



**ADDITIONAL AGENDA ITEM**

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, 21 February 2017

**Time:** 2.00 pm

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

**Governance Officer:** James Welbourn, Constitutional Services, Tel: 0115 8763288  
**Direct Dial:** 0115 8763288

**AGENDA**

**Pages**

<b>8</b>	<b>MEDIUM TERM FINANCIAL PLAN (MTFP) 2017/18 – 2019/20</b> Report of Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration	<b>3 - 210</b>
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<b>Subject:</b>	<b>MEDIUM TERM FINANCIAL PLAN (MTFP)</b>
<b>Corporate Director(s)/Director(s):</b>	Geoff Walker, Strategic Director for Finance
<b>Portfolio Holder(s):</b>	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration
<b>Report author and contact details:</b>	Theresa Channell, Head of Strategic Finance 0115 8763649 <a href="mailto:theresa.channell@nottinghamcity.gov.uk">theresa.channell@nottinghamcity.gov.uk</a>
<b>Subject to call-in:</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Criteria for Key Decision:</b>	
<b>(a)</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	
<b>and/or</b>	
<b>(b)</b> Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
<b>Total value of the decision:</b>	£106.933m
<b>Wards affected:</b>	All
<b>Date of consultation with Portfolio Holder(s):</b> Throughout the budget process	
<b>Relevant Council Plan Key Theme:</b>	
Strategic Regeneration and Development	<input checked="" type="checkbox"/>
Schools	<input checked="" type="checkbox"/>
Planning and Housing	<input checked="" type="checkbox"/>
Community Services	<input checked="" type="checkbox"/>
Energy, Sustainability and Customer	<input checked="" type="checkbox"/>
Jobs, Growth and Transport	<input checked="" type="checkbox"/>
Adults, Health and Community Sector	<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years	<input checked="" type="checkbox"/>
Leisure and Culture	<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration	<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>	
This report presents the Council's Medium Term Financial Plan (MTFP) and comprises revenue and capital programme for both the General Fund and Housing Revenue Account (HRA).	
The MTFP report contains a large amount of important information. In order to make this accessible, the report comprises 6 annexes as follows:	
1. <b>Annex 1</b> - 2016/17 forecast outturn for all 4 elements of the MTFP.	
2. <b>Annex 2</b> - General Fund revenue MTFP for 2017/18 – 2019/20.	
3. <b>Annex 3</b> - Capital Programme for 2016/17 – 2021/22.	
4. <b>Annex 4</b> - HRA MTFP for revenue and capital	
5. <b>Annex 5</b> - Robustness of the Budget, this is required under The Local Government Act (Part II) 2003.	
6. <b>Annex 6</b> - Budget Consultation 2017/18.	
This information enables Executive Board to:	
<ul style="list-style-type: none"> <li>• make recommendations to City Council in respect of the MTFP for the capital programme and General Fund which includes setting the Council Tax</li> <li>• set HRA rent levels and service charges for 2017/18 and continue the tenant reward scheme.</li> </ul>	
At the time of writing this report the final settlement has not been confirmed and therefore all figures are based on the provisional settlement. The final settlement is normally announced the first week of February but has been delayed this year. In order for the Council Tax to be set in	

line with statutory deadlines this report seeks approval to delegate authority to the Strategic Director of Finance to make any necessary adjustments as a result of the final settlement announcement prior to City Council on 6 March.

As is usual, public consultation has been undertaken in relation to the budget proposals. 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 6 March 2017 (report despatch date is before the call-in period has ended).**

**Exempt information: State 'None' or complete the following**

None.

**Recommendation(s):**

**1 2016/17 Forecast Outturn (Annex 1)**

- a. To note the current forecast outturn for the 2016/17 General Fund and HRA revenue budgets and capital programmes.
- b. To endorse the allocations from Contingency as set out in **Table 1B**.
- c. To approve the budget virements and reserve movements set out in **Table 3** and **Appendices B and C**.

**2 MTFP 2017/18 – 2019/20 Revenue Element (Annex 2)**

- a. To note:
  - i. The General Fund revenue aspects of the MTFP.
  - ii. That, at the time of dispatch 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 6 March 2017.
- b. To note, endorse and recommend to City Council:
  - i. The General Fund net budget requirement for 2017/18 of **£238.544m** including the net movement in earmarked reserves as set out in **Appendix A**
  - ii. A basic amount of Council Tax level (Band D) of **£1,593.03** that will raise a total of **£100.947m** (an increase of **4.99%** consisting of **1.99%** basic increase and **3.00%** Adult Social Care Precept)
  - iii. Delegated authority to the appropriate Director to implement all proposals after undertaking necessary consultation
- c. To approve the delegation of authority to the Strategic Director of Finance to make any necessary adjustments as a result of the final settlement

**3 MTFP 2016/17 – 2021/22 Capital Programme Element (Annex 3)**

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

- a. The Capital Programme as detailed in **Appendix D**
- b. The additional key principle for the governance and management of the capital programme as set out in **Section 5** and **Section 8**
- c. The extension of the rolling programmes as set out in revised General Fund Capital Programme **Table 3**
- d. The revised Local Transport Programme as set out in **Appendix C**

**4 MTFP 2017/18 – 2020/21 HRA Element (Annex 4)**

- a. To note the implications of the Housing and Planning Act 2006 and the Welfare Reform and Work Act 2016. The changes that impact on the HRA's financial sustainability include:
  - i. Reduction of social housing rents by 1% for four years from April 2016
  - ii. Sale of 'Higher value' assets levy (this has been deferred to 2018/19)
  - iii. Changes to Housing Benefit; to cap it at the Local Housing Allowance level from April 2018 for general needs tenancies and April 2019 for supported accommodation tenancies
  - iv. Introduction of a requirement to prevent councils offering new tenancies longer than

	<p>five years in most circumstances. To be introduced from Autumn 2017</p> <p>v. "Pay to Stay" – increased rents for higher income households with finance raised going to HM Treasury – this is no longer compulsory (Ministerial announcement November 2016)</p> <p>b. To approve the:</p> <p>i. Proposed rent decrease of <b>1.0%</b> for 2017/18</p> <p>ii. Continuation of the tenant incentive scheme of up to £100 per tenancy per annum</p> <p>iii. An increase in the estate and block maintenance service charges of <b>£0.77</b> per week</p> <p>iv. All other service charges increased by <b>1%</b></p> <p>v. A sustainable working balance of <b>£4m</b></p> <p>vi. Delegation of authority to Nottingham City Homes (NCH) to award capital contracts up to the value of the scheme/programme as set out in <b>Appendix B</b> of <b>Annex 4</b> of the report</p> <p>c. To note, endorse and recommend to City Council the 2017/18 HRA budget</p>
<b>5</b>	<b>Robustness of the Budget (Annex 5)</b> To note and endorse the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates within the budget and the adequacy of reserves.
<b>6</b>	<b>Budget Consultation 2017/18 (Annex 6)</b> To note the outcomes of the budget consultation and communication.
<b>7</b>	To delegate authority to the Strategic Director of Finance, 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 MTFP to enable Executive Board to approve rent reductions and make recommendations to City Council for consideration on 6 March 2017 when they meet to set the budget and council tax for 2017/18.

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

- 2.1 The MTFP is directed by the Medium Term Financial Strategy (MTFS) and this document was the basis for the Efficiency Plan submission to DCLG in October 2016 with approval granted in November 2016. The Efficiency Plan was a requirement in securing the multi-year settlement covering 2016/17 to 2019/20. The MTFP aligns to the remaining three years of this settlement.
- 2.2 The basis for this draft MTFP report is the Budget 2017/18 report as approved at Executive Board in December 2016. The principles upon which this draft MTFP is built are detailed in the Budget 2017/18 report. This report builds on the previous Budget 2017/18 report and updates as necessary in light of new information since December 2016 including the outcome of the provisional settlement.
- 2.3 The draft MTFP reflects the culmination of the extensive work of councillors, colleagues and other stakeholders which has been scrutinised throughout the process to fulfil a legal obligation to enable the setting of a balanced budget for 2017/18 in the context of a three year MTFP to fund provision of a wide range of services; many of them statutory.
- 2.4 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 and November 2016, **2,034** responses were received. Citizens were asked which services are

important; issues of concern in the current economic climate and how the Council could make further savings or generate additional income. Further consultation has been undertaken from December 2016 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 **124** surveys have been completed with **87** comments relating specifically to budget proposals and **120** general comments.

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

So far there have been no significant changes to the budget proposals published in December. The consultation period will continue to run until the Council meeting in March 2017.

- 2.5 The Capital Programme element of the MTFP continues the Council's focus on regeneration and growth by investing in infrastructure and assets to create the right conditions for businesses to grow and for creation of jobs

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

- 3.1 Throughout the budget process, a large number of individual cost reduction, income and investment options are considered. These in turn impact 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.

### **4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND 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. Below is a summary of the key headlines for each of the four elements of the MTFP, individual annexes will contain further details to support these headlines:

#### **General Fund revenue budget (Annex 1 and 2)**

- A forecast over spend in 2016/17 of **£1.003m** (before trading surplus retention and carry forwards), although the Council is committed to delivering an outturn on budget and management action is in place to ensure this commitment is delivered. The MTFP assumes 2016/17 outturn is on budget
- A 2017/18 net revenue budget requirement of **£238.544m** and a Band D council tax of **£1,593.03**
- At the time of dispatch 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 6 March 2017
- Funding for new pressures of **£9.652m** in 2017/18
- Health Integration with NHS (Sustainability and Transformation Plan) will close the budget gap by further **£11.360m** bringing the assumed total to **£17.334m** in 2017/18
- New portfolio proposals of **£13.088m** in 2017/18

#### **General Fund Capital Programme (Annex 3)**

- An overall programme of **£538.627m**, of which **£147.990m** relates to 2017/18
- **£335.123m** from prudential borrowing
- **£152.618m** is funded from specific grants and contributions

- **£52.864m** from capital receipts and other internal contributions, in total results in a funding surplus of **£1.978m**

#### **HRA Revenue Budget (Annex 4)**

- An HRA expenditure budget **£103.700m** in 2017/18
- A 1% decrease in rents, year two of a four year 1% reduction in Social Housing Rents
- An CPI based increase in service charges of **1%** except Estate and Block Maintenance charges which will increase by **£0.77** per week together this will generate an additional income of **£1.019m**
- A closing working balance in 2016/17 of **£4.000m**

#### **HRA Capital Programme (Annex 4)**

- An overall programme of **£261.599m** of which **£61.101m** relates to 2017/18
- **£162.381m** is funded from the Major Repairs Allowance, **£50.110m** relates to resources brought forward, **£24.350m** from prudential borrowing, **£7.377m** from capital receipts, **£10.123m** from internal funds (Direct Revenue Financing) and **£7.259m** from specific grants and contributions.

Reporting financial performance against budget is an integral part of the annual calendar and Executive Board will continue to receive quarterly monitoring reports in 2017/18.

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.

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

5.1 The City Council is required to set a balanced budget for 2017/18 before 11 March 2017;

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

6.1 None

## **7 SOCIAL VALUE CONSIDERATIONS**

7.1 None

## **8 REGARD TO THE NHS CONSTITUTION**

8.1 Not applicable

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

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

No

An EIA is not required because:  
(Please explain why an EIA is not necessary)

Yes

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

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

10.1 None

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

11.1 Budget Consultation 2017/18 – Approved by Executive Board December 2016  
<http://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=5772>

Efficiency Plan 2016/17- 2019/20 – Approved by Executive Board October 2016  
<http://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=5770>

## **12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

Jo Worster – Team Leader Strategic Finance  
☎ 0115 8763448 ✉ [joanne.worster@nottinghamcity.gov.uk](mailto:joanne.worster@nottinghamcity.gov.uk)





**Title of EIA/ DDM:** Budget 2017/18 Community Impact Assessment

**Name of Author:** Jo Worster/Imoegen Denton/Gareth Sayers

**Department:** Strategy and Resources

**Service Area:** Various

**Author (assigned to Covalent):**

**Director:** Geoff Walker

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

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

2017/18 Budget Proposals

This document provides an overview of equality issues associated with the Council's Medium Term Financial Plan (MTFP). It summarises the potential equality impacts and the steps taken to minimise impact on protected groups during the development of the MTFP.

The Budget Consultation 2017/18 report approved at December 2016 Executive Board contains details of each budget proposal and forms the basis for the MTFP and this assessment should be read in conjunction with that report.

Public consultation began on 20 December and is ongoing, various events for Citizens and interested groups have been held as part of this process in addition to the consultation pages and survey on the Council's website. The Budget will be presented to Full Council on 6 March for approval.

Budget proposals cover all Portfolios and span various services across the Council, an assessment as to the proposals that require an Equality Impact Assessment (EIA) has been carried out, initial screenings and where appropriate individual EIA's have been completed and these are available on request. The Equality Duty 2010 is a continuing duty, therefore it will be necessary to monitor the effects of the decision after implementation.

Context

Nottingham City Council, like all other local authorities across the country, has seen a substantial reduction in Government funding as a consequence of the Government's policies to tackle the national fiscal deficit. Consequently Local Government continues to operate in a very challenging financial environment and there is uncertainty over future levels of funding; additionally the impact of the Brexit decision are as yet unknown. In the period from 2010/11 to 2016/17 the Council has had to make annual savings totalling **£203.961m** and will continue to have to make difficult decisions about the services it provides as part of the 2017/18 budget process.

In order to respond to the funding cuts and manage the increasing pressures the Council has built its MTFP on the following principles:

- take account of the Council's priorities within the Council Plan 2015-2019 agreed by Council on 9 November 2015;
- address demographic and service pressures;
- reflect the significant reductions in external funding (especially general and specific Government grants) by reducing expenditure on those activities;
- support the Council's determination to be efficient, improve performance and modernise the organisation;
- minimise the impact of service reductions and changes on vulnerable citizens by protecting frontline services;

- to pursue commercialisation opportunities to generate income for the Council.

The Council's equality objectives are to:

- ensure our workforce reflects the communities we serve;
- create economic growth for the benefit of all communities;
- provide inclusive and accessible services for our citizens; and
- lead the City in tackling discrimination and promoting equality

### Council Tax

The proposed MTFP assumes a **1.99%** per annum (pa) Council Tax increase in each financial year; this has been set in the context of the previously announced 2.00% referendum limit on increases plus an additional 2017/18 Social Care Precept of **3.00%** to fund Adult Social Care. Council Tax, including the Social Care Precept will therefore increase by **4.99%** in 2017/18.

### Adult Social Care – Health Integration with the National Health Service (NHS)

Budget pressures continue in Adult Social Care and these pressures have been reflected in the MTFP, the reasons for these pressures include:

- increased life expectancy and the associated additional care needs this presents;
- increased disability life expectancy;
- additional care costs from providers due to increased National Living Wage rates

These budgetary pressures in Adult Social Care exceed the funds raised through the Social Care Precept and nationally councils are working with the NHS to develop local Sustainability Transformation Plans (STP's). The overall aims for these plans are to enable the NHS to manage its budget and keep citizens at home, living independently rather than spending time in hospital. The assumption for the MTFP is that the local Nottingham and Nottinghamshire STP is fully agreed and is the single largest element in terms of closing the budget gap.

### Individual Consultation Proposals

The consultation proposals total **£12.710m** for 2017/18 rising to **£13.068m** in 2019/20. The consultation proposals are made up of 131 individual portfolio proposals, by value the top 5 portfolios containing budget proposals are:

Community Services (20%)

Business, Growth and Transport (17%)

Strategic Regeneration (15%)

Planning and Housing (14%)

Early Intervention and Early Years (13%)

By value the budget proposals are categorised as:

Income generation (38%)

Efficiencies (31%)

Service Redesign (15%)

Service Reduction (9%)

Manage Demand (5%)  
 Stop Doing (2%)

**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;
- EIA’s 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.

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

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<p><b>How different groups could be affected</b>            (Summary of impacts)</p>	<p><b>Details of actions to reduce negative or increase positive impact</b>            (or why action isn’t possible)</p>
<p>What follows is a summary of the people and communities who are most likely to be affected by the budget proposals outlined in this report:</p> <p><u>People from different ethnic groups</u>            Diversity monitoring data currently available is not sophisticated enough to enable analysis between ethnic groups, however data on the life chances of minority groups measured in terms of health, life expectancy, educational achievement and economies suggest poorer outcomes will be experienced by minority communities with regard to poverty and inequality when resources are stretched. This is likely to be further exacerbated by increasing health and social care costs. New and emerging communities may face greater marginalisation as all communities compete for scarce resources.</p> <p>Black and Minority Ethnic (BME) communities may rely on voluntary sector organisations to provide services and specialist advice sensitive to their cultural needs, in a way that mainstream services can struggle to match. This is particularly relevant where people have multiple or complex needs and where there is a</p>	<p>Measures are being taken to manage all changes in a planned way, and to minimise adverse impacts where possible. Each department of the Council has developed an equality action plan detailing specific activities that will be undertaken to advance equality in order to meet the Council’s equality objectives. With regard to these budget proposals, individual equality impact assessments have been conducted for specific proposals, and will be reviewed and updated as necessary. Further consultation with stakeholders is required for some of the proposals, and individual impact assessments will be amended in reponse to new information received.</p> <p>Care will be taken to ensure that information provided is made available in accessible formats. Where people are affected by fees and charges, only those who can afford to pay will do so and those on the lowest incomes are protected.</p>

reduction in face to face contact when accessing services.

In addition to the above factors, the proposed reductions in funding detailed in this report could result in people also experiencing some of the following issues:

Difficulty accessing services, struggling to navigate processes that are unfamiliar. People could be placed at risk of isolation, which can lead to various mental health conditions. In terms of wider health and social care, people may face a worsening of symptoms linked to illness and/or disease due to delayed access to medical attention where individuals present late for diagnosis/treatment.

Whilst cuts in social care provision affect people from many different backgrounds, research shows that BME women provide proportionately more care than non-BME people. It is also well documented that the health issues and experiences of BME people are different to those of non-BME people, and BME people are less likely to access the care that they need.

Where voluntary sector organisations are unable to provide the level of support some communities require, or where people do not have the right level of support to manage their individual resources, some people may fail to access mainstream service provision.

Reductions in funding for cultural arts programme may also affect this group disproportionately. Access and participation in cultural activities is an essential part of having an inclusive City. It contributes towards promoting social integration, enhancing self-esteem and identity, building skills and confidence, and projects can often lead to employment opportunities.

#### Older People/Disabled People/Carers

A significant proportion of people using social care provision are older and disabled people. Some of the proposed reductions in funding may impact on the choice and the level of control people have over their daily lives, as well as their ability to cope with national and local changes. The number of people who need access to services like brokerage and deputyship functions is predicted to increase year on year. That being said, the numbers of citizens who self-fund their social care is not known, which means that more data and analysis is needed to fully understand the impact of the proposed changes on local people.

With regard to older people, many have conditions that limit their activities. Where support is required with things like personal care, spouses, partners and female family members provide much of the informal care required. In addition, a higher proportion of disabled older people are women who rely on social care to live independently in their own homes. Whilst a significant number of older people live in poverty, means tested charges for services are

Where appropriate, individual consultation letters will be sent to affected citizens or their carers where appropriate, detailing proposals. A helpline will be established to answer questions and to allay fears

Citizens will be made aware of their right to a financial assessment, and the offer of support to find alternative more cost effective support.

With regard to mitigating potential negative impacts linked to health and social provision, work is currently underway to do this through the development of the Sustainability and Transformation Plan (STP). This is a five year plan for the future of health and social in Nottingham and Nottinghamshire that seeks to improve the quality of care; health and wellbeing of local people; and the finances of local services, so that care is delivered in a more joined up way. The plan is currently out for consultation, and at this stage it is not clear what this means for individual communities, however there may be an opportunity to advance equality through the redesign of local services.

As proposals linked to the integration of health and social care evolve, it is essential that stakeholders are consulted and that participation is accessible, allowing the voices of those who are seldom heard to be included. Equality impact assessments will also need to be developed accordingly.

A Mental Health and Wellbeing Strategy is place to support people with mental health conditions

Additional opportunities to advance equality need to be explored through related commissioning and procurement processes, with particular regard being given to the Social Value Act 2012 and how wider social, economic and environmental benefits can be realised through such arrangements.

Organisations that receive funding from the Council are also given support and information, including strategic networking support, information on national trends and funding opportunities. The council will continue to work in partnership with organisations to deliver events in the City. In addition,

likely to affect the take-up of support, as some people may find the process complicated and some people may feel stigmatised.

Proposals to align the rate of payments made to personal assistants for children and adults may have a negative impact on carers and the people they provide support to.

Reports also show that the majority of disabled people and families with disabled children are living in poverty, and are significantly less likely to have an adequate standard of living than non-disabled people. More disabled people have to contribute towards the cost of their care, which affects the financial and practical support received to empower people to live as independently as possible. These proposals may impact on the day-to-day activities that non-disabled people often take for granted and without the right level of support disabled people can be placed at greater risk of avoidable dependency, poverty and isolation.

#### Women

The impact of the budget proposals on women is likely to be multi-layered and interconnected with other protected characteristics e.g. disabled people and BME groups (as mentioned above). Women are more likely to use public services and to work in the public sector so are therefore at greater risk of being hit by reductions in staffing levels. They are more likely to be paid less than men, and are more likely to live in poverty. Women are more likely to be lone parents, as well as primary carers for children, older and disabled people. Reductions in the funding of adult social care will affect women as direct service users, in addition to affecting those women who will be required to fill the gap as unpaid carers, reducing their ability to work full-time; consequently increasing their reliance on welfare benefits. Isolation and lack of social contact also place women at greater risk of jeopardising their mental and physical health.

#### Younger People/ Pregnancy and Maternity

A number of children and young people in the City live in households that will be affected by proposals linked to reductions in staffing levels and those relating to revised models of service delivery. This will have a direct impact on the quality and availability of certain types of provision. There may be opportunities through major service reforms involving health and social care to take a more innovative approach with regard to providing services to young people, with particular regard to mental health services, however there are no details available at this time as to what this might look like. With regard to the proposal to increase the use of children's centres in partnership with schools, this creates an opportunity to advance equality by increasing opportunities to provide better life chances for young people, and by ensuring that wherever possible, services are tailored to reflect local need. The specific needs of infants, children and young people will continue to be addressed through the

service level agreements will be reviewed to ensure that resources are used effectively.

The alignment of payments to personal assistants will be phased to allow families and guardians time to forward plan. Additional support will also be provided to enable this transition to happen.

Where services are commissioned, quality monitoring will be undertaken by contract management teams to ensure that benefits are delivered and that remedial action is taken where necessary.

Work is also being done with service providers and partners to work collaboratively to ensure that needs are addressed where there are shared priorities.

Where relevant, service level agreements will be reviewed with targets being renegotiated to ensure that service delivery is viable and that the needs of key groups are able to be met.

The profile of young people affected will be considered as part of the development of future systems, approaches and arrangements which are currently under review.

Services will continue to be targeted at those who are most in need.

Equality and diversity training will be made available to the workforce.

Commercial growth proposals linked to construction, catering and facilities management may create opportunities to advance equality by creating

colocation of services in order to improve access for children and families, supporting communities from a diverse range of backgrounds. There may also be additional impacts on young people who are carers looking after disabled parents.

Children who are in care will also be impacted on as a result of these proposals. However, it should be noted that looked after children are significantly overrepresented in the criminal justice system. In addition, boys and young people from BME communities are overrepresented in care services and will therefore be disproportionately affected by these changes. The proposal is to place more focus on social work and independent reviewing to make sure that decisions taken are in the best interest of young people. Placing a greater emphasis on mediation should help young people who are at risk and their families or wider support network agree how to repair and prevent harm, allowing those who are affected to take control of their circumstances and resolve issues. Notwithstanding the potential improvements to support for vulnerable children that this may bring, there is also a proposal to reduce targeted and specialist youth support, roles that focus on reducing exclusion rates and preventing young people from entering the criminal justice system. As a consequence, this will reduce the number of 'at risk' children who receive support, impacting on their educational attainment and other life chances.

Where there are proposals to increase fees and charges, these may affect the affordability of family outings and day trips, as admission fees can form a substantial part of the cost of a day out.

#### Lesbian, Gay, Bisexual and Trans people

The findings from national research show that LGBT organisations are underfunded in comparison to other mainstream organisations. The full impact of funding reductions is not yet known, however it is likely that this will lead to a reduction in services. This may lead to a reduction in staffing levels and the expertise that people bring, and more reliance being placed on volunteers at a time when an increase in demand for services is anticipated with particular regard to housing, mental health, poverty, drug and alcohol abuse.

#### People of different faiths/ beliefs and those with none

Whilst people of different faith and beliefs may be affected by a number of the proposals detailed in this report, the area where there is likely to be a disproportionate impact relates to proposed increase to parking charges in an area close to a place of worship in close proximity to the city centre.

#### Workforce

An equality impact assessment is attached separately (see **Appendix B**) and

employment and apprenticeships for communities currently underrepresented in the Council's workforce. In addition to this, the Council will continue to support local people to access employment opportunities through the Nottingham Jobs Hub.

Collaborative work will be undertaken with key partner agencies to deliver early intervention services. Opportunities for colocation will be maximised, and resources used to support key areas of work such as i.e. supporting families to manage antisocial behaviour and reducing younger siblings' likelihood of getting involved in offending

A comprehensive package of discounts and concession rates is in place to support people who are on low incomes, disabled people and carers in relation to proposed changes to fees and charges.

A voucher application system has been put in place at places of worship affected and parking fees reduced in an alternative carpark for Sunday worshippers. Accessible parking for disabled people will not be affected by the review of parking in the city centre. Parking information is available on the website, on information boards and ticket machines in all car parks and zoned street parking. A mobile application is available to allow drivers to make payments for parking and to extend their stay.

reflects how the above proposals will affect the Council's workforce. Every effort will be made to mitigate the level of redundancies wherever possible.

**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:**

Note when assessment will be reviewed (e.g. Review assessment in 6 months or annual review); Note any equality monitoring indicators to be used; consider existing monitoring/reporting that equalities information could form part of.

**Approved by (manager signature)**

Geoff Walker - Strategic Director of Finance

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

21 February 2017



**Title of EIA/ DDM:** Nottingham City Council 'Workforce' Budget Proposals 2017/18

**Department:** Nottingham City Council

**Chief Executive:** Ian Curryer

**Service Area:** Council Wide

**Strategic Budget EIA:** Yes

**Author (assigned to Covalent):** Gareth Sayers

**Date completed:** February 2017

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

This assessment relates to the potential impact on Nottingham City Council's workforce as a result of the savings proposals put forward in the Council's 2017/18 budget. Where a proposal also has an impact on the delivery of the service, then an additional equality impact assessment will be undertaken to identify any potential equality impact for Service Users / Citizens. A summary of the proposals is included as Appendix 1.

All proposals are scrutinised throughout the budget process by peers, senior colleagues and councillors, informed by the use of a variety of performance and financial data.

The Council's budget proposals have been developed through a process of consultation and equality impact assessment that includes;

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17

- screening of all proposals to identify potential equality impact,
- discussions between Officers and Executive Councillors,
- regular budget development meetings for Councillors to approve, amend, or reject budget proposals,
- consideration of cumulative equality and wider community impact of the proposals as well as general consultation on the Council's budget priorities and proposals.

Public consultation began on 20 December and is ongoing. The Budget will be presented to Full Council on 6 March for approval.

Budget proposals cover all Portfolios and span various services across the Council, an assessment as to the proposals that require an Equality Impact Assessment (EIA) has been carried out, initial screenings and where appropriate individual EIA's have been completed and these are available on request. The Equality Duty 2010 is a continuing duty, therefore it will be necessary to monitor the effects of the decision after implementation.

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

- Analysis of 2017/18 budget proposals
- Analysis of 2016/17 workforce impact
- Overall Council workforce compared to City Census profile
- Workforce statistics – attached detailed breakdown (Appendix 2)
- Discussions with employee representatives – (see Appendix 3)

All of the proposals which include potential workforce reductions will be the subject of meaningful consultation, which will jointly examine and discuss the proposals with the trade unions and affected colleagues. The details of such proposals may therefore be subject to change during the consultation period and this may impact on the way in which identified savings will be delivered. Feedback, suggestions and comments gathered throughout the consultation period will be used to update this impact assessment as appropriate.

	Could particularly benefit <b>X</b>	May adversely impact <b>X</b>	How different groups could be affected (Summary of impacts)	Details of actions to reduce negative or increase positive impact (or why action isn't possible)
People from different ethnic groups.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The starting point for the council is that whilst some progress is being made in relation to equalities there are still gaps between the Council's workforce profile and the Nottingham City Census profile – the BME population of Nottingham is c.35%, whilst the overall workforce representation is 19.41%. In addition, there is an identified low proportion of BME colleagues in Senior Leadership roles, with the proportion of SLMG posts currently occupied by BME colleagues standing at 11%.</p> <p>Progress is being made through a number of positive action initiatives including increased apprenticeship opportunities, trainee programmes such as PATRA, the Future Leaders of Nottingham Programme and the LEAP programme, but it is clear more progress is required and desired by the organisation.</p> <p>The Council's continued budget challenge and resulting workforce reductions has reduced recruitment and decreased the opportunities for external recruitment that prior levels of turnover would have perhaps allowed. In addition, whilst positive in retaining employees who may have been at risk of redundancy, the internal jobs market approach, has also resulted in less external recruitment activity.</p> <p><b>Analysis of 2017/18 budget proposals indicates that 21 proposals</b> have a potential workforce implication. Based on these proposals, analysis of the 1408 potentially affected posts indicates <b>16.41% are ethnic minority employees</b> (though 8.74% are undeclared) <b>and 4.55% are disabled</b> (though 11.36% are undeclared), compared to <b>19.41%</b> ethnic minority employees and <b>4.78%</b> disabled employees in the workforce as a whole.</p> <p>Whilst the numbers of those potentially affected in under-represented groups is in line with the workforce profile and therefore there is</p>	<p>The Equality and Diversity agenda is a top priority for Nottingham City Council and it has recently published departmental <b>Equality Action Plans</b> to all colleagues. The plans are an integral part of the Council Plan and will help us deliver our priorities:</p> <ul style="list-style-type: none"> <li>• <b>Make sure that our workforce will reflect the citizens we serve</b></li> <li>• <b>Create economic growth for the benefit of all communities</b></li> <li>• <b>Provide inclusive and accessible services for our citizens</b></li> <li>• <b>Lead the City in tackling discrimination and promoting equality</b></li> </ul> <p>Each directorate has developed their own <b>Equality Action Plan</b> and we have started work to meet these. These plans have been put together with measurable practical actions we can take, and incorporated colleague feedback from the Summer of Engagement 2015 to ensure that the plans reflected the ideas of the workforce – colleagues who have to deal with these issues on a regular basis.</p> <p>Unfortunately some indirect adverse impact is expected based on the 2017/18 budget proposals; this would not be unlawful as the proposals have been identified as necessary for the Council to set a balanced budget and meet Council Plan priorities. However a number of mitigating actions have been taken to reduce the impact as follows;</p> <p>The roles to be deleted and the employees affected by the proposal have been carefully reviewed and it is believed that there are no other posts that could be included in the pooling due to the affected posts being unique roles. It is therefore considered that any equality impact associated with these proposals is justifiable.</p>
Men	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Women	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Trans	<input type="checkbox"/>	<input type="checkbox"/>		
Disabled people or carers.	<input type="checkbox"/>	<input type="checkbox"/>		
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>		
People of different faiths/ beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>		
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>		
Older	<input type="checkbox"/>	<input type="checkbox"/>		
Younger	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).  <b>Please underline the group(s) /issue more adversely affected or which benefits.</b>	<input type="checkbox"/>	<input type="checkbox"/>		

**no direct adverse** impact, any reductions in these groups will affect the overall numbers represented across the council compared with the City census profile, and potentially on the council's reputation as an equal opportunities employer.

In terms of gender, **60.51%** of the potentially affected posts are occupied by females, whilst **39.49% males**, compared to **61.08%** female and **38.92%** male, of the workforce as a whole. Thus meaning there could be a very slight adverse impact on males who already make up a lower proportion of the workforce as a whole.

In terms of age, those aged between 25 and 54 years will be the most affected, **65.99% of those affected fall into these age groups, compared to 70.53% of the entire workforce.**

There is a potential **negative impact on younger colleagues, those aged under 24 years**, with **18.32%** affected, whilst this age group only makes up **6.12%** of the workforce as a whole.

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. A post reduction of **-63.1 FTE** is predicted as a result of this year's proposals, though it has already been established that **24.8 of these are currently vacant** (as known in January 2017), and more may become vacant before the end of the financial year.

The Council will attempt to mitigate the amount of redundancies wherever possible by making referrals to **Redeployment**, where those at risk of redundancy have a three month period to try to secure an alternative post with the council.

Due to ongoing welfare reform changes, levels of unemployment and rises in the cost of living, any resulting redundancies may have an additional impact on disabled individuals.

Those whose first language is not English, with disabilities, or who are unfamiliar with current recruitment processes may need additional support. This will be identified by managers

All possible steps will be taken to ensure fair process is undertaken, such as;

- Support needs around language, disability, maternity, paternity or pregnancy will be identified at an early stage, and support, mitigating actions and reasonable adjustments will be offered as appropriate.
- Where absence is a relevant factor in relation to restructure processes, disability related absence will be excluded from the calculation.
- Additional support will be provided to those unfamiliar with assessment centres and who require interview preparation, both through internal support mechanisms and a partnership arrangement with Nottingham Futures.
- The new **Redeployment** Policy / Procedure will be used where appropriate to ensure fair recruitment processes are undertaken and best practice guidance is followed.
- Interview panels will be balanced and include representation from minority groups wherever possible.
- Steps are being taken to ensure that new structures provide trainee and apprenticeship opportunities targeting under-represented groups where possible.
- Individual support will be provided to employees at risk of redundancy including support to access redeployment opportunities. Additional support is provided to disabled colleagues and those on maternity leave.
- It will be ensured that appropriate support is provided to all employees at risk of redundancy through – **PAM Assist** (free employee assistance programme) and Career Guidance through **Nottingham Futures**. Management and HR&T support will also be available throughout the consultation process.

Ensuring appropriate support for individuals is the responsibility of the lead officers for each specific budget proposal. Additional or special requirements are identified at the earliest opportunity. General support is provided by the Service Redesign Team whose role includes support to managers in relation to change and

			<p>throughout the consultation process and appropriate support put in place.</p> <p>No other adverse impacts on employee groups have been identified. Although we do not currently hold comprehensive data on Faith or LGBT groups / individuals so we are not able to accurately assess the impact in these areas.</p> <p>Monthly monitoring of the implementation of these proposals will take place and is reported to the Director of HR and Transformation and the relevant Portfolio Holder, in order to identify as early as possible any negative impact, and help to ensure that any additional action is taken to mitigate the impact.</p>	<p>restructure processes</p> <p>If the review results in new roles being created that will be openly recruited to, all possible steps will be taken to increase the diversity of the management structure including:</p> <ul style="list-style-type: none"> <li>- Internal advertisement of roles to those on redeployment, and then to external wherever possible.</li> <li>- Promoting relevant roles through employee forums</li> <li>- Ensuring interviews and assessment tests E&amp;D knowledge and understanding</li> <li>- Using specialist networks to reach a diverse candidate pool</li> <li>- Challenging executive search agencies to identify a diverse range of candidates</li> <li>- Diverse interview panels</li> </ul> <p>By ensuring any review of job roles and any associated recruitment includes clear reference to the Council's expectations on equality and diversity, for example in person specifications. The following actions are in place to ensure the Council maximises opportunities to recruit, retain and develop a diverse workforce at all levels:</p> <ul style="list-style-type: none"> <li>• A range of social inclusion initiatives are in place including targeted recruitment activity, the Tap the Gap work experience programme, apprenticeships, and trainee schemes which incorporate positive action elements and are designed to ensure the Council improves its diversity through recruitment to entry level positions.</li> <li>• Employee support networks with paid time off are provided as a form of additional support to ethnic minority, disabled, and lesbian, gay, bisexual or transgender colleagues.</li> <li>• The Council has flexible working policies, which have contributed to the Council achieving very positive representation of women overall and at management levels.</li> <li>• Additional targeted publicity is used where appropriate for certain job roles where specific gaps are identified.</li> <li>• A citywide initiative '<b>Future Leaders of Nottingham Programme</b>' has been developed to provide further opportunities for employees and citizens in protected groups to develop towards management roles and to improve diversity at decision</li> </ul>
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			<p>making levels, as has '<b>LEAP</b>' Learn,</p> <ul style="list-style-type: none"> <li>• <b>Engage, Achieve, Progress</b>, aimed at BME and Disabled colleagues at grade F and above to support their development into higher graded positions.</li> <li>• Equalities action plans by department have been developed via the Council's equalities board, to ensure that positive action is continued and consistent.</li> </ul> <p>These initiatives and the <b>Redeployment</b> service are delivered by the Council's HR &amp; Transformation department.</p> <p>The following additional opportunities to promote equality and diversity have been identified and explored where possible in relation to the proposals:</p> <ul style="list-style-type: none"> <li>- Opportunity to create further apprenticeship positions particularly with the introduction of the <b>Apprenticeship Levy in May 2017</b>.</li> <li>- The creation of new or changed posts which can be recruited to with a positive action emphasis</li> <li>- Opportunities to promote flexible working through job share arrangements, flexible retirements and part time working</li> <li>- Opportunities to strengthen the partnership working with Health through the <b>STP (Health Integration Agenda)</b> and bring in funding for new employment opportunities</li> <li>- Opportunity to work in closer partnership &amp; use skills of local social enterprises/voluntary sector groups</li> <li>- Ongoing training for managers and colleagues across the council.</li> </ul>
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**Outcome(s) of equality impact assessment:**

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

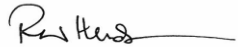
**Arrangements for future monitoring of equality impact of this proposal / policy / service:**

- This impact assessment will be reviewed at the end of the formal consultation period, April 2017 by Gareth Sayers (Service Redesign Manager).

