme</b>	<b>128.325</b>	<b>300.620</b>	<b>168.460</b>	<b>75.070</b>	<b>33.618</b>	<b>7.988</b>	<b>714.080</b>
<b>Resources</b>							
Resources b/fwd	26.318	0.000	0.000	0.000	0.000	0.000	26.318
Prudential Borrowing	53.185	201.003	111.388	50.217	8.576	0.594	424.962
Grants & Contribution	45.507	64.497	53.268	22.709	19.850	6.494	212.325
Internal Funds / Revenue	11.374	7.986	1.664	2.610	3.050	1.494	28.178
Secured Capital Receipts	4.646						4.646
<b>Subtotal Resources</b>	<b>141.030</b>	<b>273.486</b>	<b>166.320</b>	<b>75.536</b>	<b>31.476</b>	<b>8.582</b>	<b>696.429</b>
Capital Receipts Unsecured	4.548	7.019	2.070	1.100	2.995	0.000	17.731

<b>TOTAL RESOURCES</b>	<b>145.578</b>	<b>280.504</b>	<b>168.390</b>	<b>76.636</b>	<b>34.471</b>	<b>8.582</b>	<b>714.160</b>
<b>Cumulative (Surplus)/Shortfall</b>	<b>(17.253)</b>	<b>2.862</b>	<b>2.932</b>	<b>1.366</b>	<b>0.513</b>	<b>(0.080)</b>	<b>(0.080)</b>

### Capital Receipts

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

Capital receipts received by 31 December 2014 total **£4.646m**, and **£17.731m** of risk assessed unsecured receipts have been included in the programme (the full current market value of the risk assessed capital receipts is **£25.994m**).

### Capital Programme – Housing Revenue Account

The HRA capital programme has been remodelled and the changes are now presented for approval. The programme increase is **£70.318m**. **Table 6** shows the revised Q3 programme and 2014/15 forecast spend of **£65.007m**. Actual spend to 31 December is **£30.874m**; 47.5% of forecast. Further information appears in the HRA MTFP in **Annex 4**.

<b>TABLE 6 : PUBLIC SECTOR HOUSING CAPITAL INVESTMENT – PROGRAMME MOVEMENT</b>							
<b>CATEGORY</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
Existing Programme	67.324	72.339	44.857	36.788	32.980	0.000	254.288
New/amended schemes	(2.317)	(5.362)	19.970	14.606	9.039	34.382	70.318
<b>TOTAL PROGRAMME</b>	<b>65.007</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>

**Table 7** shows the revised five year capital programme, and the resources available.

<b>TABLE 7 : PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCES</b>							
<b>PORTFOLIO</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Total Public Sector Housing Programme</b>	<b>65.007</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>
<b>Resources Available</b>							
Resources b/fwd	49.484	-	-	-	-	-	49.484
Prudential Borrowing	-	9.025	6.000	7.351	6.450	-	28.826
Grants & Contribution	14.992	2.175	5.022	0.653	1.307	0.815	24.964
Major Repairs Allowance	29.001	29.001	29.001	29.001	29.001	29.001	174.006
Internal Funds / Revenue	6.574	6.635	6.987	8.371	8.720	8.720	46.007
Capital Receipts secured	2.021	-	-	-	-	-	2.021
<b>Subtotal Resources</b>	<b>102.072</b>	<b>46.836</b>	<b>47.010</b>	<b>45.376</b>	<b>45.478</b>	<b>38.536</b>	<b>325.308</b>
Capital Receipts Unsecured	0.994	4.048	8.454	3.359	-	-	16.855
<b>Total Resources</b>	<b>103.066</b>	<b>50.884</b>	<b>55.464</b>	<b>48.735</b>	<b>45.478</b>	<b>38.536</b>	<b>342.163</b>

<b>Future commitment to maintaining decency</b>							<b>17.557</b>
<b>Cumulative (Surplus)/Shortfall</b>	<b>(38.059)</b>	<b>(21.966)</b>	<b>(12.603)</b>	<b>(9.944)</b>	<b>(13.403)</b>	<b>(17.557)</b>	<b>0.000</b>

**APPENDIX A**

<b>CAPITAL PROGRAMME FORECAST SPEND AS AT QUARTER 3</b>							
<b>PORTFOLIO</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Housing, Regeneration &amp; Communities</b>							
Public Sector Housing Programme	65.007	66.977	64.827	51.394	42.019	34.382	324.606
<b>Planning and Transportation</b>							
Local Transport Plan	22.974	25.938	23.871	16.369	0.000	0.000	89.152
<b>Children's Services</b>							
Education / BSF	15.990	13.658	5.647	0.000	0.000	0.000	35.295
<b>Total Specific Block</b>	<b>103.971</b>	<b>106.573</b>	<b>94.345</b>	<b>67.763</b>	<b>42.019</b>	<b>34.382</b>	<b>449.053</b>
<b>Other Services</b>							
Adults, and Health	2.239	1.716	0.550	0.000	0.000	0.000	4.505
Children's Services	0.586	0.046	0.000	0.000	0.000	0.000	0.632
Leisure and Culture	17.682	6.515	2.014	5.500	7.500	7.988	47.199
Planning and Transportation	21.119	123.233	12.357	3.500	3.500	0.000	163.709
Energy & Sustainability	3.372	3.595	3.962	1.561	0.951	0.000	13.441
Community Safety, Housing & Vol Sector	3.178	3.137	2.937	1.250	1.250	0.000	11.752
Strategic Regeneration and Schools	7.741	9.085	0.000	0.000	0.000	0.000	16.826
Community Services	1.756	2.669	0.750	0.000	0.000	0.000	5.175
Resources/Neighbourhood Regeneration	14.951	17.766	3.790	0.090	0.617	0.000	37.214
<b>Total Other Services</b>	<b>72.624</b>	<b>167.762</b>	<b>26.360</b>	<b>11.901</b>	<b>13.818</b>	<b>7.988</b>	<b>300.453</b>
<b>Schemes in Development</b>	<b>16.737</b>	<b>93.262</b>	<b>112.582</b>	<b>46.800</b>	<b>19.800</b>	<b>0.000</b>	<b>289.180</b>
<b>TOTAL PROGRAMME</b>	<b>193.332</b>	<b>367.597</b>	<b>233.287</b>	<b>126.464</b>	<b>75.637</b>	<b>42.370</b>	<b>1,038.686</b>
<b>Resources</b>							
Resources b/fwd	75.802	0.000	0.000	0.000	0.000	0.000	75.802
Prudential Borrowing	53.185	210.028	117.388	57.568	15.026	0.594	453.788
Grants & Contribution	60.499	66.672	58.290	23.362	21.157	7.309	237.289
Major Repairs Allowance	29.001	29.001	29.001	29.001	29.001	29.001	174.006
Internal reserves / Revenue	17.948	14.621	8.651	10.981	11.770	10.214	74.185
Capital Receipts secured	6.667	0.000	0.000	0.000	0.000	0.000	6.667
<b>Subtotal Resources</b>	<b>243.102</b>	<b>320.322</b>	<b>213.330</b>	<b>120.912</b>	<b>76.954</b>	<b>47.118</b>	<b>1,021.737</b>
Capital Receipts Unsecured	5.542	11.067	10.524	4.459	2.995	0.000	34.586
<b>TOTAL RESOURCES</b>	<b>248.644</b>	<b>331.388</b>	<b>223.854</b>	<b>125.371</b>	<b>79.949</b>	<b>47.118</b>	<b>1,056.323</b>
Maintaining Decency HRA							<b>17.557</b>
<b>ANNUAL CASHFLOW (SURPLUS) / SHORTFALL</b>	<b>(55.312)</b>	<b>36.209</b>	<b>9.433</b>	<b>1.093</b>	<b>(4.312)</b>	<b>(4.748)</b>	<b>(0.080)</b>

**APPENDIX B**

<b>CAPITAL PROGRAMME EXPENDITURE AT QUARTER 3</b>				
<b>PORTFOLIO</b>	<b>2014/15</b>			
	<b>Forecast (as at Quarter 3)</b>	<b>Actual</b>	<b>Variance</b>	<b>Spend to Estimate</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>
<b>Ringfenced:</b>				
<b>Housing, Regeneration &amp; Communities</b>				
Public Sector Housing Programme	65.007	30.847	(34.160)	47.5
<b>Planning and Transportation</b>				
Local Transport Programme	22.974	10.944	(12.030)	47.6
<b>Children's Services</b>				
Education / BSF	15.990	6.381	(9.609)	39.9
<b>Total</b>	<b>103.971</b>	<b>48.172</b>	<b>(55.799)</b>	<b>46.3</b>
<b>Other Services:</b>				
Adults, Commissioning and Health	2.239	1.237	(1.002)	55.2
Children's Services	0.586	0.177	(0.409)	30.2
Leisure and Culture	17.682	8.823	(8.859)	49.9
Planning and Transportation	21.119	9.124	(11.995)	43.2
Energy & Sustainability	3.372	0.419	(2.953)	12.4
Community Safety, Housing & Vol Sector	3.178	1.537	(1.641)	48.4
Strategic Regeneration and Schools	7.741	2.497	(5.244)	32.3
Community Services	1.756	1.138	(0.618)	64.8
Resources/Neighbourhood Regeneration	14.951	7.073	(7.878)	47.3
<b>Total</b>	<b>72.624</b>	<b>32.025</b>	<b>(40.599)</b>	<b>44.1</b>
<b>Schemes in Development</b>	<b>16.737</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL PROGRAMME</b>	<b>193.332</b>	<b>80.197</b>	<b>(113.135)</b>	<b>41.5</b>

**VIREMENT 2014-15 REQUIRING EXECUTIVE BOARD APPROVAL**

**APPENDIX C**

Details	Net Amount	Department		Portfolio	
	£m	From	To	From	To
Pay (Increments/Allowances) adjustment	0.020	Childrens & Adults	Corporate Budgets	Adults, Commissioning & Health (ACH)	Resources & Neighbourhood Regeneration (RNR)
	0.009			Strategic Regeneration & Schools (SRS)	
	0.067			Children's Services (CHS)	
	0.068	Community Services		Community Safety, Housing & Voluntary Sector (CSHVS)	
	0.034			Leisure & Culture (LCT)	
	0.006			Planning & Transportation (PLT)	
	0.006			Community Services (CYS)	
	0.001			CSHVS	
	0.001			Jobs & Growth (JGR)	
	0.015	PLT			
	0.045	Resources		within RNR	
	0.001	Chief Executive		within RNR	
	0.002	Childrens & Adults		within RNR	
	0.006	Development & Growth		within RNR	

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	<b>Net Amount</b>	<b>Department</b>		<b>Portfolio</b>	
<b>Details</b>	<b>£m</b>	<b>From</b>	<b>To</b>	<b>From</b>	<b>To</b>
Realignment within Neighbourhood Services	0.001	within Community Services		ACH	Community Services (CYS)
Adjustment relating to Better Care Fund	0.019	Childrens & Adults	Community Services	ACH	CSHVS
Realignment between Quality & Commissioning and Children's Social Care	0.170	within Childrens & Adults		ACH	CHS
operational adjustment relating to Neighbourhood Development Officers	0.006	Childrens & Adults	Community Services	ACH	CYS
Performance & Improvement team / Commercial Services realignment	0.218	within Community Services		PLT	CYS
EE Development Officer costs	0.096	within Community Services		Energy & Sustainability (ESU)	RNR
	0.080			RNR	PLT
Royal Centre	0.229	Development & Growth	Community Services	within LCT	
Customer Access Programme	0.044	Resources	Chief Executive	within RNR	
Realign BSF PFI budgets & BSF project management	0.230	within Development & Growth		RNR	SRS
	<b>1.372</b>				



**MOVEMENTS IN RESERVES REQUIRING APPROVAL 2014/15**

**APPENDIX D**

<b>Description</b>	<b>PFI Development £m</b>	<b>Previous MTFP/Out- turn Decision £m</b>	<b>Replenish Reserves £m</b>	<b>Use of Reserves £m</b>	<b>Grand Total £m</b>
Drawdown of 2013/14 carry forward - Adult provision Uniform				0.068	0.068
Drawdown of 2013/14 carry forward - Care Plan				0.010	0.010
Drawdown of 2013/14 carry forward - NCH Capital Management.				0.051	0.051
Drawdown of 2013/14 carry forward Signage and Branding				0.025	0.025
Transitional support for housing related Support activity				2.277	2.277
<b>Total Adults, Commissioning &amp; Health</b>				<b>2.431</b>	<b>2.431</b>
Apprentices				0.007	0.007
Drawdown of 2013/14 carry forward Children & Families				0.500	0.500
Increase in CAMHS team resource to support the rising number of CIC requiring bespoke therapeutic needs				0.053	0.053
Social worker back fill, delivery of corporate savings and continued service improvements				0.048	0.048
Temporary project support to enable the social worker recruitment and retention.				0.039	0.039
To fund Early Intervention Grant Budget Reduction				0.309	0.309
Drawdown of C&F transitional reserve				2.475	2.475
<b>Total Children's Services</b>				<b>3.431</b>	<b>3.431</b>

MOVEMENTS IN RESERVES REQUIRING APPROVAL 2014/15

APPENDIX D

Description	PFI Development £m	Previous MTFP/Out- turn Decision £m	Replenish Reserves £m	Use of Reserves £m	Grand Total £m
HMO Licence fees			(0.083)		(0.083)
Update/Upgrade CCTV Equipment			(0.100)		(0.100)
<b>Total Community Safety, Housing &amp; Voluntary Sector</b>			<b>(0.183)</b>		<b>(0.183)</b>
Funding of Nottingham Apprentice Scheme				0.071	0.071
<b>Total Community Services</b>				<b>0.071</b>	<b>0.071</b>
Carry forward/ movements of budget from 2013/14 outturn		(2.298)			(2.298)
Previous MTFP decisions		(1.372)			(1.372)
<b>Total Corporate</b>		<b>(3.670)</b>			<b>(3.670)</b>
To fund expenditure on development of business case for Materials Reclamation Facility				0.100	0.100
<b>Total Energy &amp; Sustainability</b>				<b>0.100</b>	<b>0.100</b>
Delegated Decision 0654 approved the establishment of the Creative Quarter Loan fund to support access to credit for local businesses.				0.262	0.262
Enterprise Zone employer engagement in partnership with the Local Enterprise Partnership to improve skills and employment prospects. 2014/15 is final year of activities as per Delegated Decision				0.317	0.317
Delivery of the Nottingham Growth Plan				0.670	0.670
Final instalment of support toward Employer Hub cost to match external funding				0.046	0.046

**MOVEMENTS IN RESERVES REQUIRING APPROVAL 2014/15**

**APPENDIX D**

<b>Description</b>	<b>PFI Development £m</b>	<b>Previous MTFP/Out- turn Decision £m</b>	<b>Replenish Reserves £m</b>	<b>Use of Reserves £m</b>	<b>Grand Total £m</b>
Investment in the Foresight Nottingham Fund, to support high growth businesses in Nottingham via the Nottingham Investment Fund.				0.156	0.156
Investment in the Nottingham Social Investment Fund, in partnership with The Key Fund and Social Enterprise East Midlands				0.250	0.250
Replenishment of Growing Places reserve in respect of interest from loans awarded. Resources to be used for due diligence costs for future loans			(0.002)		(0.002)
<b>Total Jobs &amp; Growth</b>			<b>(0.002)</b>	<b>1.701</b>	<b>1.699</b>
Annual Contribution to lawn tennis association, Southglade football pitches and Forest recreation ground sinking funds			(0.074)		(0.074)
Contribution to Sports Zone project - Tree Works				0.030	0.030
Donations received from patrons to contribute toward Royal Centre investment.			(0.015)		(0.015)
Estimated cost of repairs at Southglade football pitches				0.015	0.015
Royal Centre capital investment strategy covering replacement of Concert Hall seats & theatre lift capital expenditure				0.032	0.032
Tennis Centre Court Resurfacing				0.008	0.008
Tree survey – work complete in 2014/15				0.020	0.020
<b>Total Leisure &amp; Culture</b>			<b>(0.089)</b>	<b>0.105</b>	<b>0.016</b>

**MOVEMENTS IN RESERVES REQUIRING APPROVAL 2014/15**
**APPENDIX D**

<b>Description</b>	<b>PFI Development £m</b>	<b>Previous MTFP/Out- turn Decision £m</b>	<b>Replenish Reserves £m</b>	<b>Use of Reserves £m</b>	<b>Grand Total £m</b>
Contribution to Street Lighting Private Finance Initiative reserve to cover future years costs during 25 year Private Finance Initiative contract	(0.369)				(0.369)
Shop mobility scooter contributions.			(0.002)		(0.002)
Mobile Data Terminals, Installation and Training Licences				0.073	0.073
Annual contribution - Planning Policy requires substantial expenditure on Inquiries and Examinations on a periodic basis (usually every 4/5 years.)				(0.046)	(0.046)
Reserve established for potential match funding in seeking external grant to address flood risk areas in Nottingham. Approvals in place for support joint working with partner agencies			(0.079)		(0.079)
Transport Modelling and design work in respect of Broadmarsh development				0.015	0.015
<b>Total Planning &amp; Transportation</b>	<b>(0.369)</b>		<b>(0.082)</b>	<b>0.042</b>	<b>(0.409)</b>
Temporary support for finance improvement activity				0.091	0.091
Annual contribution to St Anns JSC lifecycle sinking fund			(0.081)		(0.081)
Project support for financial management system DDM1480				0.075	0.075
Building maintenance costs - Douglas Primary				0.036	0.036
Business Support Programme				0.036	0.036

**MOVEMENTS IN RESERVES REQUIRING APPROVAL 2014/15**
**APPENDIX D**

Description	PFI Development £m	Previous MTFP/Out-turn Decision £m	Replenish Reserves £m	Use of Reserves £m	Grand Total £m
Drawdown of 2013/14 carry forward to support the cost of peak council tax billing period				0.065	0.065
Children Centre Maintenance				0.168	0.168
Legal advice and Contract completion work for commercial Partnership – contingency 2012/13				0.060	0.060
Major Programme Support for Commercial Partnership - contingency 2013/14				0.017	0.017
IT project upgrade to Windows 7 - contingency 2013/14				0.058	0.058
Drawdown of 2013/14 carry forward for additional capacity in Revenues and Benefits				0.112	0.112
Drawdown of 250k (750k approved from 2013/14 for Organisational change, 250k a year, first year 2013/14). Estimated spend at end of year 419k.				0.419	0.419
Drawdown of contingency agreed 2013/14 - Delivery Model for trading company relating to Revenues and Benefits				0.011	0.011
Drawdown of contingency agreed 2013/14 - Project management for business case of Commercial Partnership for Revenues and Benefits				0.003	0.003
Drawdown of contingency agreed 2013/14 and reserved for use in 2014/15 - Legal advice and contract completion work for commercial partnership				0.039	0.039

**MOVEMENTS IN RESERVES REQUIRING APPROVAL 2014/15**
**APPENDIX D**

Description	PFI Development £m	Previous MTFP/Out- turn Decision £m	Replenish Reserves £m	Use of Reserves £m	Grand Total £m
Drawdown of contingency agreed 2013/14 and reserved for use in 2014/15 - to contribute towards The Women's Network				0.013	0.013
Drawdown of remainder of previously approved transformation funding for East Midlands Shared Service				0.254	0.254
Drawdown to cover costs in relation to the Energy Park				0.040	0.040
Estimated Net Surplus following rates refund in respect of Sandfield Centre			(0.090)		(0.090)
St Anns JSC estimated lifecycle cost incurred				0.003	0.003
Funding to support Advice Nottingham				0.045	0.045
Health & Safety works				0.012	0.012
Income received specifically for dilapidations at Martin Court Industrial Units - repairs likely to take place in 2016/17 after tenancy ends			(0.030)		(0.030)
Income received specifically for dilapidations at Sherwin Road Shop - repairs likely to take place in 2015/16			(0.075)		(0.075)
Internal Jobs Market				0.138	0.138
Language Solutions. Drawdown of 2013/14 carry forward				0.015	0.015
Major Programme Fees for the management of the Farnborough Private Finance Initiative project	0.066				0.066
superannuation scheme adjustment			(0.077)		(0.077)

**MOVEMENTS IN RESERVES REQUIRING APPROVAL 2014/15**
**APPENDIX D**

Description	PFI Development £m	Previous MTFP/Out- turn Decision £m	Replenish Reserves £m	Use of Reserves £m	Grand Total £m
Nottingham Apprentice Scheme				0.002	0.002
One Nottingham. Drawdown of 2013/14 carry forward				0.027	0.027
Project costs for financial management system				0.311	0.311
Planned Maintenance Reserve – Required to cover cost of condition surveys undertaken in 2014/5				0.296	0.296
Acquisition of the new IPAMS system in 2014/15				0.200	0.200
Procurement of Northgate's 'Citizen Access' product to allow an out of hours channel for key transactions				0.066	0.066
Dedicated IT Project resource for 12 months				0.011	0.011
Repairs and maintenance - Southglade Food Park Repairs			(0.050)		(0.050)
Repairs and maintenance- Bulwell Riverside Joint Service Centre	(0.467)				(0.467)
Repairs and maintenance – Clifton Cornerstone	(0.044)				(0.044)
Repairs and maintenance- Mary Potter	(0.223)				(0.223)
Housing Benefits Subsidy Settlement of 2012/13				1.205	1.205
use of workplace strategy for Marketing and Communications activity				0.070	0.070

**MOVEMENTS IN RESERVES REQUIRING APPROVAL 2014/15**
**APPENDIX D**

Description	PFI Development £m	Previous MTFP/Out- turn Decision £m	Replenish Reserves £m	Use of Reserves £m	Grand Total £m
Project support for East Midlands Shared Service Project costs as agreed by DDM				0.571	0.571
Transformation Steering Group temporary employees				0.056	0.056
Removal of the essential car user allowance				0.129	0.129
Year 1 implementation costs of Disclosure Basic Checks @ £25 each and a resource to implement				0.010	0.010
<b>Total Resources &amp; Neighbourhood Regeneration</b>	<b>(0.668)</b>		<b>(0.592)</b>	<b>4.852</b>	<b>3.593</b>
Contribution from the Building Schools for the Future Lifecycle reserve created through approval of the Building Schools for the Future Final Business Case towards Rosehill School	0.070				0.070
Contribution to Building Schools for the Future Private Finance Initiative reserve created through approval of the Building Schools for the Future Final Business Case	(0.437)				(0.437)
Contribution towards the repairs of former school buildings that have been declared surplus due to the Building Schools for the Future programme				0.015	0.015
Establishment of Music Services Charity				0.308	0.308
Fairham School fire clearance	0.070				0.070
Procurement of software to enable the statutory function to record school visits and interaction by members, officers and staff for all schools				0.020	0.020
Under spend of de-delegated maintenance allocation			(0.124)		(0.124)



Description	PFI Development £m	Previous MTFP/Out- turn Decision £m	Replenish Reserves £m	Use of Reserves £m	Grand Total £m
<b>Total Strategic Regeneration &amp; Schools</b>	<b>(0.297)</b>		<b>(0.124)</b>	<b>0.343</b>	<b>(0.078)</b>
Portland Leisure Centre Transfer				0.190	
Royal Centre seats and lift maintenance				0.295	
<b>Total to Capital Schemes</b>				<b>0.485</b>	<b>0.485</b>
<b>TOTAL</b>	<b>(1.334)</b>	<b>(3.670)</b>	<b>(1.071)</b>	<b>13.560</b>	<b>7.485</b>

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# ANNEX 2

## DRAFT REVENUE MTFP 2015/16 to 2017/18

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## 1. INTRODUCTION

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

The Council's Medium Term Financial Plan (MTFP) is the financial representation of the Council's service plans for the next three years.

## 2. THE FINANCIAL FRAMEWORK

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

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

## 3. CONSTRUCTING THE MTFP

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

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

## 4. NATIONAL AND LOCAL CONTEXT

Local Government continues to operate in a very challenging financial environment and there is considerable uncertainty and concern about the future levels of funding. The Government's settlement funding for Nottingham has reduced by **£103m** between 2010/11 and 2015/16.

The main elements of the Local Government Finance Settlement issued on 3 February 2015 were:

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

## Settlement Funding

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

<b>TABLE 1: SETTLEMENT FUNDING</b>	
<b>DESCRIPTION</b>	<b>2015/16 £m</b>
Revenue Support Grant (RSG)	73.792
Retained Business Rates Income	60.348
Business Rates Top-up	27.308
<b>TOTAL SETTLEMENT FUNDING</b>	<b>161.448</b>

The Government has assumed a level of business rates for Nottingham based on its original projections for 2013/14 up-rated by the subsequent annual small business rates multipliers. However, the MTFP has included in **Table 13** the forecast of retained business rates income as reported to DCLG in the NNDR1 return which is **£0.616m** higher than that forecast by DCLG for the settlement.

## Spending Power

“Spending Power” is the Government’s assessment of council resources available to spend on their services. This attempts to assess the total resources over which the Council can exercise discretion in how it can spend its funding; mainly comprising settlement funding, specific grants and council tax. The Government has calculated that Nottingham will receive an overall reduction in spending power of **5.3%** in 2015/16 as set out in **Table 2**. This compares unfavourably with the national average reduction of **2.0%** and an equivalent Core Cities average reduction of **4.5%**.

<b>TABLE 2: SPENDING POWER</b>		
<b>FUNDING TYPE</b>	<b>Adjusted 2014/15 £m</b>	<b>2015/16 £m</b>
Settlement Funding Assessment	191.458	161.448
Specific Grants	9.001	10.689
<b>TOTAL GRANT FUNDING</b>	<b>200.459</b>	<b>172.137</b>
Council Tax (assumed by DCLG)	85.835	86.102
Pooled NHS & LA Better Care Fund / Adult Social Care New Burdens	11.833	22.722
<b>REVENUE SPENDING POWER</b>	<b>298.127</b>	<b>280.961</b>
Public Health Grant (ring fenced)	27.839	27.839
<b>REVENUE SPENDING POWER (including Public Health Grant)</b>	<b>325.966</b>	<b>308.800</b>
Year on Year Reduction (£m)		(17.166)
Year on Year Reduction (%)		<b>-5.3%</b>

## **Retained Business Rates**

With the localisation of business rates it is necessary for each authority to estimate the amount of business rates to be collected in 2015/16. The monitoring and estimating of business rates is a local responsibility which transfers financial risks to the council. It has a much greater degree of volatility than council tax due to uncertainties surrounding properties and in particular outstanding appeals.

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

The rateable value of businesses in Nottingham is **£318.897m** (NNDR1 January 2015). There are currently numerous rating appeals lodged with the government's Valuation Office in respect of rateable values. Not all of these will be successful either in full or part. The cost of any successful appeals would be met from the monies received, and hence there will be a considerable degree of uncertainty and volatility in the actual level of income received by the Council in any one year.

In his Autumn Statement on 3 December, the Chancellor announced that the expected RPI increase in the small business rates multiplier for 2015/16 will again be capped at the equivalent of 1.91%. Councils will be fully refunded for any loss in revenue resulting from this change through a section 31 grant. An estimate for this compensating grant has been included in the MTFP based on the information collated in the NNDR1 business rates return to DCLG.

## **Top-up**

Under the retained business rates scheme any authority with business rates income of less than their initial baseline funding level, as is the case for Nottingham, will receive the balance as a 'top-up'. Top-up will be a continuing feature of future funding settlements and will be annually up-rated in line with the small business rates multiplier. For 2015/16 the up-rating is 1.91%.

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

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

## **Specific Grants**

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

### ▪ **Local Reform and Community Voices**

This DoH grant funds the following:

- Deprivation of Liberty Safeguards (DOLS) in Hospitals;
- Local Healthwatch funding;
- Independent Complaints Advocacy Service (ICAS) to local authorities

The City Council has been allocated **£0.209m** in 2015/16 to fund the additional expenditure to provide these services

- **New Homes Bonus (NHB)**  
The non-ring fenced NHB grant was introduced in 2011/12 to incentivise councils to increase their housing supply by match-funding each year the council tax on every new home for each of the following six years. The final 2015/16 NHB for Nottingham was announced on 2 February 2015 as **£4.730m**. On 3 February 2014 the Government also announced **£0.281m** additional one-off funding from the national unused NHB top-slice from the finance settlement.
- **Council Tax New Burden Grant**  
The introduction of the Council Tax Support Scheme from 1 April 2013 will increase the administrative cost of the Council Tax collection and recovery services as well as the additional cost of publicising and promoting the scheme. The Government has provided funding of **£0.106m** in 2015/16.
- **Local Council Tax Support & Housing Benefit Administration Subsidy Grant**  
The City Council received subsidy of **£2.770m** in 2015/16 to fund the authority in their statutory duty to administer and process Housing Benefit and Council Tax Support claims and directly related enquiries.

### **Additional Grants outside the Settlement**

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

#### Better Care Funding

Funding from Health is delivered through a single pooled budget to support closer integration between health and social care to improve outcomes for patients, citizens and carers. This is a continuation and further investment of the 'NHS Funding for Social Care which also Benefits Health' funding transfer. The City Council allocation is **£11.125m** in 2015/16.

#### Grants to Support the Implementation of the Care Act

##### DoH Grant

- Social Care in Prisons Grant – allocation of **£0.162m**

##### DCLG Grants

- Early Assessments Revenue Grant– allocation of **£0.559m**
- Deferred Payment Agreement Revenue Grant – allocation of **£0.383m**
- Carers and Care Act Implementation Revenue Grant – allocation of **£0.358m**

#### Public Health

From 2013/14 councils have received a ring fenced Public Health (PH) Grant from the DoH which supports the responsibilities transferred from the NHS for Public Health. The Health and Social Care Act 2012 provided the statutory basis for councils to assume their new responsibilities in April 2013. The Public Health grant is a ring fence grant to:

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

Nottingham received an allocation of **£27.081m** in 2013/14 and **£27.839m** in 2014/15 and 2015/16.

### Dedicated School Grant (DSG)

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

The delegated budgets are calculated based on factors which align to the Department of Education (DfE) guidance; the use of factors is to ensure a consistent national approach to the setting of schools budgets.

DSG funding supports 3 blocks, Schools, Early Years and High Needs with each allocated budgets for:

- Educational provision – set through the national formula.
- De-delegated Services - specific, for maintained schools only and approved by Schools Forum and
- Central expenditure approved by Schools Forum.

The 2015/16 DSG allocation includes the following adjustments:

- Early Years - Funding for 2 year olds was included in the initial settlement figure for 2014/15 and this funding was based on a place basis. For 2015/16 the 2 year old funding will be based on participation and will be confirmed and allocated in summer 2015 therefore, 2015/16 indicative budgets exclude 2 year old funding which was **£7.142m** in 2014/15.

The national target is for 40% of lower income households to take up the offer of 2 year old educational places, this represents c2,700 children for Nottingham.

- Early Years – Inclusion of Early Years indicative Pupil Premium of **£0.525m**.
- High Needs Block – the funding settlement for 2015/16 includes a growth allocation of **£0.710m**; national growth was funded at **£47m**.
- The transfer of responsibility to the Local Authority for non recoupment academies and free schools budget allocation.
- An adjustment for CRC Energy Efficiency Scheme rates.
- The minimum funding guarantee will continue at minus 1.5% per pupil.

Nottingham's indicative DSG for 2015/16 is **£233.001m** excluding 2 year old funding; this funding was **£7.142m** in 2014/15.

The 2014/15 DSG was **£228.737m** in total (**£221.595m** excluding 2 year olds). The pre 2 year old increase for 2015/16 is **£11.406m** as shown in **Table 3**:

<b>TABLE 3: INCREASE IN DSG 2015/16</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Early Years Pupil Premium	0.525
High Needs growth	0.710
Schools pupil growth	3.825
Transfer of responsibility for non recoupment academies and free schools	6.382
Adjustment for CRC Energy Efficiency Scheme	-0.036
<b>TOTAL INCREASE</b>	<b>11.406</b>



The allocation of 2015/16 DSG is shown in **Table 4**:

<b>TABLE 4: DSG ALLOCATIONS 2015/16</b>			
<b>DESCRIPTION</b>	<b>DIRECT TO SCHOOLS £m</b>	<b>CENTRALLY RETAINED £m</b>	<b>TOTAL £m</b>
Maintained Schools	69.371		69.371
Academies	110.866		110.866
Non Recoupment Academies	6.382		6.382
Growth contingency	1.047		1.047
Early years		11.204	11.204
High needs		25.007	25.007
Centrally retained		9.124	9.124
Headroom		0.000	0
<b>TOTAL</b>	<b>187.666</b>	<b>45.335</b>	<b>233.001</b>

## **5. DRAFT MTFP 2015/16 – 2017/18**

This section provides an update to the draft MTFP report presented to December Executive Board. Several details have been updated following the results of the settlement, further clarification from Government and the outcomes of the consultation exercise.

### **Budget Overview and Headlines**

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

- a 2015/16 net General Fund revenue budget of **£255.814m**;
- a council tax requirement of **£89.108m** and council tax increase of **1.95%**;
- provision for appropriate levels of inflation;
- provision for new pressures of **£0.759m** arising from demographics and additional demands (extra **£0.202m** for Children in Care and **£0.557m** for Adults respectively);
- a general contingency of **£2.000m**;
- a continuing impact of previous proposals already included in the MTFP of **£4.820m** pressures, **£0.212m** developments and **£3.734m** net savings, totalling an overall **£1.297m** increase;
- new budget reduction and income generation proposals of **£25.003m**

## General Fund Revenue Budget

**Table 5** summarises the changes required to update the 2014/15 base budget to refresh the starting point for the 2015/16 budget.

<b>TABLE 5: BUDGET REFRESH</b>				
<b>DESCRIPTION</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>TABLE</b>
Inflation	6.457	19.024	27.473	<b>6A&amp;B</b>
Corporate Adjustments	(4.896)	(7.243)	(7.166)	
Previous MTFP decisions	1.297	(2.850)	(1.335)	<b>8</b>
<b>TOTAL</b>	<b>2.859</b>	<b>8.931</b>	<b>18.973</b>	

Adjustments have been made to reflect estimated pay award, non-pay inflation, the continuing impact of previous MTFP decisions, the removal of one-off proposals in the last budget and other corporate adjustments such as anticipated movements in the financing of the capital programme and the Council's debt portfolio.

### Inflation

**Tables 6A** and **6B** show the pay, general and specific inflation currently assumed for 2015/16 and subsequent years.

<b>TABLE 6A: INFLATION – EMPLOYEE AND GENERAL</b>			
<b>DESCRIPTION</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
Direct Employees	3.522	12.200	17.428
General Inflation	1.475	3.120	4.774
<b>TOTAL</b>	<b>4.997</b>	<b>15.321</b>	<b>22.202</b>

Direct Employee increases relating to pay award for 2015/16 are in line with the national pay award agreements i.e. 2.2% increase from January 2015 for GLPC grades. For 2016/17 and 2017/18 1% pay award has been assumed.

Direct Employee increases for increments are to pay increments for grade A-D in 2015/16 in line with the February 2014 Appointments & Conditions of Service sub-committee.

Pension contributions have been projected based on information from the actuary based on the triennial valuation of the pension fund.

Provision has also been made in future years for the introduction of single-tier state pensions in 2016/17 and pension auto-enrolment in 2017/18:

- Single-tier pensions will require employers with contracted-out schemes to begin paying the standard rate of NI contributions - an increase for each contracted-out employee of 3.4% of relevant earnings.
- Changes to pension law require us to auto enrol colleagues into the pension scheme. This will be implemented on the 1 October 2017.

<b>TABLE 6B: INFLATION – SPECIFIC</b>			
<b>DESCRIPTION</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
- Concessionary Fares	0.715	1.453	2.133
- Electricity	0.335	0.698	1.090
- Gas	0.046	0.120	0.199
- Fuel	0.000	0.025	0.049
- Rates	0.089	0.205	0.325
- Waste Disposal	0.277	1.203	1.476
<b>TOTAL</b>	<b>1.460</b>	<b>3.704</b>	<b>5.271</b>

### Corporate Adjustments

Corporate adjustments include anticipated movements in the financing of the capital programme and the debt portfolio, movements in reserves due to the NET Line 2 PFI, net impact of changes in specific grants and various technical changes related to one-off activity in the 2014/15 budget.

In addition a review of all corporate items was undertaken as part of the budget process leading to a budget reduction of **£1.873m** in 2015/16 from reduced pension contributions, service realignment costs and corporate contingency.

### General Reserves

The MTFS requires opening general reserves (sometimes known as the *working balance*) of between **2%** and **4%** of the total net General Fund revenue budget each year. The precise level within this range is informed by the risk assessment; the higher the level of risk, the higher the reserve. The MTFP includes a recommended opening balance in 2015/16 of **£9.500m** representing **3.7%** which is considered appropriate given the level of risk in the budget. Details are provided in **Annex 5**.

### Earmarked Reserves

Earmarked reserves are funds set aside for specific purposes. At 1 April 2014 the balance of earmarked reserves was **£148m** and includes Schools Statutory Reserves, Insurance and risk management reserves and Private Finance Initiative (PFI).

A review of earmarked balances has been performed to establish the purpose of the reserves and the likely timescale that these reserves will be utilised. During the course of 2014/15 it is anticipated that a net **£7.485m** will be released from earmarked reserves to fund known commitments and a further net **£7.167m** will be utilised in 2015/16.

In addition a number of movements have been made within the overall reserve balances to realign to commitments against the capital programme and to reflect the level of risk and uncertainty associated with major capital schemes.

**Table 7** summarises the movements in reserves and the net impact on the budget for 2015/16. **Appendix A** provides more details of the movement in reserves which require approval.

<b>TABLE 7: NET MOVEMENT IN RESERVES</b>	
<b>TYPE OF TRANSFER</b>	<b>TOTAL £m</b>
Replenishment of existing reserve	(0.651)
Use of existing reserves	7.454
<b>TOTAL</b>	<b>6.803</b>

In addition to the above there are approved net movements of **£0.364m** to capital schemes.

#### Previously agreed MTFP decisions

**Table 8** summarises the impact on the 2015/16 budget of decisions made in previous budgets. This totals a net increase of **£1.297m** in 2015/16, mostly due to previously agreed pressures in Adult Social Care and Children in Care and the fall out of one-off corporate savings from 2014/15.

<b>TABLE 8: PREVIOUSLY AGREED STRATEGIC CHOICES</b>			
<b>DESCRIPTION</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
Existing Pressures	4.820	7.674	9.869
Existing Developments	0.212	0.712	1.298
Efficiencies & Other Savings	0.771	0.743	0.750
Big Ticket / Transformational Savings	(6.376)	(13.099)	(13.149)
Corporate Proposals	1.871	1.121	(0.102)
<b>TOTAL</b>	<b>1.297</b>	<b>(2.850)</b>	<b>(1.335)</b>

#### New Pressures

As in previous years, the Council continues to face significant cost pressures which have a major impact on the MTFP. **Table 9** details the additional funded pressures of **£0.759m** for 2015/16.

<b>TABLE 9: NEW PRESSURES</b>			
<b>PORTFOLIO</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
CiC Demographics	0.202	1.364	1.991
Adults Demographics	0.557	1.115	2.092
<b>TOTAL</b>	<b>0.759</b>	<b>2.479</b>	<b>4.084</b>

#### New Saving Proposals

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

**Table 10** summarises proposed savings by budgeted portfolios. These will be found from a combination of income generation, demand management, service transformation and efficiencies. **Appendix B** provides further details of all saving proposals by lead portfolios.