- The workforce impact of these proposals will be assessed again via Redeployment outcomes and will be presented to the Equalities Board in the agreed manner.
- Ongoing workforce diversity monitoring is carried out based on workforce targets in the Council's equality objectives.
- Monitoring of workforce equality issues including the impact of relevant policies is carried out through the Council and Trade Unions Central Panel which meets monthly.
- The council is committed to taking action wherever possible through the continued and ongoing work of its Equalities Board which meets quarterly.

**Approved by (manager signature):**

Richard Henderson  
**Director of HR and Transformation**  
0115 87 63443



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

Send document or link to:  
equalityanddiversityteam@nottinghamcity.gov.uk



## Appendix 1 - Proposals with potential workforce impact:

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
9	Strategy & Resources	Strategy & Policy	Analysis Team	Reduction of analytical capacity	(0.079)	(0.079)	(0.079)
10	Strategy & Resources	Strategy & Policy	Insight Team	Reduction of analytical capacity	(0.054)	(0.054)	(0.054)
11	Development & Growth	Transport Strategy	Transport Planning	Delete vacant post	(0.036)	(0.036)	(0.036)
12	Commercial & Operations	Neighbourhood Services	Contact Centre Proposal	Adoption of a 'One Council Approach', offering a consistent access to services, whilst maintaining individual and specialist service knowledge and commercial opportunities	(0.100)	(0.100)	(0.100)
13	Commercial & Operations	Neighbourhood Services	Recycling	In the main, recycling has now been implemented and rolled out across the city and the arrangements are now in place and embedded. As such there is now a greater need to focus resources	(0.102)	(0.102)	(0.102)
15	Strategy & Resources	HROT	Corporate Leadership support	Review of the support provided to the Corporate Leadership Team and the Executive, to include systems and processes for better and efficient ways of working	(0.072)	(0.072)	(0.072)
4	Children & Adults	Early Help Services	Play & Youth	Removal of three vacant posts and creation of sessional workers	(0.063)	(0.063)	(0.063)
12	Children & Adults	Youth Offending Team	Youth Offending Team support	Review of staffing levels and removal of vacant post	(0.035)	(0.035)	(0.035)
13	Children & Adults	Youth Offending Team	Youth Crime Prevention	Review & reduce Youth Crime Prevention work by reducing the Targeted Youth Support in line with the reduction in National Funding Grants	(0.065)	(0.065)	(0.065)
4	Children & Adults	Inclusion & Disability	Education Health & Care Plan	Completion of Education Health & Care Plan (ECHP) and Special Education conversion from Special Education Needs statements to ECHP	(0.014)	(0.021)	(0.021)
5	Children & Adults	Inclusion & Disability	Inclusion & Disability	Achieving efficiencies in Inclusion & Disability staffing team leading to the removal of a vacant post	(0.003)	(0.003)	(0.003)

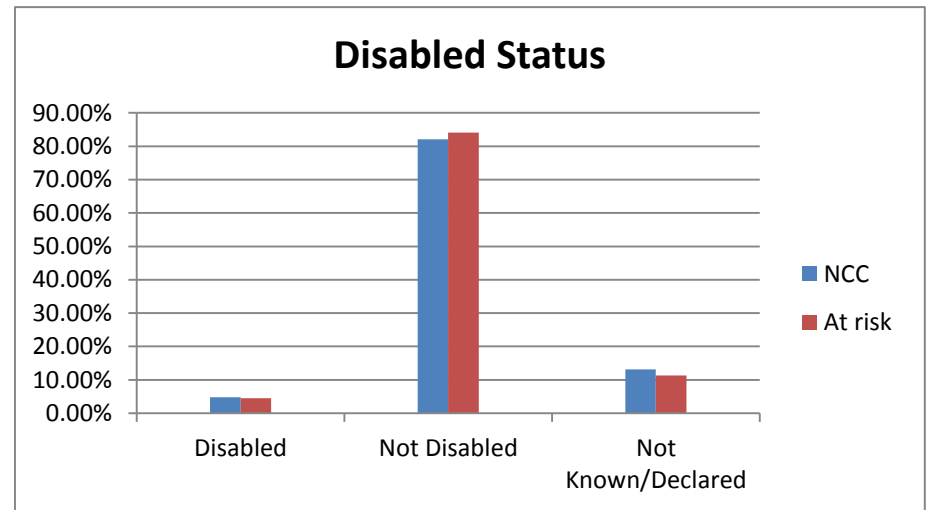
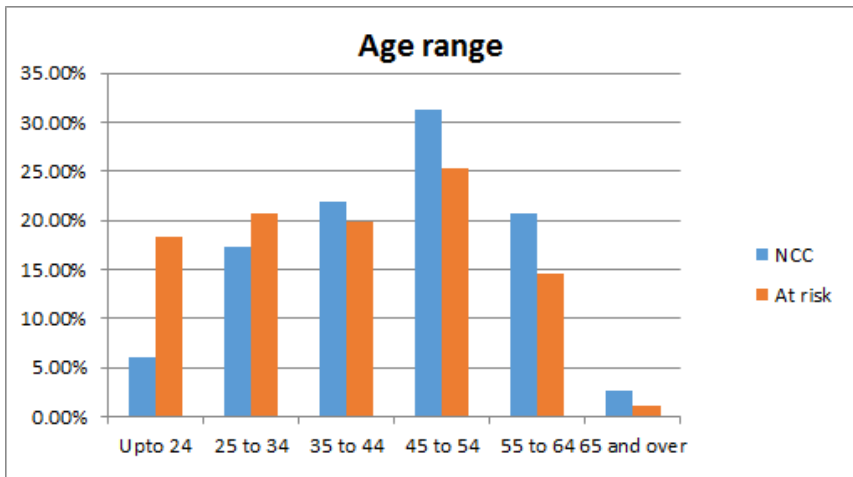
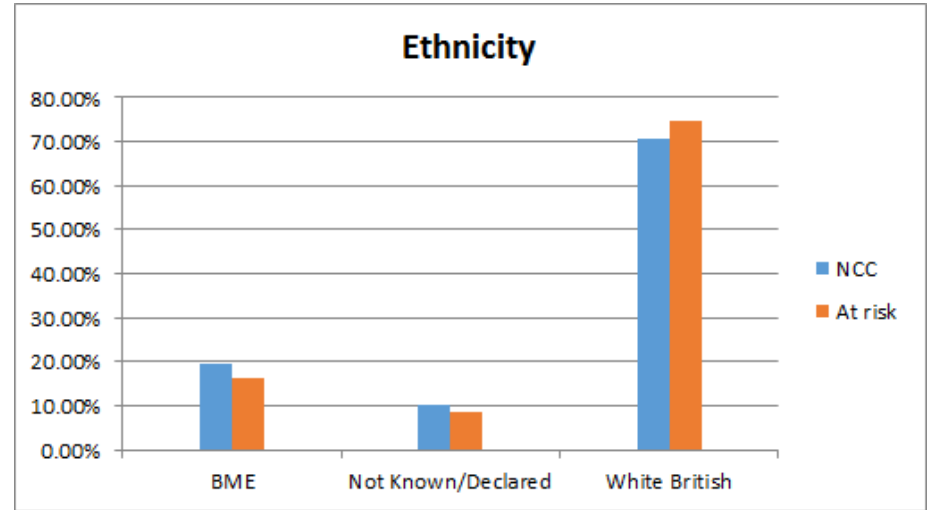
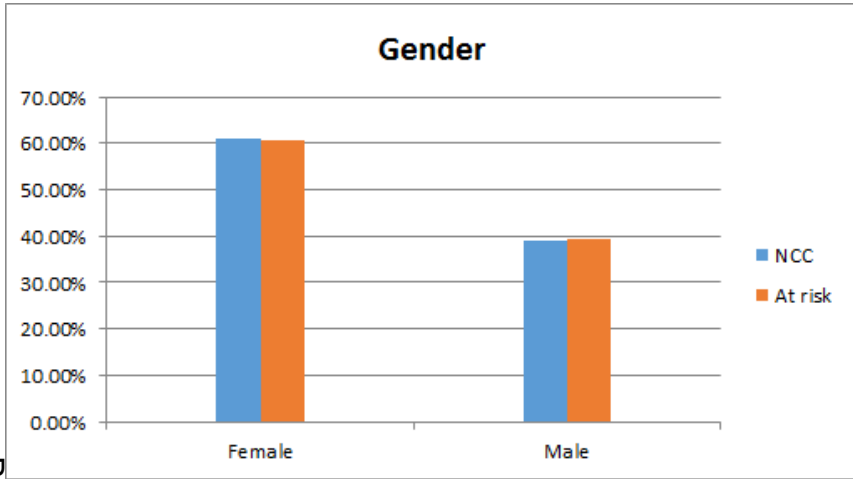


6	Development & Growth	Planning	Deletion of vacant post	Career progression within the team has freed up a more junior post which is no longer required	(0.015)	(0.015)	(0.015)
2	Commercial & Operations	Sport & Culture	Sport & Leisure - leisure centres	Review of fees and charges	(0.200)	(0.200)	(0.200)
3	Commercial & Operations	Sport & Culture	Museums and Heritage Sites	New commercial activities and growth at Wollaton Hall, Newstead Abbey and Nottingham Castle	(0.250)	(0.250)	(0.250)
7	Commercial & Operations	Sport & Culture	Parks & Open Spaces	Redesign grounds maintenance arrangements and new commercial activities	(0.400)	(0.400)	(0.400)
13	Strategy & Resources	Legal & Democratic	Legal Services post reduction	Deletion of 0.4 of the budget of a scale I post in Legal Services	(0.015)	(0.015)	(0.015)
16	Strategy & Resources	Legal & Democratic	Emergency Planning	Review of the management of Emergency Planning services	(0.020)	(0.020)	(0.020)
17	Strategy & Resources	Legal & Democratic	Constitutional Services	Deletion of 0.6 of the budget of a scale G post in Constitutional Services	(0.020)	(0.020)	(0.020)
Page 24	Strategy & Resources	IT	IT Services	Reduction of IT Business Partner and non-operational post	(0.100)	(0.120)	(0.120)
24	Development & Growth	Directorate	Support post	Reduction of part time vacant support post	(0.010)	(0.010)	(0.010)
2	Strategy & Resources	Strategy & Policy	Corporate Policy team	Review and rationalisation of Corporate Policy team.	(0.041)	(0.041)	(0.041)

## Appendix 2: Equality profile of posts potentially affected by restructure proposals

Nottingham City Council		01/02/2017	Those potentially 'at risk'		01/02/2017
<b>Gender</b>	<b>Count</b>	<b>%</b>	<b>Gender</b>	<b>Count</b>	<b>%</b>
Female	4180	61.08%	Female	852	60.51%
Male	2663	38.92%	Male	556	39.49%
Grand Total	6843	100.00%	Grand Total	1408	100.00%
<b>Age Range</b>	<b>Count</b>	<b>%</b>	<b>Age Range</b>	<b>Count</b>	<b>%</b>
Upto 24	419	6.12%	Upto 24	258	18.32%
25 to 34	1188	17.36%	25 to 34	291	20.67%
35 to 44	1495	21.85%	35 to 44	281	19.96%
45 to 54	2143	31.32%	45 to 54	357	25.36%
55 to 64	1417	20.71%	55 to 64	205	14.56%
65 and over	181	2.65%	65 and over	16	1.14%
Grand Total	6843	100.00%	Grand Total	1408	100.00%
<b>Ethnicity</b>	<b>Count</b>	<b>%</b>	<b>Ethnicity</b>	<b>Count</b>	<b>%</b>
BME	1328	19.41%	BME	231	16.41%
Not Known/Declared	683	9.98%	Not Known/Declared	123	8.74%
White British	4832	70.61%	White British	1054	74.86%
Grand Total	6843	100.00%	Grand Total	1408	100.00%
<b>Disabled Status</b>	<b>Count</b>	<b>%</b>	<b>Disabled Status</b>	<b>Count</b>	<b>%</b>
Disabled	327	4.78%	Disabled	64	4.55%
Not Disabled	5614	82.04%	Not Disabled	1184	84.09%
Not Known/Declared	902	13.18%	Not Known/Declared	160	11.36%
Grand Total	6843	100.00%	Grand Total	1408	100.00%

Appendix 2 (Graphs):



### **Appendix 3: Summary of discussion with Employee representatives**

It is proposed to share the content of this Equality Impact Assessment with our Employee Support Networks, these will include:

- Disabled Employee Support Network
- LGBT Employee Support Network
- BME Support Network

Once feedback is obtained, a summary of their feedback will be included in this appendix

# ANNEX 1

## FORECAST OUTTURN 2016/17

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## ANNEX 1 - FORECAST OUTTURN 2016/17

### 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 2017/18 – 2019/20. 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 2016, updated for known future factors and the projected impact of positive management action to address identified pressures, and shows a medium case adverse forecast outturn variance of **£1.003m** before retention of trading account surpluses. The Council is committed to delivering an on budget outturn and the MTFP 2017/18 reflects this commitment. Management action is in place to ensure that this happens.

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 is to be taken in the context of the overall corporate outturn position. The potential impact of traded surplus retention is also shown in Table 1A. 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. Figures in brackets indicate an underspend.

TABLE 1A: CURRENT FORECAST OUTTURN AS AT 31.12.16 (Q3)						
OUTTURN VARIANCE 2015/16 £m <sup>1</sup>	MEDIUM CASE @ 30.06.16 (Q1)	MEDIUM CASE @ 30.09.16 (Q2)	PORTFOLIO	(UNDER) / OVER SPEND		
				BEST £m	MEDIUM CASE £m	WORST £m
(0.825)	0.954	1.215	Adults and Health	1.155	1.255	1.255
(1.224)	(1.326)	(0.699)	Community Services	(2.513)	(2.432)	0.081
0.430	1.138	0.960	Early Intervention & Early Years	1.395	1.795	2.195
0.671	2.081	2.081	Education, Employment and Skills	1.676	2.081	2.081
(0.261)	0.000	0.000	Energy and Sustainability	0.039	0.063	0.273
1.180	(0.313)	(0.498)	Business, Growth and Transport	(0.569)	(0.569)	0.280
(0.528)	(0.208)	(0.577)	Leisure and Culture	(0.892)	(0.624)	0.268
(0.417)	0.023	0.117	Planning and Housing	0.000	0.000	0.000
0.322	0.175	0.134	Resources and Neighbourhood Regeneration	0.070	0.271	0.320
(0.071)	(0.336)	(0.301)	Strategic Regeneration	(0.026)	(0.026)	0.000
<b>0.723</b>	<b>2.188</b>	<b>2.432</b>	<b>TOTAL PORTFOLIOS</b>	<b>0.335</b>	<b>1.814</b>	<b>6.754</b>
(0.965)	0.082	(0.418)	Corporate budgets	<b>(0.811)</b>	<b>(0.811)</b>	<b>(0.811)</b>
<b>(1.688)</b>	<b>2.270</b>	<b>2.014</b>	<b>NET COUNCIL POSITION<sup>2</sup></b>	<b>(0.476)</b>	<b>1.003</b>	<b>5.943</b>
			Traded surplus retained	<b>1.032</b>	<b>0.919</b>	<b>(0.113)</b>
<b>NET COUNCIL POSITION POST TRADING SURPLUS RETENTION</b>				<b>0.556</b>	<b>1.921</b>	<b>5.829</b>
<b>Change – best to medium</b>				<b>1.365</b>		
<b>Change – medium to worst</b>				<b>3.908</b>		

Notes 1: outturn before carry forwards 2. Forecast before traded surplus retentions

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 Chief Finance Officer (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.

### **Variiances - Headline Issues**

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

### **Adults and Health Portfolio - £1.255m ADVERSE**

#### **Adults £0.961m adverse**

The gross overspend of £3.609m is made up of:

1. £2.217m of demand changes on care packages.
2. £0.750m increase in payments to homecare providers to maintain suppliers.
3. £0.470m from the reconfiguration of a 2015/16 strategic choice which relates to a capital investment for a new Learning Disability provision.
4. £0.172m contractual increases for residential care providers in the county. This has been instigated through the increased rates Notts County Council agreed to pay the external market.

An element of this has been mitigated by:

1. Planned use of external funding (£1.9m).
2. Use of corporate contingency (£0.750m).

Management Action / measures to contain:

1. Exhausting all possibilities of grant and partner contributions.
2. Ensuring care packages are appropriate.

There is increased funding within the 2017/18 MTFP for demand costs.

#### **Commissioning and Procurement £0.294m adverse**

The over spend is due to cost of delivering a procurement function for the organisation.

Mitigation is being progressed through consistently reviewing spend in other areas of the service.

### **Community Services Portfolio – £2.432m FAVOURABLE**

#### **Neighbourhood Services £2.133m favourable**

#### **Security Services (Part of Uniform Services) £0.299m favourable**

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in traded areas. The best case is based on the Business Plan targets from the department.

### **Early Intervention and Early Years Portfolio - £1.795m ADVERSE**

### **Children's £1.695m adverse**

The gross overspend of £3.682m is made up of:

1. £1.994m from the investment profile of the Newly Qualified Social Worker (NQSW) programme and the associated double running costs whilst the NQSW are undertaking their post qualification training.
2. £1.688m cost of children in care. This increased cost is predominantly due to complexity and not a material increase in numbers and the inclusion of the cost of Unaccompanied Asylum Seekers. This number has increased from 8 to 22.

An element of this has been mitigated by:

1. Managing underspends in other areas of the service (£0.847m).
2. One of use of reserves (£0.600m)
3. One off grant maximisation (£0.540m).

Management Action / measures to contain

1. Exhausting all possibilities of grant and partner contributions.
2. Ensuring care packages are appropriate.
3. Consistently reviewing spend in other areas of the service

There is increased funding within the 2017/18 MTFP for demand costs.

### **Education, Employment and Skills Portfolio - £2.081m ADVERSE**

#### **Education £2.081m adverse**

The material issues contributing to this overspend are:

1. An increase in demand for Schools Education Transport of £1.190m, this area overspent by £0.705m in 2015/16.
2. Education Service Grant reductions of £0.853m.

Management Action / measures to contain:

The contribution from partners has been maximised for this service and demand is a statutory obligation. This pressure is being incorporated in to the 2017/18 budget process.

Mitigation is being progressed through:

1. Exhausting all possibilities of grant and partner contributions.
2. Consistently reviewing spend in other areas of the service.

There is increased funding within the 2017/18 MTFP for demand costs and savings to mitigate the reduction in grant.

### **Energy and Sustainability Portfolio - £0.063m ADVERSE**

#### **Customer Access Programme £0.230m adverse**

There is an old savings target of £0.250m attached to the programme but this has not yet been fully achieved.



## **Business, Growth and Transport Portfolio – £0.569m FAVOURABLE**

### **Highways & Energy Infrastructure £0.400m favourable**

#### **Neighbourhood Services £0.369m favourable**

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in traded areas. The best case is based on the Business Plan targets from the department.

### **Woodfield Industries £0.200m adverse**

There has been a delay in the restructure of the service that will bring in-year savings. Action is being undertaken to review other contributions to mitigate these issues.

## **Leisure and Culture Portfolio - £0.624m FAVOURABLE**

### **Royal Centre £0.352m favourable**

#### **Sport & Leisure £0.199m favourable**

#### **Cemeteries & Crematoria £0.151m favourable**

#### **Museums £0.101m favourable**

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in traded areas. The best case is based on the Business Plan targets from the department. Within Sport & Leisure there are also pressures due to:

- Harvey Hadden business rates charge higher than budget. The valuation is being appealed by Property Services consultants;
- £55k late notification of the end of targeted Public Health grant

### **Markets £0.268m adverse**

Agreed Service Charge at Victoria Centre Indoor Market. Phased plan agreed for three years to implement the increase to traders.

## **Resources and Neighbourhood Regeneration Portfolio – £0.271m ADVERSE**

### **Neighbourhood Services £0.201m favourable**

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in traded areas. The best case is based on the Business Plan targets from the department.

### **Civic and Coronial Services £0.119m adverse**

Increased case numbers and legislative changes in the Coroner's service are contributing to this projected overspend, together with aspirational income targets in registration without provision for associated costs. Work is taking place with the service to try and mitigate the cost where possible, and this will be incorporated into the 2017/18 budget process.

## **Strategic Regeneration Portfolio – £0.026m FAVOURABLE**

### **Neighbourhood Services £0.026m favourable**

Positive action on growing sales and controlling costs as indicated in business plans has led to this improving net budget position in traded areas. The best case is based on the Business Plan targets from the department.

## **Corporate Budgets – £0.811m FAVOURABLE**

### **Treasury Management £0.723m favourable**

Decision to delay the taking of new long term borrowing and so saving in the short term on interest payable and due to capital programme slippage there was an underspend against the budget for debt repayment.

### **Corporate Contingency**

This enables management of the financial impact of issues that were not 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 £2.000m in 2015/16 and Table 1B shows the allocations approved by the CFO and Deputy Leader since the December report, which now require endorsement.

<b>TABLE 1B: CONTINGENCY ALLOCATIONS REQUIRING ENDORSEMENT</b>	
<b>ITEM</b>	<b>£m</b>
Nottingham Cold Weather Plan	0.099
Forest Fields Advice Centre	0.002
Communications and Marketing Publications	0.037
<b>TOTAL</b>	<b>0.138</b>

This leaves a remaining balance of £0.542m, although there are further pending applications which will be reported as part of the next monitoring report. Forecast outturn assumes full use of contingency, and any unused element at year end will be reserved.

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

### **Cost Reductions**

Table 2 summarises progress made by portfolio on implementing new budgeted cost reductions totalling £20.826m. At this stage £0m (0%) is not expected to be achieved.

<b>TABLE 2: COST REDUCTIONS</b>					
<b>PORTFOLIO</b>	<b>2016/17 TOTAL £m</b>	<b>Projected year end position £m</b>	<b>Not expected to be achieved</b>		<b>Achieved from alternate source £m</b>
			<b>£m</b>	<b>%</b>	
Adults and Health	<b>(5.017)</b>	(5.017)	0.000	0.00	0.000
Community Services	<b>(1.676)</b>	(1.676)	0.000	0.00	0.000
Early Intervention and Early Years	<b>(2.900)</b>	(2.900)	0.000	0.00	0.000
Energy and Sustainability	<b>(0.854)</b>	(0.854)	0.000	0.00	0.000
Education, Employment and Skills	<b>(0.552)</b>	(0.552)	0.000	0.00	0.000
Business, Growth and Transport	<b>(1.515)</b>	(1.515)	0.000	0.00	0.000
Leisure and Culture	<b>(0.623)</b>	(0.623)	0.000	0.00	0.000
Planning and Housing	<b>(0.825)</b>	(0.825)	0.000	0.00	0.000
Resources and Neighbourhood Regen	<b>(6.864)</b>	(6.864)	0.000	0.00	0.000
Strategic Regeneration	<b>(0.000)</b>	(0.000)	0.000	0.00	0.000
<b>TOTAL</b>	<b>(20.826)</b>	<b>(20.826)</b>	<b>0.000</b>	<b>0.00</b>	<b>0.000</b>

### Pressures

£4.325m of pressures are included within the 2016/17 budget and are expected to be used by 31 March 2017. This includes £1.531m Adults demographic and £1.694m Children in Care demographic pressures.

### **Debtors Monitoring (Appendix D)**

#### **Housing Rents**

The Q3 collection rate was 98.17%, against the target of 98.40%. Although this is still slightly behind target the trend is continued improvement in performance over the year. There are measures in place to maximise collection over the final quarter in order to achieve the end of year target.

#### **Council Tax**

Collection rate is 76.93, 0.73% above the profiled target of 76.20% for Q3, and ahead by 0.37% compared to the same period in 2015/16. Collection amounted to £90.5m compared to collection of £86.3m for the same reporting period in 2015/16.

#### **National Non- Domestic Rates (NNDR)**

The collection rate is 0.11% below the Q3 collection target of 80.50%. Collection amounted to £108.3m, the compared to collection of £105.2m for the same reporting period in 2015/16.

#### **Sundry Income**

The percentage of debts collected within 90 days in the 12 months to December 2016 was 81.70% which is an improvement from the Q2 figure of 77.30%. The debtor day indicator (which shows how quickly debts are recovered) is currently 37 days, behind the target of 32 days.

### Adult Residential Services

The collection rate for Q3 is 0.03% below the target of 95.90%, as we have a number of cases pending probate and property sale before capital can be accessed, in addition to accounts in the process of legal action.

### Estates Rents

The collection rate of 95.31% is below the set target of 97.50%. A review of collection procedures is underway to identify opportunities to increase the collection rate.

### Movement of Resources

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

### Movements in Earmarked Reserves

Earmarked reserves are funds set aside for specific purposes. At 1 April 2016 the balance of earmarked reserves was £174.931m (including Schools Statutory Reserves, workforce issues, Insurance, and NET Private Finance Initiative (PFI) grant and decisions taken at Outturn 2015/16). During the year there has been a net increase of £3.623m in earmarked reserves, this includes movements relating to previously approved decisions. Further movements will be reported at outturn.

Table 3 summarises the movements in each category of reserves during 2016/17. **Appendix C** provides more details of movement in reserves.

<b>TABLE 3: NET MOVEMENTS IN RESERVES 2016/17</b>	
<b>TYPE OF TRANSFER</b>	<b>TOTAL £m</b>
Replenishment of existing reserve	(35.457)
Use of existing reserves	33.688
Previous MTFP decisions*	(0.265)
Reserves to Capital Schemes	(1.589)
<b>Grand Total</b>	<b>(3.623)</b>

\*already approved by Executive Board

As part of the 2017/18 budget process, a review of earmarked balances has been undertaken to re-affirm the purpose of the reserves and the likely timescale that these reserves will be utilised.

## HRA – Revenue Overview

The HRA budget was approved by the City Council at the March 2016 meeting and budgeted for a working balance of £4.000m brought forward at 31 March 2016 and closing balance of £4.000m at 31 March 2017. The actual working balance was **£4.000m** as included in the Pre-audit Corporate Financial Outturn 2015-16 report to Executive Board meeting on 28<sup>th</sup> June 2016. The working balance acts as a contingency to cover unexpected significant expenditure or loss of income.

**Table 4** shows the revised working balance at 31 March 2017.

<b>TABLE 4: HOUSING REVENUE ACCOUNT WORKING BALANCE</b>	
	<b>£m</b>
Estimated balance at 31 March 2017	<b>4.000</b>
Rent income – under-recovery	(0.111)
Tenant Incentive Scheme	(0.220)
Retained Housing – vacancy & other savings	0.331
<b>Revised working balance at 31 March 2017</b>	<b>4.000</b>

### **Rent income: Reduction of £0.111m**

The level of rent collected is reduced due to higher levels of Right to Buy sales than projected.

### **Tenant incentive scheme: Increase of £0.220m**

The Responsible Tenant Reward Scheme is in its third year of operation and has had a high level tenants meeting the criteria for the payments..

### **Retained Housing: Reduction of £0.331m**

The reduction is made up of staff vacancy savings in the retained housing teams and several other small underspends including legal fees.

## **Capital Programme Update**

The capital monitoring report for quarter 2 stated an overall Capital Programme for 2016/17 **£202.075m**. During quarter 3 schemes to the value of **£43.125m** have been approved while slippage and other movements of approved schemes equates to **(£11.443m)**. Actual spend to the end of quarter 3 is **£92.511m**.

**Table 5** shows the Capital Programme movement in quarter 3.

<b>TABLE 5: REVISED CAPITAL PROGRAMME AND ACTUAL SPEND FOR QUARTER 3</b>						
<b>PORTFOLIO</b>	<b>Projected Outturn at Q2 £m</b>	<b>New Approvals (Spend 16/17) £m</b>	<b>Slippage / Reprofiting £m</b>	<b>Projected Outturn at Qtr3 £m</b>	<b>Actual Spend to Qtr3 £m</b>	<b>New Approvals (Spend 17/18+) £m</b>
Public Sector Housing	62.347	0.000	(4.479)	<b>57.868</b>	28.506	0.000
Transport Scheme	17.576	0.800	1.992	<b>20.368</b>	11.209	6.168
Education / Schools	18.308	0.070	(0.155)	<b>18.223</b>	14.498	0.000
All Other Services	103.844	42.255	(8.801)	<b>137.298</b>	38.298	26.800
<b>TOTAL</b>	<b>202.075</b>	<b>43.125</b>	<b>(11.443)</b>	<b>233.756</b>	<b>92.511</b>	<b>32.968</b>

### **Approvals in Quarter 3**

Scheme amendments and additions of **£43.125m** have been approved in quarter 3 and included in the programme for 2016/17. In addition **£32.968m** additions have been included as future commitments.

Details of new approvals over the value of £1.000m are listed below:

**£41.206m** Various Investment Property Acquisitions: These property purchases have been funded by Prudential Borrowing. The acquisitions are expected to result in increased income to the Chamber Estate investment portfolio.

**£19.600m** Skills Hub: Nottingham City Council has agreed a land swap and loan, subject to agreeing terms, to enable development of a new Skills Hub in the City of Nottingham.

**£6.000m** Nottingham Enterprise Zone is a project to deliver a sustainable transport programme within a key development site of Nottingham.

For further details of all quarter 3 approvals are provided in Appendix A.

### **Slippage / Reprofiting**

Scheme slippage / reprofiling in 2016/17 at quarter 3 are (**£11.443m**). Schemes where slippage is over £1.000m are detailed below in **Table 6**.

<b>TABLE 6: QUARTER 3 SLIPPAGE / REPROFILING</b>			
<b>Scheme</b>	<b>2016/17 Scheme Forecast at Qtr2 £m</b>	<b>2016/17 Scheme Forecast at Qtr3 £m</b>	<b>Movement £m</b>
<b>Leisure and Culture</b>			
Highfields Park - Refurbishment	3.452	0.200	(3.252)
<b>TOTAL - Leisure and Culture</b>	<b>3.452</b>	<b>0.200</b>	<b>(3.252)</b>
<b>Energy and Sustainability</b>			
Solar Panels - Colwick Park & Ride Site	1.236	0.000	(1.236)
District Heating - Replacement of Network	1.610	3.813	2.203
<b>TOTAL - Energy and Sustainability</b>	<b>1.610</b>	<b>3.813</b>	<b>2.203</b>
<b>Resources and Neighbourhood Regeneration</b>			
IT- Project Evolution	2.105	1.069	(1.036)
<b>TOTAL - Resources and Neighbourhood Regeneration</b>	<b>2.105</b>	<b>1.069</b>	<b>(1.036)</b>
<b>Public Sector Housing</b>			
Affordable Homes - Garage Sites	3.739	5.224	1.485
<b>TOTAL Public Sector Housing</b>	<b>3.739</b>	<b>5.224</b>	<b>1.485</b>
Other movements			(10.843)
<b>TOTAL - Slippage / Reprofiling at Quarter 3</b>			<b>(11.443)</b>

### Public Sector Housing (HRA) Capital Programme

The Public Sector Housing programme has been updated to reflect movements in quarter 3, the table below sets out the updated programme and resources.

Table 7 sets out the updated programme and resources.

<b>TABLE 7: PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCES</b>						
<b>PORTFOLIO</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>Total £m</b>
<b>Public Sector Housing Programme</b>	<b>57.868</b>	<b>61.101</b>	<b>40.962</b>	<b>33.050</b>	<b>33.477</b>	<b>226.458</b>
<b>Resources Available</b>						
Resources b/fwd	50.110					50.110
Prudential Borrowing	0.000	0.000	4.296	7.174	5.408	16.878
Grants & Contribution	2.640	3.272	1.047	0.301	0.000	7.259
Major Repairs Allowance	27.078	27.329	27.260	27.066	26.903	135.636
Internal Funds / Revenue	5.528	3.717	0.877	0.000	0.000	10.123
Capital Receipts Secured	1.265	0.000	0.000	0.000	0.000	1.265
<b>Subtotal Resources</b>	<b>86.621</b>	<b>34.318</b>	<b>33.480</b>	<b>34.541</b>	<b>32.311</b>	<b>221.271</b>
Capital Receipts Unsecured	0.000	3.604	1.908	0.200	0.200	5.912
<b>Cumulative (Surplus)/Shortfall</b>	<b>(28.753)</b>	<b>(5.574)</b>	<b>0.000</b>	<b>(1.690)</b>	<b>(0.724)</b>	<b>(0.724)</b>

## General Fund Capital Programme

The General Fund programme has been upgraded to reflect the movements in quarter 3. The table below sets out the updated programme and resources for each portfolio. Schemes in development arising from the investment strategy which have been approved pending business cases, the schemes in development have been split between the initial approved amount and any additional expenditure identified during the business case process.