<b>TABLE 10: NEW SAVING PROPOSALS</b>			
<b>PORTFOLIO</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
Adults & Health	(7.944)	(7.930)	(9.307)
Children's Services	(2.697)	(2.547)	(4.947)
Commissioning & Voluntary Sector	(0.965)	(0.931)	(1.106)
Community Services	(0.887)	(0.634)	(0.634)
Energy & Sustainability	(0.450)	0.000	0.000
Jobs & Growth	(0.508)	(0.733)	(1.033)
Leisure & Culture	(0.947)	(0.947)	(0.947)
Planning & Transportation	(2.277)	(2.024)	(2.588)
Resources & Neighbourhood Regeneration	(6.632)	(7.043)	(8.861)
Strategic Regeneration & Community Safety	(0.226)	(0.227)	(0.230)
<b>Portfolio Savings</b>	<b>(23.533)</b>	<b>(23.016)</b>	<b>(29.652)</b>
Corporate Proposal - Productivity Initiative	(1.500)	(2.500)	(2.500)
<b>TOTAL</b>	<b>(25.033)</b>	<b>(25.516)</b>	<b>(32.152)</b>

In addition to the portfolio savings, a commitment to an additional cross-cutting saving linked to productivity has been made. Directorates are developing action plans to deliver this initiative which will be managed and implemented alongside existing budget proposals. The initiative will focus on delivering a **great workforce** by improving performance in teams, recognising good work and tackling poor performance alongside a reduction in overall absence levels which will have a positive impact on productivity. The Productivity Initiative is supported by a range of corporate projects including Working Well.

**Table 11** shows the resulting proposed draft overall net budget requirement for 2015/16.

<b>TABLE 11: NET BUDGET REQUIREMENT</b>				
<b>DESCRIPTION</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>TABLE</b>
2014/15 Budget Requirement	277.230	277.230	277.230	
Budget Refresh	2.859	8.931	18.973	<b>5</b>
New Pressures	0.759	2.479	4.084	<b>9</b>
<b>SUB-TOTAL</b>	<b>280.848</b>	<b>288.639</b>	<b>300.286</b>	
Portfolio Savings	(23.533)	(23.016)	(29.652)	<b>10</b>
Corporate Proposal	(1.500)	(2.500)	(2.500)	<b>10</b>
<b>BUDGET REQUIREMENT</b>	<b>255.814</b>	<b>263.123</b>	<b>268.134</b>	

### Funding

The position relating to Retained Business Rate income carries significant risks for the Council. The assumed share of the business rate income is **£60.964m** in 2015/16, which is **£0.616m** above our Business Rate Baseline determined by the Government for the purpose of the settlement.

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

on limited trend information. The NNDR1 return submitted to DCLG in January 2015 estimated the net rates as **£129.215m** with **£1.300m** assumed for bad debts (**1.0%**) and **£4.015m (3.1%)** for appeal repayments, leaving total collectible rates for 2015/16 as **£123.900m**.

The Government has undertaken to compensate councils for the loss of income, suffered as a result of announced changes to the business rates multiplier and various reliefs in both 2014/15 and 2015/16, by grants under section 31 of the Local Government Act 2003 based on estimates submitted in January 2015 as shown in **Table 12**. The impact of these grants has been included within the budget refresh figures.

<b>TABLE 12: SECTION 31 GRANTS (BUSINESS RATES)</b>	
<b>DESCRIPTION</b>	<b>2015/16 £m</b>
Multiplier cap	(0.882)
Small business rates relief	(1.333)
New empty property relief	(0.055)
Long term empty property relief	(0.025)
Retail relief	(0.684)
<b>TOTAL</b>	<b>(2.978)</b>

Under the current scheme 100% of any business rates uplift in both the Enterprise Zone and the Creative Quarter can be retained and ring-fenced for these areas. As reported in the NNDR1 return it is currently estimated that there will no uplift in rates for these areas for 2015/16. There will however be a pro-rata allocation of each element of the Section 31 grants resulting in **£0.194m** being allocated to the Enterprise Zone and the Creative Quarter.

**Table 13** sets out the overall funding assumed within the MTFP.

<b>TABLE 13: FUNDING</b>			
<b>DESCRIPTION</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
Projections			
- Retained Business Rates	(60.964)	(62.488)	(64.050)
- Top Up	(27.308)	(27.991)	(28.691)
- Revenue Support Grant	(73.792)	(59.033)	(47.227)
<b>SUB-TOTAL</b>	<b>(162.064)</b>	<b>(149.513)</b>	<b>(139.968)</b>
100% Retained Business Rates	0.000	0.000	0.000
<b>NET POSITION</b>	<b>(162.064)</b>	<b>(149.513)</b>	<b>(139.968)</b>

#### Collection Fund

The Collection Fund is held separately from the General Fund and accounts for income collected from council tax. An annual in-depth appraisal is undertaken to assess the estimated level of collection (as aggregated to include that relating to the current and previous years), the likely balance of the Fund and to advise the precepting authorities (Fire and Police) of their share of any surplus/deficit. This enables them to take this into account in their own budget calculations. It is estimated that there will be a surplus on the Council Tax collection fund of **£2.450m** for 2015/16. The City Council share of this is **£2.093m**.

In addition there is a collection surplus with respect to business rates of **£5.201m** as reported in the NNDR1 return. The City Council share of this surplus is **£2.548m** and will be prudently allocated to the Funding Risk Reserve created last year and held to protect against any future volatility in business rates collection.

#### Proposed Council Tax

**Table 14** shows the implications for the proposed level of council tax needing to be levied.

If the final budget is in line with the total figures outlined in this report, the proposed total council tax levied for 2015/16 will be **£89.108m**, equating to a Band D of **£1,459.67** and representing an increase of **1.95%**.

<b>TABLE 14: AMOUNT TO BE RAISED BY COUNCIL TAX</b>	
<b>DESCRIPTION</b>	<b>2015/16 £m</b>
Net Budget Requirement	255.814
Funding	(162.064)
Collection Fund – Council Tax	(2.093)
Collection Fund – Business Rates	(2.548)
<b>COUNCIL TAX REQUIREMENT</b>	<b>89.108</b>

#### Council Tax Referendum

On 3 February the Local Government Minister confirmed that any increase in council tax of 2% or more will require a binding referendum to be held.

#### Council Tax Freeze Grant (CTFG)

Councils not increasing their Band D council tax will be eligible to receive a grant equivalent to a 1% of the basic amount of council tax set for 2014/15. This will be calculated excluding the reductions on the council tax base for those citizens receiving council tax support. Nottingham would receive a 2015/16 council tax freeze grant of **£1.108m** if it met the announced criteria.

Reducing the proposed Band D council tax increase of 1.95% to 0% in 2015/16 to receive the council tax freeze grant would add a net pressure of **£0.594m**.

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

Nottingham currently operates on a 3-year rolling MTFO. The outlook for local government is now much more challenging in the light of global, national and regional issues discussed earlier in this report and within the MTFS. In examining proposals for the 2015/16 budget, the Council considers both the immediate situation and the longer term outlook and assesses the impact of decisions accordingly.

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

**Appendices C.1 to C.3** provide detail of the current MTFO for 2015/16 through to 2017/18. The future years' projections assume:

- Council tax increases of **1.95%** in 2015/16 and for each year of the MTFP
- RSG as announced for 2015/16 with a **c20%** reduction in all subsequent years
- Working assumption of nil underlying growth in retained business rates
- National pay award for 2015/16 with assumed **1%** pay award for all future years
- General inflation projections of **0.85%**, **1.15%** and **1.15%** for 2015/16, 2016/17 and 2017/18 respectively
- No further emerging pressures assumed for 2016/17 and 2017/18

All these budget assumptions will be subject to ongoing review in light of changing circumstances. In particular:

- Funding projections will be updated to reflect the public spending plans of the next Government and its impact on the Local Government Financial Settlement
  - There is currently great uncertainty surrounding the possible impact of future Government spending plans on the level of RSG, with the current MTFO reflecting a relatively optimistic projection
  - Current worst case scenarios suggest that by 2017/18 RSG might fall by a further **c£3-4m** beyond that currently assumed in the MTFO projections, with further significant reductions expected to continue for 2018/19 and beyond
- The revenue impact in future years of the Investment Strategy and Capital Programme will be reviewed
  - This will reflect the likely impact of prudential borrowing on Treasury Management costs and updated modelling of future growth in retained business rates

**Table 15** includes the impact of the 2015/16 proposals contained elsewhere in this report and confirms the need for ongoing significant cost reductions in the short to medium term.

<b>TABLE 15: MEDIUM TERM FINANCIAL OUTLOOK</b>			
<b>DESCRIPTION</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>
2014/15 Net Budget Requirement	277.230	277.230	277.230
Budget Refresh	2.859	8.931	18.973
New Pressures	0.759	2.479	4.084
<b>SUB-TOTAL</b>	<b>280.848</b>	<b>288.639</b>	<b>300.286</b>
Portfolio Proposals	(23.533)	(23.016)	(29.652)
Corporate Proposals	(1.500)	(2.500)	(2.500)
<b>ASSUMED NET BUDGET</b>	<b>255.814</b>	<b>263.123</b>	<b>268.134</b>
Retained Business Rates, Top-up & RSG	(162.064)	(149.513)	(139.968)
Council Tax	(89.108)	(91.562)	(94.077)
Collection Funds	(4.642)	0.000	0.000
<b>ASSUMED FUNDING</b>	<b>(255.814)</b>	<b>(241.074)</b>	<b>(234.045)</b>
<b>NET MTFO POSITION</b>	<b>0.000</b>	<b>22.049</b>	<b>34.089</b>

*NB tables may not sum exactly due to rounding*



## 7. Financial Stability and the Management of Risk

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

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

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

In accordance with the MTFs, General Fund balances will be between **2%** and **4%** of the total net general fund revenue budget. The proposed General Fund balance for 2015/16 will be **£9.500m**. This level of reserve has been informed by the risk assessment.

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

## 8. Accountability

Summary sheets for each portfolio are included below, providing an outline of the key objectives of each portfolio and the headline budget details. Detailed budgets for each portfolio are at **Appendix D**. Portfolio Holders are expected to deliver the City's policies and priorities within the resources made available to them. The budgets set for 2015/16 form the basis by which performance management can take place.

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

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

## **Leader / Strategic Regeneration and Schools**



**Councillor Jon Collins**

### **Focus of the Portfolio**

- Strategic Regeneration and Development
  - Overview of all regeneration activity across the City
  - City Centre major regeneration
  
- Schools
  - Educational provision 3 – 16 including school re-organisation and governance, Academies and Free Schools
  - Attendance
  - Nottingham Learning Trust
  
- Chair – Crime and Drugs Partnership

<b>Revenue Budget 2015/16: Strategic Regeneration and Schools</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Schools	0.000	0.000	0.000	0.000
Vulnerable Children & Families	0.000	0.000	0.000	0.000
Directorates	1.187	(0.226)	0.498	1.459
<b>Children &amp; Adults</b>	<b>1.187</b>	<b>(0.226)</b>	<b>0.498</b>	<b>1.459</b>
Building Schools for the Future	0.418	0.000	0.030	0.448
<b>Development &amp; Growth</b>	<b>0.418</b>	<b>0.000</b>	<b>0.030</b>	<b>0.448</b>
<b>Portfolio Total</b>	<b>1.605</b>	<b>(0.226)</b>	<b>0.528</b>	<b>1.907</b>

<b>Capital Programme: Strategic Regeneration and Schools</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Education Schools</b>							
Current Programme	15.990	13.658	5.647	0.000	0.000	0.000	35.295
<b>Other Services</b>							
Current Programme	7.741	9.085	0.000	0.000	0.000	0.000	16.826
<b>Portfolio Total</b>	<b>23.731</b>	<b>22.743</b>	<b>5.647</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>52.121</b>

## Deputy Leader / Resources and Neighbourhood Regeneration



### Councillor Graham Chapman

#### Focus of the Portfolio

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

<b>Revenue Budget 2015/16: Resources and Neighbourhood Regeneration</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Chief Executive's Office	0.223	(0.270)	0.000	(0.047)
Internal Communications	0.016	0.000	0.000	0.016
Departmental Resources	0.020	0.000	0.000	0.020
Human Resources	4.902	(0.165)	0.259	4.996
Customer Access Programme	0.379	(0.250)	0.000	0.129
<b>Chief Executive</b>	<b>5.540</b>	<b>(0.685)</b>	<b>0.259</b>	<b>5.115</b>
Quality & Commissioning	(0.443)	0.000	0.000	(0.443)
One Nottingham	0.162	(0.010)	0.000	0.152
Strategic Partnership	0.847	0.000	0.000	0.847
City Advertising Trading Acct	(0.192)	0.000	0.000	(0.192)
Marketing & Communications	1.185	0.000	0.145	1.330
<b>Children &amp; Adults</b>	<b>1.559</b>	<b>(0.010)</b>	<b>0.145</b>	<b>1.694</b>
Trading Services Finance	(0.062)	0.000	0.000	(0.062)
<b>Community Services</b>	<b>(0.062)</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.062)</b>
Safety & Compliance	2.392	0.000	0.000	2.392
Planned Maintenance Budget	1.594	0.000	0.358	1.953
Performance & Resources	0.479	0.000	0.000	0.479
Maint; Safety & Compliance	0.566	0.000	0.000	0.566
Major Programmes	0.191	(0.190)	0.000	0.001
Directorate	0.443	0.000	0.000	0.443
Estates Management	0.656	0.000	0.000	0.656
Support Services (Property)	1.526	(0.500)	0.000	1.026
Property Trading Account	(9.343)	0.000	0.025	(9.318)
Access to Services	1.160	0.000	(0.062)	1.098
Property Corporate Landlord	3.353	0.000	0.000	3.353
<b>Development &amp; Growth</b>	<b>3.018</b>	<b>(0.690)</b>	<b>0.321</b>	<b>2.649</b>
Strategic Finance	9.594	(0.785)	0.000	8.809
Chief Finance Officer & Assist	0.213	0.000	0.100	0.313
Support Services	(2.508)	(0.076)	0.000	(2.584)
IT	5.285	(0.076)	0.000	5.209
Business Support	4.864	(0.367)	0.000	4.497
Legal and Democratic	3.921	(0.444)	0.142	3.619
Corporate & Democratic Core	0.129	0.000	0.000	0.129
East Midlands Councils	0.000	0.000	0.000	0.000
EMSS	1.290	0.000	0.206	1.496
<b>Resources</b>	<b>22.787</b>	<b>(1.748)</b>	<b>0.448</b>	<b>21.486</b>
<b>Portfolio Total</b>	<b>32.842</b>	<b>(3.133)</b>	<b>1.173</b>	<b>30.882</b>

<b>Revenue Budget 2015/16: Corporate Items</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Works Perks Savings	0.021	(0.100)	0.000	(0.079)
Corporate Management	0.412	0.000	0.000	0.412
Cross-cutting Savings	(5.645)	(0.579)	0.000	(6.224)
Contingencies	2.000	0.000	0.000	2.000
Nottingham Express Transit	(17.991)	0.000	0.000	(17.991)
Levies	0.090	0.000	0.000	0.090
Reserves	6.103	(0.500)	(6.803)	(1.200)
Econ Dev Investment	2.470	0.000	0.000	2.470
Social Fund	0.000	0.000	0.000	0.000
Community Right to Bid	0.000	0.000	0.000	0.000
Returned NHB top slice	(0.281)	0.000	0.000	(0.281)
100% Retained Business Rates	0.194	0.000	0.000	0.194
S31 Grant (Business Rates)	(2.978)	0.000	0.000	(2.978)
Pensions	6.830	0.000	0.000	6.830
Nottingham City Homes	(2.000)	(1.500)	0.000	(3.500)
NCT Dividend	(0.500)	0.000	0.000	(0.500)
Ice Centre	0.280	0.000	0.000	0.280
Treasury Management	47.908	(0.670)	0.000	47.238
New Homes Bonus	(4.730)	0.000	0.000	(4.730)
IT Development Fund	3.553	0.000	0.000	3.553
Housing Benefit Payments	0.275	0.000	0.000	0.275
Enviroenergy	(1.498)	0.000	0.000	(1.498)
CEX Corporate Proposals	0.000	(1.650)	0.000	(1.650)
<b>Corporate</b>	<b>34.511</b>	<b>(4.999)</b>	<b>(6.803)</b>	<b>22.709</b>
<b>Portfolio Total</b>	<b>34.511</b>	<b>(4.999)</b>	<b>(6.803)</b>	<b>22.709</b>

<b>Capital Programme: Resources and Neighbourhood Regeneration</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Other Services</b>							
Current Programme	14.951	17.766	3.790	0.090	0.617	0.000	37.214
<b>Portfolio Total</b>	<b>14.951</b>	<b>17.766</b>	<b>3.790</b>	<b>0.090</b>	<b>0.617</b>	<b>0.000</b>	<b>37.214</b>

## Adults, Commissioning and Health



**Councillor Alex Norris**

### **Focus of the Portfolio**

- **Adults**
  - Corporate Strategies for Older People
  - Championing Independent Living:
    - Protection of Vulnerable Adults
  - Support to Vulnerable People:
    - Telecare
    - Catering
  
- **Health**
  - Public Health and Wellbeing:
    - Health Inequalities
    - Smoking and Avoidable Injuries
  - Chair of the Health and Wellbeing Board
  - Public Health Integration
  - Mental Health and Wellbeing
  - Teenage Conception
  - Wider Health Links
  
- **Commissioning**
  - Corporate Strategic Commissioning
  - Lead on commissioning of Children's Services
  - Lead on commissioning of Adults Services/DASS link

<b>Revenue Budget 2015/16: Adults, Commissioning and Health</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Quality & Commissioning - Supporting People	8.213	(0.563)	0.000	7.650
Quality & Commissioning	6.330	(2.511)	0.000	3.818
Public Health	0.000	0.000	1.050	1.050
Directorate	4.095	(3.000)	0.029	1.124
Business Improvement	1.069	0.000	0.000	1.069
Adult Assessment Management	0.471	(0.306)	0.000	0.165
Health Integration	45.467	(0.433)	0.000	45.033
Specialist Services	33.314	(0.321)	0.000	32.993
Prevention Reablement & Support	(0.311)	0.000	0.000	(0.311)
Residential & Day Services	(1.230)	(0.805)	0.000	(2.035)
Commercialism; Sales; Marketing & Dev	1.712	(0.005)	0.000	1.707
<b>Children &amp; Adults</b>	<b>99.130</b>	<b>(7.944)</b>	<b>1.079</b>	<b>92.264</b>
<b>Portfolio Total</b>	<b>99.130</b>	<b>(7.944)</b>	<b>1.079</b>	<b>92.264</b>

<b>Capital Programme: Adults, Commissioning and Health</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Other Services</b>							
Current Programme	2.239	1.716	0.550	0.000	0.000	0.000	4.505
<b>Portfolio Total</b>	<b>2.239</b>	<b>1.716</b>	<b>0.550</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.505</b>



## **Children's Services**



### **Councillor David Mellen**

#### **Focus of the Portfolio**

- Children's Services
  - Performing the Lead Role for Children's Services in accordance with Statutory Requirements and Guidance
  - Children's Safeguarding and Children's Social Care
  - Children in Care and Care Leavers
  - Leading on Early Intervention
  - Children's Partnership and Young People's Plan
  - Integrated Youth Service including the Youth Offending Team
  - Early Years including Children's Centres
  
- Adult Safeguarding
  
- Chair of One Nottingham

<b>Revenue Budget 2015/16: Children's Services</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Directorates	(0.436)	(0.047)	2.214	1.730
Vulnerable Children & Families	11.398	(2.535)	0.143	9.006
Children's Social Care	43.417	(0.115)	0.202	43.503
<b>Children &amp; Adults</b>	<b>54.378</b>	<b>(2.697)</b>	<b>2.558</b>	<b>54.240</b>
<b>Portfolio Total</b>	<b>54.378</b>	<b>(2.697)</b>	<b>2.558</b>	<b>54.240</b>

<b>Capital Programme: Children's Services</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Other Services</b>							
Current Programme	0.586	0.046	0.000	0.000	0.000	0.000	0.632
<b>Portfolio Total</b>	<b>0.586</b>	<b>0.046</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.632</b>

## Community Safety, Housing and Voluntary Sector



### Councillor Dave Liversidge

#### Focus of the Portfolio

- Community Sector
  - Lead role with the Community Sector
  - Volunteering
  - Community Centres
  
- Housing Regeneration
  - Physical Neighbourhood Transformation and Regeneration
  - Estate Management – Council and Private Estates
  - Private Housing and Private Rented Sector
  - Performance of Nottingham City Homes (NCH) and Housing Associations
  - Student Housing
  - Support to vulnerable People:
    - Homelessness
    - Housing with Care and Support
  - Strategic and Retained Housing Functions
  - Regeneration Land and Property
  - Houses in Multiple Occupation
  
- Community Safety and Enforcement
  - Overview of the Council's Section 17 responsibilities
  - Public and Consumer Protection
  - Community Safety and Respect for Nottingham
  - Community Cohesion
  - Licensing

<b>Revenue Budget 2015/16: Community Safety, Housing and Voluntary Sector</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Quality & Commissioning	0.714	0.000	0.000	0.714
Crime & Drugs Partnership	0.409	(0.159)	0.000	0.250
<b>Children &amp; Adults</b>	<b>1.123</b>	<b>(0.159)</b>	<b>0.000</b>	<b>0.964</b>
Community Centres	1.045	0.000	0.129	1.174
Front Line Equipment Budget	1.387	(0.050)	0.000	1.337
Business Development	0.390	(0.075)	0.000	0.315
Environtal Hth & Trading Stds	2.260	(0.086)	0.000	2.174
Community Cohesion	0.252	(0.100)	0.000	0.152
Neighbourhood Enforcement	2.850	0.000	0.000	2.850
Rapid Response & Projects	0.886	0.000	0.000	0.886
Licensing Permits & Regulation	0.841	(0.265)	0.000	0.576
Licensing; Trading Stds & ASB	0.180	(0.030)	0.000	0.150
<b>Community Services</b>	<b>10.090</b>	<b>(0.606)</b>	<b>0.129</b>	<b>9.613</b>
Housing Strategy	0.966	0.000	0.000	0.966
Housing Options	1.160	(0.200)	0.000	0.960
Housing Support & P'ships	0.030	0.000	0.000	0.030
<b>Development &amp; Growth</b>	<b>2.156</b>	<b>(0.200)</b>	<b>0.000</b>	<b>1.956</b>
<b>Portfolio Total</b>	<b>13.369</b>	<b>(0.965)</b>	<b>0.129</b>	<b>12.533</b>

<b>Capital Programme: Community Safety, Housing and Voluntary Sector</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Public Sector Hsg</b>							
Current Programme	65.004	66.977	64.829	51.396	42.021	34.383	324.610
<b>Other Services</b>							
Current Programme	3.178	3.137	2.937	1.250	1.250	0.000	11.752
<b>Portfolio Total</b>	<b>68.182</b>	<b>70.114</b>	<b>67.766</b>	<b>52.646</b>	<b>43.271</b>	<b>34.383</b>	<b>336.362</b>

## **Community Services**



### **Councillor Nicola Heaton**

#### **Focus of the Portfolio**

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

<b>Revenue Budget 2015/16: Community Services</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Local Communities	0.357	(0.080)	0.000	0.277
Neighbourhood Operations	9.593	(0.218)	0.000	9.375
Performance & Improvement	0.578	0.000	0.000	0.578
Trading Operations	0.435	(0.589)	0.000	(0.153)
<b>Community Services</b>	<b>10.963</b>	<b>(0.887)</b>	<b>0.000</b>	<b>10.076</b>
<b>Portfolio Total</b>	<b>10.963</b>	<b>(0.887)</b>	<b>0.000</b>	<b>10.076</b>

<b>Capital Programme: Community Services</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Other Services</b>							
Current Programme	1.756	2.669	0.750	0.000	0.000	0.000	5.175
<b>Portfolio Total</b>	<b>1.756</b>	<b>2.669</b>	<b>0.750</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>5.175</b>

## Energy and Sustainability



**Councillor Alan Clark**

### **Focus of the Portfolio**

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

<b>Revenue Budget 2015/16: Energy and Sustainability</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Energy Services	6.616	(0.450)	0.000	6.166
<b>Community Services</b>	<b>6.616</b>	<b>(0.450)</b>	<b>0.000</b>	<b>6.166</b>
<b>Portfolio Total</b>	<b>6.616</b>	<b>(0.450)</b>	<b>0.000</b>	<b>6.166</b>

<b>Capital Programme: Energy and Sustainability</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Other Services</b>							
Current Programme	3.372	3.595	3.962	1.561	0.951	0.000	13.441
<b>Portfolio Total</b>	<b>3.372</b>	<b>3.595</b>	<b>3.962</b>	<b>1.561</b>	<b>0.951</b>	<b>0.000</b>	<b>13.441</b>



## Jobs and Growth



**Councillor Nick McDonald**

### Focus of the Portfolio

- Jobs and Skills
  - Lead on Skills and Employment:
    - Employability in Schools
    - Post 16 Training, FE and HE
    - Develop opportunities for young people and adults
    - Local Jobs for Local People and Making the Connections
    - Investment initiatives
    - Nottingham and Notts Futures
  - Social Enterprise and Enterprise Development
- Business
  - Growth Plan Delivery
  - City Centre and Neighbourhood Retail Management
  - Business Support, Development and Liaison
  - Procurement
  - Sector Development
  - Inward Investment
- Creative Quarter
- Tourism
  - Tourism and Heritage

<b>Revenue Budget 2015/16: Jobs and Growth</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Tourism	0.374	(0.100)	0.000	0.274
Woodfield Supported Employment	0.759	(0.100)	0.000	0.659
Economic Development	2.820	(0.308)	1.255	3.767
<b>Development &amp; Growth</b>	<b>3.953</b>	<b>(0.508)</b>	<b>1.255</b>	<b>4.700</b>
<b>Portfolio Total</b>	<b>3.953</b>	<b>(0.508)</b>	<b>1.255</b>	<b>4.700</b>

<b>Capital Programme: Jobs and Growth</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Portfolio Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

## Leisure and Culture



### Councillor David Trimble

#### Focus of the Portfolio

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

<b>Revenue Budget 2015/16: Leisure and Culture</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Commercial Development Mgt	0.189	0.000	0.000	0.189
Cemeteries & Crematoria	(0.529)	(0.170)	(0.036)	(0.735)
C&C Support Services	0.514	0.000	0.000	0.514
Events & Goose Fair	0.167	(0.087)	0.000	0.080
Sports	0.544	0.000	0.000	0.544
Libraries	3.176	(0.019)	0.000	3.156
Museums	2.201	(0.240)	0.000	1.961
Markets	(0.031)	0.000	0.000	(0.031)
Leisure	1.206	(0.268)	0.057	0.995
Parks & Open Spaces	2.973	(0.063)	(0.031)	2.879
Neighbourhood Operations	0.374	0.000	0.000	0.374
Royal Centre	0.336	(0.100)	(0.060)	0.176
<b>Community Services</b>	<b>11.120</b>	<b>(0.947)</b>	<b>(0.070)</b>	<b>10.103</b>
<b>Portfolio Total</b>	<b>11.120</b>	<b>(0.947)</b>	<b>(0.070)</b>	<b>10.103</b>

<b>Capital Programme: Leisure and Culture</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Other Services</b>							
Current Programme	17.682	6.515	2.014	5.500	7.500	7.988	47.199
<b>Portfolio Total</b>	<b>17.682</b>	<b>6.515</b>	<b>2.014</b>	<b>5.500</b>	<b>7.500</b>	<b>7.988</b>	<b>47.199</b>

## Planning and Transportation



### Councillor Jane Urquhart

#### Focus of the Portfolio

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

<b>Revenue Budget 2015/16: Planning and Transportation</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Savings £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Final Budget £m</b>
Services	(13.934)	(0.219)	0.150	(14.003)
Highways & Energy Infrastructure	1.253	(0.512)	0.000	0.741
Trading Operations	2.542	(0.505)	0.000	2.037
<b>Community Services</b>	<b>(10.140)</b>	<b>(1.236)</b>	<b>0.150</b>	<b>(11.226)</b>
Street Lighting	5.057	0.000	0.000	5.057
Public Transport	1.131	(0.250)	0.000	0.881
Building Control	(0.040)	0.000	0.000	(0.040)
Planning	0.349	(0.162)	0.000	0.187
Planning Strategy	0.443	(0.038)	0.000	0.405
Concessionary Fares	14.499	(0.230)	0.000	14.269
Traffic Safety & Development	0.780	(0.315)	0.000	0.465
Transport Strategy	0.277	(0.046)	0.000	0.231
NET Project	0.004	0.000	0.000	0.004
<b>Development &amp; Growth</b>	<b>22.500</b>	<b>(1.041)</b>	<b>0.000</b>	<b>21.459</b>
<b>Portfolio Total</b>	<b>12.360</b>	<b>(2.277)</b>	<b>0.150</b>	<b>10.233</b>

<b>Capital Programme: Planning and Transportation</b>							
<b>Programme</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Transport Programme</b>							
Current Programme	22.974	25.938	23.871	16.369	0.000	0.000	89.152
<b>Other Services</b>							
Current Programme	21.119	123.233	12.357	3.500	3.500	0.000	163.709
<b>Portfolio Total</b>	<b>44.093</b>	<b>149.171</b>	<b>36.228</b>	<b>19.869</b>	<b>3.500</b>	<b>0.000</b>	<b>252.861</b>

## MOVEMENT IN RESERVES 2015/16

## APPENDIX A

Description	Replenishment of Reserves £m	Use of Reserves £m	Grand Total £m
To support Public Health transition	(0.350)		(0.350)
Public Health transition saving		1.400	1.400
To support the pressure associated with No Recourse to Public Funds in Adults Social Care.		0.029	0.029
<b>Adults, Commissioning &amp; Health</b>	<b>(0.350)</b>	<b>1.429</b>	<b>1.079</b>
Bestwood Centre maintenance		0.004	0.004
Impact of Ofsted outcome – additional social workers		0.130	0.130
Asylum Seekers Grant		0.072	0.072
Impact of academisation		0.837	0.837
Temporary project support to enable social worker recruitment and retention.		0.039	0.039
Funding of Children's Act (DDM 0926)		0.143	0.143
Children's - Transformation/ transition activity		0.200	0.200
Huntingdon Centre Maintenance drawdown		0.003	0.003
Impact on services mid year of academisation		0.754	0.754
Integrated Community Equipment Service contractual shortfall		0.376	0.376
<b>Children's Services</b>		<b>2.558</b>	<b>2.558</b>
Community Centre works due to be completed 2015/16		0.129	0.129
<b>Community Safety, Housing &amp; Voluntary Sector</b>		<b>0.129</b>	<b>0.129</b>
Creative Quarter Loan fund to support access to credit for local businesses. Delegated Decision 0654		0.045	0.045
Employer Hub		0.140	0.140
Expenditure incurred in 2015/16 in support of delivery of the Nottingham Growth Plan		0.072	0.072
Planned use of Jobs fund in 2015/16 based on known commitments		0.998	0.998
<b>Jobs &amp; Growth</b>		<b>1.255</b>	<b>1.255</b>
Annual contribution to maintenance fund Forest Recreation Ground	(0.031)		(0.031)
Annual Contribution to Lawn Tennis Association	(0.008)		(0.008)
Annual Contribution to Mercury Filtration reserve	(0.036)		(0.036)
Annual Contribution to Southglade Football Pitches	(0.035)		(0.035)
New leisure till system		0.100	0.100
Royal Centre capital maintenance requirement	(0.060)		(0.060)
<b>Leisure &amp; Culture</b>	<b>(0.170)</b>	<b>0.100</b>	<b>(0.070)</b>

<b>Description</b>	<b>Replenishment of Reserves £m</b>	<b>Use of Reserves £m</b>	<b>Grand Total £m</b>
Replacement of equipment at Multi Storey Car Parks		0.150	0.150
<b>Planning &amp; Transportation</b>		<b>0.150</b>	<b>0.150</b>
Pensions additional capacity		0.087	0.087
Annual contribution to Lifecycle sinking fund (Nottingham City Council and National Health Service)	(0.081)		(0.081)
Disclosure and Barring Service Funding		0.030	0.030
St Anns Joint Service Centre maintenance		0.014	0.014
Registrars Service commercialisation activity		0.040	0.040
Marketing & Communications		0.075	0.075
Funding for PATRA places		0.061	0.061
Property capital maintenance work anticipated to be completely used in 2015/16 following the completion of condition surveys in 2014/15		0.358	0.358
Replenishment of reserve for Southglade Food Park Repairs	(0.050)		(0.050)
Residual use of workplace strategy for Marketing and Communications activity		0.070	0.070
To cover cost of dilapidations work in relation to shop at Sherwin Road		0.075	0.075
Planned use of reserves for East Midlands Shared Service		0.206	0.206
To fund election costs		0.102	0.102
Systems development of financial management project		0.100	0.100
To support Joint Service Centre funding agreement		0.005	0.005
To support large scale changes in transformation portfolio		0.081	0.081
<b>Resources &amp; Neighbourhood Regeneration</b>	<b>(0.131)</b>	<b>1.304</b>	<b>1.173</b>
Contribution towards the security and repairs of former school buildings that have been declared surplus due to the Building Schools for the Future programme		0.030	0.030
The National Funding Review for Dedicated Schools Grant, which commenced 1 April 2013 and the Children & Families Act has significant implications for Special Education Needs and the inter-authority recoument process currently undertaken; this will cease from 2014 and this reserve is required to mitigate late charges from other authorities that may occur in 2015/16 or be returned to the Dedicated Schools Grant.		0.498	0.498
<b>Strategic Regeneration &amp; Schools</b>		<b>0.528</b>	<b>0.528</b>
<b>TOTAL</b>	<b>(0.651)</b>	<b>7.454</b>	<b>6.803</b>



**Appendix B** containing the detail of Portfolio Savings is separately attached

Please note that this appendix is presented by lead portfolio holder responsible for each proposal rather than the detailed budgeted portfolio. In some cases this will be different.

**APPENDIX C.1**

**MTFO 2015/16 BY PORTFOLIO**

<b>PORTFOLIO</b>	<b>2014/15 BUDGET £m</b>	<b>CORP ADJUST £m</b>	<b>INFLATION £m</b>	<b>MTFP DECISIONS £m</b>	<b>PRESSURES £m</b>	<b>2015/16 BASE BUDGET £m</b>	<b>PORTFOLIO SAVINGS £m</b>	<b>CORP SAVING £m</b>	<b>2015/16 FINAL BUDGET £m</b>
Adults, Commissioning & Health	95.290	0.938	1.553	1.870	0.557	100.209	(7.944)	0.000	92.264
Children's Services	53.858	2.157	(0.060)	0.780	0.202	56.936	(2.697)	0.000	54.240
Community Safety, Housing & Voluntary Sector	13.332	0.037	0.320	(0.191)	0.000	13.498	(0.965)	0.000	12.533
Community Services	9.604	0.672	0.796	(0.109)	0.000	10.963	(0.887)	0.000	10.076
Energy & Sustainability	5.882	(0.206)	0.209	0.731	0.000	6.616	(0.450)	0.000	6.166
Jobs & Growth	3.895	1.254	0.059	0.000	0.000	5.208	(0.508)	0.000	4.700
Leisure & Culture	10.756	(0.174)	0.478	(0.009)	0.000	11.051	(0.947)	0.000	10.103
Planning & Transportation	11.873	(0.492)	1.241	(0.111)	0.000	12.510	(2.277)	0.000	10.233
Resources & Neighbourhood Regeneration	34.195	1.410	0.869	(2.458)	0.000	34.015	(3.133)	0.000	30.882
Strategic Regeneration & Schools	0.496	0.747	0.990	(0.100)	0.000	2.133	(0.226)	0.000	1.907
<u>Corporate</u>									
Works Perks Savings	0.021	0.000	0.000	0.000	0.000	0.021	(0.100)	0.000	(0.079)
Corporate Management	0.288	0.121	0.004	0.000	0.000	0.412	0.000	0.000	0.412
Corporate / Cross-cutting Savings	(4.779)	0.274	0.000	(1.140)	0.000	(5.645)	(0.579)	0.000	(6.224)
Contingencies	1.969	0.031	0.000	0.000	0.000	2.000	0.000	0.000	2.000
Nottingham Express Transit	(19.528)	1.537	0.000	0.000	0.000	(17.991)	0.000	0.000	(17.991)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.090
Reserves	4.744	(8.646)	0.000	3.202	0.000	(0.700)	(0.500)	0.000	(1.200)
Econ Dev Investment	1.559	0.281	0.000	0.630	0.000	2.470	0.000	0.000	2.470
Social Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Community Right to Bid/Challenge	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Returned NHB Top-slice	(0.287)	0.006	0.000	0.000	0.000	(0.281)	0.000	0.000	(0.281)
100% Retained Business Rates (EZ/Creative Quarter)	0.287	(0.093)	0.000	0.000	0.000	0.194	0.000	0.000	0.194

**APPENDIX C.1**

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

<b>PORTFOLIO</b>	<b>2014/15 BUDGET £m</b>	<b>CORP ADJUST £m</b>	<b>INFLATION £m</b>	<b>MTFP DECISIONS £m</b>	<b>PRESSURES £m</b>	<b>2015/16 BASE BUDGET £m</b>	<b>PORTFOLIO SAVINGS £m</b>	<b>CORP SAVING £m</b>	<b>2015/16 FINAL BUDGET £m</b>
<u>Corporate (continued)</u>									
Section 31 Grants (Business Rates)	(2.534)	(0.445)	0.000	0.000	0.000	(2.978)	0.000	0.000	(2.978)
Pension Deficit	8.052	(1.222)	0.000	0.000	0.000	6.830	0.000	0.000	6.830
Nottingham City Homes	(0.750)	0.000	0.000	(1.250)	0.000	(2.000)	(1.500)	0.000	(3.500)
NCT Dividend	(0.500)	0.000	0.000	0.000	0.000	(0.500)	0.000	0.000	(0.500)
Ice Centre	0.280	0.000	0.000	0.000	0.000	0.280	0.000	0.000	0.280
Treasury Management	50.591	(2.683)	0.000	0.000	0.000	47.908	(0.670)	0.000	47.238
New Homes Bonus Grant	(4.184)	0.000	0.000	(0.546)	0.000	(4.730)	0.000	0.000	(4.730)
IT Development Fund	3.553	0.000	0.000	0.000	0.000	3.553	0.000	0.000	3.553
Housing Benefit Payments	0.675	(0.400)	0.000	0.000	0.000	0.275	0.000	0.000	0.275
Environment	(1.498)	0.000	0.000	0.000	0.000	(1.498)	0.000	0.000	(1.498)
CEX Corporate Proposals	0.000	0.000	0.000	0.000	0.000	0.000	(0.150)	(1.500)	(1.650)
<b>TOTAL</b>	<b>277.230</b>	<b>(4.896)</b>	<b>6.457</b>	<b>1.297</b>	<b>0.759</b>	<b>280.848</b>	<b>(23.533)</b>	<b>(1.500)</b>	<b>255.814</b>
						Retained BR, Top-up & RSG			(162.064)
						Collection Fund Surplus			(4.642)
						<b>Council Tax Requirement</b>			<b>89.108</b>
						Taxbase			61,047
						<b>Band D Council Tax</b>			<b>£1,459.67</b>
						Increase			1.95%

**APPENDIX C.2**
**MTFO 2016/17 BY PORTFOLIO**

<b>PORTFOLIO</b>	<b>2015/16 BUDGET £m</b>	<b>CORP ADJUST £m</b>	<b>INFLATION £m</b>	<b>MTFP DECISIONS £m</b>	<b>PRESSURES £m</b>	<b>2016/17 BASE BUDGET £m</b>	<b>PORTFOLIO SAVINGS £m</b>	<b>CORP SAVING £m</b>	<b>2016/17 FINAL BUDGET £m</b>
Adults, Commissioning & Health	92.264	(1.079)	2.391	2.710	0.557	96.843	0.014	0.000	96.857
Children's Services	54.240	(2.558)	1.689	0.034	1.163	54.567	0.150	0.000	54.717
Community Safety, Housing & Voluntary Sector	12.533	(0.129)	0.808	(0.050)	0.000	13.162	0.034	0.000	13.196
Community Services	10.076	0.000	1.038	(0.088)	0.000	11.026	0.253	0.000	11.279
Energy & Sustainability	6.166	0.000	0.947	(0.916)	0.000	6.198	0.450	0.000	6.648
Jobs & Growth	4.700	(1.255)	0.128	0.000	0.000	3.573	(0.225)	0.000	3.348
Leisure & Culture	10.103	0.070	1.133	0.035	0.000	11.340	0.000	0.000	11.340
Planning & Transportation	10.233	(0.629)	1.679	(1.616)	0.000	9.668	0.253	0.000	9.921
Resources & Neighbourhood Regeneration	30.882	(1.173)	2.369	(3.206)	0.000	28.872	(0.959)	0.000	27.913
Strategic Regeneration & Schools	1.907	(0.528)	0.459	0.000	0.000	1.838	(0.002)	0.000	1.836
<b>Corporate</b>									
Works Perks Savings	(0.079)	0.000	(0.001)	0.000	0.000	(0.080)	0.000	0.000	(0.080)
Corporate Management	0.412	0.000	0.000	0.000	0.000	0.412	0.000	0.000	0.412
Corporate / Cross-cutting Savings	(6.224)	0.000	(0.020)	(0.450)	0.000	(6.694)	(0.242)	0.000	(6.936)
Contingencies	2.000	0.000	0.000	0.000	0.000	2.000	0.000	0.000	2.000
Nottingham Express Transit	(17.991)	0.173	0.000	0.150	0.000	(17.668)	0.000	0.000	(17.668)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.090
Reserves	(1.200)	3.143	0.000	0.000	0.000	1.943	0.500	0.000	2.443
Econ Dev Investment	2.470	(0.281)	0.000	0.000	0.000	2.189	0.000	0.000	2.189
Social Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Community Right to Bid/Challenge	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Returned NHB Top-slice	(0.281)	0.281	0.000	0.000	0.000	0.000	0.000	0.000	0.000
100% Retained Business Rates (EZ/Creative Quarter)	0.194	0.003	0.000	0.000	0.000	0.198	0.000	0.000	0.198

**APPENDIX C.2**

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

<b>PORTFOLIO</b>	<b>2015/16 BUDGET £m</b>	<b>CORP ADJUST £m</b>	<b>INFLATION £m</b>	<b>MTFP DECISIONS £m</b>	<b>PRESSURES £m</b>	<b>2016/17 BASE BUDGET £m</b>	<b>PORTFOLIO SAVINGS £m</b>	<b>CORP SAVING £m</b>	<b>2016/17 FINAL BUDGET £m</b>
<u>Corporate (continued)</u>									
Section 31 Grants (Business Rates)	(2.978)	(0.074)	0.000	0.000	0.000	(3.053)	0.000	0.000	(3.053)
Pension Deficit	6.830	0.272	0.000	0.000	0.000	7.102	0.000	0.000	7.102
Nottingham City Homes	(3.500)	0.000	0.000	0.000	0.000	(3.500)	0.000	0.000	(3.500)
NCT Dividend	(0.500)	0.000	0.000	0.000	0.000	(0.500)	0.000	0.000	(0.500)
Ice Centre	0.280	0.000	0.000	0.000	0.000	0.280	0.000	0.000	0.280
Treasury Management	47.238	1.418	0.000	0.000	0.000	48.656	0.290	0.000	48.946
New Homes Bonus Grant	(4.730)	0.000	0.000	(0.750)	0.000	(5.480)	0.000	0.000	(5.480)
IT Development Fund	3.553	0.000	0.000	0.000	0.000	3.553	0.000	0.000	3.553
Housing Benefit Payments	0.275	0.000	0.000	0.000	0.000	0.275	0.000	0.000	0.275
Environment	(1.498)	0.000	0.000	0.000	0.000	(1.498)	0.000	0.000	(1.498)
EX Corporate Proposals	(1.650)	0.000	(0.053)	0.000	0.000	(1.703)	0.000	(1.000)	(2.703)
Future Savings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(22.049)	(22.049)
<b>TOTAL</b>	<b>255.814</b>	<b>(2.347)</b>	<b>12.567</b>	<b>(4.147)</b>	<b>1.720</b>	<b>263.606</b>	<b>0.517</b>	<b>(23.049)</b>	<b>241.074</b>
Retained BR, Top-up & RSG									(149.513)
Collection Fund Surplus									0.000
<b>Council Tax Requirement</b>									<b>91.562</b>
Taxbase									61,528
<b>Assumed Band D Council Tax</b>									<b>£1,488.13</b>
Increase									1.95%

**APPENDIX C.3**
**MTFO 2017/18 BY PORTFOLIO**

<b>PORTFOLIO</b>	<b>2016/17 BUDGET £m</b>	<b>CORP ADJUST £m</b>	<b>INFLATION £m</b>	<b>MTFP DECISIONS £m</b>	<b>PRESSURES £m</b>	<b>2017/18 BASE BUDGET £m</b>	<b>PORTFOLIO SAVINGS £m</b>	<b>CORP SAVING £m</b>	<b>2017/18 FINAL BUDGET £m</b>
Adults, Commissioning & Health	96.857	0.000	1.911	2.981	0.978	102.727	(1.376)	0.000	101.351
Children's Services	54.717	0.000	1.164	0.007	0.627	56.514	(2.400)	0.000	54.114
Community Safety, Housing & Voluntary Sector	13.196	0.000	0.522	0.000	0.000	13.719	(0.175)	0.000	13.544
Community Services	11.279	0.000	0.635	0.000	0.000	11.914	0.000	0.000	11.914
Energy & Sustainability	6.648	0.000	0.291	0.000	0.000	6.939	0.000	0.000	6.939
Jobs & Growth	3.348	0.000	0.088	0.000	0.000	3.436	(0.300)	0.000	3.136
Leisure & Culture	11.340	0.000	0.839	0.000	0.000	12.179	0.000	0.000	12.179
Planning & Transportation	9.921	(0.215)	1.328	0.000	0.000	11.034	(0.564)	0.000	10.470
Resources & Neighbourhood Regeneration	27.913	0.000	1.543	(0.250)	0.000	29.206	(1.330)	0.000	27.876
Strategic Regeneration & Schools	1.836	0.000	0.235	0.000	0.000	2.071	(0.002)	0.000	2.069
<u>Corporate</u>									
Works Perks Savings	(0.080)	0.000	(0.001)	0.000	0.000	(0.081)	0.000	0.000	(0.081)
Corporate Management	0.412	0.000	0.000	0.000	0.000	0.413	0.000	0.000	0.413
Corporate / Cross-cutting Savings	(6.936)	0.000	(0.021)	0.000	0.000	(6.957)	(0.038)	0.000	(6.995)
Contingencies	2.000	0.000	0.000	0.000	0.000	2.000	0.000	0.000	2.000
Nottingham Express Transit	(17.668)	0.056	0.000	0.000	0.000	(17.612)	0.000	0.000	(17.612)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.090
Reserves	2.443	(0.596)	0.000	0.000	0.000	1.848	0.000	0.000	1.848
Econ Dev Investment	2.189	0.000	0.000	(1.689)	0.000	0.500	0.000	0.000	0.500
Social Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Community Right to Bid/Challenge	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Returned NHB Top-slice	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
100% Retained Business Rates (EZ/Creative Quarter)	0.198	0.004	0.000	0.000	0.000	0.201	0.000	0.000	0.201

**APPENDIX C.3**

**MTFO 2017/18 BY PORTFOLIO (continued)**

<b>PORTFOLIO</b>	<b>2016/17 BUDGET £m</b>	<b>CORP ADJUST £m</b>	<b>INFLATION £m</b>	<b>MTFP DECISIONS £m</b>	<b>PRESSURES £m</b>	<b>2017/18 BASE BUDGET £m</b>	<b>PORTFOLIO SAVINGS £m</b>	<b>CORP SAVING £m</b>	<b>2017/18 FINAL BUDGET £m</b>
<u>Corporate (continued)</u>									
Section 31 Grants (Business Rates)	(3.053)	(0.076)	0.000	0.000	0.000	(3.129)	0.000	0.000	(3.129)
Pension Deficit	7.102	0.150	0.000	0.000	0.000	7.252	0.000	0.000	7.252
Nottingham City Homes	(3.500)	0.000	0.000	0.000	0.000	(3.500)	(0.500)	0.000	(4.000)
NCT Dividend	(0.500)	0.000	0.000	0.000	0.000	(0.500)	0.000	0.000	(0.500)
Ice Centre	0.280	0.000	0.000	0.000	0.000	0.280	0.000	0.000	0.280
Treasury Management	48.946	0.755	0.000	0.000	0.000	49.701	0.050	0.000	49.751
New Homes Bonus Grant	(5.480)	0.000	0.000	0.466	0.000	(5.014)	0.000	0.000	(5.014)
IT Development Fund	3.553	0.000	0.000	0.000	0.000	3.553	0.000	0.000	3.553
Housing Benefit Payments	0.275	0.000	0.000	0.000	0.000	0.275	0.000	0.000	0.275
Environment	(1.498)	0.000	0.000	0.000	0.000	(1.498)	0.000	0.000	(1.498)
EX Corporate Proposals	(2.703)	0.000	(0.086)	0.000	0.000	(2.789)	0.000	0.000	(2.789)
Future Savings	(22.049)	0.000	(0.254)	0.000	0.000	(22.302)	0.000	(11.787)	(34.089)
<b>TOTAL</b>	<b>241.074</b>	<b>0.077</b>	<b>8.196</b>	<b>1.516</b>	<b>1.604</b>	<b>252.467</b>	<b>(6.635)</b>	<b>(11.787)</b>	<b>234.045</b>
Retained BR, Top-up & RSG									(139.968)
Collection Fund Surplus									0.000
<b>Council Tax Requirement</b>									<b>94.077</b>
Taxbase									62,009
<b>Assumed Band D Council Tax</b>									<b>£1,517.15</b>
Increase									1.95%

MTFP 2015/16									
GENERAL FUND PORTFOLIO BUDGETS BY SUBJECTIVE HEADS									
PORTFOLIO	Employees (£m)	Premises (£m)	Transport (£m)	Supplies and Services (£m)	Third Party Payments (£m)	Transfer Payments (£m)	Support Services (£m)	Financing / Technical (£m)	Total External Expenditure (£m)
Children & Families	30.868	1.017	2.356	24.350	76.024	17.903	0.598	0.000	153.117
<b>Adults, Commissioning &amp; Health</b>	<b>30.868</b>	<b>1.017</b>	<b>2.356</b>	<b>24.350</b>	<b>76.024</b>	<b>17.903</b>	<b>0.598</b>	<b>0.000</b>	<b>153.117</b>
Children & Families	28.871	2.057	0.702	7.654	29.656	0.441	0.335	0.000	69.717
<b>Children's Services</b>	<b>28.871</b>	<b>2.057</b>	<b>0.702</b>	<b>7.654</b>	<b>29.656</b>	<b>0.441</b>	<b>0.335</b>	<b>0.000</b>	<b>69.717</b>
Children & Families	0.438	0.079	0.001	4.018	0.156	0.000	0.000	0.000	4.692
Community Services	12.336	0.705	0.151	4.181	0.000	0.000	0.013	0.016	17.403
Development & Growth	1.360	0.988	0.021	0.042	0.091	0.000	0.046	0.000	2.547
<b>Community Safety, Housing &amp; Voluntary Sector</b>	<b>14.134</b>	<b>1.772</b>	<b>0.174</b>	<b>8.241</b>	<b>0.247</b>	<b>0.000</b>	<b>0.059</b>	<b>0.016</b>	<b>24.642</b>
Community Services	20.204	1.727	0.282	7.355	0.000	0.000	(0.012)	0.102	29.658
<b>Community Services</b>	<b>20.204</b>	<b>1.727</b>	<b>0.282</b>	<b>7.355</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.012)</b>	<b>0.102</b>	<b>29.658</b>
Community Services	0.546	0.010	0.003	7.243	0.000	0.000	0.000	0.000	7.801
<b>Energy &amp; Sustainability</b>	<b>0.546</b>	<b>0.010</b>	<b>0.003</b>	<b>7.243</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>7.801</b>
Development & Growth	1.824	0.036	0.016	2.133	1.730	0.000	0.000	(0.001)	5.738
<b>Jobs &amp; Growth</b>	<b>1.824</b>	<b>0.036</b>	<b>0.016</b>	<b>2.133</b>	<b>1.730</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.001)</b>	<b>5.738</b>



**APPENDIX D**

<b>MTFP 2015/16</b>									
<b>GENERAL FUND PORTFOLIO BUDGETS BY SUBJECTIVE HEADS</b>									
<b>PORTFOLIO</b>	<b>Employees (£m)</b>	<b>Premises (£m)</b>	<b>Transport (£m)</b>	<b>Supplies and Services (£m)</b>	<b>Third Party Payments (£m)</b>	<b>Transfer Payments (£m)</b>	<b>Support Services (£m)</b>	<b>Financing / Technical (£m)</b>	<b>Total External Expenditure (£m)</b>
Community Services	17.855	2.506	0.449	15.792	0.450	0.132	(0.208)	0.027	37.004
<b>Leisure &amp; Culture</b>	<b>17.855</b>	<b>2.506</b>	<b>0.449</b>	<b>15.792</b>	<b>0.450</b>	<b>0.132</b>	<b>(0.208)</b>	<b>0.027</b>	<b>37.004</b>
Community Services	6.914	1.130	0.165	8.502	0.000	0.000	(0.019)	0.489	17.180
Development & Growth	4.002	2.172	0.074	11.126	13.929	0.000	0.026	0.002	31.332
<b>Planning &amp; Transportation</b>	<b>10.916</b>	<b>3.302</b>	<b>0.239</b>	<b>19.628</b>	<b>13.929</b>	<b>0.000</b>	<b>0.007</b>	<b>0.490</b>	<b>48.512</b>
Chief Executive	4.205	0.013	0.007	1.660	0.015	0.000	0.001	0.000	5.902
Children & Families	2.142	0.000	0.011	1.140	0.000	0.000	0.000	0.000	3.293
Community Services	0.158	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.158
Development & Growth	4.393	12.399	0.030	2.894	2.872	0.000	(0.831)	0.720	22.477
Resources	23.595	0.195	0.077	7.677	3.803	0.000	0.117	(0.812)	34.653
<b>Resources &amp; Neighbourhood Regeneration</b>	<b>34.492</b>	<b>12.608</b>	<b>0.126</b>	<b>13.371</b>	<b>6.691</b>	<b>0.000</b>	<b>(0.713)</b>	<b>(0.092)</b>	<b>66.483</b>
Corporate	7.189	0.874	0.778	6.443	37.783	150.189	0.000	50.007	253.263
<b>Resources &amp; Neighbourhood Regeneration (Corporate Budgets)</b>	<b>7.189</b>	<b>0.874</b>	<b>0.778</b>	<b>6.443</b>	<b>37.783</b>	<b>150.189</b>	<b>0.000</b>	<b>50.007</b>	<b>253.263</b>
Children & Adults	9.607	0.290	0.074	115.015	0.763	0.257	0.011	0.000	126.017
Development & Growth	0.230	0.041	0.000	1.148	8.492	0.000	0.000	(0.408)	9.504
<b>Strategic Regeneration &amp; Schools</b>	<b>9.837</b>	<b>0.331</b>	<b>0.074</b>	<b>116.163</b>	<b>9.256</b>	<b>0.257</b>	<b>0.011</b>	<b>(0.408)</b>	<b>135.521</b>
<b>TOTAL</b>	<b>176.736</b>	<b>26.241</b>	<b>5.198</b>	<b>225.364</b>	<b>175.767</b>	<b>168.921</b>	<b>0.077</b>	<b>53.152</b>	<b>831.456</b>

MTFP 2015/16							
GENERAL FUND PORTFOLIO BUDGETS BY SUBJECTIVE HEADS							
PORTFOLIO	Government Grants (£m)	Other Grants Reimburse-ments & Contributions (£m)	Customer & Client Receipts (£m)	Interest (£m)	Recharges (£m)	Total External Income (£m)	Net External Expenditure (£m)
Children & Families	(1.882)	(42.796)	(16.175)	0.000	0.000	(60.853)	92.264
<b>Adults, Commissioning &amp; Health</b>	<b>(1.882)</b>	<b>(42.796)</b>	<b>(16.175)</b>	<b>0.000</b>	<b>0.000</b>	<b>(60.853)</b>	<b>92.264</b>
Children & Families	(9.759)	(5.062)	(0.656)	0.000	0.000	(15.477)	54.240
<b>Children's Services</b>	<b>(9.759)</b>	<b>(5.062)</b>	<b>(0.656)</b>	<b>0.000</b>	<b>0.000</b>	<b>(15.477)</b>	<b>54.240</b>
Children & Families	(0.402)	(3.326)	0.000	0.000	0.000	(3.728)	0.964
Community Services	0.000	(2.299)	(5.370)	0.000	(0.121)	(7.790)	9.613
Development & Growth	(0.035)	(0.146)	(0.309)	0.000	(0.101)	(0.591)	1.956
<b>Community Safety, Housing &amp; Voluntary Sector</b>	<b>(0.437)</b>	<b>(5.771)</b>	<b>(5.679)</b>	<b>0.000</b>	<b>(0.222)</b>	<b>(12.109)</b>	<b>12.533</b>
Community Services	0.000	(9.534)	(6.870)	0.000	(3.177)	(19.581)	10.076
<b>Community Services</b>	<b>0.000</b>	<b>(9.534)</b>	<b>(6.870)</b>	<b>0.000</b>	<b>(3.177)</b>	<b>(19.581)</b>	<b>10.076</b>
Community Services	(0.067)	(0.200)	(1.473)	0.000	0.104	(1.635)	6.166
<b>Energy &amp; Sustainability</b>	<b>(0.067)</b>	<b>(0.200)</b>	<b>(1.473)</b>	<b>0.000</b>	<b>0.104</b>	<b>(1.635)</b>	<b>6.166</b>
Development & Growth	(0.263)	(0.035)	(0.740)	0.000	0.000	(1.038)	4.700
<b>Jobs &amp; Growth</b>	<b>(0.263)</b>	<b>(0.035)</b>	<b>(0.740)</b>	<b>0.000</b>	<b>0.000</b>	<b>(1.038)</b>	<b>4.700</b>

MTFP 2015/16							
GENERAL FUND PORTFOLIO BUDGETS BY SUBJECTIVE HEADS							
PORTFOLIO	Government Grants (£m)	Other Grants Reimburse-ments & Contributions (£m)	Customer & Client Receipts (£m)	Interest (£m)	Recharges (£m)	Total External Income (£m)	Net External Expenditure (£m)
Community Services	0.000	(1.340)	(25.054)	0.000	(0.506)	(26.901)	10.103
<b>Leisure &amp; Culture</b>	<b>0.000</b>	<b>(1.340)</b>	<b>(25.054)</b>	<b>0.000</b>	<b>(0.506)</b>	<b>(26.901)</b>	<b>10.103</b>
Community Services	0.000	(0.894)	(26.729)	0.000	(0.783)	(28.406)	(11.226)
Development & Growth	(3.514)	(0.327)	(6.032)	0.000	0.000	(9.873)	21.459
<b>Planning &amp; Transportation</b>	<b>(3.514)</b>	<b>(1.220)</b>	<b>(32.762)</b>	<b>0.000</b>	<b>(0.783)</b>	<b>(38.279)</b>	<b>10.233</b>
Chief Executive	0.000	(0.677)	(0.110)	0.000	(0.001)	(0.787)	5.115
Children & Families	0.000	(0.713)	(0.875)	0.000	(0.011)	(1.599)	1.694
Community Services	0.000	0.000	(0.220)	0.000	0.000	(0.220)	(0.062)
Development & Growth	(2.898)	(1.925)	(14.740)	(0.049)	(0.217)	(19.828)	2.649
Resources	(2.957)	(4.544)	(4.673)	0.000	(0.992)	(13.166)	21.486
<b>Resources &amp; Neighbourhood Regeneration</b>	<b>(5.855)</b>	<b>(7.859)</b>	<b>(20.616)</b>	<b>(0.049)</b>	<b>(1.221)</b>	<b>(35.600)</b>	<b>30.882</b>
Corporate	(130.553)	(91.806)	(1.811)	(6.230)	(0.153)	(230.554)	22.709
<b>Resources &amp; Neighbourhood Regeneration (Corporate Budgets)</b>	<b>(130.553)</b>	<b>(91.806)</b>	<b>(1.811)</b>	<b>(6.230)</b>	<b>(0.153)</b>	<b>(230.554)</b>	<b>22.709</b>
Children & Adults	(119.942)	(3.654)	(0.756)	0.000	(0.206)	(124.558)	1.459
Development & Growth	(8.028)	(1.028)	0.000	0.000	0.000	(9.056)	0.448
<b>Strategic Regeneration &amp; Schools</b>	<b>(127.970)</b>	<b>(4.682)</b>	<b>(0.756)</b>	<b>0.000</b>	<b>(0.206)</b>	<b>(133.614)</b>	<b>1.907</b>
<b>TOTAL</b>	<b>(280.301)</b>	<b>(170.305)</b>	<b>(112.592)</b>	<b>(6.279)</b>	<b>(6.165)</b>	<b>(575.642)</b>	<b>255.814</b>

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# ADULTS, COMMISSIONING & HEALTH

## APPENDIX B (i)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Children & Adults	Commissioning Care Group (CCG)	Additional funding from CCG for specific, joint market development work around care homes for adults	(0.023)	(0.023)	(0.023)
2	Children & Adults	Charging for forums	Income generation	(0.003)	(0.003)	(0.003)
3	Children & Adults	Procurement support	Generate income from selling procurement support	(0.010)	(0.010)	(0.010)
4	Children & Adults	Fees & Charges	Review of charging policy for adult social care services, transport to Day Centres and Jack Dawe service.	(0.080)	(0.159)	(0.159)
5	Children & Adults	Care, Support and Enablement	Introducing an average contribution of £20 a week for around 250 citizens receiving Care, Support and Enablement services	(0.130)	(0.260)	(0.260)
6	Children & Adults	Better Care Fund (BCF)	Alignment of the BCF, in conjunction with the CCG, to support the delivery of the Adult Social Care Service	(3.000)	(3.000)	(3.000)
7	Children & Adults	Hydrotherapy Pool	Income generation	(0.010)	(0.010)	(0.010)
8	Children & Adults	Health Contributions to Care Packages	Increasing Health Contributions to Care Packages	(0.164)	(0.164)	(0.164)
9	Children & Adults	Early Intervention and Adults	Efficiencies and maximisation of external funding	(1.400)	0.000	0.000
10	Children & Adults	Early Intervention	The Early Intervention Directorate was created to streamline functions across the Council and create efficiencies.	(0.631)	(0.631)	(0.688)
11	Children & Adults	Procurement	Efficiencies through joint working with Nottingham City Homes	(0.030)	(0.030)	(0.030)
12	Children & Adults	Internal provision	The setting of an appropriate external income target for the in house service provision.	(0.530)	(0.530)	(0.530)
13	Children & Adults	Adult care services	Changes to day centre and residential provision	(0.235)	(0.331)	(0.464)
14	Children & Adults	Adult Assessment	Implementation of a Joint Health & Social Care Operating model would release efficiencies	(0.294)	(1.144)	(1.644)
15	Children & Adults	Care services	Ceasing payments for non-attendance	0.000	(0.023)	(0.023)

# ADULTS, COMMISSIONING & HEALTH

## APPENDIX B (i)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
16	Children & Adults	Procurement	Review of purchasing and supplies	(0.005)	(0.005)	(0.005)
17	Children & Adults	Care budget review	Review of non-pay and non-care spend releasing efficiencies	(0.175)	(0.268)	(0.268)
18	Children & Adults	Public Health	Efficiencies through shared service	(0.150)	(0.150)	(0.150)
19	Children & Adults	Health improvement	Review of services supporting health improvement and behavioural change	(0.264)	(0.506)	(0.544)
20	Children & Adults	Healthy Lifestyles	Developing an integrated and holistic service that will meet local need at lower cost for citizens identified at higher risk of long term conditions through smoking, unhealthy diet and poor levels of physical fitness. Opportunities to develop lifestyle behavioural support into existing frontline services and in house services will be explored.	(0.165)	(0.165)	(0.165)
21	Children & Adults	Health & Wellbeing and Dementia Care	Restructure of Health & Wellbeing Post and Dementia Care Specialist	(0.030)	(0.030)	(0.030)
22	Children & Adults	Preventative Services and Commissioning	Scheduled ending of contracts	(0.218)	(0.218)	(0.218)
				<b>(7.545)</b>	<b>(7.658)</b>	<b>(8.386)</b>

# CHILDREN'S SERVICES

## APPENDIX B (ii)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Children & Adults	Children's services	Service innovation and realignment	(1.700)	(1.500)	(3.900)
2	Children & Adults	Income	Income from offering DrugAware and Healthy Schools programmes to other local authorities and schools	(0.050)	(0.075)	(0.100)
3	Children & Adults	Income generation	Make place at Crocus Fields Residential Unit available to health partners or other local authorities	(0.105)	(0.105)	(0.105)
4	Children & Adults	Management of Safeguarding complaints	Service efficiencies	(0.010)	(0.010)	(0.010)
5	Children & Adults	Children's Centres	Expanding schools to use children's centre buildings while maintaining children's centre services	(0.319)	(0.319)	(0.319)
6	Children & Adults	Youth Provision	Removing vacant posts	(0.050)	(0.050)	(0.050)
7	Children & Adults	Youth Offending Team	Reduce case management capacity	(0.100)	(0.150)	(0.150)
8	Children & Adults	Family Intervention Project (FIP)	Increased national Priority Families funding of the FIP	(0.087)	(0.087)	(0.087)
9	Children & Adults	Family Intervention Project (FIP)	Redesign FIP delivery and structure	(0.050)	(0.050)	(0.050)
10	Children & Adults	External groups	Reduce funding given to two groups / forums	(0.010)	(0.010)	(0.010)
11	Children & Adults	Building closure	Closure of Sneinton Dale's Sure Start shop front - not currently used for service delivery - and relocation of staff	(0.010)	(0.010)	(0.010)
12	Children & Adults	Disabled Children's Services	Reduction in funding and removal of managed account facility	(0.009)	(0.009)	(0.009)
13	Children & Adults	Disabled Children's Services	Removal of vacant post	(0.035)	(0.035)	(0.035)
14	Children & Adults	Performance support	Reduction in support services	(0.047)	(0.047)	(0.047)
15	Children & Adults	Family Support Workers	Deletion of 6 vacant Family Support Worker posts and the reinvestment of one Children in Need co-ordinator role.	(0.145)	(0.145)	(0.145)

# CHILDREN'S SERVICES

## APPENDIX B (ii)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
16	Children & Adults	NGY	Reduce contributions to NGY	(0.020)	(0.020)	(0.020)
17	Children & Adults	One Nottingham	Reduction in One Nottingham	(0.010)	(0.010)	(0.010)
				<b>(2.757)</b>	<b>(2.632)</b>	<b>(5.057)</b>



# COMMUNITY SAFETY, HOUSING & VOLUNTARY SECTOR

## APPENDIX B (iii)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Children & Adults	Homeless support for single people	Efficiencies through restructuring existing hostel provision for single homeless	(0.130)	(0.130)	(0.450)
2	Children & Adults	Income generation	Offer a grant management function to service providers	(0.015)	(0.015)	(0.015)
3	Development & Growth	NCC/NCH	Income and efficiencies from joint working	(1.500)	(1.500)	(2.000)
4	Community Services	Pest Control	Increase in charges	(0.025)	(0.025)	(0.025)
5	Children & Adults	Crime and disorder	Savings through local management of initiatives	(0.100)	(0.100)	(0.100)
6	Children & Adults	Homeless support for families	Increased use of dispersed tenancies to house homeless families	0.000	(0.100)	(0.200)
7	Children & Adults	Contracts	Amalgamation of Learning Disability, Older People & Physical Disability Floating Support contracts	0.000	0.000	(0.200)
8	Community Services	Air quality assessment	Bring detailed air quality assessment service in-house	(0.004)	(0.004)	(0.004)
9	Community Services	Out of hours services	Single emergency on call service for all out-of-hours functions	(0.012)	(0.012)	(0.012)
10	Community Services	Business Development	Full implementation of revised operating model.	(0.075)	(0.075)	(0.075)
11	Community Services	Community Cohesion	Management efficiencies	(0.100)	(0.125)	(0.150)
12	Community Services	Community Protection	Review service operating model	(0.100)	(0.100)	(0.100)
13	Development & Growth	Housing Aid	Service redesign and restructure	(0.200)	(0.200)	(0.350)
14	Children & Adults	Sheltered Housing / Extra Care	Contracts expire at the end of the year	(0.433)	(0.433)	(0.433)
15	Children & Adults	Crime and Drugs Partnership (CDP) - management	Delay in the recruitment of the CDP Director's role	(0.059)	0.000	0.000

# COMMUNITY SAFETY, HOUSING & VOLUNTARY SECTOR

## APPENDIX B (iii)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
16	Community Services	Licensing Trading Standards and Anti-Social Behaviour	Reduce the team by 1 post	(0.025)	(0.025)	(0.025)
17	Community Services	Environmental Health and Safer Housing	Reduce the team by 2 posts	(0.050)	(0.050)	(0.050)
18	Community Services	Front-line equipment budget	Budget reduction from re-contracting and negotiation	(0.050)	(0.050)	(0.050)
19	Children & Adults	Voluntary sector contracts	Decommission non-essential contracts	(0.013)	(0.013)	(0.013)
20	Children & Adults	Grant funding	Reduction in funding for citywide voluntary sector contract to support infrastructure services	(0.100)	(0.100)	(0.100)
21	Community Services	CCTV	Operational efficiencies	(0.100)	(0.100)	(0.100)
22	Community Services	Fixed Penalty Notices	More effective targeting of FPN enforcement	(0.040)	(0.040)	(0.040)
23	Children & Adults	Citywide infrastructure grant	Reduction in funding to the Citywide voluntary sector contract for supporting infrastructure services	(0.150)	(0.150)	(0.150)
				<b>(3.281)</b>	<b>(3.347)</b>	<b>(4.642)</b>

# COMMUNITY SERVICES

## APPENDIX B (iv)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Community Services	Commercial Waste & Skips	Service efficiencies and income generation	(0.211)	0.000	0.000
2	Community Services	Building Cleaning	Income generation and productivity review	(0.090)	(0.090)	(0.090)
3	Community Services	Locality Management & Street Scene	Increased income and efficiencies	(0.134)	(0.108)	(0.108)
4	Community Services	School Meals and Facilities Catering	Income from expanding service. Increase cost of school meals by 5p	(0.288)	(0.288)	(0.288)
5	Community Services	Domestic Waste	Operational efficiencies	(0.040)	(0.009)	(0.009)
6	Community Services	Driver Training	In-source to reduce costs	(0.030)	(0.030)	(0.030)
7	Cross-cutting	Customer Access Programme	Savings through leaner management structure and improved efficiency including more issues resolved at first point of contact, removal of duplication and reduced demand through increased shift to less costly access channels	(0.250)	(0.250)	(0.250)
8	Community Services	Ward councillor budgets	One-off saving from cash financing of the ward councillor budgets	(0.500)	0.000	0.000
9	Community Services	Councillor Revenue Budgets	Remove the top up allocated to the five most deprived wards - St Ann's, Aspley, Bulwell, Bestwood, Bilborough	(0.080)	(0.080)	(0.080)
10	Community Services	Neighbourhood Working	Review of neighbourhood management and operational working	(0.044)	(0.059)	(0.059)
				<b>(1.667)</b>	<b>(0.914)</b>	<b>(0.914)</b>

# ENERGY & SUSTAINABILITY

## APPENDIX B (v)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Community Services	Energy and Waste	Use commercial opportunities to generate income	(0.450)	0.000	0.000
				<b>(0.450)</b>	<b>0.000</b>	<b>0.000</b>

# JOBS & GROWTH

## APPENDIX B (vi)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Development & Growth	Business Growth	Recharging for services to externally funded projects	(0.037)	(0.037)	(0.037)
2	Development & Growth	Alternative funding sources	Use of external funds in lieu of internal expenditure	(0.047)	(0.047)	(0.047)
3	Development & Growth	Employment and Skills	Additional grant funding	(0.039)	(0.039)	(0.039)
4	Development & Growth	Employment and Skills	Increase sponsorship opportunities to reduce costs	(0.035)	(0.035)	(0.035)
5	Development & Growth	Woodfield Industries	Develop and implement a new model for supported employment. No reduction in placements	(0.100)	(0.300)	(0.600)
6	Development & Growth	Tourist Information Centre	Relocation and rationalisation of Tourist Information Centre provision	(0.050)	(0.075)	(0.075)
7	Development & Growth	Nottingham Futures	Reduced contribution to Nottingham Futures met by administrative efficiencies	(0.100)	(0.100)	(0.100)
8	Development & Growth	Economic Development	Savings from synergies between Nottingham Futures, Jobs Hub, Experience Notts and other efficiency savings	(0.100)	(0.100)	(0.100)
				<b>(0.508)</b>	<b>(0.733)</b>	<b>(1.033)</b>

# LEISURE & CULTURE

## APPENDIX B (vii)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Community Services	Goose Fair	Cost efficiencies	(0.057)	(0.057)	(0.057)
2	Community Services	Sport & Culture	Review of fees and charges	(0.172)	(0.172)	(0.172)
3	Community Services	Sport & Culture	Develop new areas of Commercial Income - Parks and Open Spaces and Culture	(0.216)	(0.216)	(0.216)
4	Development & Growth	Royal Centre	Additional Income	(0.100)	(0.100)	(0.100)
5	Community Services	Leisure centres	Management restructure	(0.073)	(0.073)	(0.073)
6	Community Services	Museums	Review of staffing structures	(0.086)	(0.086)	(0.086)
7	Community Services	Swimming Provision	Review of swimming programmes	(0.057)	(0.057)	(0.057)
8	Community Services	Park Patrol	Reduction of one Patrol Officer	(0.018)	(0.018)	(0.018)
9	Community Services	Leisure Centre Fitness Operation	Review of fitness operations with Public Health support	(0.098)	(0.098)	(0.098)
10	Community Services	Cultural Grant support	Reduction in support to external City groups	(0.051)	(0.051)	(0.051)
11	Community Services	Book Fund	Reduction of 5% in Book Fund	(0.019)	(0.019)	(0.019)
				<b>(0.947)</b>	<b>(0.947)</b>	<b>(0.947)</b>

# PLANNING & TRANSPORTATION

## APPENDIX B (viii)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Community Services	Business Plan Delivery – Car Parks	Ongoing competitive activities.	(0.169)	(0.058)	(0.058)
2	Community Services	Business Plan Delivery – Fleet Management	Reducing vehicles and process improvement. New Stores facility. Rushcliffe full year business plan delivery	(0.092)	(0.086)	(0.086)
3	Community Services	Business Plan Delivery – Passenger Transport	In-sourcing of children's routes. Replacement fleet. Commercial growth activities. Reduced taxi spend	(0.383)	(0.367)	(0.367)
4	Community Services	Amend procedure for penalty charge notice	Council operational policy to match legislation guidance and bench marking data	(0.025)	(0.025)	(0.025)
5	Community Services	Parking	Re-profiling parking income to reflect the academisation programme	(0.050)	(0.050)	(0.050)
6	Development & Growth	Pre-application charging	Widen the categories and increase the fee charged for providing formal pre-application planning advice. Service currently provides majority of advice without fee. Most planning authorities charge for pre-app at greater level than NCC	(0.045)	(0.045)	(0.050)
7	Development & Growth	Planning Design & Advisory Service	Develop commercial offer to developers using existing urban design and planning expertise to assist delivery of successful private sector development schemes. Opportunities across wider services and through pre-application contact	(0.010)	(0.020)	(0.030)
8	Development & Growth	Development Management - Rationalisation of administration	Develop a charge within each s106 to cover the cost of monitoring and reduction of number of letters sent out notifying of planning applications	(0.007)	(0.010)	(0.010)
9	Development & Growth	Development Management - Increased Income	Increased income from Development application fees as the market improves	(0.100)	(0.100)	(0.100)
10	Development & Growth	Planning Policy and Information - Increased Income	Top slice of Community Infrastructure Levy to pay for its administration	0.000	0.000	(0.043)
11	Development & Growth	Planning Policy and Information - Pre-application fee income and commercial planning services	Working with Planning Services charging for pre-application advice, and planning services support	(0.018)	(0.025)	(0.030)
12	Development & Growth	Transport Strategy - selling transport planning expertise	Sale of transport planning expertise to other authorities/organisations	0.000	(0.005)	(0.010)
13	Development & Growth	Transport Strategy - transport computer model income generation	Transport computer model income generation	(0.010)	(0.010)	(0.010)
14	Development & Growth	Transport Strategy - Car Club	Car Club vehicle operation based on growth to 20 vehicles in 3 years	(0.002)	(0.003)	(0.004)
15	Development & Growth	Transport Strategy - Pre-application fee income	Working with Planning Services charging for Transport Assessment / Travel Planning	0.000	(0.005)	(0.010)

# PLANNING & TRANSPORTATION

## APPENDIX B (viii)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
16	Development & Growth	Transport Strategy - charge for travel plan monitoring	Charge for travel plan monitoring linked to planning process through fees for up to 5 years	0.000	(0.005)	(0.005)
17	Development & Growth	Transport Strategy - charge for residential travel packs	Charge for residential travel packs linked to new housing developments	(0.001)	(0.002)	(0.002)
18	Development & Growth	Traffic & Safety - Design and Build	Additional business generated	(0.020)	(0.020)	(0.020)
19	Development & Growth	Traffic & Safety - Network Management	Stretched target for Permit scheme based on resources being available for implementation 2015/16 to run the scheme and continue to manage other licence activities	(0.080)	(0.080)	(0.080)
20	Development & Growth	Traffic & Safety - Network Management Coring Programme	Based on business case to accelerate existing work programme, inspection and processing resources will be required, more income generated from utilities	(0.040)	(0.040)	(0.030)
21	Development & Growth	Traffic & Safety - Network Management Fixed Penalty Notices (FPN) for defective Road Works	Issue of FPNs for defective road works	(0.005)	(0.005)	(0.005)
22	Development & Growth	Traffic & Safety	Hire of Variable Message Sign trailers to external bodies	(0.010)	(0.010)	(0.010)
23	Development & Growth	Traffic & Safety	Provision of bus lane enforcement services to other authorities	(0.015)	(0.020)	(0.020)
24	Development & Growth	Traffic & Safety	Additional parking income	(0.025)	(0.025)	(0.025)
25	Development & Growth	Public Transport	Establishment of single brokerage unit	(0.250)	(0.500)	(1.000)
26	Development & Growth	Traffic & Safety	Implementation of income generation schemes	(0.100)	(0.100)	(0.100)
27	Community Services	Highways & Energy Infrastructure	Increased turnover on capital schemes and in-house delivery of new DLO activities/external works	(0.412)	0.000	0.000
28	Community Services	Highways Developer Works	New mandatory scheme for developers to use NCC's DLO	(0.050)	(0.050)	(0.050)
29	Development & Growth	Traffic & Safety - Design and Build	Pool activities; reduce use of consultants; operational efficiencies	(0.020)	(0.020)	(0.020)
30	Development & Growth	Planning Policy and Information	Salary savings due to part-time working	(0.020)	(0.020)	(0.020)



# PLANNING & TRANSPORTATION

## APPENDIX B (viii)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
31	Development & Growth	Transport Strategy	Non-renewal of temporary post	(0.033)	(0.033)	(0.033)
32	Development & Growth	Public Transport Big Ticket	Expansion of Public Transport Big Ticket	(0.230)	(0.230)	(0.230)
				<b>(2.222)</b>	<b>(1.969)</b>	<b>(2.533)</b>