<b>TABLE 8: GENERAL FUND - CAPITAL PROGRAMME AND RESOURCES</b>						
<b>PORTFOLIO</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>Total £m</b>
<b>Programme</b>						
Transport Schemes	20.368	25.341	9.858	5.434	0.000	61.001
Education / Schools	18.223	5.477	0.000	0.000	0.000	23.700
Other Services	137.298	36.009	38.592	28.358	18.133	258.390
Schemes in Development	2.955	81.163	84.842	16.391	0.000	185.351
<b>Total Programme</b>	<b>178.844</b>	<b>147.990</b>	<b>133.292</b>	<b>50.183</b>	<b>18.133</b>	<b>528.442</b>
<b>Resources Approved</b>						
Prudential Borrowing	101.300	83.398	98.750	27.797	15.782	327.027
Grants & Contribution	56.485	48.436	28.923	14.996	1.889	150.729
Internal Funds / Revenue	16.026	3.573	3.776	0.247	0.000	23.622
Secured Capital Receipts	1.143	0.000	0.000	0.000	0.000	1.143
Unsecured Capital Receipts	3.959	13.478	2.962	6.750	0.750	27.899
<b>Total Resources</b>	<b>178.913</b>	<b>148.885</b>	<b>134.411</b>	<b>49.790</b>	<b>18.421</b>	<b>530.420</b>
<b>Cumulative (Surplus)/Shortfall</b>	<b>(0.069)</b>	<b>(0.964)</b>	<b>(2.083)</b>	<b>(1.690)</b>	<b>(1.978)</b>	<b>(1.978)</b>



Transport Schemes						
Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Nottingham Enterprise Zone	0.800	5.200	0.000	0.000	0.000	<b>6.000</b>
National Productivity Investment Fund	0.000	0.968	0.000	0.000	0.000	<b>0.968</b>
<b>TOTAL - Transport Schemes</b>	<b>0.800</b>	<b>6.168</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.968</b>

Children's Services - Schools						
Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Fencing and Main Entrance at Springfield Primary School	0.070	0.000	0.000	0.000	0.000	<b>0.070</b>
<b>TOTAL - Children's Services - Schools</b>	<b>0.070</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.070</b>

Other Services						
Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
<b>Adults Health &amp; Community Sector</b>						
Integrated Community Equipment Services	(0.084)	0.336	0.336	0.336	0.336	<b>1.260</b>
<b>Community Services</b>						
Area Capital Fund	(0.189)	0.000	0.000	0.000	0.000	<b>(0.189)</b>
<b>Energy &amp; Sustainability</b>						
Eastcroft Combined Heat & Power Plant Works	0.000	(0.359)	0.806	(2.164)	0.439	<b>(1.278)</b>
District Heating - Replacement of Network	0.982	2.154	1.644	1.044	1.488	<b>7.312</b>
<b>Jobs &amp; Growth</b>						
Vehicle Acquisitions	(0.062)	0.000	0.000	0.000	0.000	<b>(0.062)</b>
<b>Leisure and Culture</b>						
Victoria Embankment Memorial Garden	0.000	0.061	0.000	0.000	0.000	<b>0.061</b>
Whitemoor Nature Reserve	0.000	0.030	0.000	0.000	0.000	<b>0.030</b>
Stockhill Park	0.000	0.030	0.000	0.000	0.000	<b>0.030</b>
Whitemoor & Bagthorpe Allotments	0.000	0.030	0.000	0.000	0.000	<b>0.030</b>
Stockhill Circus Allotments	0.000	0.005	0.000	0.000	0.000	<b>0.005</b>

<b>Other Services Continued</b>						
<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>Total £m</b>
<b>Planning and Housing</b>						
Affordable Housing Delivery at Church Square	0.123	0.000	0.000	0.000	0.000	<b>0.123</b>
Disabled Facilities Grants	(0.347)	(0.447)	(0.253)	0.353	0.353	<b>(0.341)</b>
<b>Resources &amp; Neighbourhood Regeneration</b>						
Property Aq - Project Duke	14.449	0.000	0.000	0.000	0.000	<b>14.449</b>
Property Aq - Project Highland	11.106	0.000	0.000	0.000	0.000	<b>11.106</b>
Property Aq - Project Albert	10.088	0.000	0.000	0.000	0.000	<b>10.088</b>
Property Aq - Project Boot	5.563	0.000	0.000	0.000	0.000	<b>5.563</b>
Angel Row Project	0.000	0.000	0.642	0.000	0.000	<b>0.642</b>
<b>Strategic Regeneration &amp; Development</b>						
Skills Hub - College Loan & Land Swap	0.000	0.000	6.000	6.000	7.600	<b>19.600</b>
58 Carlton Road Refurbishment	0.360	0.000	0.000	0.000	0.000	<b>0.360</b>
Broadmarsh Enabling Works	0.166	0.000	0.000	0.000	0.000	<b>0.166</b>
Bulwell Market Place Refurbishment	0.100	0.000	0.000	0.000	0.000	<b>0.100</b>
<b>TOTAL - Other Services</b>	<b>42.255</b>	<b>1.840</b>	<b>9.175</b>	<b>5.569</b>	<b>10.216</b>	<b>69.055</b>
<b>TOTAL ADDITONS</b>	<b>43.125</b>	<b>8.008</b>	<b>9.175</b>	<b>5.569</b>	<b>10.216</b>	<b>76.093</b>

Details	Net Amount £m	Department		Portfolio	
		From	To	From	To
Strategic Choice realignment	0.074	within S&R		SRN	CYS
Community Centres	0.987	within C&O		ADH	SRN
Procurement Team	0.660	within S&R		BGT	ADH
Voluntary Sector	2.295	S&R	C&O	SRN	CYS
Business Development & Innovation	0.449	within C&O		BGT	CYS
Support Services	0.632	within C&O		LCT	CYS
Transfer Station	0.054	within C&O		SRN	CYS
Adjustment to utility budgets	0.014	within C&O		ESU	BGT
Commercial Development & Business Innovation	0.113	within C&O		LCT	BGT
Salary budget realignment	0.043	within C&O			
Technical adjustment for Prudential Borrowing	5.016	D&G	Corporate Budgets	BGT	RNR
	1.571			within RNR	
	4.913			EES	RNR
	<b>16.821</b>				

Key	Department
CA	Children & Adults
C&O	Commercial & Operations
CX	Chief Executive
D&G	Development & Growth
S&R	Strategy & Resources

Key	Portfolio
ADH	Adults and Health
BGT	Business, Growth & Transport
CYS	Community Services
EES	Education, Employment & Skills
ELY	Early Intervention & Early Years
ESU	Energy & Sustainability
LCT	Leisure & Culture
PLNH	Planning & Housing
RNR	Resources & Neighbourhood Regeneration
SRN	Strategic Regeneration

**MOVEMENTS IN RESERVES REQUIRING APPROVAL 2016/17**

**APPENDIX C**

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m	
Adults and Health	Care Act Grant	Advocacy Provision				0.045	0.045	
		CCO Post in Unplanned Review				0.015	0.015	
		Deprivation of Liberty Safeguards (DoLS)				0.389	0.389	
		Deputyship Project				0.044	0.044	
		Deputyship Resources				0.013	0.013	
		LAS Trainer				0.015	0.015	
		To support Adult Social Care Care Act requirements.				0.279	0.279	
		Whole Life Disability				0.044	0.044	
	Agreed budget carry forward	2015-16 Carry Forward: CDP element of the PH ring-fenced grant					0.049	0.049
		2015-16 Carry Forward: communications software, signage and income generation					0.100	0.100
	C&F (HCH) Trans Resve	DDM 0777	0.029				0.029	
	Emergency Hardship Funds	Emergency Support Staffing re: Discretionary Hardship Support Scheme 2015/16	0.170				0.170	
	Job Evaluation - Equal Pay	Deprivation of Liberty Safeguards (DoLS) Team					0.001	0.001
		Pensions Auto Enrolment					0.019	0.019

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m	
		South Community Learning Disability Team				0.002	0.002	
		Spring Meadow				0.001	0.001	
	Nottingham First Project	M&C ongoing contribution as part of the Work Place Strategy	0.070				0.070	
	Public Health Transition Rsve	Revenue Contribution to PH Reserve	(0.234)				(0.234)	
<b>Adults and Health Total</b>			<b>0.035</b>			<b>1.016</b>	<b>1.051</b>	
Business, Growth & Transport	2010-11 Rev Grants Unapplied	Contribution to EMC				0.020	0.020	
	Agreed budget carry forward	2015-16 Carry Forward: Traffic & Safety				0.024	0.024	
	DD2192 ESIF Youth Employment Initiative (YEI)	Required for 16/17 payment to Sustainable Transport					0.160	0.160
		support Youth Employment activities				(0.320)		(0.320)
	Workforce Issues	Cycling and Roadspace Transformation					0.001	0.001
		Pensions Auto Enrolment					0.015	0.015
	Maintaining car parks	Replacement of equipment at Multi Storey Car Parks	0.075					0.075

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
	Shopmobility	Shopmobility - Annual Contribution	(0.003)				(0.003)
<b>Business, Growth &amp; Transport Total</b>			<b>0.073</b>		<b>(0.320)</b>	<b>0.219</b>	<b>(0.028)</b>
Community Services	Agreed budget carry forward	2015-16 Carry Forward: Change Champions programme to support the great Workforce Programme and extension of Corporate training to support commercialism				0.027	0.027
		2015-16 Carry Forward: IT infrastructure costs to support on line production of colleague communications				0.010	0.010
		2015-16 Carry Forward: Support the promotion material for Tap the Gap				0.012	0.012
		Workforce development				0.057	0.057
	HMO - Discretionary	5 year cycle for fee income - required to continue service - year 4				0.227	0.227
	HMO - Mandatory	5 Year income cycle - year 4 require drawdown to continue the service				0.023	0.023

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m	
Page 47	HMO Licensing	5 year cycle - income required for year to ensure continuation of scheme - Yr 4				0.170	0.170	
	Insurance Reserve	Community protection emergency response				0.030	0.030	
	Workforce Issues	Legal support for employment matters (CCR0020)					0.080	0.080
		OT & Children in Care					0.002	0.002
		Pensions Auto Enrolment					0.054	0.054
		Safer Housing, Environmental Health					0.001	0.001
		To support the delivery of the Corporate Apprentices Programme 2016/17					0.305	0.305
		To support the delivery of the targeted Apprentices Programme 2016/17					0.234	0.234
	Transforming Services	Contribution to the funding of Corporate Transformation Initiatives in 2016/17	0.085				0.085	
	<b>Community Services Total</b>			<b>0.085</b>			<b>1.233</b>	<b>1.318</b>
Corporate	Agreed budget carry forward	15-16 Carry Forwards Agreed at Exec Board 28June16					(1.588)	

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
Page 48		2015-16 Carry Forward: Match funding for Stage 2 of the ACE bid				0.340	0.340
		2015-16 Carry Forward: used to support the ACE bid at NTRCH				0.339	0.339
		Risk and Contingency Reserve				0.779	0.779
		IT Investment Fund from Agreed Budget Carry Forward				0.280	0.280
	Arboretum	Arboretum reserve			(0.388)		(0.388)
	Area Committees	Area Committee Reserve			(0.250)		(0.250)
	BDI Loan Fund	Realignment of BDI loan fund				1.059	1.059
	Bldg Sch for the Future	BSF money to BSF reserve			(0.044)		(0.044)
	Breakaway Motor Project	Breakaway Motor Project reserve			(0.044)		(0.044)
	Business Growth Incentive BGI	Realignment of reserve				0.100	0.100
	Business Rates Reserve	Collection Fund Reserve				3.423	3.423
		MTFP contribution		2.763			



Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m	
Page 19	Capital Programme ('TM)	Technical adjustment – funding for the General Fund Capital Programme			(11.000)		(11.000)	
	Clifton Town Centre	Capital reserves established from revenue resources to support revenue expenditure in respect of the Clifton Town Centre		(0.500)			(0.500)	
	Collection Fund Reserve	Move surplus to Collection Fund Reserve			(3.423)		(3.423)	
	Community	Move Community money to Community reserve			(0.020)		(0.020)	
	Contingency Reserve	Contribution to Nottingham Jobs Fund					0.700	0.700
		Move Contingency balance to Risk and Contingency Reserve					0.816	0.816
		transfer from contingency reserve for Being Great Fund					0.015	0.015
	Contribution to MTFP	MTFP contribution	1.000				1.000	
	DD1979 Bulwell Town Centre	to support revenue expenditure in respect of the Bulwell Town Centre Action Plan DD2491		(0.382)			(0.382)	
	E-Government/IT Fund	Base revenue budget provision	(3.275)				(3.275)	

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
		Move to IT Investment Fund from Agreed Budget Carry Forward			(0.280)		(0.280)
	Emergency Hardship Funds	Realign Emergency Hardship Reserve				0.178	0.178
	Flexible Fitness Equipment	To Flexible Fitness reserve			(0.647)		(0.647)
	Good to Great	MTFP contribution	(1.607)	0.259			(1.348)
	Innovation Fund	Use of Innovation fund				0.995	0.995
	Insurance Reserve	Insurance Reserve			(0.316)		(0.316)
	Investment Strategy	Move to Investment Strategy Reserve		(0.259)	(0.820)		(1.079)
		MTFP contribution	4.178				4.178
	Inward Investment Fund	Move Inward Investment to Workforce Reserve				0.750	0.750
	Workforce Issues reserve	Technical adjustment to fund increase in pension costs			(3.082)		(3.082)
		Transforming Services			(2.710)		(2.710)
		MTFP contribution	(4.772)				(4.772)
		transfer from contingency reserve for Being Great Fund			(0.015)		(0.015)

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
Page 51	Library Transformation	Move Library Transformation money to Library Transformation reserve			(0.290)		(0.290)
	NET City Reserve Fund	MTFP contribution	0.693				0.693
	Nottingham First Project	Area Committee Reserve				0.250	0.250
		Move to Investment Strategy Reserve				0.820	0.820
	Nottingham in Bloom	Move Nottingham in Bloom money to Nottingham in Bloom reserve			(0.096)		(0.096)
	Prudential Borrowing	Technical adjustment - reserve for PB cost contribution			(2.958)		(2.958)
	Rev Reserves for Capital	Capital reserves established from revenue resources to support revenue expenditure in respect of the Bulwell Town Centre Action Plan DD2491		0.382			0.382
		Capital reserves established from revenue resources to support revenue expenditure in respect of the Clifton Town Centre		0.500			0.500

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
		DD 2128 Transfer from revenue generated reserves for capital projects diverted to support Economic Dev activities	0.300				0.300
		Move Arboretum money to Surplus from Arboretum reserve				0.388	0.388
		Move Breakaway Motor Project money to Breakaway Motor Project reserve				0.044	0.044
		Move BSF money to BSF reserve				0.044	0.044
		Move Community money to Community reserve				0.020	0.020
		Move Flexible Fitness money to Flexible Fitness reserve				0.647	0.647
		Move Library Transformation money to Library Transformation reserve				0.290	0.290
		Move Nottingham in Bloom money to Nottingham in Bloom reserve				0.096	0.096
		Move Russell Youth Club money to Russell Youth Club reserve				0.050	0.050
		Move Sports Development money to Sports Development reserve				0.076	0.076

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
Page 53		Us of former DSO's money to Surplus				0.030	0.030
		Support Youth Employment activities				0.320	0.320
	Revenue Implications of Capital Schemes	MTFP contribution	(0.895)				(0.895)
	Risk and Contingency Reserve	Move Contingency fund to Risk and Contingency Reserve			(0.816)		(0.816)
		Risk and Contingency Reserve			(0.779)		(0.779)
	Risk Management Reserve	Move to Insurance Reserve				0.191	0.191
	Risk Mgmt Disaster Recovery	Move to Insurance Reserve				0.125	0.125
	Russell Youth Club	Move Russell Youth Club money to Russell Youth Club reserve			(0.050)		(0.050)
	Sports Development	Move Sports Development money to Sports Development reserve			(0.076)		(0.076)
	Surplus from Former DSO's	Technical adjustment			(0.030)		(0.030)

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
	Transforming Services	Move Transforming Services Reserve to Workforce Reserve				2.710	2.710
	Treasury Management Reserve	Technical adjustment - funding for the Capital Programme				9.411	9.411
		Prudential Borrowing technical cost contribution				2.958	2.958
<b>Corporate Total</b>			<b>(1.615)</b>	<b>0.000</b>	<b>(28.579)</b>	<b>28.689</b>	<b>(1.504)</b>
Early Intervention & Early Years	Future Nottingham	Development & maintenance of the YCA website for 2017 YCA Awards				0.002	0.002
		One Nottingham & YCA social media channels and promotional material, to promote partnership initiatives				0.003	0.003
	Workforce Issues reserve	Crocus Fields				0.002	0.002
Leaving Care Service					0.004	0.004	
		Pensions Auto Enrolment				0.063	0.063
		SHARP (Trans4Me)				0.002	0.002
		Wood View Residential Home				0.002	0.002
<b>Early Intervention &amp; Early Years Total</b>						<b>0.078</b>	<b>0.078</b>

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
Education, Employment & Skills	Agreed budget carry forward	Contribution towards the security and repairs of former school buildings that have been declared surplus due to the Building Schools for the Future programme	0.015				0.015
	Contingency Reserve	Developing Digital Infrastructure agenda	0.048				0.048
		Slippage Alfreton Road Improvements (CCR00011)				0.050	0.050
	DD1979 Bulwell Town Ctr	Bulwell Town Centre Action Plan development	0.042				0.042
	DD2128 Nottm Growth Plan 2015-18	Economic Development activities to support Nottingham Growth Plan	0.260				0.260
	Farnborough PFI Project	Contribution to BSF PFI (BSF Final Business Case)	(0.336)				(0.336)
	Investment Strategy	DDM 2530 - Creative Quarter Loan Fund				0.250	0.250
		Expenditure incurred in respect of the Vacant Shop scheme				0.054	0.054
	Workforce Issues reserve	Pensions Auto Enrolment				0.002	0.002
	Jobs Fund	2016/17 Expenditure in respect of Nottingham Jobs Fund	0.700				0.700
		Contribution to NJF			(0.700)		(0.700)

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
	Nottingham Investmt Fund DDM1472	DD 1472 Foresight Nottingham Fund	0.200				0.200
	SME Loan Fund	DDM0654 Creative Quarter Loan fund	0.045				0.045
<b>Education, Employment &amp; Skills Total</b>			<b>0.974</b>		<b>(0.700)</b>	<b>0.356</b>	<b>0.630</b>
Jobs, Growth & Transport	DD2128 Nottm Growth Plan 2015-18	DD 2128 Transfer from revenue generated reserves for capital projects diverted to support Economic Dev activities	(0.300)				(0.300)
<b>Jobs, Growth &amp; Transport Total</b>			<b>(0.300)</b>				<b>(0.300)</b>
Leisure & Culture	Centre Transformation (Inv 2 Save)	2015-16 Carry Forward: Match funding for Stage 2 of the ACE bid			(0.340)		(0.340)
	Contingency Reserve	Additional Grant for Nottingham Carnival				0.003	0.003
	Workforce Issues Reserve	Comms and Marketing/Communities - Sport and Culture				0.001	0.001
		Exhibitions				0.002	0.002
		Horticultural Services Operational Team-				0.002	0.002

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Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
Page 57		Parks & Open Spaces - Horticultural Operations, Central Arboretum				0.002	0.002
		Parks & Open Spaces - Vernon Park				0.002	0.002
		Pensions Auto Enrolment				0.020	0.020
		Sport & Leisure				0.001	0.001
		Theatre Royal & Royal Concert Hall - Access Development -				0.002	0.002
		Theatre Royal and Royal Concert Hall				0.002	0.002
	Lawn Tennis Association	NOTTINGHAM OPEN SPEND 2016/17 - Updating of the Tennis Centre Changing facilities to be used by the players in the tournament.				0.020	0.020
	LTA - Contribution	LTA - Annual Contribution	(0.008)				(0.008)
	Mercury Filtration Reserve	Annual Contribution to Mercury Filtration	(0.036)				(0.036)

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
Page 58	Nottingham in Bloom	Drawdown to cover transitional arrangements to support out-sourcing (marketing, upgrades etc) delivery of Bulwell Hall Golf facility to generate secure income following procurement process currently being undertaken				0.096	0.096
	Rev Reserves for Capital	Carrington Street - HLF Match funding. Project 19470			(0.025)		(0.025)
	Royal Centre Mtnce	2015-16 Carry Forward: used to support the ACE bid at NTRCH			(0.339)		(0.339)
		Royal Centre capital investment strategy	(0.070)				(0.070)
	Southglade FP - Contrib	Southglade FP - Annual Contribution	(0.035)				(0.035)
<b>Leisure &amp; Culture Total</b>			<b>(0.149)</b>		<b>(0.704)</b>	<b>0.152</b>	<b>(0.701)</b>
Planning & Housing	Agreed budget carry forward	2015-16 Carry Forward: Traffic & Safety				0.032	0.032
	Carrington Townsc Jul15EB	Carrington Townscape Contbn July 2015 Exec Board	(0.050)				(0.050)

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
	Flood Risk Management	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			(0.082)		(0.082)
	Workforce Issues Reserve	Pensions Auto Enrolment				0.002	0.002
	Traffic Maintenance	Works to the OMS fountain as approved in DDM2304				0.050	0.050
<b>Planning &amp; Housing Total</b>			<b>(0.050)</b>		<b>(0.082)</b>	<b>0.084</b>	<b>(0.048)</b>
Resrces & Neighbourhood Regenrn	Agreed budget carry forward	15-16 Carry Forwards: Contribution towards the transformation to support PCI Compliance				0.086	0.086
		2015-16 Carry Forward: Traffic & Safety				0.027	0.027
	East Midlands Council	Pension Deficit installment to Leics CC				0.075	0.075
	E-Government/IT Fund	IT Efficiency Fund - East Midlands Shared Service - Repayment on Borrowing	0.669				0.669
	Emergency Hardship Funds	Emergency Support Staffing re: Discretionary Hardship Support Scheme 2015/16	0.320				0.320

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
	Insurance Reserve	Closed Fund contribution				0.300	0.300
		Fund Valuation - payment to MMI				0.219	0.219
	Workforce Issues Reserve	Pensions Auto Enrolment				0.009	0.009
	NHS LIFT-Bulwell	Reserve replenishment - Bulwell Riverside Joint Service Centre	(0.488)				(0.488)
	NHS Local Imp Finance (LIFT)	Reserve replenishment - Clifton Cornerstone	(0.007)				(0.007)
		Reserve replenishment - Mary Potter	(0.133)				(0.133)
	Property Maintenance	Property Capital Maintenance Work slippage	0.358				0.358
	Prudential Borrowing	Reserve transfer to new reserve for PB cost contribution from TM budget 16/17				(4.075)	(4.075)
Treasury Management Reserve	Treasury Management underspend re slippage				(1.444)	(1.444)	
<b>Resrces &amp; Neighbourhood Regenrn Total</b>			<b>0.719</b>		<b>(5.518)</b>	<b>0.717</b>	<b>(4.083)</b>
Strategic Regeneration	Workforce Issues	Pensions Auto Enrolment				0.002	0.002
	R&R Fund - Ashgate Retail Park	Contribution to Sinking Fund	(0.014)				(0.014)

Portfolio	Reserve Name	Description	MTFP decisions (already approved) £m	Reserve to Reserve £m	Replenishment £m	Use of Reserves £m	Grand Total £m
	R&R Fund - Castlebridge Retail Villa	Contribution to Sinking Fund	(0.003)				(0.003)
	R&R Fund - Southglade FP	Replenishment of reserve for Southglade Food Park Repairs	(0.020)				(0.020)
<b>Strategic Regeneration Total</b>			<b>(0.037)</b>			<b>0.002</b>	<b>(0.036)</b>
<b>Grand Total</b>			<b>(0.265)</b>	<b>0.000</b>	<b>(35.457)</b>	<b>32.099</b>	<b>(3.623)</b>

## DEBTORS MONITORING TO 31 DECEMBER 2016

Debtors - Performance Review – Q3 2016-17		Q1 June	Q2 Sept	Q3 Dec
<b>BVPI 66a - Housing Rent Collection (%)</b> <i>(cumulative - current tenants only)</i>				
	<i>(arrears + debit)</i> Actual	97.41	97.55	98.17
	Target	98.40	98.40	98.40
	Last Year Actual 2015-16	97.17	97.78	98.19
<b>BVPI 9 - Council Tax Collection (%)</b>				
	<i>(in year cumulative)</i> Actual	26.15	50.94	76.93
	Target	25.90	50.80	76.20
	Last Year Actual 2015-16	26.30	51.00	76.60
<b>BVPI 10 - NNDR Collection (%)</b>				
	<i>(in year cumulative)</i> Actual	29.25	55.72	80.39
	Target	29.20	55.50	80.50
	Last Year Actual 2015-16	31.28	55.62	81.16
<b>Sundry Income Collection (%)</b>				
	<i>(12 month rolling average)</i> Actual	82.40	77.30	81.70
	Target	99.00	99.00	99.00
	Last Year Actual 2015-16	79.40	79.70	80.30
<b>Sundry Income Debtor Days -General</b>				
	Actual	30.00	32.00	37.00
	<i>(12 month rolling average)</i> Target	32.30	32.30	32.30
	Last Year Actual 2015-16	31.00	33.00	32.00
<b>Estates Rents Collection (%)</b>				
	Actual	94.19	95.13	95.31
	<i>(12 month rolling average)</i> Target	97.50	97.50	97.50
	Last Year Actual 2015-16	96.80	96.77	95.80
<b>Adult Residential Services Collection (%)</b>				
	Actual	95.55	96.19	95.87
	<i>(12 month rolling average)</i> Target	95.90	95.90	95.90
	Last Year Actual 2015-16	95.42	95.37	95.95



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# ANNEX 2

## DRAFT REVENUE MTFP 2017/18 to 2019/20

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## 1. INTRODUCTION

The Council's Revenue 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.

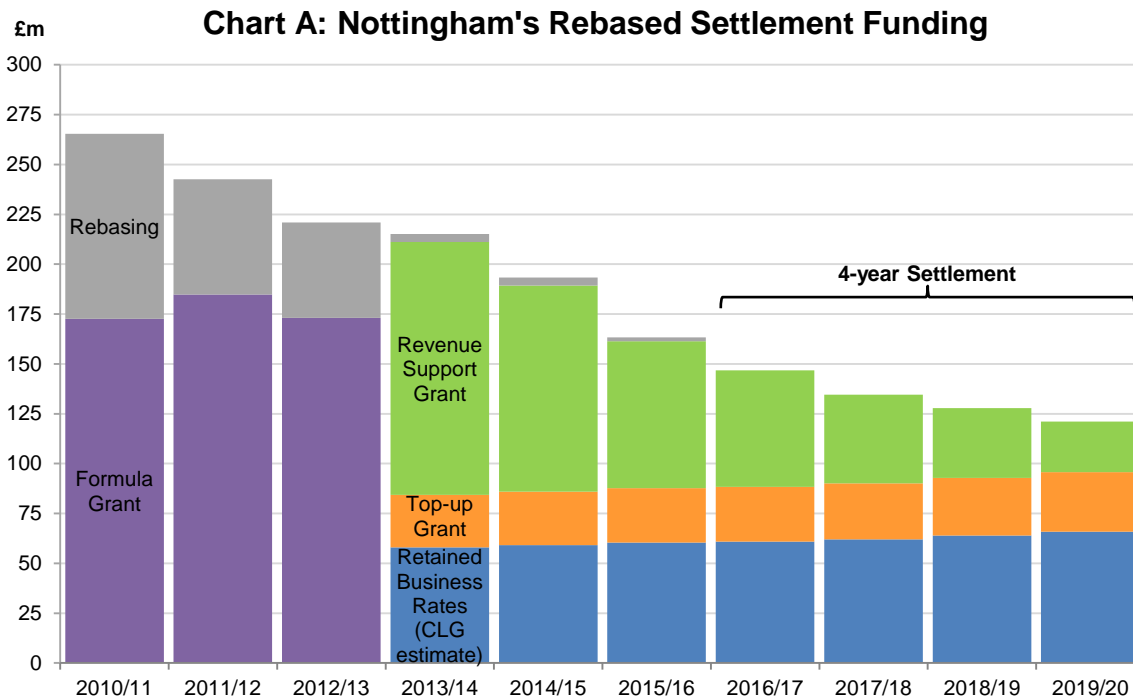
## 4. ECONOMIC AND FUNDING OVERVIEW

Local Government continues to operate in a very challenging financial environment with reducing government grant, increased demand for services (particularly social care) and the unknown consequences of the Brexit decision.

The Government's Autumn Statement published on 23 November provided headline national figures on key economic indicators which have worsened since the March budget and the Government is no longer seeking to achieve a fiscal surplus in this parliament. The statement focused predominately on productivity, infrastructure and housing and announcements on the Living Wage increase from April 2017.

Nottingham City Council, like all other local authorities across the country, has seen a substantial reduction in Government funding as a consequence of the Government's policies to tackle the national fiscal deficit.

This policy has seen Revenue Support Grant (RSG) as a proportion of the Council's total revenue funding reduce and this trend will continue in future years. **Chart A** illustrates how RSG is profiled to fall from **£126.819m** in 2013/14 to **£25.332m** in 2019/20.



Alongside this reduction in grant income, Nottingham has seen increased demand for a number of services, for example Adult Social Care and Children in Care which already accounted for approximately half of the Council's net budget. These increasing care pressures, alongside continuing funding cuts, will have a significant impact on the Council's ability to fund other local services. It is expected that the continuing trend will mean that local services will be increasingly funded by local tax payers as Government funding continues to fall.

In the period from 2010/11 to 2016/17 the Council has had to make annual savings totalling **£203.961m** and will continue to have to make difficult decisions about the services it provides in order to close a predicted budget gap of **£24.448m** next year.

Locally, the Council hasn't received any transition grant. The transition grant nationally is £300m over a two year period and was set up by the Government as a support scheme for councils in response to concerns over changes in the funding calculations.

The final settlement historically is confirmed prior to the February Executive Board, this year the Government has confirmed the announcement will be made on 22 February. Figures in this report are based on the provisional Local Government Finance Settlement released on 15 December 2016. In order to finalise the budget in line with statutory requirements this report seeks approval for the Strategic Director of Finance to make any necessary adjustments to reserves as a result of the final settlement announcement.

### Settlement Funding

Settlement Funding is the 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 general grant 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 general grant funding (including previous specific grants which have been rolled into it).

The Council submitted an Efficiency Plan (the basis being the MTFs) to DCLG in October 2016 with approval granted in November 2016, this was a requirement in securing the multi-year settlement covering 2016/17 to 2019/20.

<b>TABLE 1: SETTLEMENT FUNDING</b>			
<b>Elements of Settlement</b>	<b>Settlement</b>		
	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Business Rates Baseline	64.587	66.665	69.036
Business Rates Top-up	25.605	26.429	27.369
Revenue Support Grant	44.485	34.981	25.332
<b>TOTAL</b>	<b>134.677</b>	<b>128.075</b>	<b>121.737</b>

The Government has assumed a level of business rates for Nottingham based on the 2017 business rates revaluation. The figure included in **Table 1** is **£3.4m** lower than the forecast of retained business rates income as reported to DCLG in the NNDR1 return and included in the MTFP.

### **Core Spending Power**

Core Spending Power is the calculation by Government to assess the overall impact on local authority funding. This includes the Council Tax requirement, New Homes Bonus and the Settlement Funding. This attempts to assess the total resources over which the Council can exercise discretion in how it can spend its funding. The Government has calculated, based on their own estimates, that Nottingham will receive an overall reduction in spending power of **1.54%** or **£28** per dwelling in 2017/18 as set out in **Table 2**. This compares unfavourably with the national average reduction of **1.14%** but is slightly better than the average Core City reduction of **1.66%**.

<b>TABLE 2: CORE SPENDING POWER</b>			
<b>Elements of DCLG Spending Power</b>	<b>DCLG estimates</b>		
	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Settlement Funding Assessment	134.677	128.075	121.737
Council Tax requirement	97.095	102.030	107.215
3% Social care precept	3.846	6.121	8.660
Improved Better Care Fund	1.348	7.293	12.372
New Homes Bonus + returned funding	4.297	3.119	2.992
Transition Grant	0.000	0.000	0.000
2017/18 Adult Social Care Support Grant	1.557	0.000	0.000
<b>TOTAL</b>	<b>242.819</b>	<b>246.637</b>	<b>252.977</b>
Annual change	(3.790)	3.818	6.340
Annual change by dwelling	-£28	+£28	+£47
Annual % change	-1.54%	+1.57%	+2.57%

### **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 2017/18. The locally retained element of business rates is 50%, of which the council retains 49% and 1% is received by Nottinghamshire and City of Nottingham Fire and Rescue Authority. The monitoring and

estimating of business rates is a local responsibility and the financial risk due to the volatility within Business Rates (including outstanding appeals) has an impact on the Council's overall funding.

From April 2017 Business Rates will be based on the 2017 revaluation and the rateable value of businesses in Nottingham will be **£376.9m** (NNDR1 January 2017). 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 will be met from the monies received, and hence will impact the Council's overall funding.

### **Top-up**

Under the retained Business Rates system any authority whose Business Rates income is less than their initial baseline funding level, as is the case for Nottingham, will receive the balance as a 'top-up' grant.

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

All authorities currently continue to receive RSG from the Government in addition to their retained Business Rates. Nottingham has accepted the multi-year settlement offer and 2017/18 will be year two of the four year settlement. This multi-year settlement will give increased certainty but not a guarantee as to the future RSG. It is expected that RSG will cease with the future introduction of 100% retention of Business Rates.

Current figures reflect a reduction of **24%** or **£13.9m** from 2016/17 to 2017/18.

### **Specific Grants outside the Settlement**

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

### New Homes Bonus (NHB)

The New Homes Bonus grant is awarded to local Councils for increasing the number of new and affordable homes. The Government has recently made significant amendments to the scheme with details published alongside the provisional settlement in December 2016. Details of the revised NHB scheme include reducing payments from 6 to 5 years in 2017/18 and then to 4 years in 2018/19. The MTFP reflects the announced grant of **£4.079m** for 2017/18 and projections for future years.

### Transition Grant

The transition grant, totalling £300m over a two year period, was set up by the Government in 2016/17 as a support scheme for councils in response to concerns over changes in the funding calculations. Nottingham has not received any transition grant.

### Council Tax New Burdens Grant

The introduction of the Council Tax Support Scheme from 1 April 2013 increases the administrative cost of the Council Tax collection and recovery services as well as the additional cost of publicising and promoting the scheme. To date the Government has not confirmed the 2017/18 figure so this report assumes funding will be **£0.175m**.

### Local Council Tax Support & Housing Benefit Administration Subsidy Grant

The City Council will receive administration subsidy grant of **£2.265m** in 2017/18 (a reduction of **£0.117m**) to fund the Council's statutory duty to administer and process Housing Benefit and directly related enquiries.

### Better Care Funding

The Council is awaiting confirmation on the 2017/18 allocation; the MTFP assumes **£27.203m** based on 2016/17 including an additional grant of **£1.348m** Improved Better Care Fund to support the demand on Adults Social Care.

The 2016/17 total grant is **£25.857m** which is made up of the:

- Better Care Fund (minimum value) £21.890m
- Disabled Facilities Grant £1.889m;
- Additional contribution from Clinical Commissioning Group £1.363m
- Nottingham City Council £0.715m

Based on approved schemes c. 57% is forecast to be reinvested to support Adult Social Care.

### Care Act Implementation

The 2017/18 Department of Health grant for Social Care in Prisons has not yet been confirmed but assumed in the MTFP to be at 2016/17 level of **£0.171m**.

### Public Health

The 2017/18 grant for Nottingham is **£34.723m**; this is a reduction of £3.753m (9.7%) since 2015/16.

The reduction in grants has been mitigated by in year efficiencies and proposals included in the MTFP. Cumulatively in 2019/20 the grant reduction since 2015/16 is expected to be **£5.536m**.

### Education Support Grant (ESG)

The ESG was **£1.979m** in 2016/17 and has been reducing since 2012/13 and the introduction of academisation. The ESG for 2017/18 is **£1.118m** and is split as follows:

- Retained element **£0.640m** – This grant now forms part of the Dedicated Schools Grant and has to be approved by Schools Forum
- General element **£0.478m** – this is an interim grant to support the delivery of statutory services to maintained schools for April – August, Any services required thereafter are to be funded by schools.

The list of services aligned to this grant is very prescriptive set by the DfE.

### 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 DSG funds educational establishments and specific services for Schools, Early Years and High Needs. The initial 2017/18 DSG budget allocation for Nottingham is **£255.454m**; this is **before academy recoupmnt** and will be updated throughout the year.

The grant has increased by **£12.179m** from 2016/17 initial allocation.

Any spend allocated to the Local Authority has been incorporated in the MTFP.

## 5. DRAFT MTFP 2017/18 – 2019/20

This section provides an update to the draft MTFP report presented to December Executive Board to reflect latest assumptions and Government announcements and the provisional settlement.

### Budget Overview and Headlines

The draft budget has been constructed in accordance with the MTFP 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 2017/18 net General Fund revenue budget of **£238.544m**;
- a council tax requirement of **£100.947m** and council tax increase of **1.99%** plus an additional **3.00%** social care precept;
- new budget reduction and income generation proposals of **£13.088m**
- additional health integration contribution of **£11.360m** bringing the assumed total for 2017/18 to **£17.334m**
- provision for new pressures of **£9.652m** including Adults demographic increases **£2.308m**; increased pension costs **£1.967m**; Public Health grant reductions **£1.873m** and ESG reductions **£1.637m**;
- a continuing impact of previous proposals already included in the MTFP of **£9.514m** pressures, **£0.586m** developments and **£4.284m** net savings, totalling an overall **£5.816m** increase;
- a general contingency of **£1.800m**;
- provision for appropriate levels of employee and specific inflation.

### General Fund Revenue Budget

**Table 3** summarises the changes required to update the 2016/17 base budget to refresh the starting point for the 2017/18 budget.

<b>TABLE 3: BUDGET REFRESH SUMMARY</b>				
<b>DESCRIPTION</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TABLE</b>
Inflation	6.999	14.218	18.997	<b>4</b>
Technical Adjustments	(3.353)	(6.574)	(13.910)	<b>5</b>
Previous MTFP decisions	5.816	9.104	11.869	<b>6</b>
<b>TOTAL</b>	<b>9.463</b>	<b>16.748</b>	<b>16.956</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

**Table 4** shows the pay and specific inflation currently assumed for 2017/18 and subsequent years.

<b>TABLE 4: INFLATION</b>			
<b>DESCRIPTION</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Employee Inflation	5.183	10.022	12.260
General Inflation	0.000	0.000	0.000
Specific Non-employee Inflation:			
Adult Social Care	0.870	2.024	3.263
Children in Care	0.269	0.609	0.962
Concessionary Fares	0.202	0.633	1.121
Contractual	0.306	0.599	0.898
Waste Management	0.157	0.318	0.482
Other	0.013	0.013	0.013
	1.817	4.196	6.738
<b>TOTAL</b>	<b>6.999</b>	<b>14.218</b>	<b>18.997</b>

For non-pay costs the MTFP assumes no general inflation, only specific contractual inflation has been applied. Employee inflation aligns with the national 1% pay award agreements.

The costs associated with the new terms and conditions that come into effect from the 1 April 2017 have been included within technical adjustments. At the time of writing this report the detailed work to allocate these costs to portfolios is being finalised and will be in place before the 1 April 2017.

Pension contributions have been projected based on information from the actuary based on the triennial valuation of the pension fund, the latest estimate has increased the pension contribution rate and deficit figures. The additional **£3.389m** cost in 2017/18 of this latest revaluation has been funded by a combination of new pressures and a use of reserves set aside for this specific purpose.

## Technical Adjustments

**Table 5** summarises the technical adjustments which include anticipated movements in the financing of the capital programme and the debt portfolio, movements in reserves, net impact of changes in specific grants and various other changes. Provision has also been made for the revenue implications of investment schemes within the capital programme.

<b>TABLE 5: TECHNICAL ADJUSTMENTS</b>			
<b>DESCRIPTION</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Net movement in Reserves	1.587	1.082	(1.064)
On-going Adjustments	(0.253)	(0.363)	(0.474)
One-off Adjustments	(1.783)		
2017/18 ASC Support Grant	(1.557)		
Improved Better Care Fund	(1.348)	(7.293)	(12.372)
<b>TOTAL</b>	<b>(3.353)</b>	<b>(6.574)</b>	<b>(13.910)</b>



### General Reserves

The proposed level of general reserves for 2017/18 is **£11.600m**, a **£2.000m** increase on the 2016/17 level. This opening balance represents **4.8%** of total net General Fund budget and is greater than the guidance in the MTFS of between **2%** and **4%**. An increase to the overall level of reserves is required due to the difficulties in meeting a reducing annual budget together with the significant funding requirements from Health Integration and increased commercialism in 2017/18. This change to **4.8%** aligns the reserves level with other Core Cities and a refreshed MTFS will be presented in 2017/18 which will include updated guidance on the level of general reserves. Details are provided in **Annex 5**.

### Earmarked Reserves

Other earmarked reserve adjustments, in addition to those in **Table 5** require approval. **Appendix A** provides detail of the net **£2.093m** movement in departmental reserves.

### Previously agreed MTFP decisions

**Table 6** summarises the impact on the 2017/18 budget of decisions made in previous budgets. This totals a net increase of **£5.816m** in 2017/18, mostly due to previously agreed pressures in Adult Social Care and Children in Care. Big Ticket/Portfolio Proposals predominately relate to previously agreed Health Integration contributions.

<b>TABLE 6: PREVIOUSLY AGREED MTFP PROPOSALS</b>			
<b>DESCRIPTION</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Pressures	9.514	15.036	17.810
Developments	0.586	0.586	0.586
Big Ticket / Portfolio Proposals	(6.891)	(9.064)	(9.064)
Corporate Proposals	2.607	2.546	2.538
<b>TOTAL</b>	<b>5.816</b>	<b>9.104</b>	<b>11.869</b>

### New Pressures

As in previous years, the Council continues to face significant cost pressures which have a major impact on the MTFP. **Table 7** details the additional funded pressures of **£9.652m** for 2017/18, mostly due to additional pressures in Adult Social Care and Children in Care, increased pension costs and the impact of specific grant reductions.

<b>TABLE 7: NEW PRESSURES</b>			
<b>PORTFOLIO</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Adults & Health	4.181	8.412	13.782
Early Intervention & Early Years	1.637	2.214	2.214
Education, Employment & Skills	0.917	1.024	1.141
Resources & Neighbourhood Regeneration	2.917	4.473	4.713
<b>TOTAL</b>	<b>9.652</b>	<b>16.123</b>	<b>21.850</b>

### Portfolio 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 8** 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 8: PORTFOLIO PROPOSALS</b>			
<b>PORTFOLIO</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Adults & Health	(0.183)	(0.222)	(0.325)
Business, Growth & Transport	(2.124)	(2.124)	(2.124)
Community Services	(2.535)	(2.282)	(2.282)
Early Intervention & Early Years	(1.710)	(1.611)	(1.611)
Education, Employment & Skills	(0.816)	(0.816)	(0.816)
Energy & Sustainability	(0.455)	(0.530)	(0.530)
Leisure & Culture	(1.556)	(1.556)	(1.556)
Planning & Housing	(0.628)	(0.628)	(0.628)
Resources & Neighbourhood Regeneration	(2.991)	(3.248)	(3.484)
Strategic Regeneration	(0.091)	(0.091)	(0.091)
<b>TOTAL</b>	<b>(13.088)</b>	<b>(13.107)</b>	<b>(13.446)</b>

The categorisation by portfolio of savings proposals has in some instances changed since the December Executive Board report due to the refinement of proposals and changes in portfolio structures. The total value of savings (including previously approved by delegated decisions) remains the same.

#### Adult Social Care – Health Integration with the NHS

There continues to be budget pressures in Adult Social Care, the reasons for these pressures include:

- increased life expectancy and the associated additional care needs this presents
- increased disability life expectancy
- additional care costs from providers due to increased National Living Wage rates

The MTFP for 2017/18 and 2018/19 assume **3.00%** Adult Social Care precept. However the budgetary pressures in Adult Social Care exceed the funds raised through this precept. Nationally councils are working with the NHS to develop local Sustainability and Transformation Plans (STP) in recognition of this national issue and the budgetary pressures. The overall aims are to enable the NHS to manage its budget and keep citizens at home, living independently rather than spending time in hospital.

This report assumes that the STP is fully agreed which will then mitigate the 2017/18 budget gap by an additional **£11.360m** bringing the total contribution to **£17.334m**.

The December consultation report was written prior to the provisional settlement announcement and therefore did not reflect the options for Social Care precept and one-off dedicated Adult Social Care grant for 2017/18 of **£1.557m**. This grant and the funds raised from the additional 1% on the Social Care precept reduced the contribution required from Health Integration.

**Table 10** shows the resulting proposed draft overall net budget requirement for 2017/18.

<b>TABLE 10: NET BUDGET REQUIREMENT</b>				
<b>DESCRIPTION</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>TABLE</b>
2016/17 Budget Requirement	243.878	243.878	243.878	
Budget Refresh	9.463	16.748	16.956	<b>3</b>
New Pressures	9.652	16.123	21.850	<b>7</b>
<b>SUB-TOTAL</b>	<b>262.992</b>	<b>276.748</b>	<b>282.684</b>	
Portfolio proposals	(13.088)	(13.107)	(13.446)	<b>8</b>
Health Integration	(11.360)	(12.750)	(15.691)	
<b>BUDGET REQUIREMENT</b>	<b>238.544</b>	<b>250.891</b>	<b>253.548</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 **£67.987m** in 2017/18, which is **£3.4m** above our Business Rate Baseline as 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 2017 estimated the net rates as **£140.277m** with **£1.605m** assumed for bad debts (1.1%) and **£8.254m** for appeal repayments (5.9%) leaving total collectible rates for 2017/18 as **£130.418m**.

The Council in 2017/18 will receive **£2.998m** section 31 grant, this grant compensate councils for the loss of income, suffered as a result of previously announced changes to the business rates multiplier and various reliefs in both 2015/16 and 2016/17. The impact of these grants has been included within the budget refresh figures and details are shown in **Table 10**.

<b>TABLE 10: SECTION 31 GRANTS (BUSINESS RATES)</b>	
<b>DESCRIPTION</b>	<b>2017/18 £m</b>
Multiplier cap	1.014
Small business rates relief	1.977
Long term empty property relief	0.007
Local Newspaper Temporary Relief	0.001
<b>TOTAL</b>	<b>2.998</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. It is currently estimated that there will no retained uplift for the Enterprise Zone or the Creative Quarter in 2017/18.

**Table 11** sets out the overall funding assumed within the MTFP.

<b>TABLE 11: FUNDING</b>			
<b>DESCRIPTION</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
Projections			
- Retained Business Rates	(67.987)	(70.174)	(72.671)
- Top Up	(25.605)	(26.429)	(27.369)
- Revenue Support Grant	(44.485)	(34.981)	(25.332)
<b>SUB-TOTAL</b>	<b>(138.077)</b>	<b>(131.584)</b>	<b>(125.371)</b>
100% Retained Business Rates	0.000	0.000	0.000
<b>NET POSITION</b>	<b>(138.077)</b>	<b>(131.584)</b>	<b>(125.371)</b>

### Collection Funds

The Collection Fund is held separately from the General Fund and accounts for income collected from council tax. An annual review is undertaken to assess the estimated level of collection, 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 **£4.352m** for 2017/18. The City Council share of this is **£3.728m**.

In addition there is a collection fund deficit with respect to business rates of **£8.588m**. The City Council share of this deficit is **£4.208m** and will be managed by an appropriate use of the Business Rates Reserve previously created to protect against volatility in business rates collection.

### Proposed Council Tax

**Table 12** 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 2017/18 will be **£100.947m**, equating to a Band D of **£1,593.03** and representing a basic increase of **1.99%** plus an additional **3.00%** social care precept

The introduction of this new social care precept by the Government is a consequence of the underfunding of social care costs in the previous and current Spending Reviews. This precept must be spent exclusively on adult social care.

<b>TABLE 12: AMOUNT TO BE RAISED BY COUNCIL TAX</b>	
<b>DESCRIPTION</b>	<b>2017/18 £m</b>
Net Budget Requirement	238.544
Funding	(138.077)
Collection Fund – Council Tax	(3.728)
Collection Fund – Business Rates	4.208
<b>COUNCIL TAX REQUIREMENT</b>	<b>100.947</b>

## 6. MEDIUM TERM FINANCIAL OUTLOOK (MTFO)

In examining proposals for the 2017/18 budget, the Council considers both the immediate situation and the longer term outlook and assesses the impact of decisions accordingly.

**Appendices C.1 to C.4** provide detail of the current MTFO for 2017/18 through to 2020/21. The future years' projections assume:

- Council tax increases of **1.99%** in 2017/18 and for each year of the MTFO plus an additional **3.00%** social care precept in 2017/18 and 2018/19
- Revenue Support Grant as detailed in accepting the multi-year settlement
- Working assumption of nil underlying growth in retained business rates over the future years of the MTFO
- Assumed **1%** pay award for all years
- 2017/18 living wage rate of **£8.29** per hour
- No further emerging pressures assumed for the future years of the MTFO
- NHB future estimates reflect the revised scheme announced as part of the provisional settlement

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

**Table 13** includes the impact of the 2017/18 proposals contained elsewhere in this report and confirms the need for ongoing significant cost reductions in the short to medium term.

<b>TABLE 13: MEDIUM TERM FINANCIAL OUTLOOK</b>			
<b>DESCRIPTION</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>
2016/17 Net Budget Requirement	243.878	243.878	243.878
Budget Refresh	9.463	16.748	16.956
New Pressures	9.652	16.123	21.850
<b>SUB-TOTAL</b>	<b>262.992</b>	<b>276.748</b>	<b>282.684</b>
Portfolio Proposals	(13.088)	(13.107)	(13.446)
Health Integration	(11.360)	(12.750)	(15.691)
<b>ASSUMED NET BUDGET</b>	<b>238.544</b>	<b>250.891</b>	<b>253.548</b>
Retained Business Rates, Top-up & RSG	(138.077)	(131.584)	(125.371)
Council Tax	(100.947)	(107.115)	(110.399)
Collection Funds	0.480	0.000	0.000
<b>ASSUMED FUNDING</b>	<b>(238.544)</b>	<b>(238.699)</b>	<b>(235.771)</b>
<b>NET MTFO POSITION</b>	<b>0.000</b>	<b>12.192</b>	<b>17.777</b>

*NB table 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**.

The proposed General Fund balance for 2017/18 is **£11.600m**, which is **4.8%** of the net general fund budget, as at 1 April 2017 and has been informed by the risk assessment, financial climate and comparison to other Core Cities.

**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 his 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 2017/18 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 acknowledge 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.

## 9. Portfolio Pages

### Leader / Strategic Regeneration – Councillor Jon Collins



#### Focus of the Portfolio:

- Strategic Regeneration and Development
  - Overview of all regeneration activity across the City
  - City Centre major regeneration projects
  - Local Economic Partnership and European Funding
  - Strategic Property
- Community Sector
  - Lead role with the Community Sector and Volunteering
  - Community Centres
- Chair – Crime and Drugs Partnership
- Taxi Strategy

#### Key headlines from Council Plan:

- Continue to drive Nottingham as a leading retail and business city by delivering investment in our main shopping centres
- Maximise the city's potential by driving regeneration and improvements across the city

<b>Revenue Budget 2017/18: Strategic Regeneration</b>				
	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>(5.822)</b>	<b>(0.091)</b>	<b>0.040</b>	<b>(5.873)</b>

## Deputy Leader / Resources and Neighbourhood Regeneration – Councillor Graham Chapman



### Focus of the Portfolio:

- Area Working
  - Neighbourhood Regeneration
  - Neighbourhood Management and Engagement
  - Community Development
  - Neighbourhood Retail
- 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
  - Commercialisation
- Shareholder – Nottingham City Transport

### Key headlines from Council Plan:

- Develop sites across our neighbourhoods, providing access to jobs, services and housing
- Deliver a balanced budget every year
- Expand further the Council's commercial activity in order to reduce the impact of Government cuts on jobs and services

<b>Revenue Budget 2017/18: Resources &amp; Neighbourhood Regeneration</b>				
<b>Service / Department</b>	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
R&NR	17.528	(1.061)	(0.785)	15.682
Corporate Items	36.845	(1.930)	(2.093)	32.823
<b>Portfolio Total</b>	<b>54.373</b>	<b>(2.991)</b>	<b>(2.878)</b>	<b>48.504</b>



## Adults & Health – Councillor Alex Norris



### Focus of the Portfolio:

- Adults
  - Corporate strategies for Older People and Vulnerable Adults
  - Championing independent living:
    - Telecare
    - Catering
  - Adult Safeguarding
- Health
  - Public Health and wellbeing, including:
    - Health Inequalities
    - Smoking and avoidable injuries
  - Chair of the Health and Wellbeing Board
  - Mental health and wellbeing
  - Teenage conception
  - Wider health links
- Commissioning
  - Corporate Strategic Commissioning
  - Lead on Commissioning of Adults Services
  - Procurement
- Reputation and Communications
- Health and Social Care Integration

### Key headlines from Council Plan:

- Make life better for the 35,000 older persons in the city enabling choice and confidence in the care they receive and the way it is delivered, maintaining dignity, independence and control
- Be a city that enables healthy lifestyles, promotes wellbeing and supports community resilience
- To take the lead on improving working between our social care services and the NHS to ensure better care for our vulnerable residents

<b>Revenue Budget 2017/18: Adults &amp; Health</b>				
	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
A&H	105.875	(0.208)	0.099	105.766
Health Integration	(6.000)	(11.334)	0.000	(17.334)
<b>Total</b>	<b>99.875</b>	<b>(11.542)</b>	<b>0.099</b>	<b>88.432</b>

## Business, Growth and Transport – Councillor Nick McDonald



### Focus of the Portfolio:

- Business and Growth
  - Growth Plan Delivery
  - City centre and neighbourhood retail management
  - Business support, development and liaison
  - Inward Investment
  - Place Management Organisation
  - Heritage
  - International Strategy
  - International and European links
- Transportation
  - Traffic management and parking
  - Highways design and maintenance
  - Public Transport
- NET Phase 1, 2 and 3
- Cycle Champion

### Key headlines from Council Plan

- See every person in Nottingham with the skills and ambition to find work and create jobs to give our working age citizens the incentives to seek work and be involved in training and self-improvement by themselves
- Attract international businesses whilst supporting and enhancing our reputation as a leading Science City
- Further develop Nottingham’s public transport network, ensuring that citizens and visitors can get around the city as well as it being a reason for business to set up and trade effectively in our city.

<b>Revenue Budget 2017/18: Business, Growth &amp; Transport</b>				
	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>5.288</b>	<b>(2.124)</b>	<b>0.506</b>	<b>3.671</b>

## Community Services – Councillor Nicola Heaton



### Focus of the Portfolio:

- Cleansing
  - Waste Collection
  - Street Scene
  - Street Lighting
  - Corporate Council Transport Fleet
- 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
  - Domestic Violence
- Human Resources
  - Corporate HR
  - Performance Management

### Key headlines from Council Plan:

- Ensure Nottingham is a clean and safe place that people are proud to live in
- Work with the police and other partners to continue to drive down crime and anti-social behaviour (ASB)

<b>Revenue Budget 2017/18: Community Services</b>				
	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>22.792</b>	<b>(2.535)</b>	<b>0.586</b>	<b>20.844</b>

## Early Intervention & Early Years – 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
  - Children’s Disability and Children’s Mental Health
  - Leading on commissioning of Children’s Services
- One Nottingham

### Key headlines from Council Plan:

- To give all Nottingham’s children the best start in life
- Enable Nottingham’s children and young people to thrive by providing opportunities to utilise their energy and enthusiasm

<b>Revenue Budget 2017/18: Early Intervention &amp; Early Years</b>				
	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>59.368</b>	<b>(1.710)</b>	<b>0.000</b>	<b>57.658</b>

## Education, Employment and Skills – Councillor Sam Webster



### Focus of the Portfolio:

- Schools
  - Education Improvement Board
  - Educational provision 3-16 including school re-organisation and governance, Academies and Free Schools
  - Attendance
  - Special Educational Needs – Special Education Schools
  - Pupil Referral Units
  - Employability in Schools
- Jobs and Skills
  - Lead on skills and employment
    - Post 16 Training, Further Education and Higher Education
    - Develop opportunities for young people and adults
    - Local Jobs for Local People and Making the Connections
    - Investment initiatives
    - Nottingham and Notts Futures Advice, Skills and Employment
- Capital Programme and General Finance Support
- Sector Development
- Social Enterprise and Enterprise Development

### Key headlines from Council Plan:

- Access to a good school close to home for every young person in Nottingham
- Enable children in the City to achieve their potential at school and in later life

<b>Revenue Budget 2017/18: Education, Employments and Skills</b>				
	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>3.581</b>	<b>(0.816)</b>	<b>1.575</b>	<b>4.340</b>

## Energy & Sustainability – Councillor Alan Clark



### Focus of the Portfolio:

- Sustainability
  - Robin Hood Energy
  - 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
  - Air Quality
- Customer Care
  - Implementation of Citizen First and Customer Focus

### Key headlines from Council Plan:

- Bring low cost energy to all through the creation of our own not-for-profit energy company
- Use smart metering and remote control technology to help keep energy bills down
- Make the Council the most customer friendly in the country with even more ways to interact with the council than ever before

<b>Revenue Budget 2017/18: Energy &amp; Sustainability</b>				
	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>11.900</b>	<b>(0.455)</b>	<b>0.177</b>	<b>11.622</b>

## Leisure and Culture – Councillor David Trimble



### Focus of the Portfolio:

- Leisure and Culture:
  - Parks, allotments, open spaces and playgrounds
  - Street Parks (Play Zones)
  - 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
  - Tourism
  - Markets, fairs and toilets
  - Cemeteries and crematoriums

### Key headlines from Council Plan

- Help families get on in life by providing a good range of leisure activities, free and cheap events and excellent public services, as well as creating a development plan for the new Central Library
- Attract more visitors to our city, for example by investing in making Nottingham Castle a world-class visitor attraction
- Provide more opportunities for participation and excellence in disability sport

<b>Revenue Budget 2017/18: Leisure &amp; Culture</b>				
	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>9.700</b>	<b>(1.556)</b>	<b>(0.040)</b>	<b>8.104</b>

## Planning & Housing – Councillor Jane Urquhart



### Focus of the Portfolio:

- Planning
  - Planning policy and development management
  - Responsibilities as a Lead Local Flood Risk Authority
- Housing
  - Physical neighbourhood transformation and regeneration
  - Estate Management – Council and private estates
  - Private Housing and Private Rented Sector
  - Performance of 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 (tied in with above)
  - HiMOs

### Key headlines from Council Plan

- Enable Nottingham residents to have access to a high standard of accommodation, whether renting or buying
- Respond to the increasing pressure on the housing market by building a substantial number of high quality, new affordable homes
- Plan, encourage and develop the Waterside between Trent Bridge and Colwick Park for housing use

<b>Revenue Budget 2017/18: Planning &amp; Housing</b>				
	<b>Net Base Budget £m</b>	<b>Proposals £m</b>	<b>Reserve Adjustments £m</b>	<b>Net Budget £m</b>
<b>Total</b>	<b>1.935</b>	<b>(0.628)</b>	<b>(0.065)</b>	<b>1.242</b>



## MOVEMENT IN RESERVES 2017/18

## Appendix A

Description	Replenishment of Reserves £m	Use of Reserves £m	Total £m
Lawn Tennis Association - "Bubble" Contribution	0.008		0.008
Shopmobility	0.003	(0.018)	(0.015)
Street Lighting PFI		(0.193)	(0.193)
Castlebridge Retail Village	0.003		0.003
Ashgate Retail Park	0.014		0.014
Mercury Filtration Reserve	0.036		0.036
Southglade Food Park	0.035		0.035
Trans Reserve (No Recourse to Public Funds)		(0.029)	(0.029)
Flood Risk Management	0.082		0.082
Workplace Strategy Reserve		(0.070)	(0.070)
Carrington Townscape	0.033		0.033
HMO - Mandatory		(0.493)	(0.493)
Nottingham Growth Plan		(0.300)	(0.300)
Waste Disposal		(0.069)	(0.069)
Waste Disposal Steam		(0.069)	(0.069)
Castle Project Team Trans Funding		(0.057)	(0.057)
Traffic Maintenance		(0.050)	(0.050)
Royal Centre Maintenance	0.150	(0.188)	(0.038)
Jobs Fund		(0.700)	(0.700)
ESIF Youth Employment Initiative (YEI)		(0.160)	(0.160)
SALIX - Energy Savings Fund		(0.038)	(0.038)
Employer Hub Innovation Fund		(0.300)	(0.300)
Creative Quarter Loan Fund		(0.045)	(0.045)
Nottingham Investment Fund		(0.200)	(0.200)
Wireless Concession		(0.138)	(0.138)
Proceeds of Crime		(0.094)	(0.094)
BSF Revenue		(0.030)	(0.030)
NHS LIFT-Bulwell	0.559		0.559
NHS Local Imp Finance (LIFT)	0.226		0.226
<b>TOTAL</b>	<b>1.148</b>	<b>(3.241)</b>	<b>(2.093)</b>

## Adults & Health

## Appendix B.1

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Children & Adults	Adult Social Care	Brokerage for self-funding citizens	A number of citizens who are able to fully fund their social care support independently arrange provision with providers. This offer would allow self-funding citizens to approach Nottingham City Council for assistance and support with this brokerage task. Whilst all citizens are entitled to an assessment of need there would be a charge for this brokerage service	(0.007)	(0.014)	(0.014)
2	Children & Adults	Adult Social Care	Deputyship Function	Nottingham City Council is currently undertaking a review of the Deputyship Function. Resources are available within the external market to manage this which will secure savings contributing to the wider sustainability of services	0.000	0.000	(0.050)
3	Children & Adults	Adult Social Care	Stroke Association	Block payment to Stroke Association already ceased	(0.019)	(0.019)	(0.019)
Page 90	Children & Adults	Adult Social Care	Payments to voluntary provider	Reduction of payments to voluntary sector	0.000	(0.016)	(0.016)
	Children & Adults	Adult Social Care	Health Integration Mitigation	Savings used to mitigate health integration	0.026	0.048	0.098
6	Strategy & Resources	Communications & Marketing	Develop opportunities for trading services	Source new business potential/opportunities to generate an income	(0.050)	(0.050)	(0.050)
7	Strategy & Resources	Quality & Commissioning - Supporting People	Market Development Function	The Market Development Function is small, but important for developing enough provision to meet the needs of vulnerable people. Explore ways to resource the function through partnership work, alternative grants and income generation	0.000	(0.039)	(0.061)
8	Strategy & Resources	Strategy & Policy	Looking After Each Other (LAEO) Team	Explore ways to enable the small team that coordinate the LAEO programme (community support) and support to statutory partnerships to become self-funded by exploring a shared partnership approach	0.000	0.000	(0.081)
9	Strategy & Resources	Strategy & Policy	Analysis Team	Reduction of analytical capacity	(0.079)	(0.079)	(0.079)
10	Strategy & Resources	Strategy & Policy	Insight Team	Reduction of analytical capacity	(0.054)	(0.054)	(0.054)
					<b>(0.183)</b>	<b>(0.222)</b>	<b>(0.325)</b>

## Business, Growth & Transport

## Appendix B.2

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Development & Growth	Econ Dev Business Growth	Income from ducting concession commission	Additional income from ducting concession commission based on broadband sold to customers	(0.045)	(0.045)	(0.045)
2	Development & Growth	Econ Dev Business Growth	City centre management role	Funding from external sources to fund city centre management role	(0.020)	(0.020)	(0.020)
3	Development & Growth	Transport Strategy	Generation of funding	Increase bidding activity (target Smart City/Smarter Choices funding opportunities)/Convert min grade H post to project funding	(0.020)	(0.020)	(0.020)
4	Development & Growth	Public Transport	Centrelink and Medilink bus services	A £1 per trip fare to be introduced on these two services, but they will remain free for concessionary fares holders. Non-city concessionary residents using Medilink park and ride will also be charged	(0.090)	(0.090)	(0.090)
5	Development & Growth	Public Transport	Bus and coach operators using Nottingham's bus stations	increased charge to transport operators for use of improved interchange facilities	(0.040)	(0.040)	(0.040)
Page 91	Development & Growth	Public Transport	Bus operators using the City Council's information services	Increased charge to bus operators for improved electronic information systems	(0.050)	(0.050)	(0.050)
7	Development & Growth	Traffic Safety & Development	Extend access to professional services	To increase working with external parties and other Authorities to minimise costs of service provision through lower unit costs, increase skills and improve quality of service delivery	(0.030)	(0.030)	(0.030)
8	Development & Growth	Street Lighting	Street lighting contract	Savings generated through re-aligning the financial model underpinning the street lighting private finance initiative contract	(0.012)	(0.012)	(0.012)
9	Development & Growth	Street Lighting	Review of lighting stock following major works	Savings generated in the street lighting private finance initiative contract relating to a change in the inventory following a series of major highways works	(0.020)	(0.020)	(0.020)
10	Development & Growth	Tourism	Reduction in grant to Marketing Nottingham	Reduction in PMO funding as they secure other additional income consistent with the business plan	(0.025)	(0.025)	(0.025)
11	Development & Growth	Transport Strategy	Transport Planning	Delete vacant post	(0.036)	(0.036)	(0.036)
12	Development & Growth	Public Transport	Concessionary Fares scheme	Extended programme of anti-fraud measures on concessionary fares scheme	(0.040)	(0.040)	(0.040)
13	Development & Growth	Traffic Safety & Development	Network Management	Increase operational efficiency of providing a Nottingham Network Management service	(0.070)	(0.070)	(0.070)

14	Development & Growth	Traffic Safety & Development	Consumables	To achieve efficiency savings for maintenance of traffic equipment and consumables	(0.150)	(0.150)	(0.150)
15	Development & Growth	NET Project	NET	The saving in part relates to a budget to maintain three specific properties which are due to be disposed of, thereby ending the requirement. The other part of the saving relates to a slight amendment to a staffing structure	(0.014)	(0.014)	(0.014)
16	Development & Growth	Public Transport	Linkbus network	Operational savings from the Linkbus network due to expansion of electric charging network	(0.045)	(0.045)	(0.045)
17	Development & Growth	Public Transport	Easylink dial-a-ride service	A moderate reduction in Easylink services	(0.040)	(0.040)	(0.040)
18	Development & Growth	Public Transport	Linkbus network	Focus will be on redesign of tendered services to reduce overlap with other commercial bus and tram services and to make most use of external funding sources	(0.080)	(0.080)	(0.080)
19	Development & Growth	Public Transport	Concessionary fares	Reduced operator payments for concessionary fares due to network use changes	(0.150)	(0.150)	(0.150)
20	Development & Growth	Traffic Safety & Development	Consultancy costs	To reduce external consultancy support for Service Delivery	(0.120)	(0.120)	(0.120)
21	Commercial & Operations	Energy Services	Highways & Energy Infrastructure	Insourcing capital schemes, exploring new business models rather than delivery of the business plan	(0.400)	(0.400)	(0.400)
22	Commercial & Operations	Neighbourhood Services	Review of on street parking zones	Review on street parking zones (1-4) to ensure they cater for demand	(0.171)	(0.171)	(0.171)
23	Commercial & Operations	Neighbourhood Services	Review of on street parking tariffs	Review on street parking tariffs to ensure they remain fit for purpose	(0.090)	(0.090)	(0.090)
24	Commercial & Operations	Neighbourhood Services	Management and delivery of the councils on and off street parking service	Continued day to day management of the councils portfolio of parking assets to ensure they provide a high quality parking service	(0.150)	(0.150)	(0.150)
25	Commercial & Operations	Neighbourhood Services	Review of off street parking tariffs and offers	Annual review of the off street parking tariffs to ensure they remain fit for purpose	(0.065)	(0.065)	(0.065)
26	Commercial & Operations	Neighbourhood Services	Nottingham City Council fleet	Ongoing review of Nottingham City Council fleet utilisation, vehicle lifespan and productivity to identify service improvements	(0.150)	(0.150)	(0.150)
					<b>(2.123)</b>	<b>(2.123)</b>	<b>(2.123)</b>

## Community Services

## Appendix B.3

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Commercial & Operations	Neighbourhood Services	Facilities & Building Services	Insourcing construction activity	(0.300)	0.000	0.000
2	Commercial & Operations	Neighbourhood Services	Building Related Services	Further review of Traded Activities	(0.150)	(0.150)	(0.150)
3	Commercial & Operations	Neighbourhood Services	Increased Efficiencies and Income Generation	Deliver operational productivity efficiencies and expand the income generated from Nottingham City Homes, Nottingham BID and other agencies	(0.300)	(0.300)	(0.300)
4	Commercial & Operations	Neighbourhood Services	Increased Efficiencies and Income Generation	Deliver operational productivity efficiencies and expand the income generated from non-core activities	(0.100)	(0.100)	(0.100)
5	Commercial & Operations	Neighbourhood Services	Increased Efficiencies and Income Generation	Deliver operational productivity efficiencies and expand the income generated from specialist and contract cleaning services	(0.160)	(0.160)	(0.160)
6	Commercial & Operations	Neighbourhood Services	Continued Commercial Sales Growth	To continue the growth in commercial waste contracts and new confidential waste services, whilst maximising operating efficiencies	(0.300)	(0.300)	(0.300)
7	Commercial & Operations	Neighbourhood Services	Increase in Commercial Sales and Contracts	Provide school and specialist grounds maintenance services to an increased customer base, including Japanese Knotweed treatment	(0.040)	(0.040)	(0.040)
8	Commercial & Operations	Neighbourhood Services	Increase in number of Commercial Catering sites	To continue to expand the number of commercial catering sites, increase income from event and hospitality catering services	(0.110)	(0.110)	(0.110)
9	Commercial & Operations	Neighbourhood Services	To reduce expenditure and increase income and quality of the service to schools	To support schools in driving uptake of school meals whilst maximising service productivity and reducing expenditure	(0.400)	(0.400)	(0.400)
10	Commercial & Operations	Various	Overtime	Reduction in overtime	(0.150)	(0.150)	(0.150)
11	Commercial & Operations	Community Protection	Frontline security services	In-sourcing/diversifying frontline security services, and review building operating hours	(0.200)	(0.200)	(0.200)
12	Commercial & Operations	Neighbourhood Services	Contact Centre Proposal	Adoption of a 'One Council Approach', offering a consistent access to services, whilst maintaining individual and specialist service knowledge and commercial opportunities	(0.100)	(0.100)	(0.100)

13	Commercial & Operations	Neighbourhood Services	Recycling	In the main, recycling has now been implemented and rolled out across the city and the arrangements are now in place and embedded. As such there is now a greater need to focus resources on the front line and how residents present their recycling	(0.102)	(0.102)	(0.102)
14	Strategy & Resources	Crime & Drugs Partnership	Rent reduction	Remainder of Crime and Drugs Partnership Team will be re-located from the Galleries of Justice on 1st April 2018	0.000	(0.047)	(0.047)
15	Strategy & Resources	HROT	Corporate Leadership support	Review of the support provided to the Corporate Leadership Team and the Executive, to include systems and processes for better and efficient ways of working	(0.072)	(0.072)	(0.072)
					<b>(2.484)</b>	<b>(2.231)</b>	<b>(2.231)</b>

## Early Intervention & Early Years

## Appendix B.4

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Children & Adults	Children in Care	Edge of Care Programmes	Expansion of Edge of Care programmes and support for children in care that focus on supporting and enabling families to stay together. These successful programmes lead to less children coming into care and homes for those able to leave care	(0.605)	(0.505)	(0.505)
2	Children & Adults	Children in Care	Selling of occasional Specialist Internal Placements	Offering any spare capacity to other local authorities	(0.010)	(0.010)	(0.010)
3	Children & Adults	Youth Offending Team	Selling of Restorative Justice Training	Generating income through the expansion of external training delivered by the Restorative Justice Co-ordinator	(0.020)	(0.020)	(0.020)
4	Children & Adults	Early Help Services	Play & Youth	Removal of three vacant posts and creation of sessional workers	(0.063)	(0.063)	(0.063)
5	Children & Adults	Inclusion & Disability	Grant Income	Ensure recharges for infrastructure costs to grants are maximised	(0.103)	0.000	0.000
6	Children & Adults	Inclusion & Disability	Early Years review	Efficiencies through a revised model of service delivery of early years support	(0.085)	(0.055)	(0.055)
7	Children & Adults		Efficiencies in central infrastructure costs	Reduction in Children's Residential & Directorate Support training budget	(0.014)	(0.014)	(0.014)
8	Children & Adults	Child Protection	Family Support	Maximise grant funding for Family Support	(0.167)	(0.167)	(0.167)
9	Children & Adults	Early Help Services	Children's Centres	Re-design of the running of children's centres that are in close proximity of a joint service centre to reduce running costs. Some services from Bulwell Children's Centre to relocate into Riverside Joint Service Centre	(0.050)	(0.050)	(0.050)
10	Children & Adults	Children in Care	Internal Foster Carers	Invest to save project to recruit more Nottingham City Council foster carers	(0.123)	(0.365)	(0.365)
11	Children & Adults	Inclusion & Disability	Short Breaks	Alignment of Children's and Adults Direct Payment Rates	(0.040)	(0.040)	(0.040)
12	Children & Adults	Youth Offending Team	Youth Offending Team support	Review of staffing levels and removal of vacant post	(0.035)	(0.035)	(0.035)
13	Children & Adults	Youth Offending Team	Youth Crime Prevention	Review & reduce Youth Crime Prevention work by reducing the Targeted Youth Support in line with the reduction in National Funding Grants	(0.065)	(0.065)	(0.065)

14	Strategy & Resources	Strategy & Policy	DAISI traded service	Increase the income from the DAISI traded service with schools	(0.010)	(0.100)	(0.100)
15	Strategy & Resources	Strategy & Policy	Research engagement and consultation	Attract funding	(0.003)	(0.003)	(0.003)
16	Strategy & Resources	One Nottingham	One Nottingham	Reduction in annual running costs	(0.030)	(0.030)	(0.030)
17	Strategy & Resources	Commissioning and Procurement	0-5 health services	Contract rolled forward with in year savings	(0.208)	0.000	0.000
18	Strategy & Resources	Quality & Commissioning - Supporting People	Workforce Development Team	Source alternative grants and shared approaches to workforce development	(0.050)	(0.050)	(0.050)
19	Strategy & Resources	Quality & Commissioning - Supporting People	Family befriending service	Recommission family befriending service delivering savings in the contract	(0.030)	(0.030)	(0.030)
					<b>(1.710)</b>	<b>(1.601)</b>	<b>(1.601)</b>



## Education, Employment & Skills

## Appendix B.5

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Children & Adults	Inclusion & Disability	Special Education Needs services	Generating income through selling Special Education Needs services	0.000	(0.010)	(0.010)
2	Children & Adults	Education Partnerships	Technical Services	Generating income through selling of Technical Services	(0.033)	(0.033)	(0.033)
3	Children & Adults	Education Partnerships	Education Services Nottingham brokerage	Generating income through Education Services Nottingham brokerage	(0.050)	(0.050)	(0.050)
4	Children & Adults	Inclusion & Disability	Education Health & Care Plan	Completion of Education Health & Care Plan (EHP) and Special Education conversion from Special Education Needs statements to EHP	(0.014)	(0.021)	(0.021)
5	Children & Adults	Inclusion & Disability	Inclusion & Disability	Achieving efficiencies in Inclusion & Disability staffing team leading to the removal of a vacant post	(0.003)	(0.003)	(0.003)
6	Children & Adults	Education Partnerships	Schools Clothing Budget	Re-alignment of school clothing budget to match actual demand	(0.011)	(0.004)	(0.004)
Page 97	Development & Growth	Econ Dev Partner & Policy	Project posts	Core funding replaced by project-related external income	(0.110)	(0.110)	(0.110)
	Development & Growth	Econ Dev Partner & Policy	Nottingham Futures	Savings from efficiencies	(0.175)	(0.175)	(0.175)
9	Development & Growth	Econ Dev Partner & Policy	Reduction of running costs	Savings from efficiencies	(0.037)	(0.037)	(0.037)
					<b>(0.433)</b>	<b>(0.443)</b>	<b>(0.443)</b>