# RESOURCES & NEIGHBOURHOOD REGENERATION

## APPENDIX B (ix)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Chief Executive	Review Organisational Transformation Service	Reduce the Organisational Transformation Service and reconfigure to focus on fewer priorities.	0.000	(0.161)	(0.699)
2	Resources	Civic & Events Budget	Reduction of Business Rates and Overtime budget in line with Actual, and general reduction in supplies and services budget	(0.108)	(0.108)	(0.108)
3	Resources	Members' allowances: statutory cessation of superannuation provision for councillors	Superannuation for current and future councillors ceases May 2015.	(0.093)	(0.101)	(0.101)
4	Resources	Electoral Registration : cease issue of Business Reply envelopes (BRE)	Legislation requires the provision of a BRE in most communications with citizens on electoral matters. Where there is no such requirement, it is proposed that BRE be discontinued as postage costs have escalated.	(0.004)	(0.004)	(0.010)
5	Resources	Constitutional Services: removal of vacant posts for servicing meetings	Predicated on current workloads and the current position where the service is operating with one vacancy there is an option to permanently reduce the team's resource	(0.031)	(0.031)	(0.031)
6	Resources	Mobile phones for backbench councillors	Revise provision of NCC supplied mobile phones on corporate contract to backbench councillors	(0.004)	(0.004)	(0.004)
7	Resources	Elections: reduce the number of polling stations	Re-draw polling districts to achieve a reduction in the number of polling stations and thereby reduce costs in terms of staffing, print, equipment, premises hire, transport. Cost reductions would be achievable in terms of all local elections.	0.000	(0.050)	0.000
8	Resources	Corporate Finance	Savings made through commissioning on the banking and audit contracts	(0.149)	(0.149)	(0.199)
9	Resources	Mobile Phone Review	Review the allocation of mobile phone handsets to reduce the number of lines in use across the organisation	(0.056)	(0.056)	(0.056)
10	Resources	Review of IT Software	Removal of previous versions of software that duplicate functionality and are unnecessary	(0.020)	(0.020)	(0.020)
11	Community Services	Electrical Direct Labour Organisation (DLO)	An electrical DLO has been established and will undertake a number of electrical works internally	(0.050)	(0.050)	(0.050)
12	Development & Growth	Strategic Asset Management	Additional income from the Strategic Investment workstream and new workstream for non-property assets	(0.500)	(1.000)	(1.500)
13	Development & Growth	Major Programmes	Target surplus for Major Programmes on project and programme management activities	(0.100)	(0.100)	(0.100)
14	Resources	Increase express service fees	To amend the certificate express service to create an additional tier and increase charges	(0.012)	(0.012)	(0.012)
15	Resources	Charge internal and external partners for specific business continuity services	Business continuity advice and emergency costs	0.000	0.000	(0.010)

# RESOURCES & NEIGHBOURHOOD REGENERATION

## APPENDIX B (ix)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
16	Resources	Electoral Registration : introduce a charge for production of confirmation letters of registration	Other authorities charge for the confirmation service. There are approximately 500 requests per annum processed.	(0.005)	(0.005)	(0.005)
17	Resources	Increase legal work to other public sector bodies and further review of Legal Services	Increase legal work for other public sector bodies, to re-engineer the prosecutions process and to review staffing structure at senior solicitor level	(0.040)	(0.060)	(0.090)
18	Resources	Pupil Benefits	Increased income generation	(0.076)	(0.076)	(0.076)
19	Resources	Risk, Insurance & Audit	Income generation from business opportunities	(0.010)	(0.045)	(0.050)
20	Chief Executive	Realign management team in Organisational Transformation	Delete Head of Talent & Skills and realign posts within the team, using the retained budget	(0.050)	(0.050)	(0.050)
21	Chief Executive	Review of administrative support in Organisational Transformation	Review of administrative support arrangements across the whole of Organisational Transformation	(0.074)	(0.074)	(0.074)
22	Chief Executive	Review job evaluation process	Review the current approach to job evaluation by re-engineering and distributing activities across Organisational Transformation or streamlining to a job family approach	(0.040)	(0.040)	(0.040)
23	Chief Executive	New employee benefit - Leased Car Scheme	Introduction of new salary sacrifice scheme to generate additional income	(0.100)	(0.100)	(0.100)
24	Chief Executive	Review of management structures	Review and realignment of Chief Executive's management structure	(0.220)	(0.220)	(0.220)
25	Chief Executive	Corporate savings	Review of all non pay budgets not incorporated as part of new proposals but will be aligned to reductions.	(0.150)	(0.150)	(0.150)
26	Chief Executive	Management review	Management realignment	(0.050)	(0.050)	(0.050)
27	Development & Growth	Major Programmes: Project Management and Commercial & Governance	Estimated savings achieved from the rationalisation of Building Schools for the Future (BSF) contract management arrangements	(0.090)	(0.090)	(0.090)
28	Resources	Realignment of Personal Assistant support to reflect new operating model.	With the implementation of the councils new operating model it is possible to realign the Personal Assistant resource accordingly	(0.049)	(0.098)	(0.098)
29	Resources	Business Support: removal of vacant posts	Deletion of posts within Business Support	(0.139)	(0.139)	(0.139)
30	Resources	Reduce civic budget	Civic support role to be paid from civic allowance	(0.026)	(0.026)	(0.026)

# RESOURCES & NEIGHBOURHOOD REGENERATION

## APPENDIX B (ix)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
31	Resources	Review Resilience budgets	Review of the Resilience staffing structure and budgets	(0.047)	(0.056)	(0.057)
32	Resources	Education appeals-reduce translation and interpretation costs	Revisions to how statements are prepared for appeal hearings will reduce the need for repeat translations of the majority of the text in appeal documents and there will be a more flexible approach to interpretation provided by appellants themselves	(0.005)	(0.005)	(0.005)
33	Resources	Welfare Rights Service	Efficiencies from re-commissioning welfare rights provision and refocusing of the internal service position	(0.294)	(0.294)	(0.294)
34	Resources	Strategic Finance Review	Implementation of a new operating model for Strategic Finance	(0.332)	(0.436)	(0.591)
35	Resources	Realignment of Business Support	Review structure to support children centres and further realignment of Business Support service	(0.179)	(0.179)	(0.179)
36	Resources	Treasury Management	Reduced cost of borrowing reflecting changes to the capital programme Increase in interest from external loans	(0.670)	(0.380)	(0.330)
37	Resources	Scrutiny	Review committee structure	(0.015)	(0.018)	(0.018)
38	Resources	Review training provision with partners	Stop majority of training (internal and with partners). Replace some with e-learning packages	0.000	(0.010)	(0.010)
39	Resources	Corporate Safety staff reduction	Revise structure of Corporate Safety	0.000	0.000	(0.026)
40	Resources	Review provision of Local Resilience Forum (LRF) Secretariat	Withdraw from current provision of LRF Secretariat or seek joint funding from all Cat1 partners	0.000	(0.010)	(0.010)
41	Resources	Councillor support and Constitutional Services	Efficiency savings in non-pay budgets	(0.034)	(0.034)	(0.034)
42	Resources	Constitutional Services	End catering at Full Council meetings	(0.004)	(0.004)	(0.004)
43	Resources	Committee Services	Reduce staff and print budgets	(0.015)	(0.015)	(0.074)
44	Resources	Councillor Support	Review of support costs	(0.002)	(0.002)	(0.002)
				<b>(3.843)</b>	<b>(4.512)</b>	<b>(5.792)</b>

# STRATEGIC REGENERATION & SCHOOLS

## APPENDIX B (x)

	LEAD DEPARTMENT	TITLE OF PROPOSAL	NARRATIVE	REVENUE		
				2015/16 £m	2016/17 £m	2017/18 £m
1	Children & Adults	Schools	Generate income by offering the Data Analysis and Interpretation for School Improvement (DAISI) service to other local authorities	(0.087)	(0.077)	(0.119)
2	Children & Adults	Early Years Traded Service	Anticipated increase in income	(0.016)	(0.016)	(0.016)
3	Children & Adults	IDEAL Traded Service	Increase in income due to new contract	(0.106)	(0.106)	(0.106)
4	Children & Adults	Primary Team Traded Service	Anticipated increase in income	(0.026)	(0.026)	(0.026)
5	Children & Adults	School Admissions Traded Service	Increase in income	(0.019)	(0.019)	(0.019)
6	Children & Adults	NQT Induction Package	Increase in income	(0.004)	(0.006)	(0.008)
7	Children & Adults	Primary Team Operating Model	Post reduction and income generation	(0.055)	(0.055)	(0.055)
				<b>(0.313)</b>	<b>(0.304)</b>	<b>(0.348)</b>

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# ANNEX 3

## CAPITAL PROGRAMME

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C	Local Transport Plan Overview	
D	Capital Programme Detail 2014/15 – 2019/20	

## Capital Programme

### 1. Introducing the Capital Programme

**Annex 3** introduces the draft capital programme, setting out the capital budget for 2015/16 – 2019/20. The capital budget presents, in financial terms, the Council's plan for investment related to the purchasing, building and improvement of capital assets, together with the implications of any major capital projects or investments in Nottingham; this does not relate to the day-to-day running costs of the Council.

This draft capital programme shows how we intend to invest **£1,038.686m** over the next 5 years, enabling substantial regeneration in and around the City and allowing the Council to deliver the capital requirements that have arisen from our business service needs. This planned investment will ensure that Nottingham continues to be a Great City with Citizens at the Heart.

### 2. Understanding the Capital Programme

The programme is divided into two categories:

#### The General Fund Capital Programme

This is the main fund from which the costs of the majority of capital projects are met; it deals with most functions of the Council and is reported in the following sections:

- Local Transport Plan (LTP) – sets out the policies and programmes of investment for delivering transport improvement initiatives across Nottingham.
- Education – This section includes capital expenditure needed for the maintenance and upkeep of schools in the City together with the investment required to ensure there are sufficient school places for the number of pupils in the City, through the expansion of existing schools or building new ones.
- Other Services – All other capital projects, including the maintenance and upkeep of Council owned assets, capital investments required to maintain and enhance service delivery and significant investment in regeneration projects, aimed at creating jobs, attracting other investment into the city and creating a vibrant and attractive city centre for all.

The General Fund programme of works is further subdivided into two categories, as follows:

#### Draft Capital Programme for Approval

This comprises the projects that are progressing either currently or in the near future. These projects have all been approved and the funding has been identified and is in place.

#### Projects in Development

These projects are currently being developed and are at various stages in their project life cycle. Projects can move up into the approved programme once approval has been granted, although this will be subject to a process of business case appraisal that includes both due diligence and the identification of funding.



### Public Sector Housing Capital Programme

The Housing Revenue Account (HRA) is the Council's landlord account, which provides for the capital expenditure associated with the management and maintenance of the Council's social housing stock of c27,200 dwellings. Legislation requires that the HRA is kept separate (ring-fenced) from the Council's other financial transactions.

**Table 1** summarises the proposed capital programme of **£1,038.686m** between the General Fund and the Public Sector Housing Capital Programme. **Appendix D** sets out the details.

TABLE 1: TOTAL CAPITAL PROGRAMME							
Programme	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	TOTAL £m
General Fund Programme	111.588	207.358	55.878	28.270	13.818	7.988	424.900
Projects in Development	16.737	93.262	112.582	46.800	19.800	0.000	289.180
<b>Total General Fund</b>	<b>128.325</b>	<b>300.620</b>	<b>168.460</b>	<b>75.070</b>	<b>33.618</b>	<b>7.988</b>	<b>714.080</b>
Public Sector Housing	65.007	66.977	64.827	51.394	42.019	34.382	324.606
<b>TOTAL PROGRAMME</b>	<b>193.332</b>	<b>367.597</b>	<b>233.287</b>	<b>126.464</b>	<b>75.637</b>	<b>42.370</b>	<b>1,038.686</b>

**Table 1a** below shows the funding of the total proposed capital programme, split by General Fund and the Public Sector Housing Capital Programme.

TABLE 1a: TOTAL CAPITAL PROGRAMME OVERVIEW								
PROGRAMME		FUNDING SOURCE						
Programme	Capital Budget £m	Resources b/f £m	Prudential Borrowing £m	Grants & Cont's £m	Internal Funds £m	Major Repairs Allow'ce £m	Capital Receipts £m	Total Funding £m
General Fund & Projects in Development	714.080	26.318	424.962	212.325	28.178	0.000	22.377	714.160
Public Sector Housing	324.606	49.484	28.826	24.964	46.007	174.006	18.876	342.163
<b>Total</b>	<b>1,038.686</b>	<b>75.802</b>	<b>453.788</b>	<b>237.289</b>	<b>74.185</b>	<b>174.006</b>	<b>41.246</b>	<b>1,056.323</b>
<b>General Fund Surplus</b>								<b>(0.080)</b>
<b>Public Sector Housing Surplus*</b>								<b>(17.557)</b>

\* The surplus is required to finance maintaining decency costs arising in future years.

### 3. General Fund Capital Programme

**Table 2** shows the revisions to the General Fund approved capital programme since Quarter 2 projections were presented at Executive Board in December 2014. The Quarter 3 projected programme totals **£424.900m**. Details of approved additions to the programme are shown in **Appendix A**. (The refreshed LTP programme is detailed in Appendix C and changes in Public Sector Housing are detailed in Annex 4).

<b>TABLE 2: GENERAL FUND PROGRAMME - REVISIONS SINCE QUARTER 2</b>							
<b>TYPE</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Qtr 2 Projections</b>	<b>129.693</b>	<b>176.958</b>	<b>41.932</b>	<b>17.541</b>	<b>13.795</b>	<b>7.988</b>	<b>387.907</b>
Additions	3.318	6.330	0.000	0.000	0.00	0.00	9.648
Slippage / Acceleration	(18.841)	18.627	(0.120)	(0.100)	0.023	0.000	(0.000)
New Transport Programme proposals	0.000	3.590	14.066	10.829	0.000	0.000	28.485
Savings / Other	(2.993)	1.853	0.000	0.000	0.000	0.000	(1.140)
<b>Qtr 3 Projections</b>	<b>111.588</b>	<b>207.178</b>	<b>55.878</b>	<b>28.290</b>	<b>13.818</b>	<b>7.988</b>	<b>424.900</b>

The detailed draft capital programme is shown in **Appendix D** and is based on an existing programme of fully approved projects, new projects approved since quarter 2 and new/amended schemes now recommended for inclusion.

The main recommended addition into the capital programme is **£28.485m** for the New Transport Programme and the details of this proposal are highlighted on page 7, with the detail included in the Local Transport Plan at **Appendix C**

The draft capital programme includes areas of significant investment in and around the City and some of the major projects are as follows:

- Primary Schools Reorganisation - **c£18m** allocated to address the shortfall in primary school places within the City.
- Net lines 2 & 3 - reflecting the Councils **£144.220m** investment in extending the existing tram network.
- Provision of a 50m pool and extension of the Harvey Hadden leisure Centre - **£12.540m**
- The re-development of Nottingham Castle into a world class visitor attraction - **£23.988m**
- Capital maintenance works at the Eastcroft incinerator - **£10.972m**
- Disabled Facilities Grants of **£10.272m** to deliver adaptations for disabled people in private homes, helping them to live more independently.
- Regeneration schemes - aimed at re-developing areas in order to create employment opportunities and attract investment into the City. Current schemes include the re-development of the Sneinton Market area **£3.974m**, refurbishment of the Dakeyne Street area **£7.561m** and investment in the extension of the Bioscience facility.
- The LTP is a significant part of the capital programme and the proposed investment over the next three years is estimated at **£89.152m**, **Table 6** on page 5 shows the current proposed programme and the details are set out in **Appendix C**.
- In addition there are **£289.180m** of schemes in development, this includes **£127.580m** of schemes which are aimed at regeneration of areas in and around the city in order to create jobs and attract investment into the area and **£116.710m** of schemes which are expected to make a commercial return in order to generate an income for the Council.

## Revised Capital Programme 2014/15 – 2019/20

**Table 3** presents the revised General Fund element of the capital programme, by portfolio after amending for the revisions stated above. The detailed capital programme can be found in **Appendix D**.

<b>TABLE 3 : GENERAL FUND CAPITAL PROGRAMME</b>							
<b>PORTFOLIO</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
Local Transport Programme	22.974	25.938	23.871	16.369	0.000	0.000	89.152
Education / BSF	15.990	13.658	5.647	0.000	0.000	0.000	35.295
Other Services	72.624	167.762	26.360	11.901	13.818	7.988	300.453
Schemes in Development	16.737	93.262	112.582	46.800	19.800	0.000	289.180
<b>Total Programme</b>	<b>128.325</b>	<b>300.620</b>	<b>168.460</b>	<b>75.070</b>	<b>33.618</b>	<b>7.988</b>	<b>714.080</b>

## **4. Sources of Programme Funding**

The funding of the capital programme is delivered from a diverse range of as follows:

### **Capital Receipts**

Receipts from the sale of surplus assets are used as a corporate resource, allowing the Council to fund a range of projects for which there is no external funding or, alternatively, other non-commercial projects that will not generate a return sufficient to cover their costs. Capital receipts are also used as a strategic funding mechanism to deliver projects for which the Council has a statutory responsibility.

Unsecured capital receipts used to fund the capital programme have been subject to a risk assessment that takes current market conditions and other factors into consideration. This ensures that only a prudent amount of unsecured capital receipts are included in our funding allocations.

### **Prudential Borrowing**

Under the rules of the Prudential Code the Council has the power to finance capital projects through borrowing that does not attract support from the Government. The key principle for this prudential borrowing is that it must be affordable and consequently, it is heavily regulated. This method of financing is used for those schemes that demonstrate they can deliver savings or make a return on investment at least sufficient to cover the debt repayments of interest and principal.

All new borrowing is subject to a robust business case that details how the related schemes will cover the costs of borrowing or make a commercial return.

### **Grants**

External funds that are either provided by the Government which may be ring-fenced for specific areas, or external grants from other sources that have been specifically provided in order to deliver specific projects.

## Reserves

Earmarked reserves set aside through Executive Board approval, for specific capital projects.

**Table 4** below gives a breakdown of how the General Fund capital programme is currently funded.

<b>TABLE 4: GENERAL FUND CAPITAL PROGRAMME RESOURCES</b>							
	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
Resources b/fwd	26.318	0.000	0.000	0.000	0.000	0.000	26.318
Prudential Borrowing	53.185	201.003	111.388	50.217	8.576	0.594	424.962
Grants & Contribution	45.507	64.497	53.268	22.709	19.850	6.494	212.325
Internal Funds / Revenue	11.374	7.986	1.664	2.610	3.050	1.494	28.178
Secured Capital Receipts	4.646	0.000	0.000	0.000	0.000	0.000	4.646
Un-Secured Capital Receipts	4.548	7.019	2.070	1.100	2.995	0.000	17.731
<b>TOTAL RESOURCES</b>	<b>145.578</b>	<b>280.504</b>	<b>168.390</b>	<b>76.636</b>	<b>34.471</b>	<b>8.582</b>	<b>714.160</b>

59.5% of the value of capital schemes is proposed to be funded by prudential borrowing. This is mainly due to Net Line Phase 2 being included in the programme, together with the significant investment being undertaken in and around the city on commercial schemes that are expected to generate a future return. 29.7% of projects are funded by external grants and contributions, with less than 1% being funded by capital receipts. **Appendix B** lists the schemes that are being funded by Prudential Borrowing.

## 5. Overview of the General Fund Capital Programme

**Table 5** shows the overall balance on the capital programme after taking account of the revisions in this report is a small surplus of **£80k**. The proposed programme is predicated on a number of projects in development, the costs of these projects are estimated and are subject to change, therefore will change as projects progress and costs become more accurate.

<b>TABLE 5 : GENERAL FUND CAPITAL PROGRAMME</b>							
<b>OVERALL</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Total Programme</b>	128.325	300.620	168.460	75.070	33.618	7.988	714.080
<b>Total Resources</b>	145.578	280.504	168.390	76.636	34.471	8.582	714.160
<b>Cumulative (Surplus)/Shortfall</b>	<b>(17.253)</b>	<b>2.862</b>	<b>2.932</b>	<b>1.366</b>	<b>0.513</b>	<b>(0.080)</b>	<b>(0.080)</b>

## 6. New and Emerging Projects

As capital projects emerge thought the year it is common for there to be a number of potential capital schemes being considered. The decision to progress additional schemes will be dependant on securing the required level of external funding or grant as appropriate. Where projects do not attract grant or external funding, inclusion in the capital programme will be based on the assessment of robust business cases and financial models that demonstrate the necessary return on investment required.

Given the general financial outlook, a rate of return on any investment is desirable. The rate of return that will need to be generated on an investment will depend on the chosen method of financing. For example, any investment funded from prudential borrowing will need to cover the cost of borrowing at the minimum.

## 7. Local Transport Plan (LTP)

The LTP is a significant component of the capital programme. The main LTP programme comprises of Local Transportation Schemes and highways capital maintenance. LTP funding is also used to lever in significant additional external resources. This proposed new schemes total **£28.485m**, the majority of which are Local Growth Fund schemes, which is a national programme of works to improve local economic growth within Local Enterprise Partnerships (LEP's), as part of the growth fund three new transport related schemes were confirmed as part of the growth fund deal for the D2N2 LEP for Nottingham, the details of these are set out in Appendix C page 19 (Local Growth Fund Schemes).

Although the LTP is set for three years, it is annually reviewed during the budget process to allow flexibility in responding to prevailing new requirements or priorities. As some schemes may not be completed by the end of March, elements of the 2014/15 programme and associated funding may need to be rolled forward into the next financial year.

The LTP3 Strategy anticipated lower levels of funding than previous years. It also reflects Council priorities for greater emphasis on supporting the local economy, maintenance activity, small-scale neighbourhood transport schemes and sustainable transport measures, given current funding constraints.

**Table 6** below shows the impact the new schemes will have on the proposed programme, in addition there have been some other adjustments made in quarter 3 totalling £0.684m. The detail and the funding allocations are set out in **Appendix C**. The programme has been compiled on the basis that all schemes are consistent with the objectives set out in the LTP.

<b>TABLE 6 : LOCAL TRANSPORT PROGRAMME MOVEMENT</b>							
<b>Description</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
<b>Local Transport Programme as Reported at Quarter 2</b>	<b>29.402</b>	<b>16.494</b>	<b>9.815</b>	<b>5.640</b>	<b>0.000</b>	<b>0.000</b>	<b>61.351</b>
Additions	0.000	6.025	13.600	8.860	0.000	0.000	<b>28.485</b>
Slippage	(4.896)	2.571	0.456	1.869	0.000	0.000	<b>(0.000)</b>
Other Adjustments	(1.532)	0.848	0.000	0.000	0.000	0.000	<b>(0.684)</b>
<b>Proposed Local Transport Programme</b>	<b>22.974</b>	<b>25.938</b>	<b>23.871</b>	<b>16.369</b>	<b>0.000</b>	<b>0.000</b>	<b>89.152</b>

The additions in the proposed programme are funded by **£25m** of funding from the Local Growth Fund and **£3.4m** of the Integrated Transport Block grant settlement.

## 8. Public Sector Housing Capital Programme

The Public Sector Housing Programme sets out the five year investment in the housing stock. This programme is within the overall 30 year HRA Business Plan which sets out how the public sector housing stock will be maintained to decency standards over the long term.

Although NCH manage the stock under a management agreement, the Council retains ownership and Government funding for the Decent Homes Programme has been awarded to the Council, 2014/15 is the final year of the decent homes programme. Allocation of these funds to individual schemes is agreed between the Council and NCH. **Table 7** shows investment to 2019/20 of **£324.606m**. The programme overall is balanced.

<b>TABLE 7 : PUBLIC SECTOR HOUSING CAPITAL PROGRAMME CAPITAL PROGRAMME AND RESOURCES</b>							
<b>PORTFOLIO</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
Public Sector Housing Programme	65.007	66.977	64.827	51.394	42.019	34.382	324.606
<b>Total Programme</b>	<b>65.007</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>
<b>Resources Available</b>							
Resources b/fwd	49.484	0.000	0.000	0.000	0.000	0.000	49.484
Prudential Borrowing	0.000	9.025	6.000	7.351	6.450	0.000	28.826
Grants & Contribution	4.992	2.175	5.022	0.653	1.307	0.815	24.964
Major Repairs Allowance	29.001	29.001	29.001	29.001	29.001	29.001	174.006
Internal Funds / Revenue	6.574	6.635	6.987	8.371	8.720	8.720	46.007
Capital Receipts secured	2.021	0.000	0.000	0.000	0.000	0.000	2.021
<b>Subtotal Resources</b>	<b>102.072</b>	<b>46.836</b>	<b>47.010</b>	<b>45.376</b>	<b>45.478</b>	<b>38.536</b>	<b>325.308</b>
Capital Receipts Unsecured	0.994	4.048	8.454	3.359	0.000	0.000	16.855
<b>Total Resources</b>	<b>103.066</b>	<b>50.884</b>	<b>55.464</b>	<b>48.735</b>	<b>45.478</b>	<b>38.536</b>	<b>342.163</b>
<b>Future Commitment to Maintaining Decency</b>							<b>17.557</b>
<b>Cumulative (Surplus)/Shortfall</b>	<b>(38.059)</b>	<b>(21.966)</b>	<b>(12.603)</b>	<b>(9.943)</b>	<b>(13.402)</b>	<b>(17.557)</b>	<b>0.000</b>

## 9. Risk Management & Governance

The proposed five-year programme is ambitious and will require the Council to use a high proportion of available resources. Substantial investment of this nature will result in the Council being exposed to additional risks as follows:

- a 52% increase in the authority's borrowing over the next five years;
- exposure to interest rate changes; a 0.5% increase in interest rates will increase the cost of borrowing by c£0.700m per annum;
- major schemes have a long pay-back period, which will require the use of reserves in the early years to fund short term deficits in business plans;
- the cost of feasibility studies are all undertaken at risk;
- schemes may not cover their costs or make the desired return.

In order to manage these risks the following key principles will be adopted in managing the capital programme:

- Where new projects are added to the programme that will not cover their costs, an existing project will be removed or amended;
- all projects must have a robust and viable business case, which considers and includes whole life costing and revenue implications (including rate of return);
- all schemes will be subject to robust and deliverable business plans and models which

- demonstrate the necessary return on investment required;
- the decision to progress schemes will be dependent on securing the stated level of external funding or grant as appropriate;
- new projects will be considered where the Council can make a return on investment;
- where new sources of external funding/grants become available, the programme will be revisited;
- all schemes will be subject to an independent internal 'Gateway Review Process'.

The Medium Term Financial Strategy includes the following requirements for consideration of the funding of the capital programme:

- The Council will endeavour to maximise grant funding for schemes which will assist in the delivery of the corporate priorities, part/full grant funded bids will be subject to the same prioritisation process
- Prudential or Unsupported Borrowing can be used where it can be demonstrated that it is affordable and sustainable in the medium term. Borrowing must be within approved limits and in accordance with the prevailing guidance in the Treasury Management Strategy
- Capital Receipts generated from the sale of land, buildings and other assets will be a non-earmarked, council-wide resource, to be allocated according to Council priorities only after a thorough and objective options appraisal and consideration of opportunity costs, and not earmarked to a particular project, scheme, service, directorate and/or geographical area.

The City Council recognises the importance of individual and collective accountability and requires managers to formally acknowledge their responsibilities. Financial management is an integral aspect of effective leadership and good management, relevant councillors and managers are required to participate fully in all aspects of capital investment plans.

Corporate Directors will be accountable for the success and deliverability of all capital projects within their remit; including:

- Ownership of business cases and any subsequent changes to them.
- Ensuring that capital projects are delivered in line with agreed targets and resources.
- The successful outcome and benefits realisation of capital projects.

**APPENDIX A**

<b>QUARTER 3 APPROVALS AND ADDITIONS TO THE CAPITAL PROGRAMME</b>					
<b>BLOCK</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>Total</b>
<b>Other Services</b>					
<b>Commissioning &amp; Vol Sector</b>					
NCHA Grant - Specialist Housing	0.040	0.000	0.000	0.000	<b>0.040</b>
Basford Owners - Water Ingress	0.070	0.000	0.000	0.000	<b>0.070</b>
<b>Energy and Sustainability</b>					
Sneinton Market - Solar Panels	0.147	0.000	0.000	0.000	<b>0.147</b>
<b>Leisure and Culture</b>					
Radford Recreation Ground	0.055	0.000	0.000	0.000	<b>0.055</b>
Victoria / Ken Martin Fitness / Southglade Health	0.130	0.125	0.000	0.000	<b>0.255</b>
Newstead Abbey - Vision for the Future	0.090	0.400	0.000	0.000	<b>0.490</b>
Harvey Hadden Pool	0.000	0.258	0.000	0.000	<b>0.258</b>
<b>Planning and Transport</b>					
Chapel / Theatre-Mapperley Hospital	0.040	0.000	0.000	0.000	<b>0.040</b>
City Centre Traffic Strategy	0.050	0.000	0.000	0.000	<b>0.050</b>
<b>Resources &amp; Neighbourhood Regeneration</b>					
IT - Core Infrastructure Refresh	0.095	0.000	0.000	0.000	<b>0.095</b>
IT - BACS System Upgrade	0.047	0.000	0.000	0.000	<b>0.047</b>
IT - Children's & Adults Social Care	0.161	0.054	0.000	0.000	<b>0.215</b>
Denewood Centre - Demolition	0.438	0.000	0.000	0.000	<b>0.438</b>
IT -Microsoft Upgrade	0.700	0.000	0.000	0.000	<b>0.700</b>
IT- Agile Working (laptops)	(0.285)	0.000	0.000	0.000	<b>(0.285)</b>
Property Acq - Shakespeare Street	0.000	5.300	0.000	0.000	<b>5.300</b>
Unlocking Loxley House - Phase 2A	0.600	0.658	0.000	0.000	<b>1.258</b>
Acquisition of land at Oakford close	0.070	0.000	0.000	0.000	<b>0.070</b>
<b>Strategic Regeneration &amp; Schools</b>					
Feasibility	0.075	0.000	0.000	0.000	<b>0.075</b>
Refurbish 105 Carlton Road	0.260	0.000	0.000	0.000	<b>0.260</b>
Sneinton Market Community Space	0.035	0.035	0.000	0.000	<b>0.070</b>
<b>TOTAL ADDITIONS</b>	<b>2.818</b>	<b>6.830</b>	<b>0.000</b>	<b>0.000</b>	<b>9.648</b>



## APPENDIX B

<b>PRUDENTIAL BORROWING SCHEDULE</b>						
<b>SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>TOTAL £m</b>
<b>Housing Revenue Account</b>						
HRA General Borrowing Estimate	0.000	9.025	6.000	7.351	6.450	28.826
<b>TOTAL - Public Sector Housing</b>	<b>0.000</b>	<b>9.025</b>	<b>6.000</b>	<b>7.351</b>	<b>6.450</b>	<b>28.826</b>
<b>General Fund Schemes</b>						
Replacement of Voluntary Set Aside Receipts	3.000	3.430	0.000	0.000	0.000	6.430
Leisure Transformation Programme	8.605	0.113	0.000	0.000	0.000	8.718
Primary Education	0.000	1.010	0.000	0.000	0.000	1.010
Vehicle Replacement Programme - Acquisitions	4.500	4.188	3.500	3.500	3.500	19.188
Victoria Leisure Centre	0.023	0.000	0.000	0.000	0.000	0.023
Improvements to Community & Cultural Property	0.000	0.264	0.000	0.000	0.000	0.264
Eastcroft Incinerator	3.066	1.432	3.962	1.561	0.951	10.972
Disabled Facilities Grants	1.123	2.835	2.937	1.250	0.485	8.630
Nottingham Station Hub	3.112	0.000	0.000	0.000	0.000	3.112
St Ann's Joint Services Centre	0.000	0.000	0.000	0.056	0.040	0.096
NET Lines 2/3 Land Acquisitions	13.000	117.500	8.857	0.000	0.000	139.357
Southglade Food Park - Phase 2	1.500	0.115	0.000	0.000	0.000	1.615
Depot Accommodation and Fleet Services	0.329	0.000	0.000	0.000	0.000	0.329
Acquisition 1 Highfields Science Park	0.004	0.000	0.000	0.000	0.000	0.004
Royal Centre Improvements	0.550	0.200	0.000	0.000	0.000	0.750
Creative Quarter - City Deal	1.348	3.289	3.000	0.000	0.000	7.637
Enviro Energy - District Heating Pipes	0.159	0.000	0.000	0.000	0.000	0.159
Victoria / Ken Martin Fitness / Southglade Health	0.725	0.000	0.000	0.000	0.000	0.725
Horticultural Retail Units	0.000	0.050	0.000	0.000	0.000	0.050
Weed Wipe Machinery	0.004	0.000	0.000	0.000	0.000	0.004
Car Parking Meters at Major Parks	0.004	0.032	0.000	0.000	0.000	0.036
Wollaton Hall Stable Block - Seasonal Café	0.026	0.014	0.000	0.000	0.000	0.040
Nottingham Caves - Audio / Visual Equipment	0.010	0.000	0.000	0.000	0.000	0.010
Wollaton Hall / Castle - Retail Outlets Imps	0.040	0.005	0.000	0.000	0.000	0.045
Wollaton Hall Stable Block - 2 New Retail Units	0.004	0.041	0.000	0.000	0.000	0.045
Newstead Abbey - Holiday / Glamping Units	0.100	0.060	0.000	0.000	0.000	0.160
Newstead Abbey - Vision for the Future	0.000	0.100	0.000	0.000	0.000	0.100
Unlocking Loxley House	0.881	0.000	0.000	0.000	0.000	0.881
Solar Panels - Colwick Park and Ride Site	0.000	1.236	0.000	0.000	0.000	1.236
Solar Panels - Queens Drive Park and Ride Site	0.000	0.927	0.000	0.000	0.000	0.927
Acquisition of Land	1.560	0.000	0.000	0.000	0.000	1.560
Feasibility	1.905	0.000	0.000	0.000	0.000	1.905
105 Carlton Road Imps	0.260	0.000	0.000	0.000	0.000	0.260
<b>Total – Other Schemes</b>	<b>45.838</b>	<b>136.841</b>	<b>22.256</b>	<b>6.367</b>	<b>4.976</b>	<b>216.278</b>
<b>TOTAL - Prudential Borrowing</b>	<b>45.838</b>	<b>145.866</b>	<b>28.256</b>	<b>13.718</b>	<b>11.426</b>	<b>245.104</b>

## APPENDIX C

### Local Transport Plan Programme Overview

#### Context

The Nottingham Local Transport Plan 3 (LTP3), adopted in April 2011, sets out the policies and programme of investment for delivering transport improvements across Nottingham. It comprises two components: The Local Transport Strategy 2011-2026 (which outlines the long-term transport vision and strategy) and the Implementation Plan (detailing funding allocations and proposed transport measures on a three year rolling basis). The funding allocations set out below will inform the update of the Implementation Plan covering the period April 2015 to March 2018.

Following a review of the funding formula relating to Local Transport, the Council along with all other local transport authorities, was notified of the local transport settlement beyond April 2015 to 2020/21 in June 2014, on the basis of a revised funding formula. The maintenance element of this allocation was confirmed on the 23rd December 2014, again after changes have been made to the funding formula. In both cases, funding up to 2017/18 is confirmed, with funding for the following three years subject to a mid-term review.

#### Total Transport Programme

**Table 1** shows a summary of the proposed transport programme for 2014/15 – 2017/18 of **£89.152m**. The detailed programme is shown in **Appendix D**.

TABLE 1: TOTAL LOCAL TRANSPORT PLAN						
PROGRAMME	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	Total £m	Table / Section Ref
Public Transport Infrastructure Schemes	0.600	0.135	0.450	0.450	<b>1.635</b>	<b>Section 2</b>
Supporting Economic Growth	6.994	4.531	0.950	0.950	<b>13.425</b>	
Cycling Schemes	0.400	0.205	0.240	0.240	<b>1.085</b>	
Walking Schemes	0.060	0.060	0.100	0.100	<b>0.320</b>	
Traffic / Safety Schemes	0.562	0.250	0.300	0.300	<b>1.412</b>	
Area Capital Fund contribution	0.000	1.250	1.250	1.250	<b>3.750</b>	
Carriageway Maintenance	2.129	1.885	1.651	1.589	<b>7.254</b>	
Bridges	0.080	0.230	0.280	0.280	<b>0.870</b>	
Other LTP Schemes	0.242	0.100	0.100	0.100	<b>0.542</b>	
Network Management	0.476	0.000	0.000	0.000	<b>0.476</b>	
Footway Maintenance (Streetscape)	0.100	0.100	0.100	0.100	<b>0.400</b>	
Severe Winter Weather Fund	0.085	0.000	0.000	0.000	<b>0.085</b>	
Pothole Maintenance	0.385	0.000	0.000	0.000	<b>0.385</b>	
Other Major Schemes	0.000	3.714	0.000	0.000	<b>3.714</b>	
<b>Total Local Transport Schemes</b>	<b>12.113</b>	<b>12.460</b>	<b>5.421</b>	<b>5.359</b>	<b>35.353</b>	
Station Hub	3.112	0.000	0.000	0.000	<b>3.112</b>	<b>Table 6</b>
Green Bus Round 3	0.107	0.000	0.000	0.000	<b>0.107</b>	
Green Bus Round 4	1.478	0.000	0.000	0.000	<b>1.478</b>	
Green Bus Round 4A	1.486	1.800	0.000	0.000	<b>3.286</b>	
City Deal - Creative Quarter	1.648	4.058	3.000	0.000	<b>8.706</b>	
Better Bus Areas	1.024	1.620	1.850	2.150	<b>6.644</b>	
Local Sustainable Transport Fund	2.006	0.000	0.000	0.000	<b>2.006</b>	
Local Growth Fund	0.000	6.000	13.600	8.860	<b>28.460</b>	
<b>Total Other Schemes</b>	<b>10.861</b>	<b>13.478</b>	<b>18.450</b>	<b>11.010</b>	<b>53.799</b>	<b>Table 5</b>
<b>TOTAL TRANSPORT PLAN</b>	<b>22.974</b>	<b>25.938</b>	<b>23.871</b>	<b>16.369</b>	<b>89.152</b>	<b>Appendix D</b>

**Table 2** shows how the above programme is funded, and the different sources of funding.

<b>TABLE 2: TOTAL LOCAL TRANSPORT FUNDING</b>					
<b>FUNDING</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>Total £m</b>
DFT - LTP Integrated Transport Measures 2013/14	2.313	0.000	0.000	0.000	<b>2.313</b>
DFT - Ring Road Major 2013/14	0.004	0.000	0.000	0.000	<b>0.004</b>
S106	0.248	0.000	0.000	0.000	<b>0.248</b>
DFT Integrated Transport 2014/15	5.936	3.390	3.390	3.390	<b>16.106</b>
DFT Maintenance 2014/15	1.913	2.215	2.031	1.969	<b>8.128</b>
DFT - Ring Road Major Grant	6.570	3.141	0.000	0.000	<b>9.711</b>
DFT - Pothole Funding 14/15	0.385	0.000	0.000	0.000	<b>0.385</b>
Growth Point - Bath St / Brook St Link	0.078	0.000	0.000	0.000	<b>0.078</b>
Nottingham Trent University - Shakespeare Street	0.250	0.000	0.000	0.000	<b>0.250</b>
New Homes Bonus - Bath Street	0.117	0.000	0.000	0.000	<b>0.117</b>
Nottm University - Derby Rd/Triumph Rd Over-accrued	(0.118)	0.000	0.000	0.000	<b>(0.118)</b>
BSF - Nottingham Academy	0.012	0.000	0.000	0.000	<b>0.012</b>
DFT - Severe Winter Weather	0.085	0.000	0.000	0.000	<b>0.085</b>
ITM Grant Used in 13/14 to Fund Creative Quarter (Corr)	0.483	0.000	0.000	0.000	<b>0.483</b>
Transfer to Other Services - Area Capital Fund	(1.250)	0.000	0.000	0.000	<b>(1.250)</b>
Transfer to Other Services - Economic Development	(1.200)	0.000	0.000	0.000	<b>(1.200)</b>
<b>Total Funding LTP Schemes</b>	<b>15.827</b>	<b>8.746</b>	<b>5.421</b>	<b>5.359</b>	<b>35.353</b>
Prudential Borrowing	4.455	3.289	3.000	0.000	10.744
DFT - Green Bus Fund	3.072	0.000	0.000	0.000	3.072
NET Fund - Green Bus Fund	0.000	1.800	0.000	0.000	1.800
DFT Better Bus	1.081	0.000	0.000	0.000	6.651
ERDF	0.781	0.769	0.000	0.000	1.550
Local Sustainable Transport Fund	2.006	0.000	0.000	0.000	2.006
Local Growth Fund	0.000	6.000	13.600	8.860	28.460
Creative Quarter Adjustment	(0.483)	0.000	0.000	0.000	(0.483)
<b>Total Other Funding</b>	<b>10.912</b>	<b>11.858</b>	<b>16.600</b>	<b>8.860</b>	<b>53.800</b>
<b>TOTAL FUNDING</b>	<b>26.738</b>	<b>20.604</b>	<b>22.021</b>	<b>14.219</b>	<b>89.152</b>

**Table 3** below shows the proposed changes to the overall transport programme since it was last reported to Executive Board in Quarter 2.

<b>Table 3 : LOCAL TRANSPORT PROGRAMME MOVEMENT</b>							
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Local Transport Programme as Reported at Quarter 2</b>	<b>29.402</b>	<b>16.494</b>	<b>9.815</b>	<b>5.640</b>	<b>0.000</b>	<b>0.000</b>	<b>61.351</b>
Additional Local Transport Schemes	0.000	0.297	0.466	1.969	0.000	0.000	<b>2.732</b>
Additional Local Growth Schemes	0.000	3.000	4.500	2.800	0.000	0.000	<b>10.300</b>
Turning Point South/ Broadmarsh	0.000	3.000	3.100	0.000	0.000	0.000	<b>6.100</b>
Cycle Ambition Package	0.000	0.000	3.000	3.000	0.000	0.000	<b>6.000</b>
Nottingham Enterprise Zone	0.000	0.000	3.000	0.000	0.000	0.000	<b>3.000</b>
Southern Growth Corridor	(4.896)	2.571	0.456	1.869	0.000	0.000	<b>(0.000)</b>
Slippage	(1.532)	0.576	(0.466)	1.091	0.000	0.000	<b>(0.331)</b>
Other additions and adjustments							
<b>Proposed Local Transport Programme</b>	<b>22.974</b>	<b>25.938</b>	<b>23.871</b>	<b>16.369</b>	<b>0.000</b>	<b>0.000</b>	<b>89.152</b>

The sections below detail the individual elements of the overall transport plan and how each element is funded. The detail of each of these can be seen in the sections at the end of this report.

### **Local Transport Grant Settlement**

Annual LTP resource allocations are set out in **Table 4**. Scheme details 2015/16-2017/18 total **£16.385m** and are listed in **Section 1 LTP Allocations**. In addition to the annual allocation Table 4 also shows how the **£35.353m** for Local Transport Schemes is made up.

<b>TABLE 4: TOTAL LOCAL TRANSPORT SCHEMES - FUNDING</b>					
<b>Description</b>	<b>Previous Years £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>Total £m</b>
Integrated Transport Block (ITB)	0.000	3.390	3.390	3.390	<b>10.170</b>
Highways Capital Maintenance	0.000	2.215	2.031	1.969	<b>6.215</b>
<b>TOTAL SETTLEMENT</b>	<b>0.000</b>	<b>5.605</b>	<b>5.421</b>	<b>5.359</b>	<b>16.385</b>
LTP from 13/14	3.141	0.000	0.000	0.000	<b>3.141</b>
Previous years contribution to major schemes	3.714	0.000	0.000	0.000	<b>3.714</b>
2014/15 Programme (detail shown in Appendix D)	12.113	0.000	0.000	0.000	<b>12.113</b>
<b>TOTAL</b>	<b>18.968</b>	<b>5.605</b>	<b>5.421</b>	<b>5.359</b>	<b>35.353</b>

### **Proposals**

Although the LTP is set for three years, it is annually reviewed during the budget process to allow flexibility in responding to prevailing new requirements or priorities. As

some schemes may not be completed by the end of March, elements of the 2014/15 programme and associated funding may need to be rolled forward into the next financial year.

The LTP3 Strategy anticipated lower levels of funding than previous years. It also reflects Council priorities for greater emphasis on supporting the local economy, maintenance activity, small-scale neighbourhood transport schemes and sustainable transport measures, given current funding constraints. Priorities for LTP transport investment are therefore:

- **Supporting the local economy** Investment in Nottingham's transport system will increase opportunities for local businesses and thus provide a stimulus to the local economy (this includes local contributions to Local Growth Fund schemes);
- **Linking local people to jobs and training** through improving transport services and facilities to key employment areas and education sites;
- **Maintain our current transport system** Following a decade of substantial investment to improve our transport infrastructure, we will be prioritising investment to protect and preserve our existing transport system reflecting the economic and social importance to local communities;
- **Support neighbourhood transformation** through enabling local citizens and communities to have a greater say in what local transport improvements are made in their local areas and neighbourhoods. These will include footway improvements, local accessibility, parking and traffic management schemes;
- **Support sustainable transport modes** through continued investment in public transport, walking and cycling, including the introduction of more 20mph limits in residential areas across the City (particularly those that form a contribution to our successful Local Sustainable Transport Fund programme);
- **Greening of the transport system** by pursuing clean and efficient vehicle choice for fleets and buses and providing electric charging infrastructure.

To maximise performance, a combination of internal and levered-in external resources will be used to ensure that the programme will be delivered, whilst conforming to financial regulations and value for money considerations. The three year programme will also be managed flexibly to maximise the potential from new funding opportunities, new development, take account of issues arising from consultation with ward councillors, stakeholders and the public, legal procedures, detailed design and variations to scheme estimates. The programme has been compiled on the basis of:

- Schemes are consistent with the objectives set out in the LTP;
- Enabling wider Council Strategic Choices budget savings to be achieved;
- Achieving co-ordination of schemes with other elements of the programme;
- Schemes that lever in other external funding (including developer contributions and economic development funding, including from the Local enterprise Partnership);
- Procurement to support the local economy and increase job opportunities for local people;
- Ensuring sufficient advance design is undertaken to maintain future programme delivery;

- Achieving a balance between large and small-scale schemes to ensure efficient use of staff resources.

The main LTP programme is set out under the following headings – Highways Capital Maintenance and Integrated Transport Block. Detailed allocations are set out below.

#### Highways Capital Maintenance

This programme includes schemes for carriageway and structural maintenance. Priorities are determined through condition surveys, taking account of coordination with the integrated transport block programme and, in the case of residential roads informed by priorities of ward councillors. Significant schemes within this block for the 2015/16 financial year include:

- Carriageway maintenance priorities including, Hucknall Lane and Meadows Way;
- Expanded Residential Roads carriageway programme (to be identified from condition surveys and neighbourhood priorities in consultation with Ward Councillors);
- Corrosion protection for bridges over railways and improvements/repairs to London Road Bridge.

Detailed programmes for 2016/17 and 2017/18 will be determined over the coming year.

#### Integrated Transport Block (ITB)

This programme comprises a wide range of projects to improve public transport, walking, cycling, highway improvements and measures to influence travel behaviour and support the local economy. Significant 2015/16 schemes included here are:

- Programme of footway improvements, parking and traffic management improvements in neighbourhoods prioritised by ward councillors and Area Committees (continuation of Area Capital Fund transport component);
- Funding for small scale cycle improvements and a contribution for Local Sustainable Transport Fund (LSTF) infrastructure;
- Local contribution towards the Ring Road Major scheme;
- Funding contribution towards service enhancements to the Castle Line (Nottingham – Newark rail service to two trains per hour);
- Investment in the upgrading of life expired traffic signals equipment to bring them up to modern standards;
- Casualty reduction and safer routes to schools programmes, including the ongoing implementation of 20mph limits.

The content of the 2016/17 and 2017/18 programmes are indicative. Elements included in the integrated transport block programme will be used as match for other funding streams.

The LTP allocation table is shown in **Section 1** of the 2013/14 Transport Programme tables.

#### **Local Sustainable Transport Fund**

The Local Sustainable Transport Fund (LSTF) is being promoted by the Government as the best opportunity to secure additional funding for packages of local transport measures and in part offsets some of the reduced LTP funding that has been incurred.

In July 2014, Revenue funding for the Greater Nottingham area of £1.180m was confirmed, which will see continuation of revenue projects during 2015/16.

In addition to the revenue bid, a Capital bid was also submitted to provide supporting infrastructure works. This funding, which is held by the Local Enterprise Partnership has not been confirmed, but will be reported if funding is made available.

## Bus Funding

### Better Bus Areas (BBA2)

In October 2013, it was announced the City Council was successful in its bid for the Better Bus Areas (BBA2) funding round, which would see funding made available to support bus infrastructure measures. A breakdown of the capital funding is provided in **Table 5**.

<b>TABLE 5: BETTER BUS AREAS (BBA2) FUNDING</b>					
<b>SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>Total £m</b>
Southern Gateway Area Bus Priority (Broadmarsh)	0.100	0.770	1.680	2.150	<b>4.700</b>
Traffic Signal Priority (AVL / CCTV)	0.374	0.370	0.000	0.000	<b>0.744</b>
Real-time bus stop displays	0.400	0.000	0.000	0.000	<b>0.400</b>
Smartcard Network	0.150	0.480	0.170	0.000	<b>0.800</b>
<b>TOTAL</b>	<b>1.024</b>	<b>1.620</b>	<b>1.850</b>	<b>2.150</b>	<b>6.644</b>

In addition to the capital element of the fund, a revenue contribution has been provided over the programme to help support the capital schemes as listed above.

### Green Bus Fund Round 4a

The City Council was successful in securing a further £1.4m of Green Bus funding (Round 4a), which will be used for the purchase of 11 green buses, with £1.8m of Workplace Parking Levy (WPL) funding providing match. These will be additional buses continuing from previous Green Bus Awards, such as rounds 3 and 4a. The 11 buses will replace buses within the current fleet, which are all over 12 years old and no longer cost effective to continue their maintenance. The tender process will take place Winter 2014, with the buses delivered in financial year 2015/16.

The buses complement the existing fleet of electric buses already purchased from past bids and enable the WPL funds to be promoted for investing in green sustainable access to workplaces. The new buses will also contribute towards the Council's plans to introduce a Statutory Bus Quality Partnership scheme for the whole of the City. This sets a given quality 'entry' standard for bus services including emissions standards. **Table 6** sets out funding for Round 4a.

<b>TABLE 6: GREEN BUS FUNDING ROUND 4a</b>
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<b>Description</b>	<b>£m</b>
Green Bus Fund Round 4a	1.486
WPL (2015/16 Expenditure)	1.800
<b>TOTAL</b>	<b>3.286</b>

Round 4a has previously been approved and the Green Bus funding element of this is included in Section 1 of this report under the heading of Bus Infrastructure.

### **Neighbourhood/Area Working**

Certain elements of the programme require local input to determine final priorities for scheme delivery, including footway renewals, parking and traffic management improvements, residential road maintenance and elements of the road safety programme. This input is achieved through ongoing consultation with ward councillors, neighbourhood managers, Area Committees, residents and other local stakeholders.

The purpose of the Area Capital Fund (ACF), established in 2006, has been to secure neighbourhood public realm improvements with a particular focus on improving footways. Due to the programme's success it was extended to include small-scale schemes to address local parking and traffic management issues within neighbourhoods. The LTP programme allows for a further continuation of the transport component of this programme, at a level of £1.25m.

The mechanism for allocating ACF to areas is determined by a fixed sum for each (£20,000 per annum), with the remaining funding derived by formulae based on population and deprivation.

The allocations for respective Areas and Wards are shown in **Section 2**.

### **Major Schemes**

The Ring Road Major scheme received a reactivated 'Programme Entry' approval in December 2011 following acceptance of our best and final bid submitted in September 2011. Work has since started, and is anticipated to be completed in the 2015/16 financial year. To deliver the scheme, a significant contribution will be required from the LTP and other local funding sources between 2013/14 and 2015/16, which is reflected in the three year programme. The total scheme cost is **£16.175m**, with **£3.375m** to be contributed locally (£0.950m in 2015/16), through a combination of LTP and third party resources. Due to changes in the funding profile by the DfT, local contributions allocated for the 2013/14 and 2014/15 will also be carried forward into 2015/16.

### **Local Growth Fund Schemes**

In July 2014, funding was confirmed for the Local Growth Fund, a national programme of works to improve local economic growth within each of the Local Enterprise Partnerships (LEPs) of which a package of transport schemes were submitted and prioritised. As part of this prioritisation process, three transport related schemes were confirmed as part of the growth fund deal for the D2N2 LEP for Nottingham. These include:



- Highway improvements associated with the Broadmarsh Redevelopment including improvements to the Southern Relief Route, re-routing of traffic and pedestrianisation of Collin Street and changes to Canal Street into an access restricted street totalling £10.3million.
- The Cycle City Ambition Package of works providing improved cycle facilities across the city, including four corridors from the city centre and improvements within neighbourhoods/greenspaces
- A package of infrastructure works for the Boots Enterprise Zone, which will see a proposed new walking and cycling bridge over the rail line to connect the area to into the tram network, along with infrastructure for public transport to the area.
- Southern Growth Corridor, which will see a package of improvements and public transport measures along the corridor along Daleside Road, through the City Centre to Thane Road and the Boots Enterprise Zone.

The funding allocated to Local Growth Fund schemes is provided in **Table 7**. In order to support these schemes, match funding will be required from the LTP between 2015/16 and 2017/18, which is reflected within the three year programme. The Growth Fund Package of works is **£28.460m**. Elements of required match funding are included in the main LTP programme.

<b>TABLE 7: GROWTH FUND SCHEMES</b>				
<b>Scheme</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>Total £m</b>
Turning Point South / Broadmarsh	3.000	4.500	2.800	<b>10.300</b>
Cycle Ambition Package	3.000	3.100	0.000	<b>6.100</b>
Nottingham Enterprise Zone Package	0.000	3.000	3.000	<b>6.000</b>
Southern Growth Corridor	0.000	3.000	3.060	<b>6.060</b>
<b>TOTAL</b>	<b>6.000</b>	<b>13.600</b>	<b>8.860</b>	<b>28.460</b>

Scheme development, business case and consultation will now take place over the next year. Works and funding are programmed to take place on the next three financial years.

### **City Deal – Creative Quarter Public Realm**

Through the City deal process **£8.000m** of prudential borrowing linked to retention of business rate uplift was negotiated to fund highway improvements and public realm to support the creative quarter. The vision is to maximise employment development opportunities and foster a vibrant Creative Quarter on the eastern side of the City Centre, a package of transport infrastructure and associated access and public realm improvements was developed. The package forms part of the wider City Centre transport strategy to help deliver the City's key Economic Growth Plan objectives.

The required infrastructure includes the completion of the Connecting Eastside traffic reprioritisation scheme and major site access improvements plus further supporting public realm measures. It is anticipated that the funding will be split as follows; £3m previously allocated for public realm and junction improvements and £5m over 2015/16 and 2016/17 for Connecting Eastside Phase 2.

Connecting Eastside Phase 2 and site access improvements will greatly improve access to the whole Creative Quarter area and allow a more logical route for through traffic to be introduced separated from local access movements. In particular, an extended bus loop will allow services that currently terminate in the north of the City to be re-routed via the Creative Quarter and redeveloped Southside area.

Footway and priority measures will improve pedestrian access including from the Lace Market tram stop and main bus stops serving the area. Upgrading of the public realm will improve the quality of the environment making the area more attractive for investment and create new spaces for economic activity, outdoor performance or display consistent with an increase in creative activities.

Delivery detail and costs are shown in **Section 3**. Schemes will subject to detailed design. The extent and coverage for each element will be modified consistent with the funding available.

### **Rail Funding**

In partnership with other local authorities and rail sector, improvements have been secured that will increase the frequency of services on the Castle Line (Nottingham to Newark) service. Contribution by local authorities of £250,000 per annum over three years along the route is required. As part of this agreement, a contribution of £25,000 per annum from the LTP programme has been provided from Nottingham for the service over three years, after which the service will be reviewed.

### **Programme Delivery**

To ensure good project management practice, significant or groups of LTP schemes will be subject to Gateway Review.

In addition to the main programme, some reserve schemes are also in development. In the event of non-delivery of any main programme schemes, this can be replaced by a future year or reserve scheme to ensure full expenditure is still achieved for the financial year. This also ensures that a pool of schemes is ready for implementation in future years or bids for alternative sources of funding can be submitted at short notice.

The LTP programme is delivered through a combination of in-house resources and external contractors and suppliers. Wherever possible procurement routes will be used that maximise employment for local people through the creation of direct employment or training opportunities and prioritising the use of local companies. The Nottingham Employment Hub provides a tailored service to match skilled local people to the jobs that will be created including in the transport sector. The Hub will be used to match local people with new employment opportunities created through this programme and other transport investments.

## 2015/16 Transport Programme Tables

### Section 1 - LTP Allocations

SCHEME	DESCRIPTION	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)	Total (£m)
<b>Walking</b>					
Local Sustainable Transport Fund (LSTF) 2015/16 Contribution	Match funding for LSTF 2015/16 continuation, supporting 3 city sustainable travel coordinators for north, central and south localities. Linked to external grant.	0.180	0.000	0.000	<b>0.180</b>
Colwick Country Park	Construction of approach path to new bridge.	0.008	0.000	0.000	<b>0.008</b>
Colwick Woods Footpath	Gradients and surface improvements to path.	0.012	0.000	0.000	<b>0.012</b>
Bulwell Forest Path Improvements	Surface and accessibility improvements to path to facilitate for elderly residents.	0.000	0.035	0.000	<b>0.035</b>
Kingdown Mount Stepped Footpath Improvements	Repair works to timber steps.	0.000	0.010	0.000	<b>0.010</b>
City Wide General Improvements	Works to the rights of way network to maintain use	0.040	0.040	0.040	<b>0.120</b>
Further schemes to be prioritised from development list	Future schemes to be determined from development list for future funding years.	0.000	0.015	0.060	<b>0.075</b>
<b>Total: Walking</b>		<b>0.240</b>	<b>0.100</b>	<b>0.100</b>	<b>0.440</b>
<b>Cycling</b>					
Small Scale Cycle Improvements	Small scale improvements to cycling infrastructure across the city.	0.025	0.100	0.100	<b>0.225</b>
Further schemes to be prioritised from development list	Future schemes to be determined from development list for future funding years.	0.000	0.140	0.140	<b>0.280</b>
<b>Total: Cycling</b>		<b>0.025</b>	<b>0.240</b>	<b>0.240</b>	<b>0.505</b>
<b>Traffic and Safety</b>					
<b>Traffic Management</b>					
Sandhurst Road / Squires Avenue	Traffic signal and pedestrian crossing facility upgrade at road junction.	0.100	0.000	0.000	<b>0.100</b>
Carlton Road / Marmian Road	Alterations to traffic controlled junction including pedestrian crossing improvements and bus priority.	0.000	0.100	0.000	<b>0.100</b>
Traffic Management Schemes	Future schemes to be determined from development list for future funding years.	0.000	0.000	0.100	<b>0.100</b>

SCHEME	DESCRIPTION	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)	Total (£m)
<b>Total: Traffic Management</b>		<b>0.100</b>	<b>0.100</b>	<b>0.100</b>	<b>0.300</b>
<b>Road Safety</b>					
Bells Lane / Broxtowe Lane Phase 2	Road safety scheme following on from previous scheme funded in 2014/15.	0.150	0.000	0.000	<b>0.150</b>
Road Safety Improvement Schemes	Future schemes to be determined from development list for future funding years.	0.000	0.200	0.200	<b>0.400</b>
<b>Total: Road Safety</b>		<b>0.150</b>	<b>0.200</b>	<b>0.200</b>	<b>0.550</b>
<b>Total: Traffic and Safety</b>		<b>0.250</b>	<b>0.300</b>	<b>0.300</b>	<b>0.850</b>
<b>Public Transport (Bus and Rail)</b>					
<b>Rail Service Enhancements</b>					
Castle Line (Nottingham - Newark - Lincoln) Service Enhancement	Contribution towards service increase and reduced journey times along rail line. Contribution required to 2017/18.	0.025	0.025	0.025	<b>0.075</b>
<b>Total: Rail Service Enhancements</b>		<b>0.025</b>	<b>0.025</b>	<b>0.025</b>	<b>0.075</b>
<b>Public Transport Infrastructure</b>					
Day-care Centre Bus Stops	Big Ticket invest-to-save item. Bus stop infrastructure adjacent to day-care centres to facilitate use of existing bus services.	0.050	0.050	0.000	<b>0.100</b>
Park and Ride Electric Charging Points	Big Ticket invest-to-save item. Electric Charging infrastructure points for new bus services required for Park and Ride Services	0.060	0.240	0.000	<b>0.300</b>
On Street Ticketing Vending Machines	Big Ticket invest-to-save item. Continuation of provision of on street ticket machines for smartcard ticketing.	0.000	0.100	0.100	<b>0.200</b>
Further schemes to be prioritised from development list	Future schemes to be determined from development list for future funding years.	0.000	0.035	0.325	<b>0.360</b>
<b>Total: Public Transport Infrastructure</b>		<b>0.110</b>	<b>0.425</b>	<b>0.425</b>	<b>0.960</b>
<b>Total: Public Transport (Bus and Rail)</b>		<b>0.135</b>	<b>0.450</b>	<b>0.450</b>	<b>1.035</b>
<b>Supporting Economic Growth</b>					
<b>Contributions to Major Schemes</b>					
Ring Road Major	Match contribution to major ring road scheme.	0.950	0.000	0.000	<b>0.950</b>
Major Schemes / Growth Fund Contribution	Match contribution to major transport schemes.	0.000	0.600	0.700	<b>1.300</b>
<b>Total: Contributions to Major Schemes</b>		<b>0.950</b>	<b>0.600</b>	<b>0.700</b>	<b>2.250</b>
<b>Economic Development</b>					
Economic Development Fund Contribution	Funding allocated to Economic Development.	0.400	0.300	0.200	<b>0.900</b>
<b>Total: Economic Development</b>		<b>0.400</b>	<b>0.300</b>	<b>0.200</b>	<b>0.900</b>

SCHEME	DESCRIPTION	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)	Total (£m)
<b>Supporting Regeneration</b>					
Arkwright Walk Highway Works	Highway enabling works required for scheme linked with housing redevelopment in Meadows area.	0.040	0.000	0.000	<b>0.040</b>
Further schemes to be prioritised from development list	Future schemes to be determined from development list for future funding years.	0.000	0.050	0.050	<b>0.100</b>
<b>Total: Supporting Regeneration</b>		0.040	0.050	0.050	<b>0.100</b>
<b>Total: Supporting Economic Growth</b>		<b>1.390</b>	<b>0.950</b>	<b>0.950</b>	<b>3.290</b>
<b>Neighbourhood Improvements</b>					
<b>Area Capital Fund</b>					
Area Capital Fund	Small scale improvements through Area Committee, determined by ward councillors.	1.250	1.250	1.250	<b>3.750</b>
<b>Total: Neighbourhood Improvements</b>		<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>3.750</b>
<b>Maintenance</b>					
<b>Streetscape Maintenance</b>					
City Centre Streetscape maintenance	Refurbishment works as a priority from condition surveys.	0.100	0.100	0.100	<b>0.300</b>
<b>Total: Streetscape Maintenance</b>		<b>0.100</b>	<b>0.100</b>	<b>0.100</b>	<b>0.300</b>
<b>Bridges and Structures</b>					
Bridge Inspections	Inspections to identify bridge deterioration.	0.050	0.050	0.050	<b>0.150</b>
Subway 6512S under Bestwood Park Drive West	Replacement of defective parapets - deferred scheme from previous year.	0.065	0.000	0.000	<b>0.065</b>
London Road Railway Bridge Repairs	Repair works to piers of bridge over railway line.	0.115	0.000	0.000	<b>0.115</b>
Bridge Maintenance (to be confirmed)	Priorities to be determined based on bridge inspections.	0.000	0.230	0.230	<b>0.460</b>
<b>Total: Bridges and Structures</b>		<b>0.230</b>	<b>0.280</b>	<b>0.280</b>	<b>0.790</b>
<b>Road Maintenance</b>					
Meadows Way	Waldron Close to Lammas Gardens	0.190	0.000	0.000	<b>0.190</b>
Queens Drive	Crossgate Drive junction and inbound lanes	0.180	0.000	0.000	<b>0.180</b>
London Road	Junction of Meadows Way	0.080	0.000	0.000	<b>0.080</b>
Hucknall Lane	End of dual carriageway to Moor Bridge	0.155	0.000	0.000	<b>0.155</b>
Main Roads Resurfacing works	Maintenance programme for the main road network prioritised by condition surveys	0.000	0.605	0.605	<b>1.210</b>
Residential Resurfacing Programme	Priorities to be determined on technical scores from area highway inspectors and condition surveys	1.000	0.766	0.704	<b>2.470</b>
Street Furniture, Structural Drainage and Road marking schemes	City wide programme maintaining upkeep of carriageway network.	0.250	0.250	0.250	<b>0.750</b>
Condition Survey	Annual survey of highway condition.	0.030	0.030	0.030	<b>0.090</b>

SCHEME	DESCRIPTION	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)	Total (£m)
<b>Total: Road Maintenance</b>		1.885	1.651	1.589	<b>5.125</b>
<b>Total: Maintenance</b>		<b>2.215</b>	<b>2.031</b>	<b>1.969</b>	<b>6.215</b>
<b>Other Schemes</b>					
<b>Monitoring and Coordination</b>					
LTP Programme Coordination / Development	Staff Costs and advance design that will inform LTP programmes.	0.050	0.050	0.050	<b>0.150</b>
Sustainable Transport Monitoring	Annual Monitoring of LTP Performance indicators.	0.050	0.050	0.050	<b>0.150</b>
<b>Total: Monitoring and Coordination</b>		0.100	0.100	0.100	<b>0.300</b>
<b>Total: Other Schemes</b>		<b>0.100</b>	<b>0.100</b>	<b>0.100</b>	<b>0.300</b>
<b>TOTAL - Local Transport Plan</b>		<b>5.605</b>	<b>5.421</b>	<b>5.359</b>	<b>16.385</b>

## Section 2 – Area Capital Fund Allocations

Ward	2015/16 Total Per Ward (£m)	2015/16 Total Per Area (£m)	2016/17 Total Per Ward (£m)	2016/17 Total Per Area (£m)	2017/18 Total Per Ward (£m)	2017/18 Total Per Area (£m)
Bulwell	0.082	0.131	0.082	0.131	0.082	0.131
Bulwell Forest	0.049		0.049		0.049	
Basford	0.066	0.144	0.066	0.144	0.066	0.144
Bestwood	0.078		0.078		0.078	
Aspley	0.098	0.223	0.098	0.223	0.098	0.223
Bilborough	0.083		0.083		0.083	
Leen Valley	0.042		0.042		0.042	
Arboretum	0.065	0.169	0.065	0.169	0.065	0.169
Dunkirk and Lenton	0.039		0.039		0.039	
Radford and Park	0.065		0.065		0.065	
Berridge	0.068	0.122	0.068	0.122	0.068	0.122
Sherwood	0.054		0.054		0.054	
Wollaton East & Lenton Abbey	0.032	0.065	0.032	0.065	0.032	0.065
Wollaton West	0.033		0.033		0.033	
Dales	0.068	0.224	0.068	0.224	0.068	0.224
St Ann's	0.097		0.097		0.097	
Mapperley	0.059		0.059		0.059	
Bridge	0.066	0.172	0.066	0.172	0.066	0.172
Clifton North	0.049		0.049		0.049	
Clifton South	0.057		0.057		0.057	
<b>Total</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<b>1.250</b>

### Section 3 – City Deal/ERDF – Creative Quarter Public Realm Programme

Scheme	Description	2013/14 (£m)	2014/15 £m)	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)	Total (£m)
<b>Broad Street</b>	Upgrading of materials. Implementation of Shared Space	0.419	0.000	0.000	0.000	0.000	<b>0.419</b>
<b>Pilcher / St. Marys Gate</b>	Upgrading of materials. Implementation of Shared Surface.	0.157	0.000	0.000	0.000	0.000	<b>0.157</b>
<b>George Street Footway Upgrade</b>	Upgrading of materials.	0.105	0.000	0.000	0.000	0.000	<b>0.105</b>
<b>Stoney Street / Warsar Gate</b>	Speed reduction measure and improved pedestrian priority	0.085	0.000	0.000	0.000	0.000	<b>0.085</b>
<b>General Scheme Costs</b>	Detailed design for schemes	0.008	0.000	0.000	0.000	0.000	<b>0.008</b>
<b>Bath Street/Southwell Road/Carlton Road junction</b>	Implementation of pedestrian facilities around the junction	0.000	0.507	0.093	0.000	0.000	<b>0.600</b>
<b>Manvers Street/Pennyfoot Street junction improvements</b>	Implementation of pedestrian facilities at the junction	0.000	0.002	0.218	0.000	0.000	<b>0.220</b>
<b>Heathcoat Street footway upgrading</b>	Upgrading of materials and widening of footways.	0.000	0.237	0.273	0.000	0.000	<b>0.510</b>
<b>Trinity Square Phase 1</b>	Creation of high quality public realm	0.070	0.478	0.000	0.000	0.000	<b>0.548</b>
<b>Trinity Square Phase 2</b>	Works including under seat lighting and street furniture works	0.000	0.000	0.072	0.000	0.000	<b>0.072</b>
<b>Broad Street Phase 2</b>	Resurfacing works undertaken in Lace Market area surrounding Broad Street	0.000	0.088	0.000	0.000	0.000	<b>0.088</b>
<b>Castle Approach (Friar Lane)</b>	Public realm and footway upgrade works in front of Nottingham Castle	0.000	0.067	0.153	0.000	0.000	<b>0.220</b>
<b>Derby Road (between Tollhouse Hill and Canning Circus)</b>	Pavement resurfacing and widening, installation of a new pedestrian crossing	0.000	0.178	0.622	0.000	0.000	<b>0.800</b>
<b>Carlton Road Approach</b>	Footway upgrade of materials on Carlton road, links with Bath Street/Southwell Road works	0.000	0.091	0.049	0.000	0.000	<b>0.140</b>



<b>Scheme</b>	<b>Description</b>	<b>2013/14 (£m)</b>	<b>2014/15 (£m)</b>	<b>2015/16 (£m)</b>	<b>2016/17 (£m)</b>	<b>2017/18 (£m)</b>	<b>Total (£m)</b>
<b>Carrington Street Approach</b>	Footway upgrade of materials on Arkwright Street	0.000	0.000	0.100	0.000	0.000	<b>0.100</b>
<b>Station Street Approach</b>	Contribution towards area wide resurfacing for pedestrians accessing railway station	0.000	0.000	0.478	0.000	0.000	<b>0.478</b>
<b>Connecting Eastside Phase 2</b>	Two way route on A60 between Southwell Road and London Road. Bellar Gate reprioritised for public transport, cycling and local access.	0.000	0.000	2.000	3.000	0.000	<b>5.000</b>
	<b>Total</b>	<b>0.844</b>	<b>1.648</b>	<b>4.058</b>	<b>3.000</b>	<b>0.000</b>	<b>9.550</b>

<b>Total Resources Available</b>	<b>Description</b>	<b>2013/14 (£m)</b>	<b>2014/15 (£m)</b>	<b>2015/16 (£m)</b>	<b>2016/17 (£m)</b>	<b>2017/18 (£m)</b>	<b>Total (£m)</b>
<b>ERDF</b>	European funding for Creative Quarter Public Realm Works	0.000	0.781	0.769	0.000	0.000	<b>1.550</b>
<b>City Deal</b>	Confirmed supported borrowing	0.844	0.867	3.289	3.000	0.000	<b>8.000</b>
	<b>Total</b>	<b>0.844</b>	<b>1.648</b>	<b>4.058</b>	<b>3.000</b>	<b>0.000</b>	<b>9.550</b>

**APPENDIX D**

<b>CAPITAL PROGRAMME BY DETAIL 2014/15 – 2019/20</b>							
<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
<b>Public Sector Housing Programme</b>							
<b>1. Meeting the Decent Homes Standard</b>							
a) Safe	3.141	4.616	2.859	2.741	0.903	1.348	15.608
b) Secure and Warm	20.771	12.386	11.605	14.231	15.816	19.045	93.855
	<b>23.912</b>	<b>17.002</b>	<b>14.464</b>	<b>16.972</b>	<b>16.719</b>	<b>20.393</b>	<b>109.463</b>
<b>2. Additional Tenant Priorities</b>							
a) City Wide Door Programme	4.325	2.100	2.100	0.562	0.795	0.836	10.717
b) Energy Efficiency & Tackling Fuel Poverty	7.505	10.985	11.241	10.326	5.443	4.295	49.795
c) Modernising Housing for Older People	1.246	2.045	0.980	0.980	0.980	0.980	7.210
d) Decent Neighbourhoods	1.502	3.050	3.111	2.688	2.688	3.613	16.652
e) Existing Stock Investment	4.768	2.803	5.250	7.350	3.780	2.100	26.051
	<b>19.346</b>	<b>20.983</b>	<b>22.682</b>	<b>21.906</b>	<b>13.686</b>	<b>11.824</b>	<b>110.427</b>
<b>3. Building a Better Nottingham</b>	<b>14.680</b>	<b>17.317</b>	<b>24.612</b>	<b>10.351</b>	<b>9.450</b>	<b>0.000</b>	<b>76.412</b>
<b>4. Joint NCC / NCH Schemes</b>	<b>7.069</b>	<b>11.674</b>	<b>3.068</b>	<b>2.165</b>	<b>2.165</b>	<b>2.165</b>	<b>28.306</b>
<b>TOTAL- Public Sector Housing</b>	<b>65.007</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>
<b>Local Transport Plan / Other Transport</b>							
<b>Local Transport Plan etc</b>							
Public Transport Infrastructure	0.600	0.135	0.450	0.450	0.000	0.000	1.635
Supporting Economic Growth	6.994	4.531	0.950	0.950	0.000	0.000	13.425
Cycling Schemes	0.400	0.025	0.240	0.240	0.000	0.000	0.905
Walking Schemes	0.060	0.240	0.100	0.100	0.000	0.000	0.500
Traffic Management / Safety Schemes	0.562	0.250	0.300	0.300	0.000	0.000	1.412
Area Capital Fund contribution	0.000	1.250	1.250	1.250	0.000	0.000	3.750
Carriageway Maintenance	2.129	1.885	1.651	1.589	0.000	0.000	7.254
Bridges	0.080	0.230	0.280	0.280	0.000	0.000	0.870
Other LTP Schemes	0.242	0.100	0.100	0.100	0.000	0.000	0.542
Network Management	0.476	0.000	0.000	0.000	0.000	0.000	0.476
Footway Maintenance (Streetscape)	0.100	0.100	0.100	0.100	0.000	0.000	0.400
Severe Winter Weather	0.085	0.000	0.000	0.000	0.000	0.000	0.085
Pothole Maintenance	0.385	0.000	0.000	0.000	0.000	0.000	0.385
Contributions to Major Schemes etc	0.000	3.714	0.000	0.000	0.000	0.000	3.714
<b>Sub Total</b>	<b>12.113</b>	<b>12.460</b>	<b>5.421</b>	<b>5.359</b>	<b>0.000</b>	<b>0.000</b>	<b>35.353</b>
<b>Other Transport</b>							
Nottingham Station Hub	3.112	0.000	0.000	0.000	0.000	0.000	3.112
Green Bus Fund 3	0.107	0.000	0.000	0.000	0.000	0.000	0.107

**CAPITAL PROGRAMME BY DETAIL 2014/15 – 2019/20**

<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
Green Bus Fund 4	1.478	0.000	0.000	0.000	0.000	0.000	1.478
Green Bus Fund 4A	1.486	1.800	0.000	0.000	0.000	0.000	3.286
Local Sustainable Transport Fund (LSTF)	2.006	0.000	0.000	0.000	0.000	0.000	2.006
Creative Quarter	1.648	4.058	3.000	0.000	0.000	0.000	8.706
Better Bus Areas	1.024	1.620	1.850	2.150	0.000	0.000	6.644
Local Growth Fund Schemes	0.000	6.000	13.600	8.860	0.000	0.000	28.460
<b>TOTAL-Local Transport Plan</b>	<b>22.974</b>	<b>25.938</b>	<b>23.871</b>	<b>16.369</b>	<b>0.000</b>	<b>0.000</b>	<b>89.152</b>
<b>Education</b>							
Forest Fields Primary Reorganisation	0.922	0.000	0.000	0.000	0.000	0.000	0.922
Northgate (Djanogly) Reorganisation	0.000	0.200	0.000	0.000	0.000	0.000	0.200
Block Allocation - Basic Grant Unallocated	0.000	2.979	5.647	0.000	0.000	0.000	8.626
Block Allocation - Maintenance Grant Unallocated	0.036	1.952	0.000	0.000	0.000	0.000	1.988
Devolved Capital - 2014/15	0.450	0.000	0.000	0.000	0.000	0.000	0.450
Devolved Capital - 2015/16	0.000	0.450	0.000	0.000	0.000	0.000	0.450
Riverside Primary - Expansion	1.187	0.000	0.000	0.000	0.000	0.000	1.187
Walter Halls Primary - Replace Year 5/6 Block	0.050	0.450	0.000	0.000	0.000	0.000	0.500
Rufford Primary - Expansion	0.522	0.000	0.000	0.000	0.000	0.000	0.522
Seeley Primary - Amalgamation	0.258	0.000	0.000	0.000	0.000	0.000	0.258
Roslyn Primary Expansion	1.290	0.000	0.000	0.000	0.000	0.000	1.290
Heathfield Primary Expansion - Early Works	2.992	2.542	0.000	0.000	0.000	0.000	5.534
Nottingham Academy Expansion - Grant	0.000	4.000	0.000	0.000	0.000	0.000	4.000
School Kitchen Improvements	1.245	0.000	0.000	0.000	0.000	0.000	1.245
Bluecoat Primary - New School Early Design	0.550	0.000	0.000	0.000	0.000	0.000	0.550
Health and Safety - Contingency	0.149	0.708	0.000	0.000	0.000	0.000	0.857
Mellers Primary - Mobile Classrooms	0.150	0.000	0.000	0.000	0.000	0.000	0.150
2 Year Old Expansion Programme	0.805	0.000	0.000	0.000	0.000	0.000	0.805
Djanogly Secondary - Primary Places Design	1.050	0.000	0.000	0.000	0.000	0.000	1.050
Claremont Primary - School Playground	0.200	0.000	0.000	0.000	0.000	0.000	0.200
Additional Schemes - Schools	0.258	0.172	0.000	0.000	0.000	0.000	0.430
Schools Maintenance	3.195	0.028	0.000	0.000	0.000	0.000	3.223
	<b>15.309</b>	<b>13.481</b>	<b>5.647</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>34.437</b>
<b>BSF</b>	<b>0.681</b>	<b>0.177</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.858</b>
<b>TOTAL - Education</b>	<b>15.990</b>	<b>13.658</b>	<b>5.647</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>35.295</b>