## Energy & Sustainability

## Appendix B.6

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Commercial & Operations	Energy Services	Household Waste Recycling Centres	Introduction of a charge for non-domestic usage of the Household Waste Recycling Centres	(0.080)	(0.080)	(0.080)
2	Commercial & Operations	Energy Services	Energy Development Fund	The Energy Development fund is utilised to fund capital investment programmes for Energy projects. It has been proposed that this level of this fund will be reduced	(0.300)	(0.300)	(0.300)
3	Strategy & Resources	HROT	Contact Centres	Merge contact centres for public services and call handling automation	(0.075)	(0.150)	(0.150)
					<b>(0.455)</b>	<b>(0.530)</b>	<b>(0.530)</b>

## Leisure & Culture

## Appendix B.7

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Commercial & Operations	Sport & Culture	Events	New commercial activates and growth	(0.060)	(0.060)	(0.060)
2	Commercial & Operations	Sport & Culture	Sport & Leisure - leisure centres	Review of fees and charges	(0.200)	(0.200)	(0.200)
3	Commercial & Operations	Sport & Culture	Museums and Heritage Sites	New commercial activities and growth at Wollaton Hall, Newstead Abbey and Nottingham Castle	(0.250)	(0.250)	(0.250)
4	Commercial & Operations	Sport & Culture	Theatre Royal/Concert Hall	Additional income	(0.200)	(0.200)	(0.200)
5	Commercial & Operations	Sport & Culture	Bereavement Services	Review of fees and charges	(0.150)	(0.150)	(0.150)
6	Commercial & Operations	Sport & Culture	Libraries	Review library operations , housebound service and new consortium approach for bookfund	(0.105)	(0.105)	(0.105)
7	Commercial & Operations	Sport & Culture	Parks & Open Spaces	Redesign grounds maintenance arrangements and new commercial activities	(0.400)	(0.400)	(0.400)
Page 99	Commercial & Operations	Sport & Culture	Parks & Open Spaces	Bulwell Hall Golf Course - review current management arrangements	(0.050)	(0.050)	(0.050)
	Commercial & Operations	Sport & Culture	Cultural Grants	Reduction in support to external groups	(0.076)	(0.076)	(0.076)
					<b>(1.491)</b>	<b>(1.491)</b>	<b>(1.491)</b>

## Planning & Housing

## Appendix B.8

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Development & Growth	Housing Dev (Regeneration)	Generation of income through charging for time on projects	Time spent on supporting projects can be charged on eligible projects to bring in the income	(0.060)	(0.060)	(0.060)
2	Development & Growth	Planning	Recharge for planning support and advice given on SRB schemes	There is already an annual recharge for all planning advice given on SRB projects - this is an increase in the breadth of support provided which has a compensatory charge	(0.005)	(0.005)	(0.005)
3	Development & Growth	Planning	Nominal increase in the amount charged for pre-application fees	Nominal increase in the amount charged for pre-application fees	(0.005)	(0.005)	(0.005)
4	Development & Growth	Planning	Service Level Agreement with Borough Councils	Planning advice and support package provided to neighbouring Councils	(0.035)	(0.035)	(0.035)
5	Development & Growth	Adaptations and PAD	Transfer of service to Nottingham City Homes	In transferring funding arrangements for this service to NCH, a saving has been made on the administration costs previously incurred by the Council. This does not affect the level of service	(0.048)	(0.048)	(0.048)
6	Development & Growth	Planning	Deletion of vacant post	Career progression within the team has freed up a more junior post which is no longer required	(0.015)	(0.015)	(0.015)
7	Development & Growth	Housing Strategy	Nottingham City Homes (NCH)	NCH Efficiencies and the Growth	(1.125)	(1.125)	(1.125)
8	Development & Growth	Housing Strategy	Shared services	Change in charges to Housing Revenue Account for shared services	(0.460)	(0.460)	(0.460)
					<b>(1.753)</b>	<b>(1.753)</b>	<b>(1.753)</b>

## Resources & Neighbourhood Regeneration

## Appendix B.9

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Strategy & Resources	Strategic Finance	Benefits	Increased recovery activity on Benefits overpayments	(0.058)	(0.058)	(0.058)
2	Strategy & Resources	Legal & Democratic	Legal Services	Additional income from commercial and legal work	(0.015)	(0.015)	(0.015)
3	Strategy & Resources	IT	IT training Services	Income generation - IT training Services	(0.050)	(0.050)	(0.050)
4	Strategy & Resources	IT	Printing Services	Income generation - Printing Services	(0.020)	(0.020)	(0.020)
5	Strategy & Resources	Legal & Democratic	Legal Services	Additional income from legal work	(0.020)	(0.020)	(0.020)
6	Strategy & Resources	Strategic Finance	Benefits	Increase subsidy from reduction in Local Authority error	(0.175)	(0.200)	(0.250)
7	Strategy & Resources	Strategic Finance	Strategic Finance	Review of contracts for subscriptions/ training and licences	(0.050)	(0.050)	(0.050)
Page 101	Strategy & Resources	Strategic Finance	Treasury Management	Activities to reduce the cost of borrowing	(0.205)	(0.250)	(0.355)
10	Strategy & Resources	Strategic Finance	Pupil Benefits	Efficiencies in the administration of Pupil Benefits	(0.015)	(0.015)	(0.015)
10	Strategy & Resources	Strategic Finance	Strategic Finance and Audit Services	Efficiencies from Joint working with other public sector bodies	(0.030)	(0.030)	(0.030)
11	Strategy & Resources	Strategic Finance	External contracts	Review of all contract terms for externally provided services	0.000	(0.055)	(0.111)
12	Strategy & Resources	Legal & Democratic	Councillors Allowances	Target for reduction in costs of Councillor Allowances	(0.125)	(0.125)	(0.125)
13	Strategy & Resources	Legal & Democratic	Legal Services post reduction	Deletion of 0.4 of the budget of a scale I post in Legal Services	(0.015)	(0.015)	(0.015)
14	Strategy & Resources	IT	IT contract management	Efficiencies in IT contract management	(0.060)	(0.120)	(0.120)
15	Strategy & Resources	Strategic Finance	Business Rates	Improvement in service delivery	(0.048)	(0.060)	(0.085)
16	Strategy & Resources	Legal & Democratic	Emergency Planning	Review of the management of Emergency Planning services	(0.020)	(0.020)	(0.020)
17	Strategy & Resources	Legal & Democratic	Constitutional Services	Deletion of 0.6 of the budget of a scale G post in Constitutional Services	(0.020)	(0.020)	(0.020)

18	Strategy & Resources	IT	IT Efficiency Fund	Reduction in contribution to IT Efficiency Fund - reprofiling of IT schemes	(0.600)	(0.600)	(0.600)
19	Strategy & Resources	IT	IT Server and Data Storage redesign	Virtualisation of server estate / Oracle migration to SQL	(0.018)	(0.058)	(0.058)
20	Strategy & Resources	IT	IT Services	Reduction of IT Business Partner and non-operational post	(0.100)	(0.120)	(0.120)
21	Development & Growth	Major Programmes	Additional income in lieu of Consultants fees	The service will reduce the use of consultants and bring more work into the team	(0.140)	(0.140)	(0.140)
22	Development & Growth	Information Governance	Offsite storage	Reduce the reliance and volume of material stored in a paper format by converting and managing information assets electronically	(0.030)	(0.030)	(0.030)
23	Development & Growth	Major Programmes	Maximising savings generated from previous year proposals	The Council negotiated a better than anticipated agreement with its street lighting contractor in relation to the street lighting dimming initiative in 2016	(0.040)	(0.040)	(0.040)
24	Development & Growth	Directorate	Support post	Reduction of part time vacant support post	(0.010)	(0.010)	(0.010)
25	Development & Growth	Directorate	Departmental running costs savings	Savings from efficiencies	(0.008)	(0.008)	(0.008)
26	Development & Growth	Information Governance	Software and data costs	Consolidate ICT solutions to reduce reliance on bespoke applications and considered open source and existing alternatives to support information management activities	(0.025)	(0.025)	(0.025)
					<b>(1.897)</b>	<b>(2.154)</b>	<b>(2.390)</b>

## Strategic Regeneration

## Appendix B.10

	Department	Service Area	Title of Proposal	Narrative	2017/18 £m	2018/19 £m	2019/20 £m
1	Commercial & Operations	Sport & Culture	Community Centres	Additional Improvement Plan implementation	(0.025)	(0.025)	(0.025)
2	Strategy & Resources	Strategy & Policy	Corporate Policy team	Review and rationalisation of Corporate Policy team.	(0.041)	(0.041)	(0.041)
3	Strategy & Resources	Voluntary Sector	Voluntary Sector	Voluntary Sector - release of unallocated infrastructure funding	(0.060)	(0.060)	(0.060)
4	Strategy & Resources	Voluntary Sector	Established Communities funding	Reduction in Established Communities funding	(0.011)	(0.011)	(0.011)
5	Strategy & Resources	Voluntary Sector	Communities of Interest funding	Specific reduction in funding for gender and sexual orientation services	(0.020)	(0.020)	(0.020)
6	Development & Growth	Various	Efficiencies from operational properties	Savings from efficiencies	(0.025)	(0.025)	(0.025)
					<b>(0.181)</b>	<b>(0.181)</b>	<b>(0.181)</b>

**APPENDIX C.1**

<b>MTFO 2017/18 BY PORTFOLIO</b>										
<b>PORTFOLIO</b>	<b>2016/17 BUDGET</b>	<b>TECH ADJUST</b>	<b>INFLATION</b>	<b>MTFP DECISIONS</b>	<b>PRESSURES</b>	<b>2017/18 BASE BUDGET</b>	<b>PORTFOLIO SAVINGS</b>	<b>CORP SAVING</b>	<b>RESERVE ADJUST</b>	<b>2017/18 FINAL BUDGET</b>
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adults & Health	89.897	3.000	1.151	7.646	4.181	105.875	(0.208)	0.000	0.099	105.766
Business, Growth & Transport	5.530	0.136	0.423	(0.801)	0.000	5.288	(2.124)	0.000	0.506	3.671
Community Services	22.160	0.378	0.367	(0.113)	0.000	22.792	(2.535)	0.000	0.586	20.844
Early Intervention & Early Years	54.969	0.000	0.602	1.583	2.214	59.368	(1.710)	0.000	0.000	57.658
Education, Employment & Skills	2.633	0.034	0.075	(0.077)	0.917	3.581	(0.816)	0.000	1.575	4.340
Energy & Sustainability	12.171	(0.436)	0.165	0.000	0.000	11.900	(0.455)	0.000	0.177	11.622
Leisure & Culture	9.522	(0.002)	0.180	0.000	0.000	9.700	(1.556)	0.000	(0.040)	8.104
Planning & Housing	2.168	(0.054)	0.033	(0.212)	0.000	1.935	(0.628)	0.000	(0.065)	1.242
Resources & Neighbourhood Regen	16.797	0.255	0.418	(0.292)	0.350	17.528	(1.061)	0.000	(0.785)	15.682
Strategic Regeneration	(3.786)	0.072	0.042	(2.150)	0.000	(5.822)	(0.091)	0.000	0.040	(5.873)
<b>Corporate</b>										
Planned Maintenance	3.453	0.000	0.000	0.000	0.000	3.453	0.000	0.000	0.000	3.453
Corporate / Cross-cutting Savings	(0.602)	0.000	0.000	(0.038)	0.000	(0.640)	0.000	0.000	0.000	(0.640)
Corporate Contingency	2.000	(0.200)	0.000	0.000	0.000	1.800	0.000	0.000	0.000	1.800
Terms & Conditions adjustment	0.448	(0.121)	3.543	0.000	0.000	3.870	0.000	0.000	0.000	3.870
Nottingham Express Transit	(18.165)	1.023	0.000	0.000	0.000	(17.142)	0.000	0.000	0.000	(17.142)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.000	0.090
Reserves - Budgeted	(2.967)	0.922	0.000	1.762	(1.999)	(2.282)	0.000	0.000	(2.093)	(4.375)
New Homes Bonus Grant	(5.429)	0.000	0.000	1.350	0.000	(4.079)	0.000	0.000	0.000	(4.079)
Econ Dev Investment	1.607	0.000	0.000	0.257	0.000	1.864	0.000	0.000	0.000	1.864
Returned NHB Top-slice	(0.201)	(0.016)	0.000	0.000	0.000	(0.217)	0.000	0.000	0.000	(0.217)
100% Retained Business Rates	0.172	(0.172)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Section 31 Grants	(2.455)	(0.543)	0.000	0.000	0.000	(2.998)	0.000	0.000	0.000	(2.998)
Pension Deficit	7.102	0.150	0.000	0.000	3.389	10.641	0.000	0.000	0.000	10.641



MTFO 2017/18 BY PORTFOLIO (continued)										
PORTFOLIO	2016/17 BUDGET	TECH ADJUST	INFLATION	MTFP DECISIONS	PRESSURES	2017/18 BASE BUDGET	PORTFOLIO SAVINGS	CORP SAVING	RESERVE ADJUST	2017/18 FINAL BUDGET
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Nottingham City Homes	(3.138)	0.000	0.000	(0.500)	0.000	(3.638)	(1.125)	0.000	0.000	(4.763)
NCT Dividend	(0.500)	(0.350)	0.000	0.000	0.000	(0.850)	0.000	0.000	0.000	(0.850)
Ice Centre	0.283	(0.283)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Treasury Management	47.919	(1.242)	0.000	0.401	0.000	47.078	(0.205)	0.000	0.000	46.873
IT Development Fund	3.275	0.000	0.000	0.000	0.000	3.275	(0.600)	0.000	0.000	2.675
Housing Benefit Payments	0.275	0.000	0.000	0.000	0.000	0.275	0.000	0.000	0.000	0.275
Enviroenergy	(1.349)	0.000	0.000	0.000	0.000	(1.349)	0.000	0.000	0.000	(1.349)
Improved Better Care Fund	0.000	(1.348)	0.000	0.000	0.000	(1.348)	0.000	0.000	0.000	(1.348)
2017/18 ASC Support Grant	0.000	(1.557)	0.000	0.000	0.000	(1.557)	0.000	0.000	0.000	(1.557)
Apprenticeship Levy	0.000	0.000	0.000	0.000	0.600	0.600	0.000	0.000	0.000	0.600
Future Savings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health Integration	0.000	(3.000)	0.000	(3.000)	0.000	(6.000)	0.026	(11.360)	0.000	(17.334)
<b>TOTAL</b>	<b>243.878</b>	<b>(3.353)</b>	<b>6.999</b>	<b>5.816</b>	<b>9.652</b>	<b>262.992</b>	<b>(13.088)</b>	<b>(11.360)</b>	<b>0.000</b>	<b>238.544</b>
Retained Business Rates, Top-up Grant & RSG										(138.077)
Collection Fund Surplus/Deficit										0.480
<b>Council Tax Requirement</b>										<b>100.947</b>
Agreed Taxbase										63,368
Band D Council Tax										£1,593.03
Increase										4.99%

**APPENDIX C.2**

<b>MTFO 2018/19 BY PORTFOLIO</b>										
<b>PORTFOLIO</b>	<b>2017/18 BUDGET</b>	<b>TECH ADJUST</b>	<b>INFLATION</b>	<b>MTFP DECISIONS</b>	<b>PRESSURES</b>	<b>2018/19 BASE BUDGET</b>	<b>PORTFOLIO SAVINGS</b>	<b>CORP SAVING</b>	<b>RESERVE ADJUST</b>	<b>2018/19 MTFO BUDGET</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Adults & Health	88.432	(0.099)	1.422	4.521	4.231	98.507	(0.062)	0.000	0.000	98.445
Business, Growth & Transport	3.671	(0.781)	0.606	0.000	0.000	3.495	0.000	0.000	0.000	3.495
Community Services	20.844	(0.586)	0.365	0.000	0.000	20.623	0.253	0.000	0.000	20.876
Early Intervention & Early Years	57.658	0.000	0.685	1.103	0.000	59.445	0.099	0.000	0.000	59.544
Education, Employment & Skills	4.340	(1.575)	0.069	0.000	0.107	2.941	0.000	0.000	0.000	2.941
Energy & Sustainability	11.622	(0.177)	0.168	0.000	0.000	11.613	(0.075)	0.000	0.000	11.538
Leisure & Culture	8.104	0.040	0.176	0.000	0.000	8.320	0.000	0.000	0.000	8.320
Planning & Housing	1.242	0.063	0.032	(0.030)	0.000	1.308	0.000	0.000	0.000	1.308
Resources & Neighbourhood Regen	15.682	0.785	0.387	0.000	0.000	16.854	(0.212)	0.000	0.000	16.642
Strategic Regeneration	(5.873)	(0.040)	0.049	(2.025)	0.000	(7.889)	0.000	0.000	0.000	(7.889)
Corporate										
Planned Maintenance	3.453	0.000	0.000	0.000	0.000	3.453	0.000	0.000	0.000	3.453
Corporate / Cross-cutting Savings	(0.640)	0.000	0.000	0.000	0.000	(0.640)	0.000	0.000	0.000	(0.640)
Corporate Contingency	1.800	0.000	0.000	0.000	0.000	1.800	0.000	0.000	0.000	1.800
Terms & Conditions adjustment	3.870	(0.329)	3.261	0.000	0.000	6.801	0.000	0.000	0.000	6.801
Nottingham Express Transit	(17.142)	(1.566)	0.000	0.000	0.000	(18.708)	0.000	0.000	0.000	(18.708)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.000	0.090
Reserves - Budgeted	(4.375)	2.725	0.000	2.438	1.999	2.787	0.000	0.000	0.000	2.787
New Homes Bonus Grant	(4.079)	0.000	0.000	1.803	0.000	(2.276)	0.000	0.000	0.000	(2.276)
Econ Dev Investment	1.864	0.000	0.000	(1.864)	0.000	0.000	0.000	0.000	0.000	0.000
Returned NHB Top-slice	(0.217)	0.217	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
100% Retained Business Rates	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Section 31 Grants	(2.998)	(0.096)	0.000	0.000	0.000	(3.095)	0.000	0.000	0.000	(3.095)
Pension Deficit	10.641	0.100	0.000	0.000	0.134	10.875	0.000	0.000	0.000	10.875

**APPENDIX C.2**

<b>MTFO 2018/19 BY PORTFOLIO (continued)</b>										
<b>PORTFOLIO</b>	<b>2017/18 BUDGET</b>	<b>TECH ADJUST</b>	<b>INFLATION</b>	<b>MTFP DECISIONS</b>	<b>PRESSURES</b>	<b>2018/19 BASE BUDGET</b>	<b>PORTFOLIO SAVINGS</b>	<b>CORP SAVING</b>	<b>RESERVE ADJUST</b>	<b>2018/19 MTFO BUDGET</b>
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Nottingham City Homes	(4.763)	0.000	0.000	0.000	0.000	(4.763)	0.000	0.000	0.000	(4.763)
NCT Dividend	(0.850)	0.350	0.000	0.000	0.000	(0.500)	0.000	0.000	0.000	(0.500)
Ice Centre	0.000	0.283	0.000	0.000	0.000	0.283	0.000	0.000	0.000	0.283
Treasury Management	46.873	1.853	0.000	0.342	0.000	49.068	(0.045)	0.000	0.000	49.023
IT Development Fund	2.675	0.000	0.000	0.000	0.000	2.675	0.000	0.000	0.000	2.675
Housing Benefit Payments	0.275	0.000	0.000	0.000	0.000	0.275	0.000	0.000	0.000	0.275
Enviroenergy	(1.349)	0.000	0.000	0.000	0.000	(1.349)	0.000	0.000	0.000	(1.349)
Improved Better Care Fund	(1.348)	(5.946)	0.000	0.000	0.000	(7.293)	0.000	0.000	0.000	(7.293)
2017/18 ASC Support Grant	(1.557)	1.557	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Apprenticeship Levy	0.600	0.000	0.000	0.000	0.000	0.600	0.000	0.000	0.000	0.600
Future Savings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(12.192)	0.000	(12.192)
Health Integration	0.000	0.000	0.000	(3.000)	0.000	(3.000)	0.023	(1.390)	0.000	(4.367)
<b>TOTAL</b>	<b>238.544</b>	<b>(3.221)</b>	<b>7.219</b>	<b>3.288</b>	<b>6.471</b>	<b>252.300</b>	<b>(0.019)</b>	<b>(13.582)</b>	<b>0.000</b>	<b>238.699</b>
Retained Business Rates, Top-up Grant & RSG										(131.584)
Collection Fund Surplus/Deficit										0.000
<b>Council Tax Requirement</b>										<b>107.115</b>
Assumed Taxbase										64,044
Assumed Band D Council Tax										£1,672.52
Increase										4.99%

**APPENDIX C.3**

<b>MTFO 2019/20 BY PORTFOLIO</b>										
<b>PORTFOLIO</b>	<b>2018/19 BUDGET</b>	<b>TECH ADJUST</b>	<b>INFLATION</b>	<b>MTFP DECISIONS</b>	<b>PRESSURES</b>	<b>2019/20 BASE BUDGET</b>	<b>PORTFOLIO SAVINGS</b>	<b>CORP SAVING</b>	<b>RESERVE ADJUST</b>	<b>2019/20 MTFO BUDGET</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Adults & Health	94.078	0.000	1.509	2.774	5.370	103.732	(0.153)	0.000	0.000	103.579
Business, Growth & Transport	3.495	(0.275)	0.663	0.000	0.000	3.883	0.000	0.000	0.000	3.883
Community Services	20.876	0.000	0.369	0.000	0.000	21.245	0.000	0.000	0.000	21.245
Early Intervention & Early Years	59.544	0.000	0.702	0.000	0.000	60.246	0.000	0.000	0.000	60.246
Education, Employment & Skills	2.941	0.000	0.069	0.000	0.117	3.128	0.000	0.000	0.000	3.128
Energy & Sustainability	11.538	0.000	0.170	0.000	0.000	11.708	0.000	0.000	0.000	11.708
Leisure & Culture	8.320	0.000	0.178	0.000	0.000	8.498	0.000	0.000	0.000	8.498
Planning & Housing	1.308	(0.001)	0.033	0.000	0.000	1.339	0.000	0.000	0.000	1.339
Resources & Neighbourhood Regen	16.642	0.000	0.393	0.200	0.000	17.235	(0.131)	0.000	0.000	17.104
Strategic Regeneration	(7.889)	0.000	0.049	(1.178)	0.000	(9.017)	0.000	0.000	0.000	(9.017)
<u>Corporate</u>										
Planned Maintenance	3.453	0.000	0.000	0.000	0.000	3.453	0.000	0.000	0.000	3.453
Corporate / Cross-cutting Savings	(0.640)	0.000	0.000	0.000	0.000	(0.640)	0.000	0.000	0.000	(0.640)
Corporate Contingency	1.800	0.000	0.000	0.000	0.000	1.800	0.000	0.000	0.000	1.800
Terms & Conditions adjustment	6.801	0.000	0.644	0.000	0.000	7.446	0.000	0.000	0.000	7.446
Nottingham Express Transit	(18.708)	0.048	0.000	0.000	0.000	(18.660)	0.000	0.000	0.000	(18.660)
Flood Defence Levy	0.090	0.000	0.000	0.000	0.000	0.090	0.000	0.000	0.000	0.090
Reserves - Budgeted	2.787	(1.919)	0.000	0.978	0.000	1.846	0.000	0.000	0.000	1.846
New Homes Bonus Grant	(2.276)	0.000	0.000	(0.009)	0.000	(2.285)	0.000	0.000	0.000	(2.285)
Econ Dev Investment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Returned NHB Top-slice	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
100% Retained Business Rates	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Section 31 Grants	(3.095)	(0.110)	0.000	0.000	0.000	(3.205)	0.000	0.000	0.000	(3.205)
Pension Deficit	10.875	0.000	0.000	0.000	0.240	11.115	0.000	0.000	0.000	11.115

**APPENDIX C.3**

<b>MTFO 2019/20 BY PORTFOLIO (continued)</b>										
<b>PORTFOLIO</b>	<b>2018/19 BUDGET</b>	<b>TECH ADJUST</b>	<b>INFLATION</b>	<b>MTFP DECISIONS</b>	<b>PRESSURES</b>	<b>2019/20 BASE BUDGET</b>	<b>PORTFOLIO SAVINGS</b>	<b>CORP SAVING</b>	<b>RESERVE ADJUST</b>	<b>2019/20 MTFO BUDGET</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Nottingham City Homes	(4.763)	0.000	0.000	0.000	0.000	(4.763)	0.000	0.000	0.000	(4.763)
NCT Dividend	(0.500)	0.000	0.000	0.000	0.000	(0.500)	0.000	0.000	0.000	(0.500)
Ice Centre	0.283	0.000	0.000	0.000	0.000	0.283	0.000	0.000	0.000	0.283
Treasury Management	49.023	0.000	0.000	0.000	0.000	49.023	(0.105)	0.000	0.000	48.918
IT Development Fund	2.675	0.000	0.000	0.000	0.000	2.675	0.000	0.000	0.000	2.675
Housing Benefit Payments	0.275	0.000	0.000	0.000	0.000	0.275	0.000	0.000	0.000	0.275
Enviroenergy	(1.349)	0.000	0.000	0.000	0.000	(1.349)	0.000	0.000	0.000	(1.349)
Improved Better Care Fund	(7.293)	(5.079)	0.000	0.000	0.000	(12.372)	0.000	0.000	0.000	(12.372)
2017/18 ASC Support Grant	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Apprenticeship Levy	0.600	0.000	0.000	0.000	0.000	0.600	0.000	0.000	0.000	0.600
Future Savings	(12.192)	0.000	0.000	0.000	0.000	(12.192)	0.000	(5.585)	0.000	(17.777)
Health Integration	0.000	0.000	0.000	0.000	0.000	0.000	0.050	(2.941)	0.000	(2.891)
<b>TOTAL</b>	<b>238.699</b>	<b>(7.336)</b>	<b>4.779</b>	<b>2.765</b>	<b>5.728</b>	<b>244.635</b>	<b>(0.339)</b>	<b>(8.526)</b>	<b>0.000</b>	<b>235.771</b>
Retained Business Rates, Top-up Grant & RSG										(125.371)
Collection Fund Surplus/Deficit										0.000
<b>Council Tax Requirement</b>										<b>110.399</b>
Assumed Taxbase										64,720
Assumed Band D Council Tax										£1,705.80
Increase										1.99%

**APPENDIX D**

**MTFP 2017/18**

**GENERAL FUND PORTFOLIO BUDGETS BY SUBJECTIVE HEADS**

<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>
Adults & Health	29.233	0.797	2.560	23.757	97.290	20.022	0.693	0.000	<b>174.352</b>
Business, Growth & Transport	10.764	1.482	(0.280)	23.149	13.393	0.000	0.095	0.289	<b>48.891</b>
Community Services	37.026	1.462	0.240	22.937	0.015	0.000	(0.011)	0.041	<b>61.710</b>
Early Intervention & Early Years	37.246	1.449	0.690	3.235	32.394	0.456	1.462	0.003	<b>76.934</b>
Education, Employment & Skills	7.171	0.286	0.049	135.890	10.159	0.193	0.007	(0.408)	<b>153.347</b>
Energy & Sustainability	0.684	5.797	0.003	6.565	0.000	0.000	0.000	0.226	<b>13.274</b>
Leisure & Culture	17.778	3.749	0.445	16.294	0.362	0.129	(0.157)	0.037	<b>38.637</b>
Planning & Housing	3.266	0.026	0.024	0.514	1.558	0.000	0.072	0.000	<b>5.460</b>
Resources & Neighbourhood Regen	17.827	1.611	0.086	13.319	5.343	0.000	(0.699)	(2.590)	<b>34.896</b>
Strategic Regeneration	4.987	3.630	0.049	3.276	0.133	0.000	0.000	0.016	<b>12.091</b>
Corporate Items	16.008	4.331	1.613	5.010	37.783	150.189	0.000	45.202	<b>260.137</b>
Health Integration	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
<b>TOTAL</b>	<b>181.990</b>	<b>24.619</b>	<b>5.479</b>	<b>253.945</b>	<b>198.430</b>	<b>170.989</b>	<b>1.462</b>	<b>42.815</b>	<b>879.728</b>

## MTFP 2017/18

### 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)
Adults & Health	(2.451)	(48.569)	(17.554)	0.000	(0.011)	<b>(68.585)</b>	<b>105.766</b>
Business, Growth & Transport	(3.989)	(0.685)	(39.735)	(0.500)	(0.312)	<b>(45.221)</b>	<b>3.671</b>
Community Services	0.000	(22.013)	(18.024)	0.000	(0.829)	<b>(40.866)</b>	<b>20.844</b>
Early Intervention & Early Years	(13.518)	(4.982)	(0.776)	0.000	0.000	<b>(19.276)</b>	<b>57.658</b>
Education, Employment & Skills	(142.927)	(4.898)	(0.972)	0.000	(0.208)	<b>(149.006)</b>	<b>4.340</b>
Energy & Sustainability	0.000	(0.390)	(1.262)	0.000	0.000	<b>(1.652)</b>	<b>11.622</b>
Leisure & Culture	(0.379)	(2.370)	(26.989)	0.000	(0.795)	<b>(30.533)</b>	<b>8.104</b>
Planning & Housing	(1.623)	(0.282)	(2.164)	0.000	(0.148)	<b>(4.217)</b>	<b>1.242</b>
Resources & Neighbourhood Regen	(5.338)	(6.500)	(6.201)	(0.041)	(1.135)	<b>(19.214)</b>	<b>15.682</b>
Strategic Regeneration	0.000	(2.161)	(15.802)	(0.001)	0.000	<b>(17.964)</b>	<b>(5.873)</b>
Corporate Items	(131.416)	(87.702)	(1.349)	(6.848)	0.000	<b>(227.314)</b>	<b>32.823</b>
Health Integration	0.000	(17.334)	0.000	0.000	0.000	<b>(17.334)</b>	<b>(17.334)</b>
<b>TOTAL</b>	<b>(301.641)</b>	<b>(197.887)</b>	<b>(130.828)</b>	<b>(7.390)</b>	<b>(3.438)</b>	<b>(641.184)</b>	<b>238.544</b>

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# ANNEX 3

## CAPITAL PROGRAMME

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A	Quarter 3 Approvals and Additions to the Capital Programme
B	Prudential Borrowing Schedule
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D	Capital Programme Detail

## Capital Programme

### 1. Introduction

**Annex 3** introduces the draft capital programme, incorporating the capital budget for 2017/18 – 2021/22. 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 **£800.226m**, from 2016/17 to 2021/22, enabling substantial regeneration in and around the City and allowing the Council to deliver the capital requirements that have arisen from 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:

- Transport Schemes – 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.

#### Schemes in Development

These projects are currently being developed and are in the early stages of their project lifecycle. 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 c26,200 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 **£800.226m** between the General Fund and the Housing Revenue Account. **Appendix D** sets out the details.

Programme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	TOTAL £m
General Fund	175.889	66.827	48.450	33.792	18.133	10.185	<b>353.276</b>
Schemes in Development	2.955	81.163	84.842	16.391	0.000	0.000	<b>185.351</b>
<b>Total General Fund</b>	<b>178.844</b>	<b>147.990</b>	<b>133.292</b>	<b>50.183</b>	<b>18.133</b>	<b>10.185</b>	<b>538.627</b>
Public Sector Housing	57.868	61.101	40.962	33.050	33.477	35.141	<b>261.599</b>
<b>TOTAL PROGRAMME</b>	<b>236.712</b>	<b>209.091</b>	<b>174.254</b>	<b>83.233</b>	<b>51.610</b>	<b>45.326</b>	<b>800.226</b>

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

Programme	Capital Budget	Resources b/fwd	Prudential Borrowing	Grants & Cont's	Internal Funds	Major Repair Allowance	Capital Receipts	Total Funding
Total General Fund	538.627	0.000	(335.123)	(152.618)	(23.822)	0.000	(29.042)	<b>(540.605)</b>
Public Sector Housing	261.599	(50.110)	(24.350)	(7.259)	(10.123)	(162.381)	(7.377)	<b>(261.599)</b>
<b>Total</b>	<b>800.226</b>	<b>(50.110)</b>	<b>(359.473)</b>	<b>(159.877)</b>	<b>(33.945)</b>	<b>(162.381)</b>	<b>(36.419)</b>	<b>(802.205)</b>
General Fund & Schemes in Development Programme (Surplus) / Deficit								(1.978)
Public Sector Housing Programme (Surplus) / Deficit								0.000

### 3. General Fund Capital Programme

**Table 2** shows the revisions to the General Fund approved capital programme since Quarter 2 (presented at Executive Board in December 2016).

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	TOTAL £m
<b>Qtr 2 Projections</b>	<b>139.728</b>	<b>58.201</b>	<b>40.672</b>	<b>24.73</b>	<b>8.677</b>	<b>0.000</b>	<b>272.008</b>
Additions	43.125	8.008	9.175	5.569	10.216	9.985	<b>86.078</b>
Slippage /Reprofile / Other	(6.964)	0.618	(1.397)	3.493	(0.760)	0.200	<b>(4.810)</b>
<b>Qtr 3 Projections</b>	<b>175.889</b>	<b>66.827</b>	<b>48.450</b>	<b>33.792</b>	<b>18.133</b>	<b>10.185</b>	<b>353.276</b>

The updated projected programme totals **£353.276m**. Details of approved additions to the programme, of £88.248m, are shown in **Appendix A**. These include **£41.848m** for investment property acquisitions, **£19.600m** for the Skill Hub project and **£6.000m** for Nottingham Enterprise Zone.

A summary of the Transport proposals are highlighted in section 6, with the detail included in the Local Transport Plan at **Appendix C** (The refreshed LTP programme is detailed in **Appendix C** and changes in Public Sector Housing are detailed in **Appendix 4**).

In addition approval is requested for the expansion of rolling schemes for Eastcroft CAPEX, Vehicle Replacement Programme, Disabled Facility Grants, the District Heating Pipe Network and Area Capital Fund as detailed below and in Table 3.

- **Eastcroft Capex**  
Extension of the Capital works required to maintain the Eastcroft Incinerator, which is a contractual commitment for the Council.
- **Vehicle Replacement Programme**  
The Council operate a fleet of c540 vehicles which are to be replaced on a rolling basis in order to maintain an efficient and effective fleet and service. The annual programme is **£3.500m** and is funded from prudential borrowing. The revenue costs of repayments are met within the service.
- **Disabled Facilities Grant (DFG)**  
DFG's are a means tested mandatory grant, delivered through an integrated service by Occupational Therapy and the Adaptations & Renewal Agency. They are the principal method of financing adaptations for vulnerable disabled people in the private sector i.e. owner occupiers, tenants of housing associations and tenants of private landlords. The DFG approval is based on the DFG grant received in 2016/17 and an assumption has been made that the grant will remain at a consistent level any reduction in grant will mean a subsequent reduction in capital approval. Therefore no further Council funding is to be allocated to the DFG.
- **Integrated Community Equipment Services**  
The Integrated Community Equipment Services provide care equipment in the community and is an ongoing commitment for the Council, this capital scheme does not attract any capital grant and therefore is to be funded by reallocating a proportion of the DFG Grant.
- **District Heating Network**  
The City has a contractual obligation to maintain its assets to a satisfactory standard and in order to do so an effective asset management strategy has been developed with the introduction of quality survey data combined with operational expertise and local knowledge. The end result is targeted maintenance in order that spend is best placed in order to minimise service failure and disruption to our domestic and commercial customers. The initial expenditure will be funded through prudential borrowing and recovered from Enviroenergy through charges made to the company under established SLA arrangements.

- **Area Capital Fund**

A continuation of the Council's contribution to Area Based Capital Plans, further supported through aligned funding contained within the LTP and public sector housing programmes.

<b>TABLE:3 APPROVAL OF ROLLING SCHEMES</b>							
<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/ 22 £m</b>	<b>Total £m</b>
<b>Eastcroft Incinerator</b>							
Fully Approved Position	3.197	1.021	1.113	3.931	1.363	0.000	<b>10.625</b>
Approval Required	0.000	(0.359)	0.806	(2.164)	0.439	2.116	<b>0.838</b>
<b>Latest Position Quarter 3</b>	<b>3.197</b>	<b>0.662</b>	<b>1.919</b>	<b>1.767</b>	<b>1.802</b>	<b>2.116</b>	<b>11.463</b>
<b>Vehicle Replacement</b>							
Fully Approved Position	3.500	3.500	3.500	3.500	3.500	0.000	<b>17.500</b>
Approval Required	(0.062)	0.000	0.000	0.000	0.000	3.500	<b>3.438</b>
<b>Latest Position Quarter 3</b>	<b>3.438</b>	<b>3.500</b>	<b>3.500</b>	<b>3.500</b>	<b>3.500</b>	<b>3.500</b>	<b>20.938</b>
<b>Disabled Facilities Grant</b>							
Fully Approved Position	2.236	2.000	1.806	1.200	1.200	0.000	<b>8.442</b>
Approval Required	(0.347)	(0.447)	(0.253)	0.353	0.353	1.553	<b>1.212</b>
<b>Latest Position Quarter 3</b>	<b>1.889</b>	<b>1.553</b>	<b>1.553</b>	<b>1.553</b>	<b>1.553</b>	<b>1.553</b>	<b>9.654</b>
<b>Integrated Community Equipment Services</b>							
Fully Approved Position	0.336	0.000	0.000	0.000	0.000	0.000	<b>0.336</b>
Approval Required	(0.084)	0.336	0.336	0.336	0.336	0.336	<b>1.596</b>
<b>Latest Position Quarter 3</b>	<b>0.252</b>	<b>0.336</b>	<b>0.336</b>	<b>0.336</b>	<b>0.336</b>	<b>0.336</b>	<b>1.932</b>
<b>District Heating Network</b>							
Fully Approved Position	2.831	0.986	0.886	0.886	0.242	0.000	<b>5.341</b>
Approval Required	0.982	2.154	1.644	1.044	1.488	1.730	<b>9.042</b>
<b>Latest Position Quarter 3</b>	<b>3.813</b>	<b>3.140</b>	<b>2.530</b>	<b>1.930</b>	<b>1.730</b>	<b>1.730</b>	<b>14.383</b>
<b>Area Capital Fund</b>							
Fully Approved Position	2.189	0.750	0.750	0.750	0.750	0.000	<b>5.341</b>
Approval Required	(0.189)	0.000	0.000	0.000	0.000	0.750	<b>0.561</b>
<b>Latest Position Quarter 3</b>	<b>2.000</b>	<b>0.750</b>	<b>0.750</b>	<b>0.750</b>	<b>0.750</b>	<b>0.750</b>	<b>5.902</b>

## Revised Capital Programme 2016/17 – 2021/22

**Table 4** presents the revised General Fund element of the capital programme, by portfolio after amending for the revisions stated above in **table 2 and 3**. The detailed capital programme is attached at Appendix D.

<b>TABLE 4 : GENERAL FUND CAPITAL PROGRAMME</b>							
<b>PORTFOLIO</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</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>
Transport Schemes	20.368	25.341	9.858	5.434	0.000	0.000	<b>61.001</b>
Education / Schools	18.223	5.477	0.000	0.000	0.000	0.000	<b>23.700</b>
Other Services	137.298	36.009	38.592	28.358	18.133	10.185	<b>268.575</b>
<b>Total Approved Programme</b>	<b>175.889</b>	<b>66.827</b>	<b>48.450</b>	<b>33.792</b>	<b>18.133</b>	<b>10.185</b>	<b>353.276</b>
<b>Schemes in Development</b>							
Regeneration	0.000	7.813	23.742	16.391	0.000	0.000	<b>47.946</b>
Commercial	0.350	65.300	58.500	0.000	0.000	0.000	<b>124.150</b>
Statutory Responsibility	0.005	4.350	2.000	0.000	0.000	0.000	<b>6.355</b>
Health & Safety	2.400	3.700	0.600	0.000	0.000	0.000	<b>6.700</b>
Community Provision	0.200	0.000	0.000	0.000	0.000	0.000	<b>0.200</b>
<b>Total Schemes in Development</b>	<b>2.955</b>	<b>81.163</b>	<b>84.842</b>	<b>16.391</b>	<b>0.000</b>	<b>0.000</b>	<b>185.351</b>
<b>Total Programme</b>	<b>178.844</b>	<b>147.990</b>	<b>133.292</b>	<b>50.183</b>	<b>18.133</b>	<b>10.185</b>	<b>538.627</b>

## 4. Sources of Programme Funding

The funding of the capital programme is delivered from a diverse range of sources 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 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 4a** below gives a breakdown of how the overall capital programme is currently funded.

<b>TABLE 4a: GENERAL FUND CAPITAL PROGRAMME RESOURCES</b>							
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</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>Fully Approved Programme</b>							
Prudential Borrowing	101.300	11.535	20.617	11.997	15.782	8.096	169.327
Grants & Contribution	54.930	40.536	24.814	14.405	1.889	1.889	138.463
Internal Funds / Revenue	14.626	2.173	1.176	0.247	0.000	0.200	18.422
Capital Receipts	5.102	13.478	2.962	6.750	0.750	0.000	29.042
<b>Total</b>	<b>175.958</b>	<b>67.722</b>	<b>49.569</b>	<b>33.399</b>	<b>18.421</b>	<b>10.185</b>	<b>355.254</b>
<b>Schemes in Development</b>							
Prudential Borrowing	0.000	71.863	78.133	15.800	0.000	0.000	165.796
Grants & Contribution	1.555	7.900	4.109	0.591	0.000	0.000	14.155
Internal Funds / Revenue	1.400	1.400	2.600	0.000	0.000	0.000	5.400
Capital Receipts	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total</b>	<b>2.955</b>	<b>81.163</b>	<b>84.842</b>	<b>16.391</b>	<b>0.000</b>	<b>0.000</b>	<b>185.351</b>
<b>TOTAL RESOURCES</b>	<b>178.913</b>	<b>148.885</b>	<b>134.411</b>	<b>49.790</b>	<b>18.421</b>	<b>10.185</b>	<b>540.605</b>
<b>Cumulative (Surplus) / Shortfall (Table 4 – Table 4a)</b>	<b>(0.069)</b>	<b>(0.895)</b>	<b>(1.119)</b>	<b>0.393</b>	<b>(0.288)</b>	<b>0.000</b>	<b>(1.978)</b>

62.2% of the value of capital schemes is proposed to be funded by prudential borrowing. 28.3% of projects are funded by external grants and contributions, with 5.4% being funded by capital receipts. **Appendix B** lists the schemes that are being funded by Prudential Borrowing.

The above table shows a surplus of **£1.978m**, which represents 0.4% of the total programme and is to be used as a contingency. The proposed programme is predicted on a number of projects in development, the costs of these projects are estimated and are subject to change, therefore the programme will change as projects progress and costs become more accurate.

## 5. New and Emerging Projects

As capital projects emerge throughout 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 dependent 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. All new and emerging capital schemes will be subject to the principles set out in **section 8** of this report.

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 as the minimum requirement.

In addition to the above it has been recognised that although commercial schemes are expected to make future returns on investment, some business cases demonstrate cash flow shortfalls in the early years. These shortfalls need to be taken into consideration in the wider context of available resources and funding to cover these shortfalls will need to be identified and approved prior to the commencement of projects. It is therefore, recommended that a new principle be adopted and approved as follows:

- All future schemes will need to address the consequences of cash flow shortfalls in the early years, and available funding must be identified and approved prior to the commencement of projects.

A provision has been established for contractual commitments which give rise to a cash flow shortfall of **£8.213m** over the next five years. Funding to cover this has been identified and has been included in the Medium Term Financial Plan.

## 6. Transport Schemes

The Transport Schemes are a significant component of the capital programme. The transport scheme programme comprises of Local Transportation Schemes and highways capital maintenance. Local Transport Plan (LTP) funding is also used to lever in significant additional external resources. The proposed new schemes total **£6.968m**.

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.

**Table 5** 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 **£1.747m**. 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 5 : TRANSPORT SCHEMES MOVEMENT</b>							
<b>Description</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>Total £m</b>
<b>Transport Schemes as Reported at Quarter 2</b>	<b>17.576</b>	<b>23.458</b>	<b>16.053</b>	<b>2.167</b>	<b>0.000</b>	<b>0.000</b>	<b>59.254</b>
Additions (New Schemes)	0.800	6.168	0.000	0.000	0.000	0.000	<b>6.968</b>
Re-profile schemes / Other	1.992	(4.285)	(6.195)	3.267	0.000	0.000	<b>(5.221)</b>
<b>Proposed Transport Schemes</b>	<b>20.368</b>	<b>25.341</b>	<b>9.858</b>	<b>5.434</b>	<b>0.000</b>	<b>0.000</b>	<b>61.001</b>

The additions in the proposed programme are funded by various grants available to the Council.

## 7. 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 Nottingham City Homes (NCH) manages the stock under a management agreement, the Council retains ownership and Government funding for the Decent Homes Programme is awarded to the Council. Allocation of these funds to individual schemes is agreed between the Council and NCH. **Table 6** shows investment to 2021/22 of **£261.599m**. The programme overall is balanced.

<b>TABLE 6: PUBLIC SECTOR HOUSING - CAPITAL PROGRAMME AND RESOURCES</b>							
<b>PORTFOLIO</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>Total £m</b>
<b>Public Sector Housing Programme</b>	<b>57.868</b>	<b>61.101</b>	<b>40.962</b>	<b>33.050</b>	<b>33.477</b>	<b>35.141</b>	<b>261.599</b>
<b>Resources Available</b>							
Resources b/fwd	50.110						50.110
Prudential Borrowing	0.000	0.000	4.296	7.174	5.408	7.472	24.350
Grants & Contribution	2.640	3.272	1.047	0.301	0.000	0.000	7.259
Major Repairs Allowance	27.078	27.329	27.260	27.066	26.903	26.745	162.381
Internal Funds / Revenue	5.528	3.717	0.877	0.000	0.000	0.000	10.123
Capital Receipts	1.265	3.604	1.908	0.200	0.200	0.200	7.377
<b>Total Resources</b>	<b>86.621</b>	<b>37.922</b>	<b>35.388</b>	<b>34.741</b>	<b>32.511</b>	<b>34.417</b>	<b>261.599</b>
<b>Future Commitment to Maintaining Decency</b>							<b>0.000</b>
<b>Cumulative (Surplus)/Shortfall</b>	<b>(28.753)</b>	<b>(5.574)</b>	<b>0.000</b>	<b>(1.690)</b>	<b>(0.724)</b>	<b>0.000</b>	<b>0.000</b>

## 8. 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 significant 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£0.492m 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;
- all future schemes will need to address the consequences of cash flow shortfalls in the early years, and available funding must be identified and approved prior to the commencement of projects;
- 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**

**GENERAL FUND CAPITAL PROGRAMME QUARTER 3 APPROVALS**

<b>Transport Schemes</b>							
<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>Total £m</b>
Nottingham Enterprise Zone	0.800	5.200	0.000	0.000	0.000	0.000	<b>6.000</b>
National Productivity Investment Fund	0.000	0.968	0.000	0.000	0.000	0.000	<b>0.968</b>
<b>TOTAL - Transport Schemes</b>	<b>0.800</b>	<b>6.168</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.968</b>

<b>Children's Services - Schools</b>							
<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>Total £m</b>
Fencing and Main Entrance at Springfield Primary School	0.070	0.000	0.000	0.000	0.000	0.000	<b>0.070</b>
<b>TOTAL - Children's Services - Schools</b>	<b>0.070</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.070</b>

<b>Other Services</b>							
<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>Total £m</b>
<b>Adults Health &amp; Community Sector</b>							
Integrated Community Equipment Services	(0.084)	0.336	0.336	0.336	0.336	0.336	<b>1.596</b>
<b>Community Services</b>							
Area Capital Fund	(0.189)	0.000	0.000	0.000	0.000	0.750	<b>0.561</b>
<b>Energy &amp; Sustainability</b>							
Eastcroft Combined Heat & Power Plant Works	0.000	(0.359)	0.806	(2.164)	0.439	2.116	<b>0.838</b>
District Heating - Replacement of Network	0.982	2.154	1.644	1.044	1.488	1.730	<b>9.042</b>
<b>Jobs &amp; Growth</b>							
Vehicle Acquisitions	(0.062)	0.000	0.000	0.000	0.000	3.500	<b>3.438</b>
<b>Leisure and Culture</b>							
Victoria Embankment Memorial Garden	0.000	0.061	0.000	0.000	0.000	0.000	<b>0.061</b>
Whitemoor Nature Reserve	0.000	0.030	0.000	0.000	0.000	0.000	<b>0.030</b>
Stockhill Park	0.000	0.030	0.000	0.000	0.000	0.000	<b>0.030</b>
Whitemoor & Bagthorpe Allotments	0.000	0.030	0.000	0.000	0.000	0.000	<b>0.030</b>
Stockhill Circus Allotments	0.000	0.005	0.000	0.000	0.000	0.000	<b>0.005</b>
<b>Planning and Housing</b>							
Affordable Housing Delivery at Church Square	0.123	0.000	0.000	0.000	0.000	0.000	<b>0.123</b>

<b>Other Services Continued</b>							
<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>Total £m</b>
Disabled Facilities Grants	(0.347)	(0.447)	(0.253)	0.353	0.353	1.553	<b>1.212</b>
<b>Resources &amp; Neighbourhood Regeneration</b>							
Property Aq - Project Duke	14.449	0.000	0.000	0.000	0.000	0.000	<b>14.449</b>
Property Aq - Project Highland	11.106	0.000	0.000	0.000	0.000	0.000	<b>11.106</b>
Property Aq - Project Albert	10.088	0.000	0.000	0.000	0.000	0.000	<b>10.088</b>
Property Aq - Project Boot	5.563	0.000	0.000	0.000	0.000	0.000	<b>5.563</b>
Angel Row Project	0.000	0.000	0.642	0.000	0.000	0.000	<b>0.642</b>
<b>Strategic Regeneration &amp; Development</b>							
Skills Hub - College Loan & Land Swap	0.000	0.000	6.000	6.000	7.600	0.000	<b>19.600</b>
58 Carlton Road Refurbishment	0.360	0.000	0.000	0.000	0.000	0.000	<b>0.360</b>
City Centre - Enabling Works	0.166	0.000	0.000	0.000	0.000	0.000	<b>0.166</b>
Bulwell Market Place Refurbishment	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>
<b>TOTAL - Other Services</b>	<b>42.255</b>	<b>1.840</b>	<b>9.175</b>	<b>5.569</b>	<b>10.216</b>	<b>9.985</b>	<b>79.040</b>
<b>TOTAL ADDITONS</b>	<b>43.125</b>	<b>8.008</b>	<b>9.875</b>	<b>7.039</b>	<b>10.216</b>	<b>9.985</b>	<b>88.248</b>

## APPENDIX B

## GENERAL FUND PRUDENTIAL BORROWING SCHEDULE

Transport Schemes - Prudential Borrowing Schedule							
Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Midland Station RQP	0.303	0.000	0.000	0.000	0.000	0.000	0.303
Creative Quarter - Connecting Eastside	0.108	2.039	3.000	0.000	0.000	0.000	5.147
<b>TOTAL - Transport</b>	<b>0.411</b>	<b>2.039</b>	<b>3.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>5.450</b>

Other Services - Prudential Borrowing Schedule							
Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
<b>Adults Health &amp; Community Sector</b>							
Imps to Community and Cultural Facilities	0.302	0.000	0.000	0.000	0.000	0.000	0.302
Laura Chambers Lodge Refurbishment	0.200	2.287	0.000	0.000	0.000	0.000	2.487
<b>Leisure &amp; Culture</b>							
Concert Hall Seats / Theatre FOH Lift	0.096	0.000	0.000	0.000	0.000	0.000	0.096
Horticultural Retail Units	0.005	0.000	0.000	0.000	0.000	0.000	0.005
Car Parking Meters at Major Parks	0.025	0.000	0.000	0.000	0.000	0.000	0.025
Wollaton Hall Stable Block - Seasonal Café	0.000	0.040	0.000	0.000	0.000	0.000	0.040
Nottingham Caves - Audio / Visual Equipment	0.000	0.070	0.000	0.000	0.000	0.000	0.070
Wollaton Hall / Castle - Retail Outlets Imps	0.000	0.045	0.000	0.000	0.000	0.000	0.045
Wollaton Hall Stable Block - 2 New Retail Units	0.000	0.045	0.000	0.000	0.000	0.000	0.045
Newstead Abbey - Vision for the Future	0.000	0.070	0.000	0.000	0.000	0.000	0.070
New Burial System at Wilford Hill	0.112	0.000	0.000	0.000	0.000	0.000	0.112
Royal Centre Transformation Project	0.000	2.494	0.070	0.000	0.000	0.000	2.564
Victoria Leisure Centre Scheme	0.023	0.000	0.000	0.000	0.000	0.000	0.023
Invest to Grow - Southglade Leisure Centre	0.407	0.000	0.000	0.000	0.000	0.000	0.407
<b>Jobs &amp; Growth</b>							
NET Lines 2/3 - Land Acquisitions	1.710	1.710	0.859	0.000	0.000	0.000	4.279
NET Lines 2/3 - Quantative Risk Assessment	2.440	2.440	1.206	0.000	0.000	0.000	6.086
Vehicle Acquisitions etc	3.438	3.500	3.500	3.500	3.500	3.500	20.938
Replacement of Pay on Foot Equipment	0.002	0.000	0.000	0.000	0.000	0.000	0.002

<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>Total £m</b>
Debt Management System - Traffic Enforcement	0.000	0.200	0.000	0.000	0.000	0.000	<b>0.200</b>
Energy & Sustainability Eastcroft Combined Heat & Power Plant Works	3.197	0.662	1.919	1.767	1.802	2.116	<b>11.463</b>
Enviro Energy District Heating Pipes - Canal St	0.185	0.000	0.000	0.000	0.000	0.000	<b>0.185</b>
Solar Panels - Queens Drive Park & Ride Site	0.000	0.464	0.464	0.000	0.000	0.000	<b>0.928</b>
Solar Panels - Colwick Park & Ride Site	0.000	0.618	0.618	0.000	0.000	0.000	<b>1.236</b>
District Heating - Replacement of Network	3.813	3.140	2.530	1.930	1.730	1.730	<b>14.873</b>
<b>Strategic Regeneration &amp; Development</b>							
Unlocking Loxley House Exchange Bldgs	0.022	0.000	0.000	0.000	0.000	0.000	<b>0.022</b>
Refurbishment Design Acquisition Castlebridge Road offices	0.364	0.000	0.000	0.000	0.000	0.000	<b>0.364</b>
0.059	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.059</b>
Broad Marsh - Compensation to tenants	0.039	0.000	0.000	0.000	0.000	0.000	<b>0.039</b>
City Centre - Design Works	2.550	0.500	0.000	0.000	0.000	0.000	<b>3.050</b>
Expansion of Bio City	13.927	0.000	0.000	0.000	0.000	0.000	<b>13.927</b>
Refurbish 105 Carlton Road	0.004	0.000	0.000	0.000	0.000	0.000	<b>0.004</b>
Skills Hub - College Loan & Land Swap	0.000	0.000	6.000	6.000	6.000	0.000	<b>18.000</b>
City Centre - Enabling Works [DDM2695]	0.166	0.000	0.000	0.000	0.000	0.000	<b>0.166</b>
<b>Community Services</b>							
Area Based Capital Investment Plans	2.000	0.750	0.750	0.750	0.750	0.750	<b>5.750</b>
<b>Resources &amp; Neighbourhood Regeneration</b>							
Radford Flats - Loan to Nottingham City Homes	5.200	0.000	0.000	0.000	0.000	0.000	<b>5.200</b>
Joint Service Centre - St Anns	0.000	0.000	0.040	0.050	0.600	0.000	<b>0.690</b>
Re-Investment of Capital Receipt	4.388	(9.539)	(0.339)	(2.000)	1.400	0.000	<b>(6.090)</b>
Investment Property Acquisitions	56.215	0.000	0.000	0.000	0.000	0.000	<b>56.215</b>
<b>TOTAL - Other Services</b>	<b>100.889</b>	<b>9.496</b>	<b>17.617</b>	<b>11.997</b>	<b>15.782</b>	<b>8.096</b>	<b>163.877</b>
<b>TOTAL</b>	<b>101.300</b>	<b>11.535</b>	<b>20.617</b>	<b>11.997</b>	<b>15.782</b>	<b>8.096</b>	<b>169.327</b>

## 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 2017 to March 2020.

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 to 2017/18 is confirmed, with funding for the following three years subject to a mid-term review. Inclusion of a Maintenance Incentive fund element has resulted in a separate stream of funding dependent on maintenance performance.

In the November 2016 Budget statement, the Chancellor announced that additional funding would be provided to support infrastructure, including transport. The additional funding for local transport and roads would be provided through a competitive bidding process, with details to be announced in due course.

### Total Transport Programme

**Table 1** shows the total summary transport programme for 2017/18 – 2019/20 of **£40.633m** when added to the current 2016/17 programme is shows a total LTP programme of **£61.001m** the full details of which are shown in **Section 3**.

<b>Programme</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>	<b>Funding Source</b>
<b>Local Transport Programme</b>	<b>6.612</b>	<b>5.283</b>	<b>5.209</b>	<b>17.104</b>	<b>LTP- Grant</b>
<b>Other Transport Schemes</b>					
Turning Point South (Broadmarsh)	2.800	0.000	0.000	2.800	Local Growth Fund
Nottm Enterprise Zone	5.200	0.000	0.000	5.200	Local Growth Fund
Southern Growth Corridor (Eco- expressway)	4.120	0.000	0.000	4.120	Local Growth Fund
Southern Gateway Bus Scheme	1.700	0.000	0.000	1.700	Better Bus Areas Grant
Better Bus Schemes	0.602	0.000	0.000	0.602	Better Bus Areas Grant
OLEV Low Emission Bus Scheme	0.182	0.000	0.000	0.182	OLEV Bus Grant
OLEV City Programme	2.325	1.575	0.225	4.125	OLEV City Grant
Connecting Eastside	2.000	3.000	0.000	5.000	Prudential Borrowing
Contribution to Econ Dev	(0.200)	0.000	0.000	(0.200)	LTP- Grant
<b>TOTAL PROGRAMME</b>	<b>25.341</b>	<b>9.858</b>	<b>5.434</b>	<b>40.633</b>	
Programme for 2016/17				20.368	
<b>TOTAL LTP PROGRAMME</b>	<b>25.341</b>	<b>9.858</b>	<b>5.434</b>	<b>61.001</b>	



## 2. Local Transport Plan

The Local Transport element of the programme is split in to a variety of streams that support local transport infrastructure and maintenance. It is specifically funded by LTP grant.

The local transport blocks and associated funding allocations are set out in **Table 2 below**. Scheme details for 2017/18– 2020/21 total **£17.104** and are listed in **Section 1 - LTP Allocations**.

<b>TABLE 2: LOCAL TRANSPORT PLAN PROGRAMME 2017/18 - 2020/21</b>				
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Walking & Cycling	0.489	0.320	0.050	0.859
Traffic & Safety	0.450	0.000	0.000	0.450
Public Transport	0.225	0.100	0.000	0.325
Supporting Economic Growth	0.750	1.400	1.770	3.920
Neighbourhood improvements	1.250	1.250	1.250	3.750
Maintenance Schemes	1.969	1.782	1.782	5.533
Maintenance Incentive and Pothole Fund	0.285	0.111	0.037	0.433
National Productivity Investment Fund	0.968	0.000	0.000	0.968
Other	0.226	0.320	0.320	0.866
<b>Total Local Transport Schemes</b>	<b>6.612</b>	<b>5.283</b>	<b>5.209</b>	<b>17.104</b>
<b>Grant Funding</b>				
Integrated Highways Block (ITB)	3.390	3.390	3.390	10.170
National Productivity Investment Fund	0.968	0.000	0.000	0.968
Highways Capital Maintenance	1.969	1.782	1.782	5.533
Maintenance Incentive Fund	0.285	0.111	0.037	0.433
<b>Total Transport Grant Funding</b>	<b>6.612</b>	<b>5.283</b>	<b>5.209</b>	<b>17.104</b>

\*Funding for 2018/19 onwards subject to mid-term review by Department for Transport relating to funding formula – funding for 2018/19 and 2019/20 is subject to change.

### 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 2016/17 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 increases opportunities for local businesses and thus provides 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;
- **Maintaining our current transport system** Following a decade of substantial investment to improve our transport infrastructure, we are prioritising investment to

protect and preserve our existing transport system reflecting the economic and social importance to local communities;

- **Supporting 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 include footway improvements, local accessibility, parking and traffic management schemes;
- **Supporting sustainable transport modes** through continued investment in public transport, walking and cycling.
- **Greening of the transport system** by pursuing clean and efficient vehicle choice for fleets and buses and providing electric charging infrastructure to help improve air quality.

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 2018/19 financial year include:

- Carriageway maintenance priorities including Queens Drive, Hucknall Road and Sneinton Dale;
- Residential Roads carriageway programme (to be identified from condition surveys and neighbourhood priorities in consultation with ward councillors);
- Corrosion protection and minor works for bridges;

More details regarding the maintenance programme can be found in **Section 1**. Detailed programmes for 2018/19 and 2019/20 will be determined over the coming year.

Maintenance Incentive Fund

The Incentive Fund is a new measure that was announced in December 2014, to help improve maintenance performance. The funding is used to “top-up” the existing capital maintenance funding, based on local authorities providing a self-assessment proforma required to be submitted annually to the Department for Transport. Dependent on the scores based on the questions, the local authority is placed into a performance band and will receive additional funding to that level. This funding is tapered, with the lowest performing bands eventually receiving no additional funding in future years.

**Table 2a** provides a breakdown as to the potential allocations based on performance the council could receive each financial year. Allocations from 2018/19 onwards have been provided by the Department for Transport and are currently indicative (highlighted).

<b>TABLE 2a: MAINTENANCE INCENTIVE FUND</b>					
<b>Performance Band</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>	<b>2020/21 £m</b>
Band 3 (Highest Performing)	0.184	0.371	0.371	0.926	0.371
Band 2	0.166	0.260	0.186	0.612	0.111
Band 1 (Lowest Performing)	0.111	0.111	0.037	0.259	0.000

NOTE: Figures are not cumulative.

Based on the performance for 2016/17, the Council is currently scored as being on band 1, and received £117,000 in 2016/17 through the incentive fund. Efforts are currently being made to reach the higher performing bands, with work currently being undertaken to score as band 2 for 2017/18. However, until this funding is confirmed, it is presumed that as minimum that the authority will receive as minimum the band 1 allocation. Details regarding the use of this funding can be found in **Section 1** as part of the maintenance allocations.

Pothole Fund 2017/18

In 2016/17, an additional allocation of funding by central government was made to support the repairs of potholes on local roads. For 2016/17, this totalled £124,000, and was used to provide pothole repairs and patching on local roads. In late November 2016, the Department for Transport confirmed that this funding stream would continue, with a further funding round being provided in 2017/18.

**Table 2b** provides details of the allocations made through the Pothole Fund through this mechanism. The Department for Transport has indicated that this fund may potentially continue in future funding years, but has not confirmed allocations for any future year beyond 2017/18.

<b>TABLE 2b: POTHOLE FUND</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>
Pothole Fund	0.124	0.174	0.000	0.000	0.174

### 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 2016/17 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);
- Match funding contribution towards a cycle infrastructure project on the River Leen that forms part of the Cycle Ambition Programme and a contribution for the Youth Employment Infrastructure (YEI) project;
- Local contribution towards the Broadmarsh regeneration programme and other future Local Growth Fund schemes;
- Funding contribution towards service enhancements to the Castle Line (Nottingham – Newark rail service to two trains per hour);
- Match contribution towards an electric bus project and extensions to the City Centre Clear Zone.

The content of the 2018/19 and 2019/20 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 2015/16 Local Transport Programme tables.

### **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. Allocations for individual areas have not changed from the previous year.

The allocations for respective Areas and Wards are shown in **Section 2**. The revised allocations are confirmed for 2017/18, with allocations for 2018/19 and 2019/20 indicative subject to revision in line with changes to the LTP formula grant. Based on feedback in 2015/16, allocations to wards have been provided to the nearest £100.

### **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. A pump-priming 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 since 2015/16 for the service up to 2017/18, after which the service will be reviewed.

### **3. Local Growth Fund Schemes**

In July 2014, funding was confirmed for the Local Growth Fund, a national programme to improve local economic growth within each of the Local Enterprise Partnerships (LEPs) areas. Following a prioritisation process, four transport schemes were confirmed as part of the deal for the D2N2 LEP for Nottingham as part of LGF 1 and 2. These are:

- Highway improvements associated with the Broadmarsh Redevelopment including improvements to the Southern Relief Route, re-routing of traffic and pedestrianisation of Collin Street and conversion of Canal Street into a sustainable transport corridor. (Funding approved and works commenced).
- The Cycle City Ambition Package providing improved cycle facilities across the city, including four corridors from the city centre, better cross city centre links and improvements within neighbourhoods/greenspaces. Some financial consolidation may however occur over the 2017/18 financial year as this programme closes. (Works took place over 2015/16 and 2016/17 financial years).
- A package of infrastructure works for the Nottingham 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, upgraded pedestrian and cycle access routes, along with infrastructure for public transport and to support the use of ultra-low emission vehicles. (Funding approved and works commenced in 2016/17).
- Southern Growth Corridor (Eco-expressway), 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 Nottingham Enterprise Zone. (Funding approved and works commenced in 2016/17)

The funding allocated to Local Growth Fund schemes is provided in **Table 3**. In order to support these schemes, local contributions are required, which are included within the relevant sections of the three year programme. The three year total Local Growth Fund component, including funding for 2015/16 and 2016/17 totals **£28.520m**.

<b>TABLE 3: GROWTH FUND SCHEMES</b>						
<b>Scheme</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>
Turning Point South / Broadmarsh	6.790	0.710	2.800	0.000	0.000	<b>10.300</b>
Cycle Ambition Package	2.000	4.100	0.000	0.000	0.000	<b>6.100</b>
Nottingham Enterprise Zone Package	0.000	0.800	5.200	0.000	0.000	<b>6.000</b>
Southern Growth Corridor (Eco-expressway)	0.000	2.000	4.120	0.000	0.000	<b>6.120</b>
<b>TOTAL</b>	<b>8.790</b>	<b>7.610</b>	<b>12.120</b>	<b>0.000</b>	<b>0.000</b>	<b>28.520</b>

An announcement relating to the third round of the Local Growth Fund is expected in the coming months, as stated in the November 2016 budget statement. Any confirmed items from the Local Growth Fund will be incorporated into the programme once confirmed.

#### **4. Better Bus Funded Schemes**

##### 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 4**.

<b>TABLE 4: BETTER BUS AREAS (BBA2) FUNDING</b>					
<b>Scheme</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>
Southern Gateway Area Bus Priority (Broadmarsh)	0.629	1.700	0.000	0.000	<b>2.329</b>
Traffic Signal Priority (AVL / CCTV)	0.247	0.000	0.000	0.000	<b>0.247</b>
Real-time bus stop displays	0.943	0.602	0.000	0.000	<b>1.545</b>
Smartcard Network	0.843	0.000	0.000	0.000	<b>0.843</b>
<b>TOTAL</b>	<b>2.662</b>	<b>2.302</b>	<b>0.000</b>	<b>0.000</b>	<b>4.964</b>

There has been a variation from the original funding profile to meet changed in year Big Ticket obligations and have been approved by the Department for Transport. 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.

#### **5. OLEV Low emission bus scheme**

In July 2016, the Office for Low Emission Vehicles announced that the City Council was successful in a funding bid for the expansion of electric charging infrastructure for buses.

<b>TABLE 5 : OLEV LOW EMISSION BUS SCHEME</b>					
<b>Scheme</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>
Electric Charging Infrastructure	0.739	0.182	0.000	0.000	<b>0.921</b>
<b>TOTAL</b>	<b>0.739</b>	<b>0.182</b>	<b>0.000</b>	<b>0.000</b>	<b>0.921</b>

## **6. 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. The funding was split as follows; £3m allocated for public realm and junction improvements and £5m for Connecting Eastside Phase 2.

The Public Realm Enhancements, utilising City Deal and additional European Regional Development Funding (ERDF) was completed within the 2015/16 Financial Year.

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.

Delivery detail is as follows:

- Two way route on A60 between Southwell Road and London Road.
- Bellar Gate reprioritised for public transport.
- Cycling and local access.

To support development work, an allocation of LTP funds has been provided for design work to progress various elements within the programme.

The total remaining scheme cost is **£5.000m** as shown in **Table 6** below. The scheme is subject to detailed design, business case and consultation. The extent and coverage for each element will be modified consistent with the funding available.

<b>TABLE 6: CITY DEAL – CREATIVE QUARTER PUBLIC REALM</b>				
<b>Scheme</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
Connecting Eastside Phase 2	2.000	3.000	0.000	<b>5.000</b>

## 7. Contribution to Economic Development

In addition to the above the Local Transport Plan has also contributed **£0.200m** to Economic Development to support regeneration schemes in and around the city.

## 8. Office for Low Emission Vehicles (OLEV) Go Ultra Low City Bid

In January 2016, the City Council was notified that it had been successful in securing funding through the Office for Low Emission Vehicles (OLEV) City Fund. A total of £6.120 million comprising £6.000m capital and £0.120m revenue has been secured for the period covering 2016 to 2021. The City Council led on behalf of a partnership bid which was supported by Nottinghamshire County Council and Derby City Council. The objectives of the City Fund are to support the uptake in Ultra Low Emission Vehicles (ULEV), deliver significant air quality benefits and create ULEV-related growth opportunities in the local area. Investment over the next four years will see the creation of a clean air zone, expansion of ULEV charging infrastructure at transport interchanges, support programmes offering community and business events, advice, vehicle try outs and grants for businesses, conversion of the City Council pool car fleet to ULEVs and expansion of an electric car club.

The programme, along with a detailed breakdown by projects is shown in **Table 7** below.

<b>TABLE 7: OLEV GO ULTRA LOW CITY PROGRAMME</b>					
<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total 2017/18 - 2019/20 £m</b>
ULEV Parking Charging Infrastructure Network	0.500	0.900	0.600	0.000	<b>1.500</b>
ULEV Business Support Programme Activities	0.500	0.600	0.600	0.000	<b>1.200</b>
Public Sector ULEV Fleet	0.400	0.300	0.000	0.000	<b>0.300</b>
ULEV Promotions and Events	0.100	0.100	0.100	0.100	<b>0.300</b>
D2N2 Low Carbon Technology Centre	0.050	0.050	0.050	0.050	<b>0.150</b>
Clean Air Zone	0.100	0.100	0.100	0.000	<b>0.200</b>
Low Emission Corridor	0.150	0.150	0.000	0.000	<b>0.150</b>
ULEV Car Club Scheme	0.000	0.050	0.050	0.000	<b>0.100</b>
Programme Coordination	0.075	0.075	0.075	0.075	<b>0.225</b>
<b>TOTAL</b>	<b>1.875</b>	<b>2.325</b>	<b>1.575</b>	<b>0.225</b>	<b>4.125</b>

Alongside this capital funding, an annual £30,000 of revenue funding has been provided over the duration of the programme, of £0.120m.

## 9. National Productivity Investment Fund

In November 2016 as part of the Autumn Statement, the Government announced a new funding stream to be known as the National Productivity Investment Fund, which would see additional funding allocated to transport improvements. On the 13<sup>th</sup> January 2017, further details about how this funding was to be allocated was announced, with funding being provided through this fund to councils through grant formulae. The allocation announced relates to 2017/18 only. However, the Government has indicated that the National Productivity Investment Fund will be in place for future years.



Local authorities have to confirm that funding from the National Productivity Investment Fund will be spent on improving local road networks, for example, highways and public transport networks.

Due to the short notice given for the announcement for this fund, spend for this programme has not yet been determined within the Capital Programme. Allocation of this funding will therefore be provided in due course.

<b>TABLE 8: NATIONAL PRODUCTIVITY INVESTMENT FUND</b>				
<b>Scheme</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>Total £m</b>
National Productivity Investment Fund	0.968	0.000	0.000	<b>0.968</b>

### **10. Other**

Funding has been secured as part of a ERDF bid to provide works to the River Leen footpath for cyclists. Further details are provided within the parks and open spaces section. A LTP contribution as match funding is being provided to support the transport element of the project over two financial years, with £279,000 being provided in 2017/18 and £150,000 in 2018/19.

### **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 consistent with the business charter. 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.

### **Future Funding Opportunities**

As part of the spending review announced in November 2016, several funding opportunities have arisen that will affect future programming over the next five years. A large proportion of this funding is likely to be in the form of specific grants by competitive bidding. As a result, there will be a will need to coordinate bidding for these funding streams and programmes. Key announcements for transport from the statement include:

- An announcement regarding the third round of the Local Growth Fund, of which £392million is being provided to the East and West Midlands, will be announced “within the coming months”.