**CAPITAL PROGRAMME BY DETAIL 2014/15 – 2019/20**

<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
<b>OTHER SERVICES</b>							
<b>Adults and Health</b>							
Block Fund - Adult Social Care (DoH Grant) 14/15	0.000	0.137	0.000	0.000	0.000	0.000	0.137
Block Fund - Adult Social Care (DoH Grant) 12/13	0.000	0.029	0.000	0.000	0.000	0.000	0.029
Integrated Community Equipment Services	0.400	0.000	0.000	0.000	0.000	0.000	0.400
Capacity Building - Technology for Mobile Working	0.046	0.000	0.000	0.000	0.000	0.000	0.046
Hazel Hill Site - 70 Affordable Extra Care Units	0.000	0.550	0.550	0.000	0.000	0.000	1.100
<b>Adult Social Care Estate Investment Plan</b>							
Martin Jackaman - Branding / Roof / Signage	0.322	0.000	0.000	0.000	0.000	0.000	0.322
The Oaks - Refurbishment / Branding / Signing	0.768	0.000	0.000	0.000	0.000	0.000	0.768
Cherry Trees - Branding / Additional Beds / Signage	0.050	0.000	0.000	0.000	0.000	0.000	0.050
Long Meadow - Externals / Internals / Branding	0.160	0.000	0.000	0.000	0.000	0.000	0.160
Summerwood - Minor Work / Branding	0.040	0.000	0.000	0.000	0.000	0.000	0.040
Albany - Branding	0.010	0.000	0.000	0.000	0.000	0.000	0.010
Estate Improvements - Interior Design	0.010	0.000	0.000	0.000	0.000	0.000	0.010
Laura Chambers - Entrance / Branding / Beds	0.060	0.000	0.000	0.000	0.000	0.000	0.060
Oakdene Closure and Security	0.010	0.000	0.000	0.000	0.000	0.000	0.010
Willow Close - Closure and Security	0.010	0.000	0.000	0.000	0.000	0.000	0.010
Laura Chambers - New Wing	0.000	0.800	0.000	0.000	0.000	0.000	0.800
Willows - Develop / Mothball / Dispose	0.000	0.200	0.000	0.000	0.000	0.000	0.200
Martin Jackaman - Pool	0.353	0.000	0.000	0.000	0.000	0.000	0.353
<b>TOTAL - Adults and Health</b>	<b>2.239</b>	<b>1.716</b>	<b>0.550</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.505</b>
<b>Children's Services</b>							
MALT 3 (CAHMS) - Henry Whipple site	0.000	0.021	0.000	0.000	0.000	0.000	0.021
Pathfinder Short Breaks	0.229	0.000	0.000	0.000	0.000	0.000	0.229
Foster Carer's Car Loans	0.012	0.000	0.000	0.000	0.000	0.000	0.012
My Place - Castle Gate Purchase / Improvements	0.075	0.025	0.000	0.000	0.000	0.000	0.100

**CAPITAL PROGRAMME BY DETAIL 2014/15 – 2019/20**

<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
Youth Capital Plus - Green Lane - Phase 2	0.270	0.000	0.000	0.000	0.000	0.000	0.270
<b>TOTAL - Children's Services</b>	<b>0.586</b>	<b>0.046</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.632</b>
<b>Leisure and Culture</b>							
Flexible Fitness - Equipment	0.093	0.000	0.000	0.000	0.000	0.000	0.093
Nottingham Contemporary	0.019	0.050	0.000	0.000	0.000	0.000	0.069
Nottingham Castle - Heritage Lottery Bid scheme	0.100	1.386	1.514	5.500	7.500	7.988	23.988
Concert Hall Seats / Theatre FOH Lift	0.877	0.200	0.000	0.000	0.000	0.000	1.077
Arboretum Café Development	0.438	0.000	0.000	0.000	0.000	0.000	0.438
Forest Rec Ground - Sports Zone Imp Project	1.828	0.000	0.000	0.000	0.000	0.000	1.828
Wollaton Park Children's Play Area	0.195	0.000	0.000	0.000	0.000	0.000	0.195
Highfields Park - Development of Scheme / Bid	0.196	0.000	0.000	0.000	0.000	0.000	0.196
Highfields Park - Refurbishment	0.623	2.500	0.500	0.000	0.000	0.000	3.623
Portland Leisure Centre - Condition Survey Works	0.749	0.000	0.000	0.000	0.000	0.000	0.749
Parks and Playground Improvements	0.351	0.131	0.000	0.000	0.000	0.000	0.482
Libraries - Self issue Technology	0.109	0.000	0.000	0.000	0.000	0.000	0.109
Victoria / Ken Martin Fitness / Southglade Health	0.600	0.125	0.000	0.000	0.000	0.000	0.725
Commercial Trading Schemes	0.188	0.202	0.000	0.000	0.000	0.000	0.390
Valley Road - Phase 2 (WREN)	0.050	0.000	0.000	0.000	0.000	0.000	0.050
Newstead Abbey - Vision for the Future	0.090	0.400	0.000	0.000	0.000	0.000	0.490
<b>Sub Total</b>	<b>6.506</b>	<b>4.994</b>	<b>2.014</b>	<b>5.500</b>	<b>7.500</b>	<b>7.988</b>	<b>34.502</b>
<b>Transformation Programme</b>							
Victoria Leisure Centre Scheme	0.023	0.000	0.000	0.000	0.000	0.000	0.023
Project Management	0.071	0.063	0.000	0.000	0.000	0.000	0.134
Harvey Hadden Sports Centre	11.082	1.458	0.000	0.000	0.000	0.000	12.540
<b>Subtotal</b>	<b>11.176</b>	<b>1.521</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>12.697</b>
<b>TOTAL - Leisure and Culture</b>	<b>17.682</b>	<b>6.515</b>	<b>2.014</b>	<b>5.500</b>	<b>7.500</b>	<b>7.988</b>	<b>47.199</b>
<b>Planning and Transportation</b>							
<b>NET Project</b>	<b>16.318</b>	<b>119.045</b>	<b>8.857</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>144.220</b>
<b>Other</b>							
City Centre Transport Strategy Impact Modelling	0.050	0.000	0.000	0.000	0.000	0.000	0.050
Vehicle Acquisitions etc	4.500	4.188	3.500	3.500	3.500	0.000	19.188

**CAPITAL PROGRAMME BY DETAIL 2014/15 – 2019/20**

<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
Carrington St Car Park - Environmentals etc	0.211	0.000	0.000	0.000	0.000	0.000	0.211
The Chapel and Theatre - Mapperley Hospital	0.040	0.000	0.000	0.000	0.000	0.000	0.040
	<b>4.801</b>	<b>4.188</b>	<b>3.500</b>	<b>3.500</b>	<b>3.500</b>	<b>0.000</b>	<b>19.489</b>
<b>TOTAL Planning Transportation</b>	<b>21.119</b>	<b>123.233</b>	<b>12.357</b>	<b>3.500</b>	<b>3.500</b>	<b>0.000</b>	<b>163.709</b>
<b>Energy and Sustainability</b>							
Eastcroft Combined Heat & Power Plant Works	3.066	1.432	3.962	1.561	0.951	0.000	10.972
Enviro Energy District Heating Pipes	0.159	0.000	0.000	0.000	0.000	0.000	0.159
Solar Panels - Queens Drive Park & Ride Site	0.000	0.927	0.000	0.000	0.000	0.000	0.927
Solar Panels - Colwick Park & Ride Site	0.000	1.236	0.000	0.000	0.000	0.000	1.236
Solar Panels - Sneinton Market	0.147	0.000	0.000	0.000	0.000	0.000	0.147
<b>TOTAL - Energy and Sustainability</b>	<b>3.372</b>	<b>3.595</b>	<b>3.962</b>	<b>1.561</b>	<b>0.951</b>	<b>0.000</b>	<b>13.441</b>
<b>Commissioning and the Voluntary Sector</b>							
<b>Housing</b>							
Discretionary Grants - Age Concern	0.064	0.000	0.000	0.000	0.000	0.000	0.064
RHG 07/08 - PSA7 Target - Stonebridge	0.251	0.000	0.000	0.000	0.000	0.000	0.251
RHG 07/08 - Decent Homes Warm Front Grants	0.060	0.000	0.000	0.000	0.000	0.000	0.060
Regional Housing Board - Equity Loan Scheme	0.385	0.000	0.000	0.000	0.000	0.000	0.385
Disabled Facilities Grants	2.000	2.835	2.937	1.250	1.250	0.000	10.272
S106 Affordable Housing - Stonebridge Relocation	0.269	0.000	0.000	0.000	0.000	0.000	0.269
Acquisition of The Globe	0.039	0.000	0.000	0.000	0.000	0.000	0.039
NCHA Grant - Specialist Housing	0.040	0.000	0.000	0.000	0.000	0.000	0.040
Basford Owner / Occupiers - Water ingress	0.070	0.000	0.000	0.000	0.000	0.000	0.070
<b>Sub Total</b>	<b>3.178</b>	<b>2.835</b>	<b>2.937</b>	<b>1.250</b>	<b>1.250</b>	<b>0.000</b>	<b>11.450</b>
<b>Community Sector</b>							
<b>Imps to Community and Cultural Facilities</b>	<b>0.000</b>	<b>0.302</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.302</b>
<b>TOTAL - Commissioning &amp; Voluntary Sector</b>	<b>3.178</b>	<b>3.137</b>	<b>2.937</b>	<b>1.250</b>	<b>1.250</b>	<b>0.000</b>	<b>11.752</b>
<b>Strategic Regeneration and Schools</b>							
<b>Broadmarsh Redevelopment</b>	<b>0.633</b>	<b>0.150</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.783</b>

**CAPITAL PROGRAMME BY DETAIL 2014/15 – 2019/20**

<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
<b>Community Safety</b>							
Stronger Safer Communities Fund	0.018	0.100	0.000	0.000	0.000	0.000	0.118
Housing Enforcement Action- Cavendish Court	0.520	0.000	0.000	0.000	0.000	0.000	0.520
<b>Sub Total</b>	<b>0.538</b>	<b>0.100</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.638</b>
<b>Other Schemes</b>							
Downtown (Sneinton Market) and Creative Quarter	1.299	2.592	0.000	0.000	0.000	0.000	3.891
Downtown (Sneinton Market) Project Management	0.047	0.036	0.000	0.000	0.000	0.000	0.083
Creative Catalyst - Dakeyne St Factory Refurb	1.646	5.822	0.000	0.000	0.000	0.000	7.468
Dakeyne Street Refurbishment - Project Mgt	0.053	0.040	0.000	0.000	0.000	0.000	0.093
Acquisition - Land	1.560	0.000	0.000	0.000	0.000	0.000	1.560
Feasibility	1.595	0.310	0.000	0.000	0.000	0.000	1.905
Refurbish 105 Carlton Road	0.260	0.000	0.000	0.000	0.000	0.000	0.260
Sneinton Market Community Space	0.035	0.035	0.000	0.000	0.000	0.000	0.070
Fees for Statutory Processes	0.075	0.000	0.000	0.000	0.000	0.000	0.075
<b>Sub Total</b>	<b>6.570</b>	<b>8.835</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>15.405</b>
<b>TOTAL - Strategic Regeneration &amp; Schools</b>	<b>7.741</b>	<b>9.085</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>16.826</b>
<b>Community Services</b>							
Area Based Capital Investment Plans (Area Capital Fund)	1.756	2.669	0.750	0.000	0.000	0.000	5.175
<b>TOTAL - Community Services</b>	<b>1.756</b>	<b>2.669</b>	<b>0.750</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>5.175</b>
<b>Resources &amp; Neighbourhood Regeneration</b>							
<b>Property</b>							
Marlstones - Demolition	0.027	0.000	0.000	0.000	0.000	0.000	0.027
Depot Accommodation / Fleet Services	0.329	0.000	0.000	0.000	0.000	0.000	0.329
1 Gilead St - IT removal etc before sale	0.022	0.000	0.000	0.000	0.000	0.000	0.022
Southglade Food Park - Phase 2	3.687	3.441	0.000	0.000	0.000	0.000	7.128
Acquisition of Property ( No.1 Science Park)	0.004	0.000	0.000	0.000	0.000	0.000	0.004
Unlocking Loxley House	0.881	0.000	0.000	0.000	0.000	0.000	0.881
Unlocking Loxley House - Phase 2	0.150	0.000	0.000	0.000	0.000	0.000	0.150
Unlocking Loxley House - Phase 2A	0.600	0.658	0.000	0.000	0.000	0.000	1.258
Growing Places - Loan No.2	0.150	3.750	3.750	0.050	0.000	0.000	7.700
Council House - Lifts / Heating	0.300	0.580	0.000	0.000	0.000	0.000	0.880

**CAPITAL PROGRAMME BY DETAIL 2014/15 – 2019/20**

<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
Council House - Fire Risk / Compliance	0.300	0.310	0.000	0.000	0.000	0.000	0.610
Demolition - Denewood Centre	0.438	0.000	0.000	0.000	0.000	0.000	0.438
Acquisition of Property - Shakespeare Street	0.000	5.300	0.000	0.000	0.000	0.000	5.300
Acquisition of Property - Oakland Close	0.070	0.000	0.000	0.000	0.000	0.000	0.070
<b>Sub Total</b>	<b>6.958</b>	<b>14.039</b>	<b>3.750</b>	<b>0.050</b>	<b>0.000</b>	<b>0.000</b>	<b>24.797</b>
<b>Re-Investment of Capital Receipts in Property</b>							
Re-investment of Capital Receipts Block Fund	0.000	1.130	0.000	0.000	0.000	0.000	1.130
Acquisition of Property (81-85 Upper Parliament St)	0.253	0.000	0.000	0.000	0.000	0.000	0.253
Ghurkha Kitchen - Surrender of Lease	0.202	0.000	0.000	0.000	0.000	0.000	0.202
Acquisition of Hilton Building - Crocus St	0.253	0.000	0.000	0.000	0.000	0.000	0.253
Acquisition of Hilton House - Waterway St	0.381	0.000	0.000	0.000	0.000	0.000	0.381
Demolition of Buildings - Popham Street	0.176	0.000	0.000	0.000	0.000	0.000	0.176
Demolition Railway Arches Popham St	0.063	0.000	0.000	0.000	0.000	0.000	0.063
Demolition Former Carmelite Premises	0.146	0.000	0.000	0.000	0.000	0.000	0.146
Acquisition of Property (105 Carlton Road)	0.298	0.000	0.000	0.000	0.000	0.000	0.298
Demolition - 162-176 Canal Street	0.175	0.000	0.000	0.000	0.000	0.000	0.175
Roof Cladding - 1-3 Whitemoor Court	0.097	0.000	0.000	0.000	0.000	0.000	0.097
Roof Units 7-8 Salisbury Square	0.030	0.000	0.000	0.000	0.000	0.000	0.030
<b>Sub Total</b>	<b>2.074</b>	<b>1.130</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>3.204</b>
<b>IT Schemes</b>							
IT - Loxley House - Resources Management System	0.000	0.030	0.000	0.000	0.000	0.000	0.030
IT - Adults SDS System	0.000	0.131	0.000	0.000	0.000	0.000	0.131
IT - LH-Traffic Control Centre Move	0.000	0.030	0.000	0.000	0.000	0.000	0.030
IT - E-mail upgrade	0.085	0.238	0.000	0.000	0.000	0.000	0.323
IT - Microsoft Upgrade	1.945	1.218	0.000	0.000	0.000	0.000	3.163
IT - Storage Area Network (SAN) Refresh Project	1.799	0.000	0.000	0.000	0.000	0.000	1.799
IT - Electoral Registration Scanners	0.023	0.000	0.000	0.000	0.000	0.000	0.023
IT - SQL Consolidation Project	0.174	0.000	0.000	0.000	0.000	0.000	0.174
IT - VOIP Phase 4	0.059	0.000	0.000	0.000	0.000	0.000	0.059
IT - Agile Working (Laptops)	0.267	0.000	0.000	0.000	0.000	0.000	0.267



**CAPITAL PROGRAMME BY DETAIL 2014/15 – 2019/20**

<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
IT - Replace Wyse / MS Licences	0.090	0.000	0.000	0.000	0.000	0.000	0.090
IT - Core Infrastructure Refresh	0.095	0.000	0.000	0.000	0.000	0.000	0.095
IT - BACs System Upgrade	0.047	0.000	0.000	0.000	0.000	0.000	0.047
IT - Children's and Adults Social Care Project	0.161	0.054	0.000	0.000	0.000	0.000	0.215
<b>Sub Total</b>	<b>4.745</b>	<b>1.701</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.446</b>
<b>Joint Service Centres</b>							
Joint Service Centre - Bulwell LIFT	0.040	0.194	0.000	0.000	0.000	0.000	0.234
Joint Service Centre - St Ann's	0.030	0.040	0.040	0.040	0.617	0.000	0.767
Joint Service Centre - Strelley Road	0.494	0.490	0.000	0.000	0.000	0.000	0.984
Relocation of Hyson Green Library	0.610	0.172	0.000	0.000	0.000	0.000	0.782
<b>Sub Total</b>	<b>1.174</b>	<b>0.896</b>	<b>0.040</b>	<b>0.040</b>	<b>0.617</b>	<b>0.000</b>	<b>2.767</b>
<b>TOTAL - Resources &amp; Neighbourhood Regeneration</b>	<b>14.951</b>	<b>17.766</b>	<b>3.790</b>	<b>0.090</b>	<b>0.617</b>	<b>0.000</b>	<b>37.214</b>
<b>TOTAL - Other Services</b>	<b>72.624</b>	<b>167.762</b>	<b>26.360</b>	<b>11.901</b>	<b>13.818</b>	<b>7.988</b>	<b>300.453</b>
<b>Projects in Development</b>	<b>16.737</b>	<b>93.262</b>	<b>112.582</b>	<b>46.800</b>	<b>19.800</b>	<b>0.000</b>	<b>289.180</b>
<b>TOTAL PROGRAMME</b>	<b>193.332</b>	<b>367.597</b>	<b>233.287</b>	<b>126.464</b>	<b>75.637</b>	<b>42.370</b>	<b>1,038.686</b>

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## HOUSING REVENUE ACCOUNT

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## Housing Revenue Account (HRA)

### 1. Introduction

This Annex sets out the detail for both the revenue and capital elements of the HRA.

The HRA is the Council's landlord account, which provides for the management and maintenance of the Council's stock of c27,000 dwellings. Legislation requires this account to be ring-fenced from the Council's other financial transactions. The budget has been set under the HRA self-financing system whereby the HRA is sustained from the rental income.

The HRA stock at 1 April 2014 was 26,905 (excluding decommissioned properties). The stock has reduced in year by an estimated 300 properties as a result of right to buy sales and demolitions offset by new build.

The HRA has to be kept in balance, achieved through raising sufficient income from tenant rents to fund the investment needed to maintain the stock. A working balance is also maintained to deal with emerging pressures. Any balance on the HRA, either positive or negative, has to be carried forward to the following year. This means, for example, that the 2014/15 outturn will impact on the 2015/16 budget through the balance carried forward.

Nottingham City Homes Limited (NCH) is responsible for the management of the housing stock under a partnering agreement with the Council completed in 2011, for which a management fee is paid to cover some of the services provided. This fee paid to NCH by the Council is a charge on the HRA. NCH is also responsible, under a separate agreement that commenced in April 2014, for repairs to the stock through a series of budgets delegated to it from the Council.

The City Council published its 30 year HRA plan (2012 – 2042) in November 2012. It underpins the long term approach to service planning for the HRA demonstrating how investment in the housing stock will be sustained. The 30 year business plan has been updated to take account of movements in the financial assumptions, demonstrating that the **HRA has sufficient resources over the life of the business plan**. The key assumptions in the business plan are:

- Rent rises each year at CPI plus 1% over the life of the plan reflecting Government policy for social rents
- Average Inflation at 2.0% per annum over the business plan
- The cost of borrowing increasing over the medium term to a long term average rate of 5%
- Total investment in the housing stock of £1.4bn over 30 years

The key headlines in the HRA budget for 2015/16 are as follows:

### HRA Revenue

- A proposed increase in rents of **2.2%** for 2015/16
- Continuation of the tenant incentive scheme worth up to £100 per annum to each tenant
- An increase in service charges of **2.2%**
- A sustainable working balance of **£4m**.

### HRA Capital

- An overall Public Sector Housing Programme of **£259.599m** for the next 5 years of which **£66.977m** relates to 2015/16.
- **£17.317m** for 2015/16 has been specifically allocated to decommissioning, regeneration and new build.

## 2. HRA Budget 2015/16

The budget for 2015/16 has been refreshed to take account of proposed increases in charges, income adjustments, inflation, cost pressures, capital financing costs and changes to assumptions.

**Table 1** shows the summary of the 2015/16 budget and the movement from 2014/15 latest outturn.

<b>TABLE 1: HRA BUDGET 2015/16</b>			
<b>DESCRIPTION</b>	<b>2014/15 BUDGET £m</b>	<b>MOVEMENT £m</b>	<b>2015/16 BUDGET £m</b>
<b>INCOME</b>			
Rent and other income	(101.341)	(2.732)	(104.073)
Service charges	(4.338)	(0.095)	(4.433)
<b>TOTAL INCOME</b>	<b>(105.679)</b>	<b>(2.827)</b>	<b>(108.506)</b>
<b>EXPENDITURE</b>			
Repairs	26.804	0.456	27.260
Management	31.102	0.448	31.550
Capital charges	42.051	1.011	43.062
Direct Revenue Financing	6.574	0.061	6.635
<b>TOTAL EXPENDITURE</b>	<b>106.531</b>	<b>1.975</b>	<b>108.506</b>
<b>Deficit / (Surplus)</b>	<b>0.852</b>	<b>(0.852)</b>	<b>0.000</b>

### HRA Budget Refresh 2015/16

**Table 2** summarises increased income and is subject to approval as part of this report.

<b>TABLE 2 – INCREASED INCOME 2015/16</b>		
<b>DESCRIPTION</b>	<b>£m</b>	<b>£m</b>
Rent		(2.062)
Other income		(0.652)
Garage rents		(0.018)
<b>Rents and Other Income</b>		<b>(2.732)</b>
Service charges (weekly)	(0.098)	
Independent living charges	(0.005)	
Scheme charges	0.008	
<b>Service Charges</b>		<b>0.095</b>
<b>TOTAL</b>		<b>2.827</b>

### Rent increase

The Government has issued new guidance on social rents which applies from 2015/16 as follows:

- The policy applies for 10 years from April 2015
- Individual rents to increase up to September CPI + 1%, i.e. **2.2%**
- Rents do not increase above the formula (target) rent
- Rent flexibility of up to 5% above formula (target) rent allowed
- Expectation that new tenancies will be moved to target rent
- Government to continue to exercise control through the limit rent

The new guidance removes the additional £2/week rent increase that allowed rents to reach convergence with formula (target) rent. There remain a large proportion of tenancies in Nottingham that are below formula rent and these will be converted to formula rent when re-let.

It is proposed that rents are increased by **2.2%**, i.e. September CPI + 1%, in accordance with the latest government guidance. Applying the proposed rent increase will generate additional income of **£2.062m** per annum. The HRA business plan has used these assumptions in determining that the HRA Asset Management Plan (AMP) is affordable over the 30 year period.

The Government exercises control over local rents by charging the Council for the housing benefit costs where the average rent has exceeded the limit rent (every £1 rent charged above limit rent requires £0.66 of the increase to be paid back to Government to pay for the increased cost of Housing Benefit). The limit rent for Nottingham in 2015/16 will be £77.20 per week and will be increased by CPI +1% per annum for the next 10 years following the changes to rent policy. The proposed average rent of £74.54 gives headroom of £2.66 per week, allowing some flexibility to manage the HRA in the future. A further **£3.740m** per annum could be generated if rents were raised to the limit rent. The HRA business plan assumes that the rent will increase at CPI + 1% over the medium term.

### Affordable rent increase

There are two schemes which bring former council house stock (RTBs) back into use by the council, through the re-purchase of properties that are unoccupied or where owners can no longer afford mortgage repayments. The HCA provides a grant towards the cost of re-purchase and works to these properties and a condition of the grant is that they must be let at "Affordable Rent", which is 80% of the local market rent. It is proposed to increase these rents by **2.2%**. The affordable rent must be recalculated for a new tenancy.

### Bad debt provision

The bad debt provision was increased in 2013/14 due to the announced introduction of universal credit. Part of the reforms will pay housing benefit direct to the tenant monthly in arrears (currently housing benefit is received directly by the landlord) so collecting rent will be harder in future years. The new system is currently being rolled out across the country, with an indicative commencement for a phased implementation between December 2015 and March 2016 for Nottingham. Early evidence from pilot schemes suggests that arrears increase as much as threefold, so the provision will be increased by £1m for the years 2016/17 to 2018/19 to give time to assess the impact and develop a robust future strategy.

The HRA balance has already been increased to £4.000m and will be retained at this level to manage the pressure and uncertainty on the HRA. It is assumed for the MTFP that progress will be made over time to reduce the impact of the changes on the HRA. The City Council and NCH continue to lobby the Government on the foreseen negative impact of the proposed changes but have to plan for the potential impact of the changes.

### Service charges

**Table 3** lists the range of services provided to specific groups of tenants. A specific charge is made and increases in line with the September CPI+1% would raise charges by **2.2%**, which is in line with the average increase in council house rents. Furnished tenancy service charges will also increase by 2.2%. Applying the revised rates would produce additional annual income of **£0.098m**.

<b>TABLE 3 : WEEKLY SERVICE CHARGES</b>			
<b>SERVICE</b>	<b>CURRENT 2014/15 (£)</b>	<b>PROPOSED 2015/16 (£)</b>	<b>INCREASE (£)</b>
Caretaking	5.08	5.19	0.11
Cleaning Service	2.98	3.05	0.07
Communal lighting	0.53	0.54	0.01
Communal TV system	0.89	0.91	0.02
Gas maintenance	1.20	1.23	0.03
Solid fuel maintenance	1.20	1.23	0.03
Homewatch	0.51	0.52	0.01
Security (CCTV)	5.29	5.41	0.12
Emergency Alarm	2.44	2.49	0.05
Scooter storage	1.00	1.02	0.02
Sprinklers	3.08	3.15	0.07

### Independent Living Charges

Tenants in Independent Living schemes pay additional charges for intensive housing management, housing related support and emergency alarms that are necessary to assist tenants in retaining their independence. It is proposed that the total Independent Living service charges are increased by **2.2%** in line with the September CPI+1%. Following a review of the Independent Living service by Nottingham City Homes the apportionment of costs for housing management and support have changed. The impact is reflected in **Table 4** below. The impact on the tenants is to receive an overall increase in combined rent and service charges of 2.2%. Applying the revised rates would produce additional annual income of **£5k**.

<b>TABLE 4: INDEPENDENT LIVING CHARGES</b>			
<b>CHARGE</b>	<b>WEEKLY CHARGE 2014/15 £</b>	<b>PROPOSED CHARGE 2015/16 £</b>	<b>INCREASE £</b>
Independent Living	9.96	3.06	(6.90)
Intensive Housing Management	3.16	10.35	7.19
<b>Total</b>	<b>13.12</b>	<b>13.41</b>	<b>0.29</b>

### Scheme Charges

Foxton Gardens is an independent living scheme with its own service charge and charges for heat and water. Charges are recommended to be increased by **2.2%** in line with other recommended service charge increases. The increase will generate additional income of **£3k** and has been allowed for in the budget. Details are set out in **Table 5**. Another scheme at Stepney Court is due to be replaced as part of the Building a Better Nottingham Programme and will be decommissioned, resulting in a loss of **£11k** heating service charge income, which will be offset by a reduction in heating costs.

<b>TABLE 5: FOXTON GARDENS CHARGES</b>			
<b>TYPE</b>	<b>WEEKLY CHARGE 2014/15 £</b>	<b>PROPOSED CHARGE 2015/16 £</b>	<b>INCREASE £</b>
<b>FOXTON GARDENS: SERVICE CHARGE</b>	34.43	35.19	0.76
<b>FOXTON GARDENS: WATER</b>			
One bed	2.91	2.97	0.06
Two bed	4.05	4.14	0.09
<b>FOXTON GARDENS: HEATING</b>			
One bed	14.22	14.53	0.31
Two bed	19.31	19.73	0.42



### Garage Rents

Garages not included as part of the rent of a dwelling are currently charged at an average £8.09 per week. It is proposed to increase this by £0.18 (average of 2.2%) in line with rents and service charges, generating additional annual income of **£18k**. For garage tenants who do not hold a house tenancy or are a leaseholder, VAT is added to the rent charge.

### Responsible Tenant Reward scheme

A responsible tenant reward scheme was introduced in April 2014 to make sure homes are maintained to a high standard and to reward the many responsible tenants. The scheme will give all responsible tenants a £100 credit on their rent account provided they pay rent on time, behave responsibly (e.g. keep gas appointments) and show respect to their neighbours and NCH staff.

The cost of the scheme in 2014/15 was £2.500m. The full cost of the scheme has been included in the MTFP and the cost of the scheme will be mitigated to some extent by savings generated from the changes in behaviour that will generate cost savings. The scheme will be in place for at least three years and will be continuously reviewed to ensure that the scheme is effective.

### NCH Management fee

The fee is based on negotiations between the City Council and NCH colleagues and is in line with the existing MTFP assumption. In setting the fee it is recognised that NCH will deliver efficiencies to manage the following budget pressures:

- Loss of Supported People grant
- Pay award
- Materials
- Utilities, Rents & Rates

### Inflation and Pay Award

Inflation has been applied to the Housing Repairs budget applying the latest RPI-X percentage (December 2014). All other budgets have had inflation applied using the GDP deflator reduced by an efficiency factor of 75% i.e. 0.85% (Autumn Statement 2014). The estimate for the pay award is in line with General Fund of 2.2%.

**Table 6** shows the inflation factors assumed for 2015/16:-

<b>TABLE 6: INFLATION FACTORS FOR 2015/16</b>			
<b>DESCRIPTION</b>	<b>%</b>	<b>IMPACT £m</b>	
Inflation – Housing Repairs	1.70	0.456	0.456
NCH Management fee	2.30	0.506	
Tenant Incentive Scheme	-	(0.200)	
Pay award	2.20	0.023	
Inflation – General	0.85	0.118	0.448
<b>TOTAL</b>			<b>0.903</b>

#### Joint working / cost saving initiatives

The City Council and NCH has embarked on a review of services to be delivered in partnership to deliver General Fund savings whilst ensuring that the HRA is charged a proportionate share of the costs.

It is proposed elsewhere in this report that the City Council will require NCH to return a proportion of any surplus generated from trading activity. This proposal has no direct impact upon the HRA.

#### Capital investment

The introduction of self-financing of the HRA requires the HRA to generate sufficient resources to finance the capital investment to maintain the existing housing stock and tenant priorities. The 30 year Business Plan requires additional resources to be generated each year to finance this investment as reflected in **Table 7**.

<b>TABLE 7: CAPITAL FINANCING COSTS</b>	
<b>DESCRIPTION</b>	<b>IMPACT £m</b>
Capital charges	1.011
Depreciation	0.000
Direct Revenue Financing	0.061
<b>TOTAL</b>	<b>1.072</b>

#### Capital charges

The HRA continues to benefiting from the historically low short term interest rates, with the estimated average rate to be applied in 2015/16 is **4.41%** (previously 4.17%). During 2014/15 an additional £36m of fixed term borrowing has been taken to support the new build programme, increasing borrowing costs by £0.510m in 2015/16. This removes an element of the interest rate risk from the business case for the new build programme. A further £9.025m of borrowing is being taken to finance the next phase of PV installations, which adds £0.500m of interest in 2015/16, which will be repaid by the income generated from the scheme. Over the life of the MTFP the long term average interest rates of between 4.45% and 5% are still expected to be valid for the HRA business plan.

#### Depreciation

With the introduction of HRA Self Financing, the charge for depreciation is based upon component accounting. The sum that accumulates in the Major Repairs Reserve is only available for investment in major repairs of the stock and cannot be used to support the overall rent level. The value of the depreciation provision in 2015/16 budget is £29.001m.

#### Direct Revenue Funding

To ensure full funding of the Housing Investment Programme direct revenue financing of £6.635m has been made in 2015/16, an increase of £61k from 2014/15.

#### HRA Working Balance

Under HRA self-financing the Council will take on new risks arising from the HRA now being dependent upon rental income to sustain future investment in the housing stock.

The working balance acts as a contingency to cover for unexpected significant expenditure or unplanned major additional expenditure. Given the economic climate and uncertainty over the impact of welfare reform it is prudent to retain the increased HRA working balance at **£4.000m**. The overall balance remains within the parameters set out in the MTFS.

### 3. HRA Medium Term Financial Plan 2015/16 to 2017/18

<b>Table 8: HRA – MEDIUM TERM FINANCIAL PLAN</b>			
<b>DESCRIPTION</b>	<b>BUDGET 2015/16 £m</b>	<b>BUDGET 2016/17 £m</b>	<b>BUDGET 2017/18 £m</b>
<b>INCOME</b>			
Rental Income	(103.664)	(105.947)	(108.280)
Provision for Bad Debts	2.519	3.519	3.519
Service charges	(4.433)	(4.531)	(4.631)
Other rents (inc garage)	(2.186)	(2.234)	(2.283)
Other income including interest	(0.742)	(0.958)	(1.496)
<b>TOTAL</b>	<b>(108.506)</b>	<b>(110.151)</b>	<b>(113.171)</b>
<b>EXPENDITURE</b>			
NCH Management Fee	22.520	23.038	23.568
Tenant incentive scheme	2.500	2.500	2.500
Repairs to Dwellings	27.260	27.723	28.194
Public Realm	2.846	2.870	2.895
CCTV	1.358	1.358	1.358
Retained Housing	2.325	2.348	2.372
Charges for Capital:			
Capital Charges	14.061	14.325	14.912
Provision for Depreciation	29.001	29.001	29.001
Direct Revenue Financing	6.635	6.987	8.371
<b>TOTAL EXPENDITURE</b>	<b>108.506</b>	<b>110.151</b>	<b>113.171</b>
<b>Movement in year</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>WORKING BALANCE B/F</b>	<b>4.000</b>	<b>4.000</b>	<b>4.000</b>
Increase / (Decrease) in Working Balance	0.000	0.000	0.000
<b>WORKING BALANCE B/F</b>	<b>4.000</b>	<b>4.000</b>	<b>4.000</b>

The HRA MTFP 3 year projections have been updated to reflect the above changes. **Table 8** shows the HRA MTFP for 2015/16 to 2017/18. The future years' projections are based on information currently available but subject to ongoing review. Projections for 2016/17 and 2017/18 incorporate the following assumptions:

- The inflation indicators are consistent with those used throughout the entire MTFP.
- Rent levels have been assumed to increase in accordance with the proposed Government policy (CPI +1%).
- Rent income allows for stock reductions from Right to Buy (RTB) and decommissioning of property and increases from new build council houses.
- **Financing costs take account of the level of debt assumed from the self-financing settlement. The interest charges will be met in full from the HRA.**
- Depreciation charges are based on data provided by NCH on asset life spans and replacement costs.

#### 4. PUBLIC SECTOR HOUSING CAPITAL PROGRAMME

##### Context

HRA capital expenditure is financed from resources generated from rental income to directly finance capital expenditure or fund prudential borrowing subject to the debt cap limit for the HRA. The HRA 30 year Business Plan has been refreshed to incorporate an updated Asset Management Plan. The proposed capital programme is affordable over the life of the business plan.

##### The Programme

The Public Sector Housing Capital Programme sets out the five year investment in the housing stock. Management of the stock was transferred to NCH under a management agreement but the Council retains ownership. The allocation of these funds to individual schemes is agreed between the Council and NCH. **Table 9** shows the level of investment to 2019/20 against the existing capital programme approved to 2018/19.

<b>TABLE 9: PUBLIC SECTOR HOUSING CAPITAL PROGRAMME</b>							
<b>PROGRAMME MOVEMENT</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
Existing programme	64.777	75.079	45.071	36.382	32.980	0.000	254.289
New/amended schemes	0.100	(8.462)	20.281	15.012	9.039	34.382	70.351
<b>TOTAL PROGRAMME</b>	<b>65.007</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>

The detailed programme is shown in **Appendix A** and is based on existing approved commitments, new projects and amendments to existing schemes. **Appendix B** sets out those new/amended schemes recommended for inclusion within the programme. The schemes/programmes shown as requiring NCH approval are delegated to NCH to award contracts up to the value of the scheme/programme shown in **Appendix A**.

Schemes within the programme, including Building a Better Nottingham, will require further approval within the Council, at either Portfolio Holder or Executive Board level (depending on the value) as these are aspirational projects requiring further refinement.

The Public Sector Housing capital programme supports delivery of the Transforming Nottingham's Neighbourhoods priorities within the Housing Nottingham Plan and Council Plan, supporting delivery of the following key themes:

- The standard of existing homes – ensuring existing housing stock remains well maintained, well managed and energy efficient
- The supply of new homes – maximising funding to deliver new homes across all tenures
- Meeting specialist housing need – supporting vulnerable groups by prioritising and using prevention and early intervention measures to the full

The programme takes account of the NCH AMP, known commitments from schemes in progress, health and safety issues and other service investment needs. Overall, the programme has been financed within available financial resources during the period. **Table 10** shows the summary resources identified to support the programme.

<b>TABLE 10: CAPITAL PROGRAMME &amp; RESOURCES</b>							
<b>ELEMENT</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
<b>TOTAL INVESTMENT</b>	<b>65.007</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>
<b>RESOURCES</b>							
Capital Resources	55.418	56.294	49.386	39.664	33.299	25.662	<b>259.723</b>
Capital Receipts	3.015	4.048	8.454	3.359	0.000	0.000	<b>18.876</b>
Direct Revenue Financing	6.574	6.635	6.987	8.371	8.720	8.720	<b>46.007</b>
<b>TOTAL RESOURCES</b>	<b>65.007</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>

The financing of the capital programme is shown in **Appendix C**. The summary HRA capital programme for 2015/16 is shown in **Table 11**.

<b>TABLE 11: 2015/16 SUMMARY CAPITAL PROGRAMME</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Maintaining the Nottingham Decent Homes Standard	17.002
Building a Better Nottingham	17.317
Additional tenant priorities:	
- City wide energy efficiency	10.985
- Additional improvements	21.673
<b>TOTAL</b>	<b>66.977</b>

#### Affordable Homes Funding

In July 2014 the Council and Nottingham City Homes were successful in bidding for £3.333m of funding from the Housing and Communities Agency (HCA). The funding will contribute 13% of the cost of building 198 new homes within the city by March 2017 and £3.027m will support multiple sites within the city, including a number of former garages as part of Building a Better Nottingham. The remaining £0.306m supports an NCH owned development of 17 family homes in Lenton.

#### Maintaining Decency

The Decent Homes Programme has provided £86m of funding by the HCA towards £118m of investment in stock. Nottingham City Council and Nottingham City Homes are committed to Maintaining Decency and have developed a Programme which invests £109m over 5 years. The final year of this programme was 2014/15.

#### Right to Buy (RTB) Receipts

**Table 12** shows the updated assumptions for receipts from the RTB scheme after applying the pooling requirement and costs of disposal.

<b>TABLE 12 : PROJECTED RTB RECEIPTS</b>							
<b>PROJECTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
RTB sales	1.140	1.130	0.870	0.870	0.870	0.870	5.750
Retained RTB sales	1.000	0.500	0.250	0.000	0.000	0.000	1.750
1-4-1 receipts	0.000	1.588	8.004	3.359	0.000	0.000	12.951
<b>Total</b>	<b>2,140</b>	<b>3,218</b>	<b>9,124</b>	<b>4,229</b>	<b>870</b>	<b>870</b>	<b>20,451</b>
<b>HRA USE</b>	<b>1,000</b>	<b>2,088</b>	<b>8,254</b>	<b>3,359</b>	-	-	<b>14,701</b>

Currently RTB receipts are used to support the private sector housing programme in the 'All Other Services' programme in the General Fund.

From 1 April 2012, DCLG introduced changes to the treatment of capital receipts under the RTB. The changes require a proportion of the receipt to be used to repay housing debt. The requirement to pay over to the DCLG 75% of RTB sales receipts remains, but this has been modified to take account of the need to reduce the level of debt. Overall the stated national policy is to use part of the receipts in future to provide

replacement homes for those sold under the RTB. These additional retained RTB sales will be used to support the new build programme within the HRA.

1-4-1 Receipts - Where Right to Buy Sales exceed the sales predicted prior to the government's reinvigoration of Right to Buy, the Council may keep an additional proportion of the receipt (known as the 1-4-1 receipt) for spend on new build. The funding must be spent on creating additional social housing (either new build or purchase of properties), the Council must contribute at least 70% of the cost and this must be spent within 3 years of the related Right to Buy sale. In addition 1-4-1 receipts cannot be utilised where HCA grant has been given to the Council for a scheme. Any receipt unspent within the timeframe must be returned to the DCLG. For the purpose of financing the capital programme it has been assumed that sufficient spend can be achieved within the timescales required. However there is a risk that any slippage in the Building a Better Nottingham programme will result in some of the funding being forfeit.

#### HRA Other Capital Receipts

HRA capital receipts (other than RTB receipts) up to the values stated can be treated as 100% usable and not subject to pooling. The receipts may be used to finance any capital expenditure. Previously approved Council policy on the allocation of capital receipts will require these sums (i.e. **£4.175m**) to be used for Public Sector Housing.