- £5m available for development of the “Midlands Rail Hub” for rail lines out of Birmingham.
- Confirmation of funding for the Maintenance Challenge Fund, to be provided on a competitive basis.
- £220m for tackling strategic pinch points on the main road network.
- £400m of funding for next generation electric and autonomous vehicles and associated infrastructure.
- £450m for Digital Railways enhancements.
- £80m for the rollout of smart ticketing across major cities.
- Funding reaffirmed for resilience of infrastructure and flood defence measures.

Further details relating to these funding streams will be announced over the coming months. Any additional funding streams will be reported through future Financial Plans where appropriate.

## 2017/18 Transport Programme Tables

### Section 1 - LTP Allocations

SCHEME	DESCRIPTION	2017/18 (£m)	2018/19 (£m)	2019/20 (£m)	TOTAL (£m)
<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: Area Capital Fund</b>		<b>1.250</b>	<b>1.250</b>	<b>1.250</b>	<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>Walking and Cycling</b>					
<b>Smarter Choices</b>					
"Nottingham Gets to Work" Smarter Travel Hubs (contribution to YEI bid)	Match funding for Community hubs as part of Youth Employment Initiative (YEI). Delegated decision 2192.	0.160	0.000	0.000	<b>0.160</b>
<b>Total: Smarter Choices</b>		<b>0.160</b>	<b>0.000</b>	<b>0.000</b>	<b>0.160</b>
<b>Walking</b>					
City Wide General Improvements	Works to the rights of way network to maintain use for public.	0.050	0.050	0.050	<b>0.150</b>
<b>Total: Walking</b>		<b>0.050</b>	<b>0.050</b>	<b>0.050</b>	<b>0.150</b>
<b>Cycling</b>					
River Leen ERDF Scheme	ERDF Project for works to footpath alongside River Leen	0.279	0.150	0.000	<b>0.429</b>
Eco-Expressway Contribution	Contribution towards Eco-Expressway work	0.000	0.120	0.000	<b>0.120</b>
<b>Total: Cycling</b>		<b>0.279</b>	<b>0.270</b>	<b>0.000</b>	<b>0.549</b>
<b>Total: Walking and Cycling</b>		<b>0.489</b>	<b>0.320</b>	<b>0.050</b>	<b>0.859</b>
<b>Public Transport (Bus and Rail)</b>					
<b>Rail Service Enhancements</b>					
Castle Line (Nottingham - Newark - Lincoln) Service Enhancement (pump priming contribution)	Contribution towards service increase and reduced journey times along rail line. Contribution required to 2017/18.	0.025	0.000	0.000	<b>0.025</b>
<b>Total: Rail Service Enhancements</b>		<b>0.025</b>	<b>0.000</b>	<b>0.000</b>	<b>0.025</b>
<b>Public Transport Infrastructure</b>					
Electric Bus Project (Represents match funding to DfT project).	Expansion of fast charger network and connection to Eastcroft.	0.200	0.100	0.000	<b>0.300</b>
<b>Total: Public Transport Infrastructure</b>		<b>0.200</b>	<b>0.100</b>	<b>0.000</b>	<b>0.300</b>
<b>Total: Public Transport (Bus and Rail)</b>		<b>0.225</b>	<b>0.100</b>	<b>0.000</b>	<b>0.325</b>

<b>Supporting Economic Growth</b>					
<b>Contributions to Major Schemes</b>					
Southside Transport Strategy (Broadmarsh) (Contribution to Local Growth Fund)	Match contribution to Broadmarsh Roadspace Transformation Scheme as identified by Dec 15 Executive Board (£600k provided 2016/17)	0.400	0.400	0.000	<b>0.800</b>
Future funding allocations for major schemes contribution (Contribution to Local Growth Fund)	Match contribution to major transport schemes.	0.000	0.700	1.470	<b>2.170</b>
Connecting Eastside Phase 2 Development work	Development work for Connecting Eastside Phase 2 works.	0.150	0.000	0.000	<b>0.150</b>
<b>Total: Contributions to Major Schemes</b>		<b>0.550</b>	<b>1.100</b>	<b>1.470</b>	<b>3.120</b>
<b>Economic Development</b>					
Economic Development Fund Contribution	Allocated to Economic Development. Up to / including 2017/18 confirmed in delegated decision 2128.	0.200	0.000	0.000	<b>0.200</b>
<b>Total: Economic Development</b>		<b>0.200</b>	<b>0.000</b>	<b>0.000</b>	<b>0.200</b>
<b>Supporting Regeneration</b>					
Electric vehicle charging infrastructure (OLEV City Bid Contribution)	Development of city-wide electric vehicle charging network. Agreed at March 2016 Executive Board.	0.000	0.300	0.300	<b>0.600</b>
<b>Total: Supporting Regeneration</b>		<b>0.000</b>	<b>0.300</b>	<b>0.300</b>	<b>0.600</b>
<b>Total: Supporting Economic Growth</b>		<b>0.750</b>	<b>1.400</b>	<b>1.770</b>	<b>3.920</b>
<b>Traffic and Safety</b>					
<b>Traffic Management</b>					
Clean Air Zone	Extension over Hockley/Theatre Royal area.	0.300	0.000	0.000	<b>0.300</b>
<b>Total: Traffic Management</b>		<b>0.300</b>	<b>0.000</b>	<b>0.000</b>	<b>0.300</b>
<b>Road Safety</b>					
Bells Lane / Broxtowe Lane Phase 2	Road safety improvements to Bells Lane / Broxtowe Lane. Deferred from 2016/17.	0.150	0.000	0.000	<b>0.150</b>
<b>Total: Road Safety</b>		<b>0.150</b>	<b>0.000</b>	<b>0.000</b>	<b>0.150</b>
<b>Total: Traffic and Safety</b>		<b>0.450</b>	<b>0.000</b>	<b>0.000</b>	<b>0.450</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>Cycle Maintenance</b>					
Cycle Infrastructure Maintenance	City wide programme of maintenance of strategic cycling routes and facilities.	0.100	0.100	0.100	<b>0.300</b>
<b>Total: Cycle 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>
Chedworth Close Retaining Wall	Replacement of failing retaining wall. (see also Incentive Fund contribution).	0.050	0.000	0.000	<b>0.050</b>
Bridges Minor Repair Programme	Minor works to 22 bridges including repointing, drainage and structural works to improve lifespan.	0.100	0.000	0.000	<b>0.100</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>0.200</b>	<b>0.280</b>	<b>0.280</b>	<b>0.760</b>
<b>Road Maintenance</b>					
Sneinton Dale	Resurfacing between Trent Road and Edale Road.	0.170	0.000	0.000	<b>0.170</b>
Edwards Lane	Resurfacing between Oxclose Lane to Ribblesdale Road	0.170	0.000	0.000	<b>0.170</b>
Queens Drive (Phase 1)	Resurfacing between Clifton Boulevard - Elec Sub Station	0.200	0.000	0.000	<b>0.200</b>
Queens Drive (Phase 2)	Resurfacing between Castle Bridge Road - Castle Park Estate	0.113	0.000	0.000	<b>0.113</b>
Hucknall Road	Resurfacing between Arnold Road and Gala Way.	0.000	0.130	0.000	<b>0.130</b>
Wilford Lane	Ashdown Close to Dean Way (Boundary with Highways England)	0.000	0.150	0.000	<b>0.150</b>
Main Roads Resurfacing works	Maintenance programme for the main road network prioritised by condition surveys.	0.000	0.342	0.605	<b>0.947</b>
Residential Resurfacing Programme	Priorities to be determined on technical scores from area highway inspectors and condition surveys.	0.636	0.400	0.417	<b>1.453</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>
<b>Total: Road Maintenance</b>		<b>1.569</b>	<b>1.302</b>	<b>1.302</b>	<b>4.173</b>

<b>Total: Maintenance</b>		<b>1.969</b>	<b>1.782</b>	<b>1.782</b>	<b>5.533</b>
<b>Maintenance Incentive Fund and Pothole Fund</b>					
Chedworth Close Retaining Wall	Contribution funding for Replacement of failing retaining wall.	0.055	0.000	0.000	0.055
Residential Resurfacing Programme	"Top-up" maintenance allocation for Residential Resurfacing Programme. Priorities to be determined on technical scores from area highway inspectors and condition surveys.	0.056	0.111	0.037	0.204
Pothole Fund 2017/18	Additional funding provided to repairing potholes on local roads.	0.174	0.000	0.000	0.174
<b>Total: Maintenance Incentive Fund and Pothole Fund</b>		<b>0.285</b>	<b>0.111</b>	<b>0.037</b>	<b>0.433</b>
<b>Other Schemes</b>					
<b>Monitoring and Coordination</b>					
LTP Programme Coordination / Development	Staff Costs and advance design that will inform LTP programmes.	0.100	0.200	0.200	<b>0.500</b>
Sustainable Transport Monitoring	Annual Monitoring of LTP Performance indicators.	0.100	0.120	0.120	<b>0.340</b>
Ring Road Monitoring and Evaluation (POPE)	Post-Opening Project Evaluation for Ring Road Major project (Year one)	0.026	0.000	0.000	<b>0.026</b>
<b>Total: Monitoring and Coordination</b>		<b>0.226</b>	<b>0.320</b>	<b>0.320</b>	<b>0.866</b>
<b>Total: Other Schemes</b>		<b>0.226</b>	<b>0.320</b>	<b>0.320</b>	<b>0.866</b>

## Section 2 – Area Capital Fund Allocations

Ward	2017/18 Allocation £m		2018/19 Allocation (Indicative) £m		2019/20 Allocation (Indicative) £m	
	Ward allocation	Area Committee Allocation	Ward allocation	Area Committee Allocation	Ward allocation	Area Committee Allocation
Bulwell	0.0856	<b>0.1339</b>	0.0856	<b>0.1339</b>	0.0856	<b>0.1339</b>
Bulwell Forest	0.0483		0.0483		0.0483	
Basford	0.0649	<b>0.1403</b>	0.0649	<b>0.1403</b>	0.0649	<b>0.1403</b>
Bestwood	0.0754		0.0754		0.0754	
Aspley	0.1002	<b>0.2291</b>	0.1002	<b>0.2291</b>	0.1002	<b>0.2291</b>
Bilborough	0.0852		0.0852		0.0852	
Leen Valley	0.0437		0.0437		0.0437	
Arboretum	0.0688	<b>0.1748</b>	0.0688	<b>0.1748</b>	0.0688	<b>0.1748</b>
Dunkirk and Lenton	0.0386		0.0386		0.0386	
Radford and Park	0.0674		0.0674		0.0674	
Berridge	0.0701	<b>0.1242</b>	0.0701	<b>0.1242</b>	0.0701	<b>0.1242</b>
Sherwood	0.0541		0.0541		0.0541	
Wollaton East and Lenton Abbey	0.0364	<b>0.0683</b>	0.0364	<b>0.0683</b>	0.0364	<b>0.0683</b>
Wollaton West	0.0319		0.0319		0.0319	
Dales	0.0671	<b>0.2188</b>	0.0671	<b>0.2188</b>	0.0671	<b>0.2188</b>
St Ann's	0.0932		0.0932		0.0932	
Mapperley	0.0585		0.0585		0.0585	
Bridge	0.0532	<b>0.1606</b>	0.0532	<b>0.1606</b>	0.0532	<b>0.1606</b>
Clifton North	0.0475		0.0475		0.0475	
Clifton South	0.0599		0.0599		0.0599	
<b>Total</b>		<b>1.2500</b>		<b>1.2500</b>		<b>1.2500</b>

\*Allocations for 2018/19 and 2019/20 are indicative due to Department for Transport review of LTP funding to take place.

### Section 3 Total Local Transport Plan and Resources Detail

Local Transport Schemes and Associated Funding													
	LTP Programme						Funding						
	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m	Prudential Borrowing £m	Local Growth Fund £m	WPL £m	Better Bus Grant £m	Other Funding £m	DfT Grant £m	Total Funding £m
Public Transport Infrastructure Schemes	0.290	0.200	0.100	0.000	0.000	<b>0.590</b>	0.000	0.000	0.000	0.000	0.000	0.590	<b>0.590</b>
Supporting Regeneration Economic Development	0.190	0.000	0.300	0.300	0.000	<b>0.790</b>	0.000	0.000	0.000	0.000	0.000	0.790	<b>0.790</b>
Cycling Schemes	0.300	0.200	0.000	0.000	0.000	<b>0.500</b>	0.000	0.000	0.000	0.000	0.000	0.500	<b>0.500</b>
Walking Schemes	0.100	0.279	0.270	0.000	0.000	<b>0.649</b>	0.000	0.000	0.000	0.000	0.000	0.649	<b>0.649</b>
Local Safety Schemes	0.050	0.050	0.050	0.050	0.000	<b>0.200</b>	0.000	0.000	0.000	0.000	0.000	0.200	<b>0.200</b>
Traffic Management Area Capital Fund contribution	0.200	0.150	0.000	0.000	0.000	<b>0.350</b>	0.000	0.000	0.000	0.000	0.000	0.350	<b>0.350</b>
Carriageway Maintenance	0.075	0.300	0.000	0.000	0.000	<b>0.375</b>	0.000	0.000	0.000	0.000	0.000	0.375	<b>0.375</b>
Incentive Fund	1.250	1.250	1.250	1.250	0.000	<b>5.000</b>	0.000	0.000	0.000	0.000	0.000	5.000	<b>5.000</b>
Pothole Fund	1.551	1.569	1.302	1.302	0.000	<b>5.724</b>	0.000	0.000	0.000	0.000	0.000	5.724	<b>5.724</b>
Rail Enhancements	0.117	0.111	0.111	0.037	0.000	<b>0.376</b>	0.000	0.000	0.000	0.000	0.000	0.376	<b>0.376</b>
Bridges	0.124	0.174	0.000	0.000	0.000	<b>0.298</b>	0.000	0.000	0.000	0.000	0.000	0.298	<b>0.298</b>
Other LTP Schemes	0.025	0.025	0.000	0.000	0.000	<b>0.050</b>	0.000	0.000	0.000	0.000	0.000	0.050	<b>0.050</b>
Smarter Choices	0.280	0.200	0.280	0.280	0.000	<b>1.040</b>	0.000	0.000	0.000	0.000	0.000	1.040	<b>1.040</b>
Streetscape Maintenance	0.150	0.226	0.320	0.320	0.000	<b>1.016</b>	0.000	0.000	0.000	0.000	0.000	1.016	<b>1.016</b>
Cycle Infrastructure Maintenance	0.160	0.160	0.000	0.000	0.000	<b>0.320</b>	0.000	0.000	0.000	0.000	0.000	0.320	<b>0.320</b>
Major Schemes - Match Funding	0.100	0.100	0.100	0.100	0.000	<b>0.400</b>	0.000	0.000	0.000	0.000	0.000	0.400	<b>0.400</b>
	0.100	0.100	0.100	0.100	0.000	<b>0.400</b>	0.000	0.000	0.000	0.000	0.000	0.400	<b>0.400</b>
	0.600	0.550	1.100	1.470	0.000	<b>3.720</b>	0.000	0.000	0.000	0.000	0.000	3.720	<b>3.720</b>



**Local Transport Schemes and Associated Funding**

	LTP Programme						Funding						
	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m	Prudential Borrowing £m	Local Growth Fund £m	WPL £m	Better Bus Grant £m	Other Funding £m	DfT Grant £m	Total Funding £m
National Productivity Investment Fund	0.000	0.968	0.000	0.000	0.000	<b>0.968</b>	0.000	0.000	0.000	0.000	0.000	0.968	<b>0.968</b>
<b>Total Local Transport Schemes</b>	<b>5.662</b>	<b>6.612</b>	<b>5.283</b>	<b>5.209</b>	<b>0.000</b>	<b>22.766</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>22.766</b>	<b>22.766</b>
Green Bus Fund (Round 3)	0.026	0.000	0.000	0.000	0.000	0.026	0.000	0.000	0.026	0.000	0.000	0.000	0.026
Green Bus Fund (Round 4)	0.078	0.000	0.000	0.000	0.000	0.078	0.000	0.000	0.078	0.000	0.000	0.000	0.078
Green Bus Fund (Round 4A)	1.716	0.000	0.000	0.000	0.000	1.716	0.000	0.000	1.716	0.000	0.000	0.000	1.716
Connecting Eastside Southern Gateway Area Bus Priority (Broad Marsh)	0.629	1.700	0.000	0.000	0.000	2.329	0.000	0.000	0.000	2.329	0.000	0.000	2.329
Traffic Signal Priority (AVL / CCTV)	0.247	0.000	0.000	0.000	0.000	0.247	0.000	0.000	0.000	0.247	0.000	0.000	0.247
Real Time Bus Stop Information	0.943	0.602	0.000	0.000	0.000	1.545	0.000	0.000	0.000	1.545	0.000	0.000	1.545
Smartcard Network	0.843	0.000	0.000	0.000	0.000	0.843	0.000	0.000	0.000	0.843	0.000	0.000	0.843
OLEV Low Emission Bus Scheme	0.739	0.182	0.000	0.000	0.000	0.921	0.000	0.000	0.000	0.000	0.921	0.000	0.921
OLEV Go Ultra Low City Programme	1.875	2.325	1.575	0.225	0.000	6.000	0.000	0.000	0.000	0.000	6.000	0.000	6.000
Turning Point South / Broad Marsh	0.710	2.800	0.000	0.000	0.000	3.510	0.000	3.510	0.000	0.000	0.000	0.000	3.510
Cycle Ambition Package	4.100	0.000	0.000	0.000	0.000	4.100	0.000	4.100	0.000	0.000	0.000	0.000	4.100
Nottingham Enterprise Zone Package	0.800	5.200	0.000	0.000	0.000	6.000	0.000	6.000	0.000	0.000	0.000	0.000	6.000
Southern Growth	2.000	4.120	0.000	0.000	0.000	6.120	0.000	6.120	0.000	0.000	0.000	0.000	6.120

Local Transport Schemes and Associated Funding													
	LTP Programme						Funding						
	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	Total £m	Prudential Borrowing £m	Local Growth Fund £m	WPL £m	Better Bus Grant £m	Other Funding £m	DfT Grant £m	Total Funding £m
Corridor Total Other Schemes	14.706	18.929	4.575	0.225	0.000	38.435	5.000	19.730	1.820	4.964	6.921	0.000	38.435
<b>TOTAL</b>	<b>20.368</b>	<b>25.541</b>	<b>9.858</b>	<b>5.434</b>	<b>0.000</b>	<b>61.201</b>	<b>5.000</b>	<b>19.730</b>	<b>1.820</b>	<b>4.964</b>	<b>6.921</b>	<b>22.766</b>	<b>61.201</b>

## DETAILED CAPITAL PROGRAMME

Public Sector Housing - Capital Programme							
Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	TOTAL £m
<b>Meeting the Nottingham Decent Homes Standard</b>							
<b>Safe</b>							
City Wide CCTV / Door Entry Imp	0.210	0.080	0.086	0.201	0.111	0.409	<b>1.097</b>
Fire Alarm Installations	0.102	0.090	0.090	0.090	0.114	0.116	<b>0.602</b>
Asbestos Works	1.275	0.694	0.200	0.200	0.200	0.200	<b>2.769</b>
Lift Replacement Programme	0.949	1.080	0.949	0.600	0.000	0.000	<b>3.578</b>
Radon Awareness	0.040	0.200	0.000	0.000	0.000	0.000	<b>0.240</b>
Water Infrastructure Managed Supplies	0.034	0.010	0.010	0.000	0.000	0.000	<b>0.054</b>
High Rise Sprinkler Systems	0.136	0.250	0.277	0.000	0.000	0.000	<b>0.663</b>
Structural Surveys & Rectification Works	0.242	0.073	0.050	0.050	0.050	0.050	<b>0.515</b>
Renew Bin Store/Refuse Chute	0.000	0.000	0.000	0.524	0.468	0.500	<b>1.492</b>
Management Fee	0.172	0.124	0.083	0.083	0.047	0.064	<b>0.573</b>
<b>Secure Warm &amp; Modern</b>							
Nottingham Secure	2.074	2.670	2.601	2.663	3.243	2.036	<b>15.286</b>
Modern Living	3.827	2.085	2.926	3.789	4.000	5.498	<b>22.124</b>
Warmth for Nottingham - (Includes EWI / DLO Heating)	1.677	3.030	2.316	3.232	2.191	3.590	<b>16.036</b>
Roof & Chimney Replacement	2.915	1.533	1.533	1.533	2.000	3.500	<b>13.014</b>
External Fabric	1.007	2.824	3.425	3.547	4.000	4.000	<b>18.802</b>
Management Fee	0.578	0.532	0.565	0.663	0.697	0.856	<b>3.891</b>
<b>Additional Tenant Priorities</b>							
<b>Energy Efficiency &amp; Tackling Fuel Poverty</b>							
No Fines/ Solid Wall Insulation Schemes	6.666	6.049	3.934	3.091	3.500	4.000	<b>27.240</b>
Green Deal Communities Funding	0.300	0.000	0.000	0.000	0.000	0.000	<b>0.300</b>
BISF Upgrades / External Wall Insulation	1.560	1.500	0.000	0.000	0.000	0.000	<b>3.060</b>
LED Communal Lighting	0.250	0.250	0.250	0.000	0.000	0.000	<b>0.750</b>
Woodthorpe & Winchester - CHP	0.100	2.886	2.500	0.000	0.000	0.000	<b>5.486</b>
Colwick Woods Court	0.000	0.000	2.500	0.000	0.000	0.000	<b>2.500</b>
Management Fee	0.514	0.534	0.459	0.155	0.175	0.200	<b>2.037</b>
<b>Modernising Housing For Older People</b>							
Independent living Re-Design	0.900	0.981	0.584	0.230	0.100	0.100	<b>2.895</b>
Independent Living Re-Designation	0.000	0.014	0.000	0.000	0.000	0.000	<b>0.014</b>
Carnforth Court Major Alterations	0.017	0.000	0.000	0.000	0.000	0.000	<b>0.017</b>
Mobile Scooter Stores	0.383	0.250	0.250	0.117	0.000	0.000	<b>1.000</b>
Refurbishment Of Sheltered Housing Scheme	0.150	0.150	0.000	0.000	0.000	0.000	<b>0.300</b>
Management Fee	0.073	0.070	0.042	0.017	0.005	0.005	<b>0.212</b>
<b>Decent Neighbourhoods</b>							
City Wide Environmentals - AREA	1.000	1.324	1.000	1.000	1.000	1.000	<b>6.324</b>
<b>CAPITAL FUND</b>							

<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>TOTAL £m</b>
Estate/Area Impact works	1.116	1.000	1.000	1.000	1.000	1.000	<b>6.116</b>
Paving Works - AREA COMMITTEE SCHEMES	0.328	0.360	0.360	0.360	0.360	0.360	<b>2.128</b>
Garage / Outbuildings - CITYWIDE	0.212	0.298	0.200	1.028	0.203	1.166	<b>3.107</b>
Management Fee	0.133	0.149	0.128	0.169	0.128	0.176	<b>0.884</b>
<b>Existing Stock Investment</b>							
Major Void Works - DLO	2.400	2.400	2.400	2.400	2.400	2.400	<b>14.400</b>
Fire Damaged Properties - DLO	0.160	0.100	0.100	0.100	0.100	0.100	<b>0.660</b>
Victoria Centre Roof	0.050	0.266	0.000	0.000	0.000	0.000	<b>0.316</b>
Victoria Centre External Refurbishment	0.000	0.000	0.000	3.000	5.000	1.600	<b>9.600</b>
Management Fee	0.003	0.013	0.000	0.150	0.250	0.080	<b>0.496</b>
<b>Building a Better Nottingham</b>							
Lenton	2.551	0.000	0.000	0.000	0.000	0.000	<b>2.551</b>
Cranwell Road & Meadows Q Blocks Leaseholder Acquisitions	0.128	0.000	0.000	0.000	0.000	0.000	<b>0.128</b>
Cranwell Road Flats	3.197	0.514	0.000	0.000	0.000	0.000	<b>3.711</b>
Meadows Q Blocks	3.567	0.055	0.000	0.000	0.000	0.000	<b>3.622</b>
Rehousing Costs	0.000	0.459	0.000	0.000	0.000	0.000	<b>0.459</b>
Demolition	0.097	0.087	0.000	0.000	0.000	0.000	<b>0.184</b>
Ragdale Road	0.404	0.373	0.000	0.000	0.000	0.000	<b>0.777</b>
Meadowvale Road	0.417	0.000	0.000	0.000	0.000	0.000	<b>0.417</b>
Aspley JSC / Stepney Court	0.400	2.815	0.414	0.000	0.000	0.000	<b>3.629</b>
Affordable Homes Infill Sites	5.316	6.169	0.000	0.000	0.000	0.000	<b>11.486</b>
New Build Phase 1 - UNALLOCATED	0.207	0.373	0.000	0.000	0.000	0.000	<b>0.580</b>
New Build Phase 2 - UNALLOCATED	0.000	2.250	4.750	0.879	0.000	0.000	<b>7.879</b>
Morley School	2.576	1.300	0.000	0.000	0.000	0.000	<b>3.876</b>
Acquisition	0.650	0.381	0.000	0.000	0.000	0.000	<b>1.031</b>
Woodthorpe & Winchester - New Build	0.200	3.800	2.500	0.000	0.000	0.000	<b>6.500</b>
Management Fee	1.102	0.872	0.346	0.044	0.000	0.000	<b>2.364</b>
<b>Joint NCC / NCH Involvement</b>							
Sanctuary Project	0.035	0.035	0.035	0.035	0.035	0.035	<b>0.210</b>
HRA Shop Investment Strategy	0.140	0.039	0.000	0.000	0.000	0.000	<b>0.179</b>
St Anns Estate Action - Stonebridge Park	0.030	0.520	0.000	0.000	0.000	0.000	<b>0.550</b>
Empty Homes	0.632	0.000	0.000	0.000	0.000	0.000	<b>0.632</b>
Office Improvements	0.030	0.000	0.000	0.000	0.000	0.000	<b>0.030</b>
IT Development Programme	0.000	0.026	0.000	0.000	0.000	0.000	<b>0.026</b>
PV Installation Programme	0.000	5.064	0.000	0.000	0.000	0.000	<b>5.064</b>
Adaptations For Disabled Persons	1.224	0.731	0.731	0.731	0.731	0.731	<b>4.879</b>
Adaptations For Disabled Persons - DLO	1.269	1.269	1.269	1.269	1.269	1.269	<b>7.614</b>
Preventive Adaptations For Older People – PAD	0.100	0.100	0.100	0.100	0.100	0.100	<b>0.600</b>
Grant to NCH for acquisition of Lenton land	0.745	0.000	0.000	0.000	0.000	0.000	<b>0.745</b>
Acquisition Of Sheltered Housing Scheme	1.300	0.000	0.000	0.000	0.000	0.000	<b>1.300</b>
<b>TOTAL - Public Sector Housing Programme</b>	<b>57.868</b>	<b>61.101</b>	<b>40.962</b>	<b>33.050</b>	<b>33.477</b>	<b>35.141</b>	<b>261.599</b>

**Transport Schemes - Capital Programme**

<b>Scheme</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</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>
Public Transport Infrastructure Schemes	0.290	0.200	0.100	0.000	0.000	0.000	<b>0.590</b>
Supporting Regeneration	0.190	0.000	0.300	0.300	0.000	0.000	<b>0.790</b>
Economic Development	0.300	0.200	0.000	0.000	0.000	0.000	<b>0.500</b>
Cycling Schemes	0.100	0.279	0.270	0.000	0.000	0.000	<b>0.649</b>
Walking Schemes	0.050	0.050	0.050	0.050	0.000	0.000	<b>0.200</b>
Local Safety Schemes	0.200	0.150	0.000	0.000	0.000	0.000	<b>0.350</b>
Traffic Management	0.075	0.300	0.000	0.000	0.000	0.000	<b>0.375</b>
Area Capital Fund contribution	1.250	1.250	1.250	1.250	0.000	0.000	<b>5.000</b>
Carriageway Maintenance	1.551	1.569	1.302	1.302	0.000	0.000	<b>5.724</b>
Maintenance Incentive Fund	0.117	0.111	0.111	0.037	0.000	0.000	<b>0.376</b>
Pothole Fund	0.124	0.174	0.000	0.000	0.000	0.000	<b>0.298</b>
Rail Enhancements	0.025	0.025	0.000	0.000	0.000	0.000	<b>0.050</b>
Bridges	0.280	0.200	0.280	0.280	0.000	0.000	<b>1.040</b>
Other LTP Schemes	0.150	0.226	0.320	0.320	0.000	0.000	<b>1.016</b>
Smarter Choices	0.160	0.160	0.000	0.000	0.000	0.000	<b>0.320</b>
Streetscape Maintenance	0.100	0.100	0.100	0.100	0.000	0.000	<b>0.400</b>
Cycle Infrastructure Maintenance	0.100	0.100	0.100	0.100	0.000	0.000	<b>0.400</b>
Major Schemes - Match Funding	0.600	0.550	1.100	1.470	0.000	0.000	<b>3.720</b>
National Productivity Investment Fund	0.000	0.968	0.000	0.000	0.000	0.000	<b>0.968</b>
<b>Total Local Transport Schemes</b>	<b>5.662</b>	<b>6.612</b>	<b>5.283</b>	<b>5.209</b>	<b>0.000</b>	<b>0.000</b>	<b>22.766</b>
Green Bus Fund (Round 3)	0.026	0.000	0.000	0.000	0.000	0.000	<b>0.026</b>
Green Bus Fund (Round 4)	0.078	0.000	0.000	0.000	0.000	0.000	<b>0.078</b>
Green Bus Fund (Round 4A)	1.716	0.000	0.000	0.000	0.000	0.000	<b>1.716</b>
Connecting Eastside	0.000	2.000	3.000	0.000	0.000	0.000	<b>5.000</b>
Southern Gateway Area Bus Priority (Broad Marsh)	0.629	1.700	0.000	0.000	0.000	0.000	<b>2.329</b>
Traffic Signal Priority (AVL / CCTV)	0.247	0.000	0.000	0.000	0.000	0.000	<b>0.247</b>
Real Time Bus Stop Information	0.943	0.602	0.000	0.000	0.000	0.000	<b>1.545</b>
Smartcard Network	0.843	0.000	0.000	0.000	0.000	0.000	<b>0.843</b>
OLEV Low Emission Bus Scheme	0.739	0.182	0.000	0.000	0.000	0.000	<b>0.921</b>
OLEV Go Ultra Low City Programme	1.875	2.325	1.575	0.225	0.000	0.000	<b>6.000</b>
Turning Point South / Broad Marsh	0.710	2.800	0.000	0.000	0.000	0.000	<b>3.510</b>
Cycle Ambition Package	4.100	0.000	0.000	0.000	0.000	0.000	<b>4.100</b>
Nottingham Enterprise Zone Package	0.800	5.200	0.000	0.000	0.000	0.000	<b>6.000</b>
Southern Growth Corridor	2.000	4.120	0.000	0.000	0.000	0.000	<b>6.120</b>
Contribution to Economic Development	0.000	(0.200)	0.000	0.000	0.000	0.000	<b>(0.200)</b>
<b>Total Other Schemes</b>	<b>14.706</b>	<b>18.729</b>	<b>4.575</b>	<b>0.225</b>	<b>0.000</b>	<b>0.000</b>	<b>38.235</b>
<b>TOTAL – Transport Schemes</b>	<b>20.368</b>	<b>25.341</b>	<b>9.858</b>	<b>5.434</b>	<b>0.000</b>	<b>0.000</b>	<b>61.001</b>

<b>Children's Services (Schools) - Capital Programme</b>							
<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>Total £m</b>
Access Improvements - Minor Schemes	0.343	0.000	0.000	0.000	0.000	0.000	<b>0.343</b>
Contingency for Residual balances payable	0.065	0.000	0.000	0.000	0.000	0.000	<b>0.065</b>
Heathfield Primary Expansion - Early Works	0.329	0.000	0.000	0.000	0.000	0.000	<b>0.329</b>
Nottingham Academy Expansion - Grant	2.502	0.000	0.000	0.000	0.000	0.000	<b>2.502</b>
School Kitchen Imps - Phase 2	0.116	0.000	0.000	0.000	0.000	0.000	<b>0.116</b>
Brocklewood Primary - Kitchen	(0.221)	0.000	0.000	0.000	0.000	0.000	<b>(0.221)</b>
Bluecoat Primary - New School Early Design	4.743	0.227	0.000	0.000	0.000	0.000	<b>4.970</b>
Berridge Primary - Roof / Chimney Improvements	0.215	0.000	0.000	0.000	0.000	0.000	<b>0.215</b>
Claremont Primary - Heating Replacement	0.008	0.000	0.000	0.000	0.000	0.000	<b>0.008</b>
Woodlands Special School - Boiler Replacement	0.047	0.000	0.000	0.000	0.000	0.000	<b>0.047</b>
Dunkirk Primary - Roof	0.029	0.000	0.000	0.000	0.000	0.000	<b>0.029</b>
Woodlands Special School - Heating	0.302	0.000	0.000	0.000	0.000	0.000	<b>0.302</b>
Westbury Special School - Legionella Works	0.054	0.000	0.000	0.000	0.000	0.000	<b>0.054</b>
Dovecote Primary School - Heating	0.132	0.000	0.000	0.000	0.000	0.000	<b>0.132</b>
Bentinck Primary School - Boiler Replacement	0.008	0.000	0.000	0.000	0.000	0.000	<b>0.008</b>
Glade Hill Primary School - Boiler Replacement	0.001	0.000	0.000	0.000	0.000	0.000	<b>0.001</b>
Maintenance - Contingency Fund	0.043	0.000	0.000	0.000	0.000	0.000	<b>0.043</b>
South Wilford Endowed CE - Early Design	0.785	0.000	0.000	0.000	0.000	0.000	<b>0.785</b>
Mellers Primary - Early Design	2.794	0.500	0.000	0.000	0.000	0.000	<b>3.294</b>
Fernwood Infants & Juniors - Early Work	1.469	0.750	0.000	0.000	0.000	0.000	<b>2.219</b>
Whitegate Primary - Expansion	0.544	0.000	0.000	0.000	0.000	0.000	<b>0.544</b>
Primary Health & Safety	0.839	0.000	0.000	0.000	0.000	0.000	<b>0.839</b>
Westbury Special School	0.750	4.000	0.000	0.000	0.000	0.000	<b>4.750</b>
Springfield Primary Imps	0.105	0.000	0.000	0.000	0.000	0.000	<b>0.105</b>
Robert Shaw Heating	0.200	0.000	0.000	0.000	0.000	0.000	<b>0.200</b>
Robin Hood Primary - Roof	0.202	0.000	0.000	0.000	0.000	0.000	<b>0.202</b>
Berridge Junior - Roof	0.370	0.000	0.000	0.000	0.000	0.000	<b>0.370</b>
Seely Primary - Roof	0.150	0.000	0.000	0.000	0.000	0.000	<b>0.150</b>
Dovecote Primary Heating - Phase 3	0.165	0.000	0.000	0.000	0.000	0.000	<b>0.165</b>
Scotholme Primary - Asbestos	0.150	0.000	0.000	0.000	0.000	0.000	<b>0.150</b>
Claremont Primary - Heating	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>
Contingency Fund - 20316	0.207	0.000	0.000	0.000	0.000	0.000	<b>0.207</b>
Glade Hill Primary - Reconfiguration	0.105	0.000	0.000	0.000	0.000	0.000	<b>0.105</b>
Fernwood Nursery - External Works	0.131	0.000	0.000	0.000	0.000	0.000	<b>0.131</b>
Middleton Primary - Early Design etc	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>
School Accessibility Programme	0.271	0.000	0.000	0.000	0.000	0.000	<b>0.271</b>
Fencing and Main Entrance at Springfield Primary School	0.070	0.000	0.000	0.000	0.000	0.000	<b>0.070</b>
<b>TOTAL - Children's Services - Schools</b>	<b>18.223</b>	<b>5.477</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>23.700</b>