Executive Board approved the disposal of non-purpose built council houses (known as 'corporates') on 20 October 2009. **Table 13** shows the remaining profile of receipts from the project.

<b>TABLE 13: HRA OTHER CAPITAL RECEIPTS</b>							
<b>PROJECTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
Corporates	1.815	1.760	0.000	0.000	0.000	0.000	3.575
Other Housing Land Sales	0.200	0.200	0.200	0.000	0.000	0.000	0.600
<b>Total</b>	<b>2.015</b>	<b>1.960</b>	<b>0.200</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.175</b>

#### Capital Allowance

Under existing regulations the need to pool receipts generated by the disposal of other HRA (i.e. Non RTB receipts) assets can be removed in certain circumstances. This requires the establishment of a capital allowance relating to works to be undertaken meeting specified criteria, including the provision of affordable social housing and regeneration schemes. **Table 14** shows the capital expenditure on Decent Homes and new build of social housing which qualify for capital allowance.

<b>TABLE 14: CAPITAL ALLOWANCE CALCULATION</b>							
<b>DESCRIPTION</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
Decent Homes	23.912	17.002	14.465	16.972	16.719	20.393	109.463
New Build	14.682	17.317	24.612	10.351	9.450	0.000	76.412
<b>TOTAL</b>	<b>38.594</b>	<b>34.319</b>	<b>39.077</b>	<b>27.323</b>	<b>26.169</b>	<b>20.393</b>	<b>185.876</b>

### HRA debt cap

The HRA has headroom within the amount of debt that it can sustain from the rental streams enabling the sound financial management of the capital investment programme over the 30 year plan and to enable investment in new social housing as shown in **Table 15**. The repayment in year is the repayment of the principal associated with the HRA share of annuity loans, thereby reducing the Capital Financing Requirement (CFR) in year:-

<b>TABLE 15: HRA DEBT POSITION</b>	
<b>DESCRIPTION</b>	<b>£m</b>
HRA CFR at 1 April 2014	282.299
Less: debt planned to be repaid in year	(1.005)
HRA CFR at 1 April 2015	281.294
<b>Debt cap</b>	<b>319.748</b>
<b>Estimated headroom at 1 April 2015</b>	<b>38.454</b>

The Housing Business Plan assumes the use of the headroom over the life of the plan primarily to support investment in new social housing. Additional borrowing can be taken up to the cap subject to affordability. Currently the business plan is in balance such that any additional borrowing would need to generate sufficient revenue resources to fund the repayment of the borrowing and interest.

<b>TABLE 16: HRA DEBT POSITION - PROJECTED</b>	
<b>DESCRIPTION</b>	<b>£m</b>
HRA CFR at 1 April 2015	281.294
Add: borrowing taken out over 5 year investment plan	28.826
Less: debt planned to be repaid over 5 years	(5.025)
HRA CFR at 1 April 2020	305.095
<b>Debt cap</b>	<b>319.748</b>
<b>Estimated headroom at 1 April 2020</b>	<b>14.653</b>



## APPENDIX A - CAPITAL PROGRAMME BY SCHEME 2014/15– 2019/20

PROGRAMME AND SCHEME	Approval	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	TOTAL £m
<b><u>Meeting the Nottingham Decent Homes Standard</u></b>								
<b><u>Safe</u></b>								
City Wide CCTV / Door Entry Imp	<b>NCH</b>	0.081	0.060	0.060	0.087	0.086	0.370	0.744
Fire Alarm Installations	<b>NCH</b>	0.116	0.100	0.095	0.090	0.090	0.090	0.581
Replacement Care Alarms	<b>NCH</b>	0.015	0.000	0.000	0.000	0.000	0.000	0.015
Asbestos Works	<b>NCH</b>	1.500	1.306	1.100	0.969	0.200	0.200	5.274
Smoke Alarms – External	<b>NCH</b>	0.146	0.000	0.000	0.000	0.000	0.000	0.146
TV Aerials	<b>NCH</b>	0.000	0.018	0.000	0.000	0.000	0.000	0.018
Lift Replacement Programme	<b>NCH</b>	1.057	2.250	0.900	1.080	0.349	0.000	5.636
Radon Awareness	<b>NCH</b>	0.000	0.195	0.183	0.000	0.000	0.000	0.378
Water Infrastructure Managed Supplies	<b>NCH</b>	0.098	0.035	0.035	0.035	0.035	0.000	0.238
High Rise Sprinkler Systems	<b>NCH</b>	0.041	0.332	0.250	0.250	0.000	0.000	0.873
Victoria Centre Fire Equipment	<b>NCH</b>	0.013	0.000	0.000	0.000	0.000	0.000	0.013
Window Restrictor Programme	<b>NCH</b>	0.073	0.000	0.000	0.000	0.000	0.000	0.073
Structural Surveys & Rectification Works	<b>NCH</b>	0.000	0.100	0.100	0.100	0.100	0.100	0.500
Renew Bin Store/Refuse Chute	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	0.524	0.524
Management Fee *	<b>NCH</b>	0.000	0.220	0.136	0.131	0.043	0.064	0.594
		<b>3.141</b>	<b>4.616</b>	<b>2.859</b>	<b>2.741</b>	<b>0.903</b>	<b>1.348</b>	<b>15.608</b>
<b><u>Secure Warm &amp; Modern</u></b>								
Nottingham Secure	<b>NCH</b>	0.467	0.450	1.611	1.903	2.834	3.396	10.661
Modern Living	<b>NCH</b>	8.952	3.290	2.919	2.135	2.984	4.000	24.279
Warmth for Nottingham - (Includes DLO Heating)	<b>NCH</b>	1.700	2.355	1.515	3.142	2.416	3.340	14.469
Warmth for Nottingham - DLO	<b>NCH</b>	1.600	0.000	0.000	0.000	0.000	0.000	1.600
Roof & Chimney Replacement	<b>NCH</b>	5.587	4.417	3.900	4.000	3.855	3.855	25.614

\* previously within scheme costs

<b>PROGRAMME AND SCHEME</b>	<b>Approval</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
External Fabric	<b>NCH</b>	0.244	1.285	1.108	2.374	2.975	3.547	11.531
Management Fee	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Structural Surveys & Rectification Works	<b>NCH</b>	0.314	0.000	0.000	0.000	0.000	0.000	0.314
Maintaining Decency	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Management Fee *	<b>NCH</b>	1.907	0.590	0.553	0.678	0.753	0.907	5.387
		<b>20.771</b>	<b>12.386</b>	<b>11.605</b>	<b>14.231</b>	<b>15.816</b>	<b>19.045</b>	<b>93.855</b>
<b><u>Additional Tenant Priorities</u></b>								
<b><u>City Wide Door Programme</u></b>								
Composite Doors City Wide	<b>NCH</b>	2.000	2.000	0.535	0.757	0.796	10.413	4.325
Management Fee *	<b>NCH</b>	0.100	0.100	0.027	0.038	0.040	0.304	0.000
		<b>4.325</b>	<b>2.100</b>	<b>2.100</b>	<b>0.562</b>	<b>0.795</b>	<b>0.836</b>	<b>10.717</b>
<b><u>Energy Efficiency &amp; Tackling Fuel Poverty</u></b>								
No Fines/ Solid Wall Insulation Schemes	<b>NCC</b>	0.000	5.630	5.896	5.084	4.934	4.091	25.634
Green Deal Communities Funding	<b>NCC</b>	3.851	0.000	0.000	0.000	0.000	0.000	3.851
BISF Upgrades / External Wall Insulation	<b>NCC</b>	0.000	1.500	1.560	0.000	0.000	0.000	3.060
LED Communal Lighting	<b>NCH</b>	0.448	0.250	0.250	0.250	0.250	0.000	1.448
Sneinton District Heating - BMK'S	<b>NCC</b>	3.206	3.082	0.000	0.000	0.000	0.000	6.288
Woodthorpe & Winchester - CHP	<b>NCC</b>	0.000	0.000	3.000	2.000	0.000	0.000	5.000
Colwick Woods Court	<b>NCC</b>	0.000	0.000	0.000	2.500	0.000	0.000	2.500
Management Fee *	<b>NCH</b>	0.000	0.523	0.535	0.492	0.259	0.205	2.014
		<b>7.505</b>	<b>10.985</b>	<b>11.241</b>	<b>10.326</b>	<b>5.443</b>	<b>4.295</b>	<b>49.795</b>

PROGRAMME AND SCHEME	Approval	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	TOTAL £m
<b><u>Modernising Housing For Older People</u></b>								
Independent living Re-Design	NCH	0.650	0.726	0.683	0.683	0.683	0.683	4.108
Independent Living Re-Designation	NCH	0.001	0.018	0.000	0.000	0.000	0.000	0.019
Benedict Court Major Alterations	NCC	0.000	0.280	0.000	0.000	0.000	0.000	0.280
Carnforth Court Major Alterations	NCC	0.000	0.224	0.000	0.000	0.000	0.000	0.224
Independent Living - <b>DDA WORKS</b>	NCH	0.294	0.000	0.000	0.000	0.000	0.000	0.294
Mobile Scooter Stores	NCH	0.300	0.400	0.250	0.250	0.250	0.250	1.700
Refurbishment Of Sheltered Housing Scheme	NCH	0.000	0.300	0.000	0.000	0.000	0.000	0.300
Management Fee *	NCH	0.000	0.097	0.047	0.047	0.047	0.047	0.284
		<b>1.246</b>	<b>2.045</b>	<b>0.980</b>	<b>0.980</b>	<b>0.980</b>	<b>0.980</b>	<b>7.210</b>
<b><u>Decent Neighbourhoods</u></b>								
City Wide Environmentals - 2012-2014	NCH	0.169	0.000	0.000	0.000	0.000	0.000	0.169
City Wide Environmentals - AREA CAPITAL FUND	NCH	0.600	1.400	1.000	1.000	1.000	1.000	6.000
Estate/Area Impact works	NCH	0.250	0.828	1.403	1.000	1.000	1.000	5.481
Paving Works - AREA COMMITTEE SCHEMES	NCH	0.383	0.360	0.360	0.360	0.360	0.360	2.183
Garage / Outbuildings - CITYWIDE	NCH	0.100	0.317	0.200	0.200	0.200	1.081	2.098
Management Fee *	NCH	0.000	0.145	0.148	0.128	0.128	0.172	0.721
		<b>1.502</b>	<b>3.050</b>	<b>3.111</b>	<b>2.688</b>	<b>2.688</b>	<b>3.613</b>	<b>16.652</b>
<b><u>Existing Stock Investment</u></b>								
Major Void Works - DLO	NCH	2.334	2.200	2.000	2.000	2.000	2.000	12.534
Fire Damaged Properties - DLO	NCH	0.100	0.100	0.100	0.100	0.100	0.100	0.600
Timber To PVCu Windows	NCH	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Victoria Centre Roof	NCH	2.333	0.479	0.000	0.000	0.000	0.000	2.812
Air Con Replacement	NCH	0.000	0.000	0.000	0.000	0.000	0.000	0.000
High Rise Window Replacement	NCH	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Victoria Centre External Refurbishment	NCC	0.000	0.000	3.000	5.000	1.600	0.000	9.600
Management Fee *	NCH	0.000	0.024	0.150	0.250	0.080	0.000	0.504
		<b>4.768</b>	<b>2.803</b>	<b>5.250</b>	<b>7.350</b>	<b>3.780</b>	<b>2.100</b>	<b>26.051</b>

<b>PROGRAMME AND SCHEME</b>	<b>Approval</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
<b><u>Building a Better Nottingham</u></b>								
Radford - DECOM, DEMO & NEW BUILD	<b>NCC</b>	4.305	0.500	0.000	0.000	0.000	0.000	4.805
Lenton - DECOM, DEMO & NEW BUILD	<b>NCC</b>	5.840	3.556	1.154	0.000	0.000	0.000	10.550
The Chase Phase 1 & 2 + Locksley Phase 1 Cranwell Road & Meadows Q Blocks Leaseholder Acquisitions	<b>NCC</b>	0.202	0.000	0.000	0.000	0.000	0.000	0.202
Cranwell Road Flats - DECOM, DEMO & NEW BUILD	<b>NCC</b>	0.524	2.580	2.780	0.000	0.000	0.000	5.884
Meadows Q Blocks - DECOM, DEMO & NEW BUILD	<b>NCC</b>	1.602	3.256	3.840	0.000	0.000	0.000	8.699
Rehousing Costs	<b>NCC</b>	0.110	0.200	1.500	1.491	0.000	0.000	3.301
Demolition	<b>NCC</b>	0.000	0.156	0.000	0.000	0.000	0.000	0.156
New Build - Preliminary Costs	<b>NCC</b>	0.210	0.000	0.000	0.000	0.000	0.000	0.210
Denton Green - DEMO & NEW BUILD	<b>NCC</b>	0.191	0.350	0.000	0.000	0.000	0.000	0.541
Ragdale Road - DEMO & NEW BUILD	<b>NCC</b>	0.000	0.081	0.788	0.000	0.000	0.000	0.869
Meadowvale Road - DEMO & NEW BUILD	<b>NCC</b>	0.000	0.009	0.434	0.000	0.000	0.000	0.443
Aspley JSC / Stepney Court - DECOM, DEMO & NEW BUILD	<b>NCC</b>	0.156	0.700	3.145	0.000	0.000	0.000	4.001
Affordable Homes - Garage Sites - DECOM, DEMO & NEW BUILD	<b>NCC</b>	0.239	1.429	3.582	2.327	0.000	0.000	7.577
New Build Phase 1 - UNALLOCATED	<b>NCC</b>	0.000	0.372	0.225	1.357	0.000	0.000	1.954
New Build Phase 2 - UNALLOCATED	<b>NCC</b>	0.000	0.000	0.000	3.683	9.000	0.000	12.683
Morley School - DECOM, DEMO & NEW BUILD	<b>NCC</b>	0.000	2.106	1.994	0.000	0.000	0.000	4.100
Acquisition	<b>NCC</b>	0.000	0.250	0.000	0.000	0.000	0.000	0.250
Woodthorpe & Winchester - New Build	<b>NCC</b>	0.000	0.000	4.000	1.000	0.000	0.000	5.000
Management Fee *	<b>NCH</b>	0.000	0.809	1.172	0.493	0.450	0.000	2.924
		<b>14.681</b>	<b>17.317</b>	<b>24.612</b>	<b>10.351</b>	<b>9.450</b>	<b>0.000</b>	<b>76.412</b>

PROGRAMME AND SCHEME	Approval	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	TOTAL £m
<b><u>Joint NCC / NCH Involvement</u></b>								
Sanctuary Project	<b>NCC</b>	0.065	0.065	0.065	0.065	0.065	0.065	0.390
HRA Shop Investment Strategy	<b>NCC</b>	0.182	0.000	0.000	0.000	0.000	0.000	0.182
St Anns Estate Action - Stonebridge Park (PHASE 3 & 6)	<b>NCC</b>	0.000	0.565	0.000	0.000	0.000	0.000	0.565
St Anns Estate Action - Stonebridge Park (PLOT)	<b>NCC</b>	0.228	0.000	0.000	0.000	0.000	0.000	0.228
Kingsthorpe / Kendale - Demolition	<b>NCC</b>	0.099	0.000	0.000	0.000	0.000	0.000	0.099
Highcross Court Decommissioning Empty Homes	<b>NCC</b>	0.028	0.000	0.000	0.000	0.000	0.000	0.028
	<b>NCC</b>	1.871	0.000	0.000	0.000	0.000	0.000	1.871
Mortgage Rescue Scheme (Including Buy Back / D-Homes)	<b>NCC</b>	0.886	0.000	0.000	0.000	0.000	0.000	0.886
Office Improvements	<b>NCC</b>	0.200	0.000	0.000	0.000	0.000	0.000	0.200
IT Development Programme	<b>NCC</b>	0.039	0.000	0.000	0.000	0.000	0.000	0.039
PV Installation Programme	<b>NCC</b>	0.902	7.220	0.903	0.000	0.000	0.000	9.025
Adaptations For Disabled Persons	<b>NCC</b>	1.200	1.155	0.731	0.731	0.731	0.731	5.279
Adaptations For Disabled Persons - <b>DLO</b>	<b>NCC</b>	1.269	1.269	1.269	1.269	1.269	1.269	7.614
Preventive Adaptations For Older People – <b>PAD</b>	<b>NCC</b>	0.100	0.100	0.100	0.100	0.100	0.100	0.600
Acquisition Of Sheltered Housing Scheme	<b>NCC</b>	0.000	1.300	0.000	0.000	0.000	0.000	1.300
		<b>7.069</b>	<b>11.674</b>	<b>3.068</b>	<b>2.165</b>	<b>2.165</b>	<b>2.165</b>	<b>28.306</b>
<b>TOTAL</b>		<b>65.007</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>

## APPENDIX B - CAPITAL PROGRAMME SCHEMES AMENDMENTS FOR APPROVAL 2014/15 – 2019/20

PROGRAMME AND SCHEME	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	TOTAL £m
<b><u>Meeting the Nottingham Decent Homes Standard</u></b>							
<b><u>Safe</u></b>							
City Wide CCTV / Door Entry Imp	0.000	0.000	0.000	0.000	0.000	0.370	0.370
Fire Alarm Installations	0.000	0.000	0.000	0.000	0.000	0.090	0.090
Replacement Care Alarms	0.000	(0.015)	(0.015)	(0.015)	(0.015)	0.000	(0.060)
Asbestos Works	0.000	0.000	0.000	0.000	0.200	0.200	0.400
Smoke Alarms - External	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TV Aerials	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Lift Replacement Programme	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Radon Awareness	0.000	0.000	0.183	0.000	0.000	0.000	0.183
Water Infrastructure Managed Supplies	0.000	0.035	0.035	0.035	0.035	0.000	0.140
High Rise Sprinkler Systems	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Victoria Centre Fire Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Window Restrictor Programme	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Structural Surveys & Rectification Works	0.000	0.000	0.000	0.000	0.000	0.100	0.100
Renew Bin Store/Refuse Chute	0.000	0.000	0.000	0.000	0.000	0.524	0.524
Management Fee *	0.000	0.220	0.136	0.131	0.043	0.064	0.594
	<b>0.000</b>	<b>0.240</b>	<b>0.339</b>	<b>0.151</b>	<b>0.263</b>	<b>1.348</b>	<b>2.341</b>
<b><u>Secure Warm &amp; Modern</u></b>							
Nottingham Secure	0.000	0.450	1.611	1.903	2.834	3.396	10.194
Modern Living	0.000	3.290	2.919	2.135	2.984	4.000	15.327
Warmth for Nottingham - (Includes DLO Heating)	0.000	2.055	1.515	3.142	2.416	3.340	12.468
Warmth for Nottingham - DLO	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Roof & Chimney Replacement	0.000	3.855	3.900	4.000	3.855	3.855	19.465

\* previously within scheme costs

<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
External Fabric	0.000	1.285	1.108	2.374	2.975	3.547	11.287
Management Fee	(1.907)	0.000	0.000	0.000	0.000	0.000	(1.907)
Structural Surveys & Rectification Works	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintaining Decency	0.000	(15.390)	(13.557)	(16.057)	(13.500)	0.000	(58.504)
Management Fee *	1.907	0.590	0.553	0.678	0.753	0.907	5.387
	<b>0.000</b>	<b>(3.866)</b>	<b>(1.952)</b>	<b>(1.826)</b>	<b>2.316</b>	<b>19.045</b>	<b>13.718</b>
<b><u>Additional Tenant Priorities</u></b>							
<b><u>City Wide Door Programme</u></b>							
Composite Doors City Wide	0.000	0.000	0.000	0.035	0.757	0.796	1.588
Management Fee *	0.000	0.100	0.100	0.027	0.038	0.040	0.304
	<b>0.000</b>	<b>0.100</b>	<b>0.100</b>	<b>0.062</b>	<b>0.795</b>	<b>0.836</b>	<b>1.892</b>
<b><u>Energy Efficiency &amp; Tackling Fuel Poverty</u></b>							
No Fines/ Solid Wall Insulation Schemes	0.000	2.712	3.169	2.835	2.934	4.091	15.740
Green Deal Communities Funding	0.000	0.000	0.000	0.000	0.000	0.000	0.000
BISF Upgrades / External Wall Insulation	0.000	(0.600)	1.560	0.000	0.000	0.000	0.960
LED Communal Lighting	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sneinton District Heating - BMK'S	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Woodthorpe & Winchester - CHP	0.000	(1.000)	3.000	2.000	0.000	0.000	4.000
Colwick Woods Court	0.000	0.000	0.000	2.500	0.000	0.000	2.500
Management Fee *	0.000	0.523	0.535	0.492	0.259	0.205	2.014

PROGRAMME AND SCHEME	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	TOTAL £m
<b><u>Modernising Housing For Older People</u></b>							
Independent living Re-Design	0.000	0.000	0.183	0.183	0.183	0.683	1.232
Independent Living Re-Designation	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Benedict Court Major Alterations	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Carnforth Court Major Alterations	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Independent Living - <b>DDA WORKS</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mobile Scooter Stores	0.000	(0.500)	0.000	0.000	0.250	0.250	(0.000)
Refurbishment Of Sheltered Housing Scheme	0.000	0.300	0.000	0.000	0.000	0.000	0.300
Management Fee *	0.000	0.097	0.047	0.047	0.047	0.047	0.284
	<b>0.000</b>	<b>(0.103)</b>	<b>0.230</b>	<b>0.230</b>	<b>0.480</b>	<b>0.980</b>	<b>1.816</b>
<b><u>Decent Neighbourhoods</u></b>							
City Wide Environmentals - 2012-2014	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Wide Environmentals - AREA CAPITAL FUND	0.000	0.000	0.000	0.000	0.000	1.000	1.000
Estate/Area Impact works	(0.000)	(0.163)	0.663	0.500	0.500	1.000	2.500
Paving Works - AREA COMMITTEE SCHEMES	0.000	0.000	0.000	0.000	0.000	0.360	0.360
Garage / Outbuildings - CITYWIDE	0.000	0.000	0.000	0.000	0.000	1.081	1.081
Management Fee *	0.000	0.145	0.148	0.128	0.128	0.172	0.721
	<b>(0.000)</b>	<b>(0.018)</b>	<b>0.811</b>	<b>0.628</b>	<b>0.628</b>	<b>3.613</b>	<b>5.663</b>
<b><u>Existing Stock Investment</u></b>							
Major Void Works - DLO	0.050	0.050	0.000	0.000	0.000	2.000	2.100
Fire Damaged Properties - DLO	(0.050)	0.100	0.100	0.100	0.100	0.100	0.450
Timber To PVCu Windows	0.000	0.000	(1.000)	(1.000)	(1.000)	0.000	(3.000)
Victoria Centre Roof	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Air Con Replacement	0.000	(0.020)	(0.020)	0.000	0.000	0.000	(0.040)
High Rise Window Replacement	0.000	(0.800)	(0.800)	0.000	0.000	0.000	(1.600)
Victoria Centre External Refurbishment	0.000	0.000	3.000	5.000	1.600	0.000	9.600
Management Fee *	0.000	0.024	0.150	0.250	0.080	0.000	0.504
	<b>(0.000)</b>	<b>(0.646)</b>	<b>1.430</b>	<b>4.350</b>	<b>0.780</b>	<b>2.100</b>	<b>8.014</b>



<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
<b><u>Building a Better Nottingham</u></b>							
Radford - DECOM, DEMO & NEW BUILD	(0.300)	0.300	0.000	0.000	0.000	0.000	0.000
Lenton - DECOM, DEMO & NEW BUILD	0.500	(0.747)	0.247	0.000	0.000	0.000	(0.000)
The Chase Phase 1 & 2 + Locksley Phase 1 Cranwell Road & Meadows Q Blocks Leaseholder Acquisitions	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cranwell Road Flats - DECOM, DEMO & NEW BUILD	0.030	(0.530)	1.215	0.000	0.000	0.000	0.715
Meadows Q Blocks - DECOM, DEMO & NEW BUILD	0.000	(0.500)	0.923	0.000	0.000	0.000	0.423
Rehousing Costs	0.000	(1.217)	(0.346)	1.491	0.000	0.000	(0.072)
Demolition	0.000	0.000	0.000	0.000	0.000	0.000	0.000
New Build - Preliminary Costs	0.000	(0.222)	(0.225)	(0.227)	0.000	0.000	(0.674)
Denton Green - DEMO & NEW BUILD	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ragdale Road - DEMO & NEW BUILD	0.000	(0.788)	0.788	0.000	0.000	0.000	0.000
Meadowvale Road - DEMO & NEW BUILD	0.000	(0.434)	0.434	0.000	0.000	0.000	0.000
Aspley JSC / Stepney Court - DECOM, DEMO & NEW BUILD	0.000	(1.900)	1.900	0.000	0.000	0.000	0.000
Affordable Homes - Garage Sites - DECOM, DEMO & NEW BUILD	0.000	(0.628)	0.200	0.500	0.000	0.000	0.072
New Build Phase 1 - UNALLOCATED	0.000	(0.888)	0.225	0.199	0.000	0.000	(0.464)
New Build Phase 2 - UNALLOCATED	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Morley School - DECOM, DEMO & NEW BUILD	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Acquisition	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Woodthorpe & Winchester - New Build	0.000	0.000	4.000	1.000	0.000	0.000	5.000
Management Fee *	0.000	0.809	1.172	0.493	0.450	0.000	2.924
	<b>0.230</b>	<b>(6.745)</b>	<b>10.533</b>	<b>3.456</b>	<b>0.450</b>	<b>0.000</b>	<b>7.924</b>

<b>PROGRAMME AND SCHEME</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
<b><u>Joint NCC / NCH Involvement</u></b>							
Sanctuary Project	0.000	0.000	0.000	0.000	0.000	0.065	0.065
HRA Shop Investment Strategy	0.000	0.000	0.000	0.000	0.000	0.000	0.000
St Anns Estate Action - Stonebridge Park (PHASE 3 & 6)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
St Anns Estate Action - Stonebridge Park (PLOT)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Kingsthorpe / Kendale - Demolition	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Highcross Court Decommissioning	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Empty Homes	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mortgage Rescue Scheme (Including Buy Back / D-Homes)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Office Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000
IT Development Programme	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PV Installation Programme	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adaptations For Disabled Persons	0.000	0.000	0.000	0.000	0.000	0.731	0.731
Adaptations For Disabled Persons - <b>DLO</b>	0.000	0.000	0.000	0.135	0.135	1.269	1.539
Preventive Adaptations For Older People - <b>PAD</b>	0.000	0.000	0.000	0.000	0.000	0.100	0.100
Acquisition Of Sheltered Housing Scheme	0.000	1.300	0.000	0.000	0.000	0.000	1.300
	<b>0.000</b>	<b>1.300</b>	<b>0.000</b>	<b>0.135</b>	<b>0.135</b>	<b>2.165</b>	<b>3.735</b>
<b>TOTAL</b>	<b>(0.100)</b>	<b>8.462</b>	<b>(20.281)</b>	<b>(15.012)</b>	<b>(9.039)</b>	<b>(34.382)</b>	<b>(70.351)</b>

## APPENDIX C

<b>HRA CAPITAL RESOURCES APPLIED</b>							
<b>RESOURCE TYPE</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TOTAL £m</b>
Resources b/f	38.059						
Prudential Borrowing	0.000	9.025	6.000	7.351	6.450	0.000	28.826
Major Repairs Reserve	40.426	45.094	38.364	31.660	25.542	24.847	205.933
Grants Capital Grants	14.992	2.175	5.022	0.653	1.307	0.815	24.964
Direct Revenue Financing	6.574	6.635	6.987	8.371	8.720	8.720	46.007
Capital Receipts	3.015	4.048	8.454	3.359	0.000	0.000	18.876
<b>Total resources</b>	<b>103.066</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>
<b>Capital expenditure</b>	<b>65.007</b>	<b>66.977</b>	<b>64.827</b>	<b>51.394</b>	<b>42.019</b>	<b>34.382</b>	<b>324.606</b>
Future commitment to maintaining decency						<b>17.558</b>	<b>17.558</b>
<b>Resources c/f</b>	<b>38.059</b>	<b>21.966</b>	<b>12.603</b>	<b>9.945</b>	<b>13.404</b>	<b>0.000</b>	<b>0.000</b>

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# ANNEX 5

## ROBUSTNESS OF THE BUDGET

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A	General Fund Risk Assessment
B	Housing Revenue Account Risk Assessment

# **Robustness of the Budget and Adequacy of Reserves**

## **1. Introduction**

The Local Government Act (Part II) 2003 requires a council's Chief Finance Officer (CFO) to report to councillors on the robustness of budget estimates and the adequacy of that council's financial reserves. The City Council's CFO (also known as the Section 151 officer) holds the post of Acting Director of Strategic Finance. A summary of this evaluation is set out below.

## **2. Overall Robustness of the Budget**

The City Council's annual budget is constructed in order to deliver the Council Plan. The Medium Term Financial Strategy (MTFS) is the overarching framework within which the Council's financial planning and management activity takes place. The annual budget is an integral part of the rolling 3-year Medium Term Financial Plan (MTFP). This approach enables it to support delivery of the Council's priorities, services and improvements. It provides the means by which planned spending may be controlled within available resources. Therefore, this assessment of the robustness of the budget focuses on the likelihood that actual spending will vary from the budget and the consequent impact on the financial health of the organisation.

The Council is a going concern and the budget process is part of a continuous service planning and financial cycle. Therefore, a wealth of knowledge and understanding of the previous and current local and national financial and economic environments is used to make informed assumptions and judgements about the future. This activity seeks to establish a robust budget which is appropriate, realistic and constructed having taken a practical and appropriate assessment of risk.

Many of the details used to inform this assessment are set out in the other Annexes of this report and are therefore not replicated here.

### Assumptions

Underlying assumptions have been examined and found to be satisfactory as follows:

- The funding for inflationary pressures is considered to be appropriate, being consistent with known trends and reasonable forecasts.
- The income aspects of the overall budget are calculated based on previous and current trends, known influences and identified risks.
- There are appropriate bad debt provisions in place.
- Other known trends and known and potential pressures (e.g.: demographic changes, new legislation, changes of use etc.) have been evaluated, subjected to various peer reviews and professional challenge and adequately provided for.
- The organisational and financial frameworks and processes required in order to operate within the proposed budget are practical and adequately planned.
- Capital receipts used in the funding of the capital programme have been based on professional estimates both of timing and value with a specific risk assessment applied to determine likelihood of receipt.

Other mechanisms have been used in order to confirm the robustness of the budget estimates, which sit within an overarching planning and governance framework. These include:

- The strength and use of current performance and financial management procedures and reporting and forecasting arrangements (including for example: the Annual Governance Statement, internal and external audit reports, monitoring and forecasting reports, the performance appraisal system, performance boards and the accountability letters).
- The extent, value and complexity of the individual and collective proposed savings in the context of the overall MTFP.
- The track record of services in relation to the implementation of previous and current budget proposals.
- The track record of services in being able to deliver services within budget and deal with emerging pressures within budget.
- The degree and quality of engagement by colleagues and councillors in the process to develop and construct the budget.
- The qualifications, experience and contribution of professional colleagues (ie: finance and HR) engaged throughout the process.
- Proposed rent levels and collection rate trends.
- The introduction and use of various gateways in relation to recruitment to permanent posts, of agency staff and the use of consultants.
- The proportion and profile of savings that is permanent, ongoing and sustainable. For example service transformation, workforce reduction, divestment, increased income etc.
- The level of expenditure and income that is one-off in nature.
- The process for the identification and evaluation of current contingent liabilities as set out in the most recently published Statement of Accounts.
- A review of the movements in and availability of contingency, provisions and earmarked reserves to meet unforeseen and emerging future cost pressures.
- The use of professional experience and best professional judgment, supported by appropriate professional and technical guidance.

#### Linking Service Delivery to the Budget

In addition to reviewing the framework for the construction of the budget, the CFO has also considered the adequacy of the processes through which it is then delivered, taking account of the fact that:

- Local government continues to see significant reductions in national funding and major changes to national policy.
- The Government's welfare reform programme has brought significant costs for local authorities, such as the localisation of Council Tax Support to replace the national council tax benefit scheme, as well as the other costs associated with helping citizens prepare for significant changes to Housing Benefit etc.
- The Council has a three-year financial plan, providing a clear framework for both financial and non-financial plans and ensuring an alignment of financial resources with organisational priorities.

- Budgets have been constructed following detailed guidelines, based upon a baseline of the current policy framework and previously agreed levels of service, and that all service investments and reductions are identified separately.
- There has been widespread and practical engagement throughout the budget development and construction process with all senior colleagues and Executive Councillors.
- There have been extensive briefings of colleagues and Executive Councillors in relation to the financial position and the reasons for it. There has also been a wide range of communications with stakeholders. All this has built a good degree of understanding of the issues and how this has impacted on the budget.
- Budgets have been subject to review by senior finance colleagues throughout the process in terms of reasonableness and accuracy.
- Elements of the budget have been subjected to peer review and challenge.
- The City Council's budget process provides all stakeholders with an opportunity to analyse and review the financial plans being proposed. Feedback has been sought on the detailed proposals from a number of sources, including councillors, trades unions, colleagues, the business representatives and community groups.
- The Corporate Leadership Team (CLT) has reviewed detailed information on the budget and associated issues and has been fully engaged in working up, analysing and recommending options.
- There is a clear performance management regime in place, with clear accountability of individuals and teams for the delivery of services within budget and including the delivery of all budget proposals. This starts with the individual Accountability Letters issued to all managers and financial targets being reflected in performance objectives and continues throughout the year within the performance appraisal process.

#### Monitoring – a confirmation of the robustness of the budget

The Council's financial controls are set out within financial regulations, allowing significant assurance of the strength of financial management and control throughout the Council. Formal accountability letters are sent to senior managers setting out their personal financial responsibilities, including implementation of savings and investments.

These arrangements provide a framework for financial monitoring and regular reports setting out spending to date and a projection to the year-end are provided to the CFO, Departmental Leadership Teams and CLT. In parallel, section plans are formulated and delivered to manage and minimise any significant variations to approved budgets.

These are supported by the current arrangements for reporting to councillors, through which reports are reviewed approximately quarterly by the Executive Board.

#### Current Financial Position

##### General Fund Revenue

Current monitoring indicates that the forecast General Fund outturn for 2014/15 will show an under spend of c **£1.011m**. Un-earmarked reserves levels have been informed by the detailed risk assessment undertaken as part of the budget process. These are shown in **Appendix A** and **B**.

##### HRA Revenue



The City Council is required to periodically review the HRA to ensure that it does not move into deficit. In order to allow for unforeseen expenditure or loss of income, a working balance is needed. The 2014/15 budget allowed for a working balance of **£4.000m** and given the potential financial impact of welfare reforms on the HRA, it is recommended that the level of working balance be maintained at this level.

### **3. Capital Programme Risk Management & Governance**

Capital programme schemes often span a number of years, so it is essential that a longer term view is taken on programming and resourcing.

#### Capital Programme – Current Position

- General Fund

The forecast spend over the capital programme, including schemes in development, is **£714.080m** compared to resources of **£714.160m**. There is a projected surplus of resources in 2019/20 of **£0.080m** this includes unsecured projected capital receipts of **£17.557m**.

- Public Sector Housing

The forecast spend in the 5 year period is **£324.610m** which is fully financed from available resources generated within the HRA. The MTFP is estimated to generate an additional £17.553m of resources to fund future commitments to maintaining decent homes.

#### Capital Programme Risk

The proposed five-year programme is ambitious and will require the Council to use a high proportion of available resources. Substantial investment of this nature will result in the Council being exposed to additional risks as follows:

- a 52% increase in the authority's borrowing over the next five years;
- exposure to interest rate changes; a 0.5% increase in interest rates will increase the cost of borrowing by c£0.700m per annum;
- major schemes have a long pay-back period, which will require the use of reserves in the early years to fund short term deficits in business plans;
- the cost of feasibility studies are all undertaken at risk;
- schemes may not cover their costs or make the desired return.

#### Capital Programme Governance

In order to manage these risks the following key principles will be adopted in managing the capital programme:

- where new projects are added to the programme that will not cover their costs, an existing project will be removed or amended;
- all projects must have a robust and viable business case, which considers and includes whole life costing and revenue implications (including rate of return);
- all schemes will be subject to robust and deliverable business plans and models which demonstrate the necessary return on investment required;
- the decision to progress schemes will be dependent on securing the stated level of external funding or grant as appropriate;
- new projects will be considered where the Council can make a return on investment;
- where new sources of external funding/grants become available, the programme will be revisited;
- all schemes will be subject to an independent internal 'Gateway Review Process'.

The Medium Term Financial Strategy includes the following requirements for consideration of the funding of the capital programme:

- The Council will endeavour to maximise grant funding for schemes which will assist in the delivery of the corporate priorities, part/full grant funded bids will be subject to the same prioritisation process
- Prudential or Unsupported Borrowing can be used where it can be demonstrated that it is affordable and sustainable in the medium term. Borrowing must be within approved limits and in accordance with the prevailing guidance in the Treasury Management Strategy
- Capital Receipts generated from the sale of land, buildings and other assets will be a non-earmarked, council-wide resource, to be allocated according to Council priorities only after a thorough and objective options appraisal and consideration of opportunity costs, and not earmarked to a particular project, scheme, service, directorate and/or geographical area.

The City Council recognises the importance of individual and collective accountability and requires managers to formally acknowledge their responsibilities. Financial management is an integral aspect of effective leadership and good management, relevant councillors and managers are required to participate fully in all aspects of capital investment plans.

Corporate Directors will be accountable for the success and deliverability of all capital projects within their remit; including:

- Ownership of business cases and any subsequent changes to them.
- Ensuring that capital projects are delivered in line with agreed targets and resources.
- The successful outcome and benefits realisation of capital projects.

#### **4. Adequacy of Reserves and Risk Assessment**

National decisions regarding public funding and expenditure have been taken by central Government to support their stated intention to reduce the national deficit. This has again resulted in a significant reduction in the level of funding available to the City Council. Although this has been met with a robust and detailed approach to the identification and delivery of the savings required as a consequence, this level of cost reduction attracts a heightened degree of risk associated with its delivery. Whilst the current proposed budget fairly represents sufficient resourcing for current planned activity, this risk cannot be ignored and the levels of contingency included within the budget reflect these risks.

The assessment of reserves is even more important in the context of the sustained cuts in funding. It is important to acknowledge that reserves are 'one off' funds and are therefore more suitable for funding 'one off' or unexpected costs. The use of reserves to fund ongoing expenditure is generally not advised, except in emergencies and/or to enable transition to new ways of working.

Taken together, reserves, contingencies and the processes within the financial framework provide capacity to deal with the changes arising from external forces. This will include, for example: increased demand for services from citizens, changes in legislation and guidance from central government, economic changes, interest rate changes and employee relations. This list is indicative rather than exhaustive. The localisation of both Business Rates and Council Tax Support (formerly benefits)

increases the significance of Council reserve levels as these are new significant variables on both income and expenditure.

In recommending an adequate level of reserves, the CFO considers and monitors the opportunity costs of maintaining particular levels of reserves. This opportunity cost may be the lost opportunity of investing those funds in service improvement and/or spending on alternative activities. There is a balance to be struck between setting prudent levels of contingencies and reserves considered to be an adequate 'safety net' to ensure the Council can operate successfully in a very challenging environment and ensuring sufficient funds are in place for service provision and other Council activities. The levels recommended here are considered to have achieved that balance.

**Table 1** shows the estimated Net Revenue Expenditure (NRE) and Unallocated Reserves for Nottingham compared with those of other councils. The data is based on 2014/15 CIPFA Finance and General Estimates, demonstrating Nottingham's reserve position is lower relative to similar councils.

<b>TABLE 1 : COMPARISION OF RESERVES WITH OTHER AUTHORITIES</b>			
<b>Authority</b>	<b>Net Revenue Expenditure * £m</b>	<b>Estimated Unallocated Reserves as at 1 April 2014 £m</b>	<b>Estimated Unallocated Reserves as % of NRE</b>
Birmingham	1016.177	23.700	2.33%
Sheffield	447.197	10.816	2.42%
<b>Nottingham</b>	<b>268.523</b>	<b>9.500</b>	<b>3.54%</b>
Derby	188.177	7.143	3.80%
Leeds	575.234	27.200	4.73%
Manchester	504.372	24.079	4.77%
Liverpool	483.237	24.789	5.13%
Newcastle	261.757	14.134	5.40%
Leicester	293.474	25.800	8.79%

This decision is supported by a comprehensive risk assessment to ensure that the level of reserves represents an appropriately robust financial safety net for the organisation. In assessing these risks the CFO has consulted with relevant colleagues and stakeholders to ensure all risks have been identified. The importance of this work, its depth and accuracy, is further enhanced as a number of the proposals included within the budget plans involve significant changes to current structures, systems and processes, they involve higher levels of risk than those which broadly maintain current arrangements. At the most practical level those risks begin with the possibility of slippage and disruption in the transition from old to new arrangements. The CFO has sought to ensure that issues of this type and their potential budgetary implications are appreciated by relevant colleagues and councilors.

Given the level of savings included in this MTFP the CFO has undertaken an assessment of their deliverability and set out clearly the implications and contingency plans which apply where savings are not delivered as planned. Robust and timely monitoring of savings delivery plans with ongoing contingency planning will be critically important throughout the year.

### General Fund

The MTFS requires the opening balance on the General Fund Reserve to be between 2% and 4% of the total net general fund revenue budget. For 2015/16 this range is **£5.5m to £11m**. This level of reserve has been informed by the risk assessment as detailed in **Appendix A** of this Annex. The proposed General Fund balance for 2015/16 is **£9.5m**, which is **3.54%** of the net general fund budget, as at 1 April 2015. This level is expected to be sufficient in all but the most unusual and serious combination of possible events and provides an optimum balance between risk management and opportunity cost.

The MTFS provides for a central contingency value of between 0.4% and 0.9% of the previous years net revenue budget (NRB). The proposed level is **£2m** (i.e. **0.75%**) and takes account of the significant savings package and challenging future financial outlook

### Housing Revenue Account (HRA)

The MTFS requires the City Council to establish opening HRA reserves of between 2% and 3% of the gross HRA spend (capital and revenue) the precise level within this range being informed by the risk assessment with no opening working balance ever being set below the 2% threshold in an individual year. **Appendix B** details the risks and the working balance required in 2015/16 is **£4.000m**, which is **2.3%** of the gross spend.

### Earmarked Reserves

Earmarked Reserves are funds set aside to provide for specific future expenditure plans. The Council held balances of **£148m** in earmarked reserves at 31 March 2014 which includes schools budget balances of **£22m**. A review of these earmarked balances has been performed to establish the purpose of the reserves and the likely timescale that these reserves will be utilised.

There are 6 main categories of earmarked reserves that the Council holds:

- Sums set aside for major schemes, such as capital developments, or to fund
- Transition and transformation
- Insurance and risk management
- Potential Liabilities
- School Balances
- Other specific

During the course of 2014/15 it is anticipated that a net **£7.485m** will be released from earmarked reserves to fund known commitments and a further net **£7.167m** will be utilised in 2015/16. In addition a number of movements have been made within the overall reserve balances to realign to commitments against the capital programme and to reflect the level of risk and uncertainty associated with major capital schemes.

A further review of reserves will be undertaken as part of the 2014/15 closedown process.

### Conclusions

In conclusion, with contingencies and reserves at the level set out here and in the overall budget report, the CFO considers that the proposed budget for 2015/16 is robust and that the level of reserves is adequate because:

- The overall budget process is established good practice and fit for purpose, there is an annual review of the process and continuous improvement is embedded;

- The process is supported by appropriately qualified and experienced professional colleagues;
- There has been good and extensive engagement in the budget development and construction process by senior colleagues and Executive Councillors;
- There have been thorough arrangements in place to challenge proposals and make revisions as a result;
- Known cost pressures (including inflation) have been identified and resourced at realistic levels;
- Risks have been identified (and where appropriate costed) and will be subject to control and management using established risk management procedures;
- There is clear accountability of both individuals and teams effected through the continued use of accountability letters, individual performance objectives, reporting, peer review and individual performance appraisals;
- There is a wider organisational understanding of the financial position, the reasons for it and the need for good financial management;
- Budget monitoring and scrutiny arrangements are in place, including arrangements for the identification of remedial action;
- There is an overall satisfactory track record within the Council for the implementation of the majority of strategic choices and for delivering services within budget;
- The principles for the control of the capital programme and management of resources are required to manage the ambitious capital programme set out by the Council;
- The levels of contingencies and reserves are considered to be, based on currently known information and professional judgment, adequate to deal with the inherent higher levels of risk within the budget arising from: a continued significant reduction in funding, high value cost reductions, increased demand from citizens, the complex nature of some of those changes requiring major service redesign and organisational change, the prevailing challenging economic situation, the impact of extensive policy changes from central Government; all in the context of the City's demographics;
- It is recognised that contingencies and reserves will continue to need to be constantly reviewed to determine adequacy and there are processes in place to increase such provisions should this be required.

This statement has been prepared in good faith and having made best endeavours to take into account all known prevailing relevant issues.

**Geoff Walker**  
**Acting Director of Strategic Finance**  
**Chief Finance Officer**  
**Nottingham City Council**

**4 February 2015**

**GENERAL FUND- RISK ASSESSMENT**

**APPENDIX A**

DEPARTMENT/ POTENTIAL RISK	WORST CASE £m	ASSESEMENT OF RISK £m	ESTIMATED EXPOSURE £m
<p><b>CORPORATE RISK</b></p>			
<p><b>NNDR appeals risk</b></p>			
<p>The income risk on Business rates is shared with Government. A 1% increase in the level of successful appeals could cost £0.600m.</p>	0.600	Medium	0.300
<p><b>Council Tax Support</b></p>			
<p>Potential for increase in Council Tax Support of 2%. A 1% increase in demand for CTS will reduce Council Tax collection by approximately £0.300m.</p>	0.600	Low	0.060
<p><b>Major Incidents</b></p>			
<p>Any major incident or emergency may result in significant costs to the Authority. Depending on the incident concerned, the Council may be able to recover such costs through the Bellwin Scheme or from specific reserves earmarked for the purpose eg Insurance Reserve. The balance recognises the potential losses not covered by these circumstances.</p>	15.000	Low	1.500
<p><b>Adverse variation in inflation</b></p>			
<p>A 1% increase in inflation on supplies and services would lead to additional pressure of £2.5m.</p>	1.250	Medium	0.625
<p><b>Adverse variation in grant funding</b></p>			
<p>Potential for Government to revise the funding mechanisms to squeeze local authority funding even harder in future years (eg by increasing the proportion of business rates centrally or amendments to fund the business rates safety net payments by top-slicing grants) A 1% variation in grant funding equates to £1.600m</p>	1.600	Low	0.160
<p><b>Restriction on charging for services</b></p>			
<p>Potential for Government to restrict the level of local charges levied for some services</p>	0.900	Low	0.090
<p><b>TOTAL CORPORATE RISK</b></p>	<b>19.950</b>		<b>2.735</b>

<b>DEPARTMENT/ POTENTIAL RISK</b>	<b>WORST CASE £m</b>	<b>ASSESSMENT OF RISK £m</b>	<b>ESTIMATED EXPOSURE £m</b>
<b>Slippage in delivering Big Ticket Strategic Choices</b> Failure to deliver savings within planned timescales.	2.357	Medium	1.179
<b>Safeguarding -Children in Care</b> Children in Care numbers are higher than predicted for the budget and actions to mitigate demand are not as effective as planned.	2.818	Medium	1.409
<b>Impact of Children &amp; Families Bill</b> The financial implications of the transformation of the delivery of services to children with SEN.	1.255	Medium	0.628
<b>Performance element of the Better Care Fund</b> An element of the Better Care Fund is dependent on meeting specified performance criteria defined by DoH. This is based upon the achievement of a 3.5% reduction in non-elective emergency admissions to acute care. The Health and Wellbeing Board and Executive Board Commissioning Sub-Committee agreed a 50/50 split between Nottingham City Council and NHS Nottingham City CCG of the total value of £1.556m.	0.788	Low	0.079
<b>Realisation of Adult Social Care Mental Health demand</b> Cost and demand for mental health services is greater than provided for in the MTFP.	1.305	Medium	0.653
<b>Adults Safeguarding and Assessment</b> Increased demand for services and action to manage demand not having the assumed impact.	1.614	Low	0.161
<b>Educational Services Grant Reduction</b> Failure to reduce costs of services funded by ESG in line with the reduction in grant.	1.563	Low	0.156
<b>Legal Costs</b> Increased demand for legal services as a result of increased activity related to Children In Care	0.250	Medium	0.125
<b>TOTAL CHILDREN AND FAMILIES RISK</b>	<b>11.950</b>		<b>4.390</b>

<b>DEPARTMENT/ POTENTIAL RISK</b>	<b>WORST CASE £m</b>	<b>ASSESSMENT OF RISK £m</b>	<b>ESTIMATED EXPOSURE £m</b>
<b>COMMUNITIES RISK</b>			
<p><b>Trading activities</b></p> <p>There is a range of trading activities in the communities department each with its own trading surplus target. The consequence of under achievement of the target could be an increase to the net charge to the general fund although there are mitigations in the MTFS that could be instigated to offset some of the risk.</p>	2.311	Low	0.231
<p><b>Robin Hood Energy</b></p> <p>Costs are being incurred to set up the company. There is a risk that the company will not be as successful as anticipated and will be unable to repay.</p>	1.000	Low	0.100
<b>TOTAL COMMUNITIES RISK</b>	<b>3.311</b>		<b>0.331</b>
<b>DEVELOPMENT RISK</b>			
<p><b>Cost overrun on Capital Schemes</b></p> <p>The Council has an ambitious investment strategy which may be subject to cost overrun. 5% cost overrun on GF programme is £10.368m</p>	10.368	Low	1.037
<p><b>Business rates uplift insufficient to fund City Deal TIF2 scheme in the creative quarter</b></p> <p>In order to generate additional activity in the City Deal area capital works are required to unlock the potential of the area. These capital works will be financed from prudential borrowing which will be repaid from increase business rate collection in the area. There is a risk that the additional business activity will not generate sufficient additional income to support the development and alternative capital resources will be required to mitigate any shortfall in resources.</p>	2.000	Low	0.200
<p><b>Slippage in achieving Strategic Choice savings and Big Ticket Initiatives</b></p> <p>A range of challenging savings and Big Ticket initiatives has been included in the budget. There are risks in relation to the timescales for deliverability of these initiatives and their scale of impact.</p>	0.900	Medium	0.450
<b>TOTAL DEVELOPMENT RISKS</b>	<b>13.268</b>		<b>1.687</b>



DEPARTMENT/ POTENTIAL RISK	WORST CASE	ASSESSMENT OF RISK	ESTIMATED EXPOSURE
	£m	£m	£m
<b>RESOURCES RISK</b>			
<p><b>Reduction of external budgeted income from the sale of services to schools</b></p> <p>Services to schools sold include HR, Legal, IT and Internal Audit. Expenditure could be reduced, but redundancies may be incurred and not all costs may be mitigated.</p>	0.199	Medium	0.100
<p><b>Partners withdraw from services provided under SLA for Finance, HR, Legal and IT (SLA's are reviewed annually)</b></p> <p>Viability of the business case is compromised. Investment in IT does not happen and savings are prevented.</p>	0.230	Low	0.023
<p><b>Finance</b></p> <p>Demand for support for the commercialism agenda increases</p>	0.150	Medium	0.075
<b>TOTAL RESOURCES RISK</b>	<b>0.579</b>		<b>0.198</b>
<b>TOTAL POTENTIAL RISK</b>	<b>49.058</b>		<b>9.341</b>

<b>HRA – RISK ASSESMENT</b>			
<b>POTENTIAL RISK</b>	<b>WORST CASE</b>	<b>ASSESSMENT OF RISK</b>	<b>ESTIMATE OF EXPOSURE</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Development - Housing Revenue</b>			
Welfare reform impact on the level of rent collected	0.500	High	0.450
Welfare reform impact on other rents & service charges	0.100	Medium	0.050
Welfare reform increase in void properties	0.600	Medium	0.300
Impact of introduction of Universal Credit	0.500	High	0.450
Increase in bad debt provision due to reduced Discretionary Housing Payments	0.900	High	0.810
Impact of interest rates on debt	0.285	Low	0.071
Increased demand for unplanned housing repairs	1.500	High	1.350
Expected Capital Receipts not realised	0.600	Medium	0.300
Unforeseen costs of new build programme	2.000	Low	0.200
Increase in right to buy properties	0.300	Medium	0.150
<b>TOTAL - HRA</b>	<b>7.285</b>		<b>4.131</b>

# ANNEX 6

## BUDGET CONSULTATION 2015/16

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<b>A</b>	Your City Your Services 2014 Data Report – December 2014

# ANNEX 6 : BUDGET CONSULTATION 2015/16

## SUMMARY

Nottingham City Council is setting its budget within a context of difficult economic conditions, changes in national policy and continued, substantial reductions in funding. In 2015/16, savings of c£25m are proposed to be made.

In line with the Council's commitment to citizen involvement, a full programme of consultation has been undertaken to support construction of the Council's Medium Term Financial Plan (MTFP). This report details the results of that consultation and includes responses received up to and including February 13<sup>th</sup> 2015.

## 1. BACKGROUND

### Context

There are a number of practical difficulties to be faced when undertaking budget consultation. A unitary authority such as Nottingham City Council provides an enormous number of services and this creates a complex picture with many proposals to consult on. This is made more difficult by the short consultation period available between the government notifying the Council of its funding levels and the annual budget-setting Council meeting.

### Impact of Consultation

Nottingham City Council has a long term commitment to feed the views of citizens into the processes of policy making and service improvement. This helps the Council understand the issues and services that matter to local communities, as reflected in the priorities that guided the Executive Board in developing the budget proposals. These priorities are:

- Protecting front-line services
- Protecting jobs
- Supporting the most vulnerable
- Keeping Nottingham safe and clean
- Bolstering the economy

## 2. THE CONSULTATION

### How we consulted

Consultation on the budget was conducted in two phases:

### Pre-budget

Before the budget settlement for 2015/16 was announced in December, pre-budget consultation was carried out during October and November 2014. This gathered views through a survey, available both on-line and through the October Arrow. Citizens were asked about:

- Which services are important;
- Issues of concern in the current economic climate;
- How the Council could make further savings;
- How the Council could generate more income;

Following this process, the draft budget was approved for consultation by Executive Board on 16<sup>th</sup> December 2014.

### Consultation on budget proposals

The Council consulted on these draft budget proposals from December 17<sup>th</sup> 2014. A consultation form was made available online and in hard copy to enable everyone to have their say. As part of the consultation, events were arranged across the City, which were publicised locally by neighbourhood management teams. Discussions held at these events were recorded and attendees were also invited to provide individual feedback via the consultation form. Consultation with businesses, colleagues, One Nottingham partners and the voluntary and community sector was also undertaken.

### The consultation events

The events provided the opportunity for citizens to engage directly with members of the Executive Board. The style of the neighbourhood events varied depending on local need but generally included a presentation that provided background to the budget and summarised the proposals. A short video was also shown which explained the current budget position in Nottingham.

Targeted events were held which had additional provision for equalities groups and communities of identity. The venues were fully accessible. Invitations were sent to members of the City's equality engagement groups and community groups from different backgrounds. These events were intended to ensure that people with specific access requirements could partake in the budget consultation.

Members of the local business community were invited to a breakfast briefing and a Learning Network event concentrating on the City Council's budget was held for One Nottingham partners. There was also an additional event organised for representatives from Nottingham's Voluntary and Community Sectors.

Citizens also had the opportunity to discuss the budget during regular weekly surgeries with councillors.

Nottingham City Council colleagues were also given the opportunity to be involved in the consultation. This involved:

- Presentations by the Chief Executive or a member of the Corporate Leadership Team and a Councillor, followed by a question and answer session.
- Briefings including Intranet news articles

## Feedback to services

Feedback received on the budget proposals from this series of events has been circulated to the relevant service heads and directors for their consideration.

### **3 RESULTS AND FEEDBACK FROM THE CONSULTATION**

#### Pre-budget consultation

1,982 responses were received from the pre-budget consultation with 90% of these coming from the survey in the October Arrow magazine; the remainder responded online or completed a form at a consultation event.

Respondents were asked to rate a cross section of 24 council services on a scale of 1 (Not important) to 5 (Very important). For each service a mean average has been calculated out of 5. The services rated as the top 5 most important by respondents were:

1. Tackling crime and antisocial behaviour (4.4 out of 5)
2. Services to elderly and vulnerable people (4.3 out of 5)
3. Child Protection (4.3 out of 5)
4. Refuse Collection (4.3 out of 5)
5. Public Transport (4.1 out of 5)

The top 5 services remained the same as in 2011, 2012 and 2013 although the order changed slightly.

The full results of the survey are given in **Appendix A** to this report.

#### Consultation on the budget proposals

##### **Responses via the budget consultation form**

Around 240 submissions have been received to date.

##### **Feedback specific to budget proposals**

Over 90 items of feedback relating to specific budget proposals have been received to date. Two thirds of this feedback relates to proposals for Children's Services and for Adults, Commissioning and Health services. Specifically the two proposals which have attracted the most feedback to date are:

**AC&H19: Preventative services & commissioning:** Feedback refers specifically to a reduction in funding for the Disability Living Centre (DLC). The DLC is described by those responding as a very valuable resource used by both patients and professionals (particularly occupational therapists). Those responding suggest that cuts to this service would impact upon people with disabilities and could lead to pressures on other care services.

**ChS10: External groups:** Feedback almost exclusively refers to cuts to the Rainbow Parents Carers Forum. Many of those responding talk about their own personal circumstances and describe it as the only help available to meet their needs.

## **Other feedback**

Many comments received were not specific to individual budget proposals. These covered a wide range of themes and issues, including:

- The negative impacts of changes to social care services
- The negative impacts of changes to library services
- Concern about a rise in Council Tax
- Concern regarding the financial impact of the Tram network
- The impact on the vulnerable i.e. children in care, elderly, disabled citizens
- Reduction in budget for non-essential services i.e. museums, parks open spaces, grants to voluntary groups
- The need to reduce bureaucracy and improve efficiency in council activities
- Urging the Council to lobby central government for a better deal for Nottingham
- Concern regarding School performance league tables
- Reducing the amounts spent on the production of free publications and on the management of events
- Concern about the removal of concessionary bus passes for the elderly
- Suggesting that the City should do more to attract tourism

In many cases, feedback showed that citizens were supportive of the Council and felt that it was doing the best it could, given the difficult circumstances. Some citizens stated that they would need more detailed information about the proposals to be able to provide informed comment(s).

## **Feedback from events in neighbourhoods**

The budget proposals were discussed at eleven events in neighbourhoods. Around 200 citizens attended to give their views. Most sessions received a presentation from a Councillor, followed by a question and answer session.

Issues raised included:

- Concerns about the impact on key services such as Youth Provision and Community Protection,
- Concerns about the closure of Long Meadows Day Centre.
- Comments around Sunday pay and display parking and the Workplace Parking Levy.
- Concerns about reductions in social care services and the impact this will have on elderly and vulnerable people
- Questions around empty properties in the city

At many events citizens acknowledged the difficulties faced by the Council.

## **Equality Issues**

Seventeen people attended a session organised for Communities of Identity, which mostly focussed on the impact of budget proposals on specific groups. In particular, they highlighted concerns about proposals relating to:

- Business rates and the effect on social businesses,
- Early intervention services,
- Voluntary and community sector funding,
- The Council's ongoing commitment to the voluntary sector,
- The mental health strategy.

More specifically, attendees raised concern about support for BME Mental Health and Rape Crisis.

The importance of an over-arching Equality Impact Assessment of the proposals was also emphasised.

### **Feedback from the business community**

Seven representatives attended from the business community and a wide-ranging discussion took place.

Attendees suggested that the Council needs to establish a more continuous dialogue with the private sector. The general opinion was that the Council could be more effective in looking for private sector partners in capital investment and that the Council has not actively looked to the private sector to provide services at low cost or commercially.

Concern was raised over whether small businesses are being made aware that they are entitled to relief on business rates and whether they are being actively encouraged to take up the relief available.

Questions were raised about the Nottinghamshire growth deal and how additional funding awarded will create opportunities within D2N2.

### **Feedback from colleagues**

Five consultation sessions were organised at a variety of venues for colleagues to ask questions or make comments on budget proposals.

The main themes emerging from these sessions were:

- Concerns around the ongoing increment freeze whilst living costs continue to increase
- Concerns that reductions in the number of front-line staff could result in worse services.
- Questions around the proposed redundancies
- Questions around the use of Council reserves to reduce the need to make cuts to posts and services
- Concerns about the St Ann's Day Centre
- Whether there are plans for a coordinated effort to oppose the cuts to the funding central government provide

### **Feedback from One Nottingham Partners**

Partners from the public, private and voluntary sector attended learning Network event organised by One Nottingham. Attendees viewed the animation video explaining the current budget position in Nottingham, then listened to a presentation on the proposed Nottingham City Council Budget for 2015/16 from Councillor Graham Chapman and Councillor David Mellen.

There were questions about:

- Savings arising from the restructure of hostel provision
- Decommissioning non-essential voluntary sector services
- Big issues around health improvement for the city such as obesity and type 2 diabetes. How do we allow the health and wellbeing work to take place?
- Concern about care workers and how we protect the most vulnerable, some of whom are care workers themselves
- The possibility of cross-authority working

### **Feedback from the Voluntary and Community Sector**

A consultation event was held for Voluntary and Community Sector organisations.

Discussions were wide-ranging but the main themes emerging were:

- Concerns around the inclusion of services for Children in Care in the proposed cuts



- That Councillors, MPs, the voluntary sector and the worst affected together should campaign for a better deal at Parliament
- A return to traditional procurement where the Council will open this up to the private sector again

### **Formal responses**

In addition to the survey responses and comments made at public meetings, a formal submission was received from the Nottinghamshire Disabled People's Movement in which concerns were raised and specific additional information was requested.

The full content of this submission has been supplied to relevant service heads and directors. The main issues highlighted were as follows.

The Nottinghamshire Disabled People's Movement raised concern of the potential impact the proposals would have on citizens, particularly those with additional needs (including disabled people), and specific concerns and questions were raised in relation to a large number of proposals. They also expressed concern about the overall effects of the budget proposals and the disproportionate impact they could potentially have on disabled and other vulnerable people. They proposed that services and facilities aimed at supporting the most vulnerable people, such as care for older people, disabled people, children at risk of harm, and early intervention services such as welfare support should face the lowest level of cut. They suggested that universal services like bin collection, litter clearing, parks, libraries and leisure services should face a higher level of cut.

## **4. CONCLUSIONS**

Throughout the consultation a large amount of feedback has been received from a wide-ranging group of respondents and this information has been fed back in order to inform the final decision-making process

Citizens have expressed concern about the potential cumulative impact of these proposals on some of the most vulnerable citizens and this concern has been considered in the Equality Impact Assessments carried out.

Overall, colleagues, citizens and businesses recognise the difficult position the Council faces in having to make savings on this scale. Generally, they have appreciated the opportunities to express their views and concerns through the consultation process although some respondents would have welcomed the availability of more detailed information. This view will be fed into planning future budget consultations.

## **Appendix A: Your City Your Services 2014 Data Report – 11th December 2014**

### **Background**

This report presents the findings from the 2014 Your City Your Services (YCYS) Survey. This is the fourth annual Your City Your Services survey.

The YCYS survey was available online from the beginning of October 2014 and a paper version was distributed to every household across the City in the October edition of the Nottingham Arrow publication. The survey was also circulated using social media (Face book and twitter). Paper copies of the survey were made available at customer reception points across the City including at leisure centres, libraries and Angel Row Contact Centre and the Council House.

In addition, Neighbourhood Development Officers circulated the survey at a variety of community and neighbourhood meetings across the City.

As in previous years, the 2014 YCYC survey used a self-completion approach. At the date of writing this report a total of 1,982 responses have been received, compared to 2,524 in 2013 and 1,308 in 2012.

The information from the survey will be used to inform Councillors' decisions in the 2015/16 budget making process.

### **Interpreting the data**

Please note that, as the Your City Your Services survey did not use a truly random sample, the confidence intervals stated within this report should be used as a guide only.

Percentage figures quoted have been rounded up/down to the nearest whole number and mean scores have been rounded up/down to one decimal place.

Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of "don't know" categories, or multiple answers.

The base number of respondents for each question is given as (n = base number)

### **Postcode Data**

Of the overall sample (n = 1,982) 1,621 (82%) respondents provided a valid City post code. This information has been used to show the geographical location of respondents as follows:

**Table 1: Responses by Area Committee / Ward.**

<b>Area Committee / Ward</b>		<b>Number of responses</b>	<b>% of overall sample</b>
Base: n = 1,621			
Area 1	Bulwell (98), Bulwell Forest (111)	209	13%
Area 2	Bestwood (114), Basford (101)	215	13%
Area 3	Bilborough (91), Aspley (74), Leen Valley (59)	224	14%
Area 4	Sherwood (142), Berridge (88)	230	14%
Area 5	Arboretum (51), Radford & Park (64), Dunkirk & Lenton (18)	133	8%
Area 6	Mapperley (119), St Ann's (55), Dales (83)	257	16%
Area 7	Wollaton West (127), Wollaton East & Lenton Abbey (33)	160	10%
Area 8	Bridge (69), Clifton North (71), Clifton South (53)	193	12%
Area Total		1,621	

As in the last two Your City Your Services surveys Area 6: Mapperley, St Ann's and the Dales had the most responses (257). For the 2014 survey Area 5: Arboretum, Radford and Park and Dunkirk and Lenton had the lowest number of responses (133)

**Table 2: Responses by Locality**

<b>Locality</b>		<b>Number of responses</b>	<b>% of overall sample</b>
Base: n = 1,621			
North	Area 1, Area 2, Area 3	649	40%
Centra	Area 4, Area 5, Area 7	524	32%
South	Area 6, Area 8	448	28%
Area Total		1,621	

**Table 3: Demographic data**

<b>Base: 1,982</b>	<b>Census 2011</b>	<b>YCYS 2014</b>	<b>+/-</b>
Male	50%	41%	-9%
Female	50%	57%	+7%
Disabled	18%	29%	+11%
White	72%	91%	+19%
Black	7%	3%	-4%
Asian (including Chinese)	13%	3%	-10%
Mixed	7%	2%	-5%
16-24	27%	3%	-24%
25-44	35%	11%	-24%
45-59	19%	25%	+6%
60-64	5%	12%	+7%
65+	14%	36%	+22%

The sample is over represented by female, disabled, white and all age groups over 45. This is most likely to be because the main methodology used was an insert in the Arrow publication, which is predominantly read by age groups over 45.

## How important are services?

For question 1, respondents were asked to rate on a scale of 1 (Not important) to 5 (Very important) a cross section of 24 council services.

Please note: From April 2013, Nottingham City Council took responsibility for some Public Health functions, providing a wide range of services including stop smoking services, sexual health services and school nursing service. Public Health services have not been included in this year's Your City Your Services survey but will be included in future surveys.

Based on the views of respondents each service has been given a mean score calculated out of 5. Figures have been rounded up/down to one decimal point.

The five services rated as the most important by 2014 respondents are the same top five services identified in the 2013 survey.

**Table 4: Top Five Rated Services in 2014**

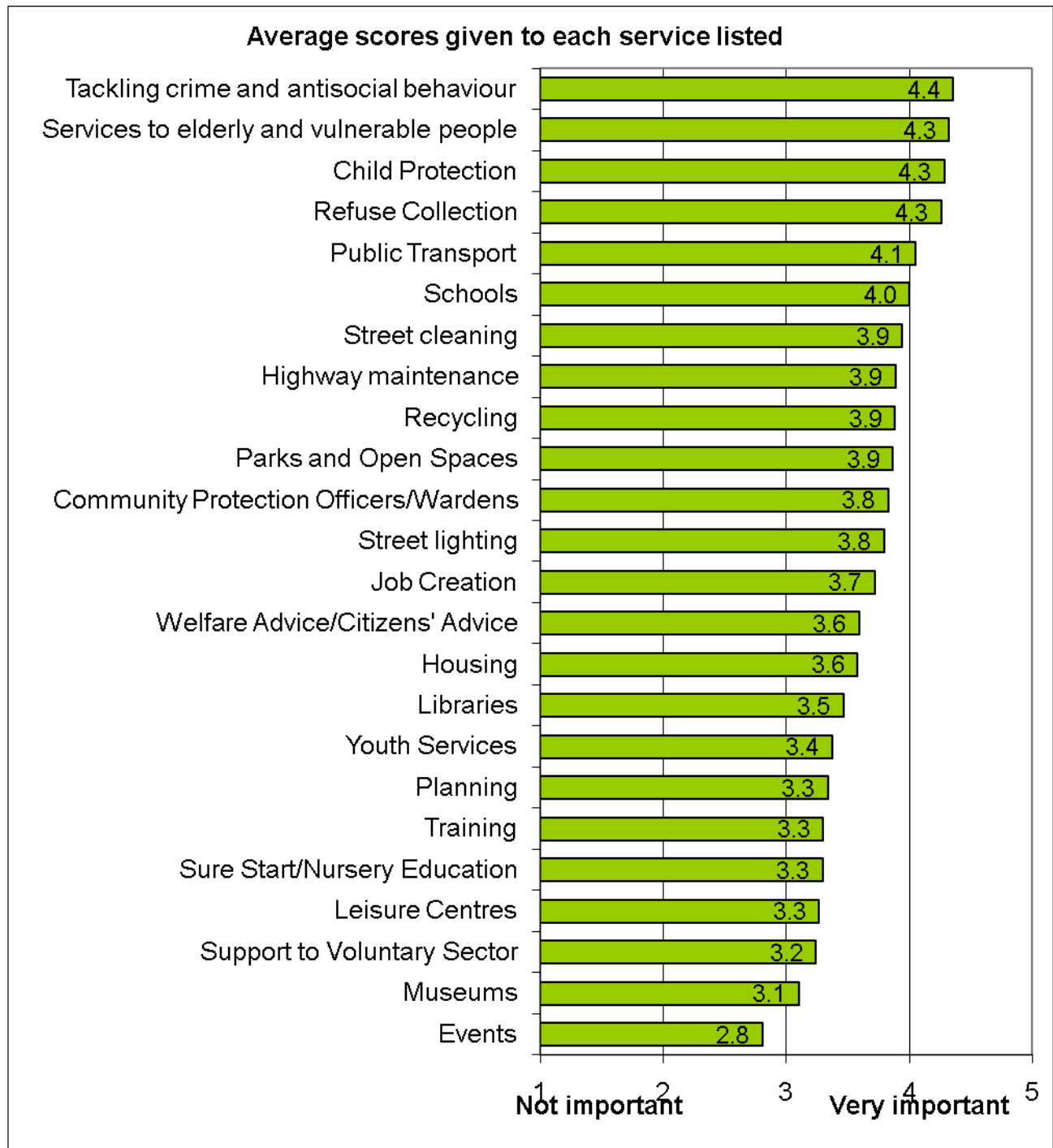
<b>2014 ranking</b>	<b>Service</b>	<b>Mean score</b>
1	Tackling crime and antisocial behaviour	4.4 out of 5
2	Services to elderly and vulnerable people	4.3 out of 5
3	Child Protection	4.3 out of 5
4	Refuse Collection	4.3 out of 5
5	Public Transport	4.1 out of 5

Although the top five service rankings remain the same as in 2013, there is a difference in ranking order. **Child Protection** has moved up one place to the third most important service to respondents. **Refuse Collection** has dropped from third to fourth.

The three services rated as the least important by respondents remains the same as in 2013. These are **Support to Voluntary Sector** (3.2 out of 5), **Museums** (3.1 out of 5) and **Events** (2.8 out of 5)

There is no significant difference between the services rated as important by those aged under 45 and those aged 45 and over.

**Table 5: 2014 Service Rankings in order highest to lowest**



**Table 6: 2014 Rankings Compared to 2013**

2014 Ranking	Service	2014 Mean score	2013 Mean score & ranking	Ranking up / same / down compared to 2013
1	Tackling crime and antisocial behaviour	4.4	(1) 4.4	Same
2	Services to elderly and vulnerable people	4.3	(2) 4.3	Same
3	Child Protection	4.3	(4) 4.3	Up
4	Refuse Collection	4.3	(3) 4.3	Down
5	Public Transport	4.1	(5) 4.1	Same
6	Schools	4.0	(6) 4.0	Same
7	Street cleaning	3.9	(7) 3.9	Same
8	Highway maintenance	3.9	(10) 3.9	Up
9	Recycling	3.9	(8) 3.9	Down
10	Parks and Open Spaces	3.9	(9) 3.9	Down
11	Community Protection Officers/Wardens	3.8	(12) 3.8	Up
12	Street lighting	3.8	(13) 3.8	Up
13	Job Creation	3.7	(11) 3.8	Down
14	Welfare Advice/Citizens' Advice	3.6	(17) 3.6	Up
15	Housing	3.6	(15) 3.6	Same
16	Libraries	3.5	(16) 3.5	Same
17	Youth Services	3.4	(14) 3.4	Down
18	Planning	3.3	(19) 3.3	Up
19	Training	3.3	(18) 3.3	Down
20	Sure Start/Nursery Education	3.3	(21) 3.3	Up
21	Leisure Centres	3.3	(20) 3.2	Down
22	Support to Voluntary Sector	3.2	(22) 3.2	Same
23	Museums	3.1	(23) 3.1	Same
24	Events	2.8	(24) 2.8	Same

**Tackling crime and anti-social behaviour** remains the most important service to citizens.

In general, the mean scores across all the 24 service areas in 2014 have remained the same compared to 2013. This indicates citizens are viewing Council services about the same as they did in 2013.

#### **Which services have moved up/stayed the same/down?**

Although there has been minimal change in mean scores compared to 2013 the overall ordering has seen some change.

In the middle third of the table, '**Welfare Advice/Citizens' Advice**' has moved up three places to be ranked fourteenth and '**Highway maintenance**' has moved up two places to be ranked eighth. '**Community Protection Officers/Wardens**', '**Street lighting**' and '**Planning**' have all moved up one place to be ranked eleventh, twelfth and eighteenth respectively.

'**Youth services**' has moved down three places to seventeenth. '**Job Creation**' down two places and is ranked thirteenth in 2014. '**Recycling**' and '**Parks and Open spaces**' have moved down one place and are ranked ninth and tenth.

The bottom six, remain the same as in 2013, although again there has been a change to their order: 'Planning' and 'Sure Start/Nursery Education' have moved up one place to eighteenth and twentieth. 'Training' has moved down one place to nineteenth.

**NB: Whilst there have been some upward/downward changes in the rankings, it should be remembered that mean scores have not significantly changed since 2013.**

### Further savings

Respondents were asked if they have any suggestions where further savings could be made and a total of 807 respondents provided comments.

**Table 7: Main areas identified by respondents for potential further savings**

The main areas identified by respondents for potential further savings have largely remained the same as in 2013.

Comment theme	Count
Managers - Reduce number of managers / cut pay for senior staff / reduce number of high paid jobs	81
General efficiency - less duplication / cut bureaucracy / reduce non-essential spending do jobs right the first time	56
Cost of democracy	52
Publicity - stop Arrow / lamppost banners	45
Events - stop events / charge for events / reduce number of events	42
Staff - cut staff numbers / pay / salaries / pensions.	40
Use volunteers / unemployed / offenders to help with city upkeep	37
Street lighting - turn off or reduce in early hours	36
Tram - stop the tram	34
Benefit claims - cut benefits / reduce fraud	34
Channel shift - put more information & publications online / reduce number of contact centres / use email rather than phone or post / put multiple letters in one envelope / let people opt for email communications rather than post	32
Rubbish & recycling - reduce number of collections / charge for collections / organise more efficiently / make money by selling collected waste	32
Traffic projects - reduce spend on traffic calming / 20mph zones / highways projects	31

### Generate Income

Respondents were asked if they had any suggestions on how the Council could generate more income.

A total of 701 respondents provided income generating comments.

**Table 8: Main areas identified by respondents on how the Council could generate more income**

Comment theme	Count
Implement more fines - fine for motor vehicle related issues, littering and for ASB	122
Charge for services - charge for bins, services, tourists entering the city and OAP bus passes	116
Sell / Hire out Assets - sell leisure centres and hire out empty council building.	104

Also hire out town hall, castle	
Increase Taxes - late night drinking tax, late night policing, and ASB related NHS use	86
Improve tourist areas - improve the appeal of Nottingham to tourists and improve the Robin Hood brand	63
Transport - bus passes, car parking	62
Litter - ensure the streets are clean and fine those caught littering	50
Job creation - Reduce business rates to encourage new business to open and hire people, also make people on benefits do community service in order to earn their benefits.	37
Events - increase the event prices	22
Privatise services - sell services to the private sector	21
Shared services - share resources between councils. Charge citizens/business owners to use council services e.g. people with managerial experience.	20
Anti-social behaviour - fine those involved in ASB, and make them pay towards policing and NHS	20

Although respondents were asked to comment on ways they felt how the council could generate income 152 respondents made comments around further cuts i.e. reduce jobs, services, cut wages, and business trips. Around 50 respondents made comments suggesting that the Council reduce the number of events it holds.

### Areas of concern

Respondents were asked to indicate their level of concern on a number of issues during the current economic situation.

**Table 9: Stated Levels of Concern.**

<b>% Very concerned/Concerned</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Cuts to public services	92%	93%	90%
Household money problems (Wording changed from previous survey: Debt problems in 2010/11/12/13)	69%	64%	58%
Losing my job	45%	51%	54%
Welfare changes (Wording changed from previous survey: Changes to benefits 2010/11/12/13)	77%	77%	N/A
Impact on my health	69%	73%	N/A

Compared to 2013, respondents are significantly more concerned about household money problems. (Please note that the wording in the 2014 survey was changed from previous YCYS surveys, it was 'Debt problems' in 2010/11/12/13.)

Results indicate that respondents in 2014 are less concerned about losing their job and the impact on their health than in 2013.

Respondents were asked if they had any 'further concerns' due to the current economic situation.

A total of 610 respondents provided comments.

**Table 9: The main topics of 'further concern':**  
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The main areas of further concern to respondents have largely remained the same as in 2013.

<b>Comment theme</b>	<b>Count</b>
Safety / Police / ASB / Fire Service	65
General cost of living / pay cuts and freezes / bills	61
Central Government management / policies/ benefits / welfare	52
NHS / Healthcare / carers	52
Economy and (lack of) jobs	48
Local Government management / staff / salaries / councillors	46
Rubbish/fly tipping/dog fouling / clean streets	42
Transport / tram / buses / concessionary bus passes	42
Cuts to services - other	42
Cuts to services - children	33
Cuts to services - older people	26
Increased taxes - bedroom and council	24
Roads/pavements / lighting / cycle paths	24
Immigration	21
Parking / Workplace Parking Levy	18
Social cohesion / inequality	18
Housing	9

## **Conclusions**

The 2014 Your City Your Services survey shows that Citizens' service priorities have not significantly changed since the previous year.

There have been small changes in the overall ranking of services important to citizens. For example, Welfare Rights/Citizens Advice and Child Protection have both seen a rise in importance. This may in part be due to the level of national and local media coverage in these areas over the last twelve months. Highway Maintenance has also risen in importance to citizens. This may in part be due to the large amount of transport infrastructure work currently ongoing across the City.

The main areas identified for 'potential further savings' and 'ways the Council could generate income' have largely remained the same as in 2013.

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### **LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

Your City Your Services Arrow and Online Survey October to December 2014

Comments made via online survey form - Jan/Feb 2015

Notes of consultation meetings across the City - Jan/Feb 2015

Detailed budget submissions from, Nottinghamshire Disabled People's Movement and Council colleagues.

### **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS ANNEX REPORT**