Other Services - Capital Programme							
Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
<b>Adults Health &amp; Community Sector</b>							
Integrated Community Equipment Services	0.252	0.336	0.336	0.336	0.336	0.336	<b>1.932</b>
Martin Jackaman - Branding / Roof / Signage	0.017	0.004	0.000	0.000	0.000	0.000	<b>0.021</b>
The Oaks - Refurbishment / Branding / Signing	0.041	0.000	0.000	0.000	0.000	0.000	<b>0.041</b>
Long Meadow - Externals / Internals / Branding	0.019	0.031	0.000	0.000	0.000	0.000	<b>0.050</b>
Summerwood - Minor Work / Branding	0.000	0.040	0.000	0.000	0.000	0.000	<b>0.040</b>
Albany - Branding	0.000	0.010	0.000	0.000	0.000	0.000	<b>0.010</b>
Estate Improvements - Interior Design	0.000	0.010	0.000	0.000	0.000	0.000	<b>0.010</b>
Oakdene Closure and Security	0.000	0.000	0.010	0.000	0.000	0.000	<b>0.010</b>
Willow Close - Closure and Security	0.000	0.010	0.000	0.000	0.000	0.000	<b>0.010</b>
Laura Chambers - New Wing	0.000	0.237	0.000	0.000	0.000	0.000	<b>0.237</b>
Willows - Develop / Mothball / Dispose	0.000	0.200	0.000	0.000	0.000	0.000	<b>0.200</b>
Martin Jackaman - Pool	0.015	0.000	0.000	0.000	0.000	0.000	<b>0.015</b>
The Oaks - Refurbishment - Phase 2	0.511	0.020	0.000	0.000	0.000	0.000	<b>0.531</b>
ContrOCC Implementation	0.037	0.000	0.000	0.000	0.000	0.000	<b>0.037</b>
Smartphones, Opticare	0.041	0.000	0.000	0.000	0.000	0.000	<b>0.041</b>
Assistive Technology - Just Checking Units	0.039	0.000	0.000	0.000	0.000	0.000	<b>0.039</b>
Autism Innovation	0.019	0.000	0.000	0.000	0.000	0.000	<b>0.019</b>
NCH - Care Estate Fees	0.040	0.000	0.000	0.000	0.000	0.000	<b>0.040</b>
Imps to Community and Cultural Facilities	0.560	0.000	0.000	0.000	0.000	0.000	<b>0.560</b>
Laura Chambers Lodge Refurbishment	0.200	2.582	0.000	0.000	0.000	0.000	<b>2.782</b>
<b>TOTAL - Adults Health &amp; Community Sector</b>	<b>1.791</b>	<b>3.480</b>	<b>0.346</b>	<b>0.336</b>	<b>0.336</b>	<b>0.336</b>	<b>6.625</b>
<b>Early Intervention &amp; Early Years</b>							
MALT 3 (CAHMS) - Henry Whipple site	0.021	0.000	0.000	0.000	0.000	0.000	<b>0.021</b>
Pathfinder Short Breaks	0.182	0.000	0.000	0.000	0.000	0.000	<b>0.182</b>
Modifications to Short Term Children's Home	0.070	0.000	0.000	0.000	0.000	0.000	<b>0.070</b>
My Place - Castle Gate Purchase / Improvements	0.101	0.000	0.000	0.000	0.000	0.000	<b>0.101</b>
The Ridge Adventure Playground	0.300	0.000	0.000	0.000	0.000	0.000	<b>0.300</b>
2 Year Old Expansion Programme	0.264	0.000	0.000	0.000	0.000	0.000	<b>0.264</b>
<b>TOTAL - Early Intervention &amp; Early Years</b>	<b>0.938</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.938</b>
<b>Leisure &amp; Culture</b>							
Flexible Fitness - Equipment	0.450	0.314	0.234	0.000	0.000	0.000	<b>0.998</b>
Centre for Contemporary Arts Nottingham (CCAN)	0.070	0.000	0.000	0.000	0.000	0.000	<b>0.070</b>
Mountfield Drive / Hazel Hill Park Imps	0.000	0.040	0.000	0.000	0.000	0.000	<b>0.040</b>
Lincoln Street Park Improvements	0.011	0.000	0.000	0.000	0.000	0.000	<b>0.011</b>
Arboretum Café Development	0.434	0.000	0.000	0.000	0.000	0.000	<b>0.434</b>
Sycamore Park Improvements	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Rocket Park / Jersey Gardens Improvements	0.004	0.000	0.000	0.000	0.000	0.000	<b>0.004</b>

<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>TOTAL £m</b>
Tintagel Green Playground Imps	0.030	0.000	0.000	0.000	0.000	0.000	<b>0.030</b>
Radford Recreation Ground	0.097	0.000	0.000	0.000	0.000	0.000	<b>0.097</b>
Nottingham Castle - Heritage Lottery Bid scheme	0.970	3.301	12.643	11.812	0.262	0.200	<b>29.188</b>
Hedley Villas Playground	0.001	0.000	0.000	0.000	0.000	0.000	<b>0.001</b>
Astley Drive Playground	0.007	0.000	0.000	0.000	0.000	0.000	<b>0.007</b>
Sunrise Nature Reserve Imps	0.000	0.009	0.000	0.000	0.000	0.000	<b>0.009</b>
Lincoln St / Japonica Drive - Remove Playgrounds	0.004	0.000	0.000	0.000	0.000	0.000	<b>0.004</b>
Stockhill Park - New Playground	0.004	0.000	0.000	0.000	0.000	0.000	<b>0.004</b>
Stockhill Lane Park - Pavilion Imps	0.006	0.004	0.000	0.000	0.000	0.000	<b>0.010</b>
Hucknall Walkway Improvements	0.003	0.000	0.000	0.000	0.000	0.000	<b>0.003</b>
Right Track CC - New Play Area	0.003	0.000	0.000	0.000	0.000	0.000	<b>0.003</b>
Portland Leisure Centre - Condition Survey Works	0.104	0.000	0.000	0.000	0.000	0.000	<b>0.104</b>
Melbourne Park Pavilion Imps	0.140	0.000	0.000	0.000	0.000	0.000	<b>0.140</b>
Highfields Park - Refurbishment	0.200	3.752	0.000	0.000	0.000	0.000	<b>3.952</b>
CAP-Highfields Park HLF Scheme	0.029	0.000	0.000	0.000	0.000	0.000	<b>0.029</b>
Concert Hall Seats / Theatre FOH Lift	0.096	0.000	0.000	0.000	0.000	0.000	<b>0.096</b>
Libraries - Self issue Technology	0.054	0.000	0.000	0.000	0.000	0.000	<b>0.054</b>
Horticultural Retail Units	0.005	0.000	0.000	0.000	0.000	0.000	<b>0.005</b>
Car Parking Meters at Major Parks	0.025	0.000	0.000	0.000	0.000	0.000	<b>0.025</b>
Wollaton Hall Stable Block - Seasonal Café	0.000	0.040	0.000	0.000	0.000	0.000	<b>0.040</b>
Nottingham Caves - Audio / Visual Equipment	0.000	0.070	0.000	0.000	0.000	0.000	<b>0.070</b>
Wollaton Hall / Castle - Retail Outlets Imps	0.000	0.045	0.000	0.000	0.000	0.000	<b>0.045</b>
Wollaton Hall Stable Block - 2 New Retail Units	0.000	0.045	0.000	0.000	0.000	0.000	<b>0.045</b>
Newstead Abbey - Vision for the Future	0.000	0.279	0.000	0.000	0.000	0.000	<b>0.279</b>
Woodthorpe Grange Park	0.000	0.014	0.000	0.000	0.000	0.000	<b>0.014</b>
Hoyle Park	0.020	0.000	0.000	0.000	0.000	0.000	<b>0.020</b>
Victoria Park and St Mary's Rest Garden	0.021	0.000	0.000	0.000	0.000	0.000	<b>0.021</b>
Victoria Embankment/Meadows Recreation Ground	0.110	0.056	0.000	0.000	0.000	0.000	<b>0.166</b>
Lenton Abbey Parks Imps	0.027	0.000	0.000	0.000	0.000	0.000	<b>0.027</b>
Woodfield Road Play Area	0.060	0.000	0.000	0.000	0.000	0.000	<b>0.060</b>
Trickett's Yard Play Area	0.066	0.000	0.000	0.000	0.000	0.000	<b>0.066</b>
Peggy's Park Play Area	0.015	0.000	0.000	0.000	0.000	0.000	<b>0.015</b>
Sutton Passeys Play Park	0.001	0.000	0.000	0.000	0.000	0.000	<b>0.001</b>
Victoria Park Play Area	0.065	0.000	0.000	0.000	0.000	0.000	<b>0.065</b>
New Burial System at Wilford Hill	0.112	0.000	0.000	0.000	0.000	0.000	<b>0.112</b>
Greenline Fitness Hoops	0.017	0.000	0.000	0.000	0.000	0.000	<b>0.017</b>
King Edward Park Improvements	0.102	0.000	0.000	0.000	0.000	0.000	<b>0.102</b>
Coppice Park Improvements	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Royal Centre Transformation Project	0.750	2.494	0.070	0.000	0.000	0.000	<b>3.314</b>
Ridgeway Playground	0.056	0.000	0.000	0.000	0.000	0.000	<b>0.056</b>
Neighbourhood Trees	0.125	0.141	0.000	0.000	0.000	0.000	<b>0.266</b>
Hoewood Road Imps	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>
Hucknall Road Gateway Imps	0.050	0.000	0.000	0.000	0.000	0.000	<b>0.050</b>
Bulwell Hall Masterplan	0.100	0.000	0.000	0.000	0.000	0.000	<b>0.100</b>



<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>TOTAL £m</b>
Barker Gate Pocket Park	0.000	0.012	0.000	0.000	0.000	0.000	<b>0.012</b>
Frinton Pocket Park	0.005	0.010	0.000	0.000	0.000	0.000	<b>0.015</b>
Forest Recreation Ground - Play Area	0.000	0.062	0.000	0.000	0.000	0.000	<b>0.062</b>
Priory Park	0.040	0.000	0.000	0.000	0.000	0.000	<b>0.040</b>
Victoria Leisure Centre Scheme	0.023	0.000	0.000	0.000	0.000	0.000	<b>0.023</b>
Harvey Hadden Sports Centre	0.076	0.000	0.000	0.000	0.000	0.000	<b>0.076</b>
Forest Sports Zone (Project Complete)	(0.006)	0.000	0.000	0.000	0.000	0.000	<b>(0.006)</b>
Invest to Grow - Southglade Leisure Centre	0.407	0.000	0.000	0.000	0.000	0.000	<b>0.407</b>
ERDF Axis 6 - Colwick Park	0.000	0.140	0.000	0.000	0.000	0.000	<b>0.140</b>
ERDF Axis 6 - Daybrook Park	0.000	0.830	1.520	0.000	0.000	0.000	<b>2.350</b>
ERDF Axis 6 - Highfields Enhancement	0.000	0.200	0.000	0.000	0.000	0.000	<b>0.200</b>
ERDF Axis 6 - Leen Park	0.000	0.850	1.849	0.000	0.000	0.000	<b>2.699</b>
Victoria Embankment Memorial Garden [DDM2692]	0.000	0.061	0.000	0.000	0.000	0.000	<b>0.061</b>
Whitemoor Nature Reserve [DDM2692]	0.000	0.030	0.000	0.000	0.000	0.000	<b>0.030</b>
Stockhill Park [DDM2692]	0.000	0.030	0.000	0.000	0.000	0.000	<b>0.030</b>
Stockhill Circus Allotments [DDM2692]	0.000	0.005	0.000	0.000	0.000	0.000	<b>0.005</b>
Whitemoor & Bagthorpe Allotments [DDM2692]	0.000	0.030	0.000	0.000	0.000	0.000	<b>0.030</b>
<b>TOTAL - Leisure &amp; Culture</b>	<b>5.109</b>	<b>12.864</b>	<b>16.316</b>	<b>11.812</b>	<b>0.262</b>	<b>0.200</b>	<b>46.563</b>
<b>Jobs Growth &amp; Transport</b>							
NET Lines 2/3 - Land Acquisitions	1.710	1.710	0.859	0.000	0.000	0.000	<b>4.279</b>
NET Lines 2/3 - Quantative Risk Assessment	2.440	2.440	1.206	0.000	0.000	0.000	<b>6.086</b>
Carrington St Area Townscape Heritage Project	0.104	0.320	0.516	0.330	0.000	0.000	<b>1.270</b>
Assessment of Benefits of HS2 Totan Station	0.052	0.000	0.000	0.000	0.000	0.000	<b>0.052</b>
CAP-Carrington St Car Park Env	0.004	0.000	0.000	0.000	0.000	0.000	<b>0.004</b>
Vehicle Acquisitions etc	3.438	3.500	3.500	3.500	3.500	3.500	<b>20.938</b>
Replacement of Pay on Foot Equipment	0.002	0.000	0.000	0.000	0.000	0.000	<b>0.002</b>
Debt Management System - Traffic Enforcement	0.000	0.200	0.000	0.000	0.000	0.000	<b>0.200</b>
<b>TOTAL - Jobs Growth &amp; Transport</b>	<b>7.750</b>	<b>8.170</b>	<b>6.081</b>	<b>3.830</b>	<b>3.500</b>	<b>3.500</b>	<b>32.831</b>
<b>Energy &amp; Sustainability</b>							
Eastcroft Combined Heat & Power Plant Works	3.197	0.662	1.919	1.767	1.802	2.116	<b>11.463</b>
Enviro Energy District Heating Pipes - Canal St	0.185	0.000	0.000	0.000	0.000	0.000	<b>0.185</b>
Solar Panels - Queens Drive Park & Ride Site	0.000	0.464	0.464	0.000	0.000	0.000	<b>0.928</b>
Solar Panels - Colwick Park & Ride Site	0.000	0.618	0.618	0.000	0.000	0.000	<b>1.236</b>
District Heating - Replacement of Network	3.813	3.140	2.530	1.930	1.730	1.730	<b>14.873</b>
Commercial Solar Phot Vitaic Investment Programme	0.000	0.750	0.000	0.000	0.000	0.000	<b>0.750</b>
Uninterruptable Power Supply (UPS) batteries	0.000	0.098	0.000	0.000	0.000	0.000	<b>0.098</b>
<b>TOTAL - Energy &amp; Sustainability</b>	<b>7.195</b>	<b>5.732</b>	<b>5.531</b>	<b>3.697</b>	<b>3.532</b>	<b>3.846</b>	<b>29.533</b>

<b>Scheme</b>	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19 £m</b>	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>TOTAL £m</b>
<b>Planning &amp; Housing</b>							
Discretionary Grants - Age Concern	0.074	0.000	0.000	0.000	0.000	0.000	<b>0.074</b>
Regional Housing Board - Equity Loan Scheme	0.303	0.000	0.000	0.000	0.000	0.000	<b>0.303</b>
Disabled Facilities Grants	1.889	1.553	1.553	1.553	1.553	1.553	<b>9.654</b>
S106-Robin Hood Chase	0.075	0.000	0.000	0.000	0.000	0.000	<b>0.075</b>
Basford Owner / Occupiers - Water ingress	0.070	0.000	0.000	0.000	0.000	0.000	<b>0.070</b>
52 Bedale Road - CPO Acquisition	0.000	0.115	0.000	0.000	0.000	0.000	<b>0.115</b>
Citywide Licensing of Private Rented Homes	0.128	0.000	0.000	0.000	0.000	0.000	<b>0.128</b>
Recycling Repaid Hsg Renewal & Repair Grants	0.300	0.000	0.000	0.000	0.000	0.000	<b>0.300</b>
CAP-ArkwrightWalkCrocus Fields	0.067	0.000	0.000	0.000	0.000	0.000	<b>0.067</b>
Ascot Road, Bobbersmill - Affordable Housing	0.064	0.000	0.000	0.000	0.000	0.000	<b>0.064</b>
Affordable Housing Delivery at Church Square,	0.123	0.000	0.000	0.000	0.000	0.000	<b>0.123</b>
<b>TOTAL - Planning &amp; Housing</b>	<b>3.093</b>	<b>1.668</b>	<b>1.553</b>	<b>1.553</b>	<b>1.553</b>	<b>1.553</b>	<b>10.973</b>
<b>Strategic Regeneration &amp; Development</b>							
Unlocking Loxley House	0.021	0.000	0.000	0.000	0.000	0.000	<b>0.021</b>
Unlocking Loxley House - Phase 2 / 2A	0.506	0.000	0.000	0.000	0.000	0.000	<b>0.506</b>
Council House - Fire Risk / Compliance	0.074	0.000	0.000	0.000	0.000	0.000	<b>0.074</b>
Acquisition of Property - Shakespeare Street	5.300	0.000	0.000	0.000	0.000	0.000	<b>5.300</b>
Grant to Fire Service - Imps to Gresham Works	0.150	0.000	0.000	0.000	0.000	0.000	<b>0.150</b>
Byron House Refurbishment Works	0.070	0.000	0.000	0.000	0.000	0.000	<b>0.070</b>
Sandfield Centre - Demolition	0.235	0.000	0.000	0.000	0.000	0.000	<b>0.235</b>
Exchange Bldgs Refurbishment Design	0.364	0.000	0.000	0.000	0.000	0.000	<b>0.364</b>
IT - Property Asset Management System	0.101	0.047	0.026	0.026	0.000	0.000	<b>0.200</b>
Demolition of Springwood Day Centre	0.299	0.000	0.000	0.000	0.000	0.000	<b>0.299</b>
Demolition of Beechdale Baths	0.390	0.000	0.000	0.000	0.000	0.000	<b>0.390</b>
Acq of Offices - Castlebridge Road	0.110	0.000	0.000	0.000	0.000	0.000	<b>0.110</b>
Land at Clifton - Clearance prior to sale	0.025	0.025	0.000	0.000	0.000	0.000	<b>0.050</b>
Relocation of Hyson Green Library	0.054	0.000	0.000	0.000	0.000	0.000	<b>0.054</b>
City Centre- Southside Plan - Site Assembly	0.033	0.000	0.000	0.000	0.000	0.000	<b>0.033</b>
Broad Marsh - Compensation to tenants	0.039	0.000	0.000	0.000	0.000	0.000	<b>0.039</b>
City Centre - Project Management	0.241	0.000	0.000	0.000	0.000	0.000	<b>0.241</b>
City Centre - Design Works	2.550	0.500	0.000	0.000	0.000	0.000	<b>3.050</b>
Housing Enforcement Action-Cavendish Court	0.100	0.140	0.000	0.000	0.000	0.000	<b>0.240</b>
Nottingham Science Park - Phase 2	0.150	0.000	0.000	0.000	0.000	0.000	<b>0.150</b>
Dakeyne Street Refurbishment - Project Mgt	0.010	0.000	0.000	0.000	0.000	0.000	<b>0.010</b>
Expansion of Bio City	18.385	1.121	0.000	0.000	0.000	0.000	<b>19.506</b>
Refurbish 105 Carlton Road	0.004	0.000	0.000	0.000	0.000	0.000	<b>0.004</b>
CAP Unit 19 Salisbury Sq Roof	0.038	0.000	0.000	0.000	0.000	0.000	<b>0.038</b>
Island Site Development - Fees for Stat Processes	0.038	0.000	0.000	0.000	0.000	0.000	<b>0.038</b>

Scheme	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	TOTAL £m
Skills Hub - College Loan & Land Swap	0.000	0.000	6.000	6.000	7.600	0.000	19.600
58 Carlton Road Refurbishment [DDM2676]	0.360	0.000	0.000	0.000	0.000	0.000	0.360
Bulwell Market Place Refurbishment [DDM2677]	0.100	0.000	0.000	0.000	0.000	0.000	0.100
City Centre - Enabling Works [DDM2695]	0.166	0.000	0.000	0.000	0.000	0.000	0.166
<b>TOTAL - Strategic Regeneration &amp; Development</b>	<b>29.913</b>	<b>1.833</b>	<b>6.026</b>	<b>6.026</b>	<b>7.600</b>	<b>0.000</b>	<b>51.398</b>
<b>Community Services</b>							
Area Based Capital Investment Plans	3.510	0.750	0.750	0.750	0.750	0.750	7.260
Community Provision in the Dales	1.046	0.000	0.000	0.000	0.000	0.000	1.046
Flood Alleviation - Woosington Close	0.195	0.000	0.000	0.000	0.000	0.000	0.195
<b>TOTAL - Community Services</b>	<b>4.751</b>	<b>0.750</b>	<b>0.750</b>	<b>0.750</b>	<b>0.750</b>	<b>0.750</b>	<b>8.501</b>
<b>Resources &amp; Neighbourhood Regeneration</b>							
Growing Places - Loan No.2	6.454	0.050	0.000	0.000	0.000	0.000	6.504
Acquisition of Blueprint	0.140	0.140	0.140	0.138	0.000	0.000	0.558
Radford Flats - Loan to NCH	5.200	0.000	0.000	0.000	0.000	0.000	5.200
Skills Hub	0.174	0.000	0.000	0.000	0.000	0.000	0.174
149-169 Lower Parliament St (S215 Notice Works)	0.140	0.000	0.000	0.000	0.000	0.000	0.140
IT - Microsoft Upgrade	0.001	0.000	0.000	0.000	0.000	0.000	0.001
IT - Storage Area Network (SAN) Refresh Project	0.298	0.000	0.000	0.000	0.000	0.000	0.298
IT - Electoral Registration Scanners	0.039	0.000	0.000	0.000	0.000	0.000	0.039
IT - SQL Consolidation Project	0.048	0.000	0.000	0.000	0.000	0.000	0.048
IT - Core Infrastructure Refresh	0.095	0.000	0.000	0.000	0.000	0.000	0.095
IT - Childrens and Adults Social Care Project	0.214	0.000	0.000	0.000	0.000	0.000	0.214
IT - PC Hardware Acquisitions	0.700	0.000	0.000	0.000	0.000	0.000	0.700
IT- Project Evolution	1.069	0.000	0.000	0.000	0.000	0.000	1.069
IT - Service Improvement Prog - Citrix	1.904	0.000	0.000	0.000	0.000	0.000	1.904
IT - Service Improvement Prog - New Tools	0.046	0.000	0.000	0.000	0.000	0.000	0.046
IT - Service Improvement Prog - S 2003	1.252	0.167	0.167	0.166	0.000	0.000	1.752
IT - Additional Microsoft Licences	0.310	0.000	0.000	0.000	0.000	0.000	0.310
IT - Upgrade Delphi and One World	0.019	0.000	0.000	0.000	0.000	0.000	0.019
IT - Income Mgt Enterprise Licence	0.270	0.000	0.000	0.000	0.000	0.000	0.270
IT - Infrastructure Database Upgrade	0.129	0.000	0.000	0.000	0.000	0.000	0.129
Joint Service Centre - Bulwell LIFT	0.100	0.125	0.000	0.000	0.000	0.000	0.225
Joint Service Centre - St Anns	0.040	0.030	0.040	0.050	0.600	0.000	0.760
Joint Service Centre - Strelley Road	0.052	0.000	0.000	0.000	0.000	0.000	0.052
CAP Exp on PC Hardware	0.322	0.000	0.000	0.000	0.000	0.000	0.322
CAP Micosoft Lic (365)	1.000	1.000	1.000	0.000	0.000	0.000	3.000
Houses of Multiple Occpancy (Civica)	0.152	0.000	0.000	0.000	0.000	0.000	0.152
Angel Row Project	0.000	0.000	0.642	0.000	0.000	0.000	0.642
Creative Quarter Loan Fund	0.375	0.000	0.000	0.000	0.000	0.000	0.375
Investment Property Acquisitions	56.215	0.000	0.000	0.000	0.000	0.000	56.215
<b>TOTAL - Resources &amp; Neighbourhood Regeneration</b>	<b>76.758</b>	<b>1.512</b>	<b>1.989</b>	<b>0.354</b>	<b>0.600</b>	<b>0.000</b>	<b>81.213</b>
<b>TOTAL - Other Services</b>	<b>137.298</b>	<b>36.009</b>	<b>38.592</b>	<b>28.358</b>	<b>18.133</b>	<b>10.185</b>	<b>268.575</b>
<b>TOTAL - GENERAL FUND</b>	<b>175.889</b>	<b>66.827</b>	<b>48.450</b>	<b>33.792</b>	<b>18.133</b>	<b>10.185</b>	<b>353.276</b>

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# ANNEX 4

## HOUSING REVENUE ACCOUNT

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A	Service charges – Increases 2017/18
B	HRA Capital Programme 2016/17 – 2021/22
C	HRA Capital Programme Scheme Amendments / Proposals
D	HRA Capital Resources Applied

## **Annex 4 - Housing Revenue Account (HRA)**

### **Introduction**

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

The HRA is the Council's landlord account, which provides for the management and maintenance of the Council's stock. 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 2016 was 26,619 (excluding decommissioned properties). The net change in stock during 2016/17 is estimated to be a net reduction by around 150 properties resulting from new build stock and Right to Buy (RTB) sales.

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 2016/17 outturn will impact on the 2017/18 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 following policy changes affecting social housing were implemented through the Housing and Planning Act 2016 and the Welfare Reform & Work Act 2016. The changes that impact on the HRA's financial sustainability include:

- Reduction of social housing rents by 1% for four years from April 2016
- Sale of 'Higher value' assets levy (this has been deferred to 2018/19)
- Changes to Housing Benefit to cap it at the Local Housing Allowance level from April 2018 for general needs tenancies and April 2019 for supported accommodation tenancies
- Introduction of a requirement to prevent councils offering new tenancies longer than five years in most circumstances to be introduced from Autumn 2017
- "Pay to Stay" – increased rents for higher income households with finance raised going to HM Treasury – this is no longer compulsory (Ministerial announcement November 2016)

Other issues that continue to impact include:

- Changes to welfare benefit eligibility including changes to Tax Credits and a new benefits cap, with resulting impacts on household income
- Enhanced Right to Buy (RTB) discount criteria leading to increased RTB sales over predicted levels

- Retention of 1-4-1 receipts from RTB Sales
- Bedroom Tax and the increased cost of topping up Discretionary Housing Payments

The financial impact of these changes where it can be quantified has been included in proposed budget for 2017/18 and incorporated into the Medium Term Financial Plan (2017/18 to 2020/21). The changes affecting the HRA will be included in an update to the HRA Business Plan to assess the impact on its financial sustainability and develop plans to ensure it remains in balance.

The key headlines in the HRA budget for 2017/18 are as follows:

### HRA Revenue

- A proposed decrease in rents of **1.0%** for 2017/18
- Continuation of tenant incentive scheme of up to £100 per annum
- A proposed increase in general service charges of **1.0%**
- Proposed increase to estate & block maintenance service charges **£0.77/week**
- A sustainable working balance of **£4m**.

### HRA Capital

- An overall Public Sector Housing Programme of **£203.731m** for the next 5 years of which **£61.101m** relates to 2017/18.
- **£19.448m** for 2017/18 has been specifically allocated to decommissioning, regeneration and new build (Building a Better Nottingham).

### HRA Forecast Outturn 2016/17

**Table 1** summarises the HRA budget and forecast outturn for 2016/17.

<b>TABLE 1: HRA FORECAST OUTTURN 2016/17</b>			
<b>DESCRIPTION</b>	<b>ORIGINAL BUDGET</b>	<b>ESTIMATED OUTTURN</b>	<b>VARIANCE</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>INCOME</b>			
Rent income	(96.939)	(96.807)	0.132
Service charges & other income	(7.956)	(8.005)	(0.049)
<b>TOTAL INCOME</b>	<b>(104.895)</b>	<b>(104.812)</b>	<b>0.083</b>
<b>EXPENDITURE</b>			
Repairs	27.260	27.260	0.000
Management (includes Retained)	32.035	31.987	(0.047)
Capital charges	41.858	39.987	(1.872)
Direct Revenue Financing	3.742	5.578	1.836
<b>TOTAL EXPENDITURE</b>	<b>104.895</b>	<b>104.812</b>	<b>(0.083)</b>
<b>DEFICIT / (SURPLUS)</b>	<b>0.000</b>	<b>(0.000)</b>	<b>(0.000)</b>
Working balance B/F	(4.000)	(4.000)	0.000
<b>WORKING BALANCE C/F</b>	<b>(4.000)</b>	<b>(4.000)</b>	<b>(0.000)</b>

The key variances for 2016/17 from the budget are as follows:

- Capital charges – reduced depreciation charges by £1.872m
- Direct Revenue Financing – increased by £1.836m

Further details of the variances and the reasons for them are provided in **Annex 1**.

## HRA Budget 2017/18

The budget for 2017/18 has been refreshed to take account of the required reduction in rents, increases in charges, inflation, cost pressures, capital financing costs and changes to assumptions.

**Table 2** shows the summary of the 2017/18 budget and the movement from 2016/17 original budget.

<b>TABLE 2: HRA BUDGET 2017/18</b>				
<b>NOTE</b>	<b>DESCRIPTION</b>	<b>2016-17 BUDGET £m</b>	<b>2017-18 BUDGET £m</b>	<b>MOVEMENT £m</b>
	<b>INCOME</b>			
1	Rent income	(96.939)	(94.706)	2.232
2	Service charges & other income	(7.956)	(8.993)	(1.037)
	<b>TOTAL INCOME</b>	<b>(104.895)</b>	<b>(103.700)</b>	<b>1.196</b>
	<b>EXPENDITURE</b>			
3	Repairs	27.260	27.329	0.069
4	Management	32.035	32.612	0.577
5	Capital Charges	41.858	40.041	(1.817)
6	Direct Revenue Financing	3.742	3.717	(0.025)
	<b>TOTAL EXPENDITURE</b>	<b>104.895</b>	<b>103.700</b>	<b>(1.196)</b>
	<b>Deficit / (Surplus)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
7	HRA Working Balance	(4.000)	(4.000)	0.000

### 1. Rent Income

Rent policy – The Welfare Reform and Work Act 2016 requires that social rents are reduced by 1% per annum for four years from 2016, with 2017 being the second year the Council has had to reduce rents.

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). Following the introduction of the Act the limit rent will decrease by 1% in 2017/18 and is estimated to be £75.67 per week (over 52 weeks). The proposed average rent of £71.86 gives headroom of £3.81 per week. Applying the proposed rent and taking account of the



estimated reduction in stock will reduce rental income by **£1.709m** per annum. The reduction of council housing stock is due to council housing sales (from Right to Buy and sales of non-standard “corporate” stock) and demolition as part of the new build programme off-set by addition of new build properties into stock.

The rent decrease also applies to Highwood House, the Council’s homeless families unit, with a decrease of 1.0% being applied to all new tenancies.

Affordable rent - For schemes where the HCA provides a grant towards the cost of re-purchase and works to properties or new build properties a condition of the grant is that they must be let at “Affordable Rent”, which is 80% of the local market rent. The above legislation also applies to affordable rents and therefore these will be decreased by **1.0%**. The affordable rent must be recalculated for a new tenancy.

Bad debt provision - Part of the reforms introduced by Universal Credit includes payment of 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. Early evidence from pilot schemes suggests that arrears increase as much as threefold, so the provision will be increased by £0.523m in 2017/18. For each of the years 2018/19 and 2019/20 it will be increased by a further £0.500m to give time to assess the impact and develop a robust future strategy.

The HRA working balance has already been increased to £4.000m and will be retained at this level to manage the pressure and uncertainty on the HRA.

<b>TABLE 3: RENT INCOME CHANGES 2017/18</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Rent income - 1% reduction & net stock reduction	1.709
Rent income – increase bad debt provision	0.523
<b>Rent income (net)</b>	<b>2.232</b>

## **2. Service charges & other income**

The Welfare Reform and Work Bill requirement to reduce social rents by 1% per annum is not applicable to service charges. Where a direct service charge is levied, it will increase by **1.0%** (CPI September 2016), to support the recovery of associated costs. For the estate and block maintenance charges an increase of £0.77/ week is proposed. It is also proposed that an additional service charge is created for the provision of communal laundry rooms which will replace the existing collection of payments using coin operated machines. **Appendix A** gives details of the service charges, new charges introduced and the increases to each charge.

Garages not included as part of the rent of a dwelling are currently charged at an average £8.45 per week. It is proposed to increase this by £0.10 to an average of £8.55, generating additional annual income of **£0.009m**. VAT is added to the rent charge when the garage is rented to someone without a tenancy (including leaseholders).

<b>TABLE 4: SERVICE CHARGES &amp; OTHER INCOME CHANGES 2017/18</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Service charges	(1.110)
Independent living charges	(0.013)
Other income	0.095
Garage rents	(0.009)
<b>Service charges and other income</b>	<b>(1.037)</b>

### **3. Repairs**

The housing repairs budget has been increased by £0.069m as a consequence of applying an inflationary increase of 1.0% (+£0.272m) and reducing to adjust for the new reduction in the stock (-£0.203m).

### **4. Management**

NCH Management Fee £22.615m – It is proposed that the Management Fee paid to NCH will be increased from £22.516m to £22.615m, which comprises of apprentice levy (+£0.170m), communal laundry costs (+£0.097m which will be recovered from tenants via a service charge) and a stock change adjustment to reflect the declining volume of stock (-£0.167m).

Retained Housing £3.702m – The HRA budgets still managed by the Council are set in line with General Fund assumptions, i.e. pay award (1%) and general inflation (0%) and have been contained within existing resources. A review of cost allocation between the General Fund and the HRA was done and the budget reflects that review. A further review will be undertaken in 2017 to complete this.

Meter relocations £0.090m – The cost of relocating PV solar panels meters on council houses to comply with regulatory requirements.

Public Realm & CCTV £4.204m - It is proposed that a cash limit is used for these costs charged by the General Fund.

Responsible Tenant Reward scheme £2.000m - The scheme rewards responsible tenants who pay rent on time, behave responsibly (e.g. keep gas maintenance appointments) and show respect to their neighbours and NCH staff. Tenants that meet the criteria receive £100 per annum, with the estimated cost of £2.200m in 2016/17. It is proposed that £2.000m is budgeted for the scheme in 2017/18 as a result of applying the eligibility criteria more strictly. The cost of the scheme will be mitigated to some extent by cost savings generated from the changes in behaviour. The scheme will be extended by one year and the criteria will be reviewed in 2017.

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.

## 5. Capital charges

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 rent reduction required by draft legislation referred to earlier in the report results in a reduced contribution to the capital programme in 2017/18 as reflected in **Table 5**.

<b>TABLE 5: CAPITAL FINANCING COSTS</b>			
DESCRIPTION	Original Budget 2016/17 £m	Budget 2017/18 £m	Movement £m
Depreciation	29.001	26.876	(2.125)
Debt charges	12.857	13.165	0.308
<b>TOTAL</b>	<b>41.858</b>	<b>40.041</b>	<b>(1.817)</b>

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 2017/18 budget is £26.876m.

Debt charges - The HRA continues to benefiting from the historically low short term interest rates, with the estimated average rate to be applied in 2017/18 being **4.29%**. All borrowing is currently at fixed interest rates to remove interest rate risk from the HRA. Over the life of the MTFP the long term average interest rates of between 4.00% and 4.50% are still expected to be valid for the HRA business plan.

## 6. Direct Revenue Financing

To ensure full funding of the Housing Investment Programme direct revenue financing of £3.717m has been made in 2017/18, a reduction of £0.025m from the 2016/17 budget reflecting the revised resources available in the HRA to finance capital investment.

## 7. HRA Working Balance

Under HRA self-financing the Council has taken on new risks arising from the HRA being dependent upon rental income to sustain future investment in the housing stock. The working balance acts as a contingency to cover 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 MTFP.

## HRA Medium Term Financial Plan 2017/18 to 2020/21

The HRA MTFP 4 year projections have been updated to reflect the above changes. **Table 6** shows the HRA MTFP for 2017/18 to 2020/21. The future years' projections are based on information currently available but subject to ongoing review. Projections for 2018/19 to 2020/21 incorporate the following assumptions:

- The inflation indicators are consistent with those used throughout the entire MTFP.
- Rent levels have been assumed to decrease in accordance with the legislation (-1% p.a. until 2019). In 2020 it has been assumed that no rent increase is applied. The rent level reflects the net stock changes resulting from sales and new build.
- Financing costs take account of the existing and projected borrowing required.
- Depreciation charges are based on asset life spans and replacement costs data provided by NCH.
- The Tenant Incentive Scheme continues and remains unchanged
- Additional savings of at least £0.483m required to be identified for 2020/21 to ensure the HRA remains in balance.

<b>TABLE 6: HRA – MEDIUM TERM FINANCIAL PLAN</b>				
<b>DESCRIPTION</b>	<b>BUDGET 2017/18 £m</b>	<b>BUDGET 2018/19 £m</b>	<b>BUDGET 2019/20 £m</b>	<b>BUDGET 2020/21 £m</b>
<b>INCOME</b>				
Rental Income	(96.748)	(95.538)	(93.909)	(93.344)
Provision for Bad Debts	2.042	2.542	3.042	3.042
Service charges	(5.817)	(5.682)	(5.682)	(5.682)
Other rents (inc garage)	(2.785)	(2.785)	(2.785)	(2.785)
Other income including interest	(0.390)	(0.344)	(0.304)	(0.264)
<b>TOTAL</b>	<b>(103.700)</b>	<b>(101.807)</b>	<b>(99.638)</b>	<b>(99.033)</b>
<b>EXPENDITURE</b>				
Repairs to Dwellings	27.329	27.260	27.066	26.903
NCH Management Fee	22.615	22.461	22.301	22.167
Tenant incentive scheme	2.000	2.000	2.000	2.000
Public Realm	2.846	2.846	2.846	2.846
CCTV	1.358	1.358	1.358	1.358
Retained Housing	3.792	3.728	3.701	3.679
Provision for Depreciation	26.876	26.808	26.617	26.457
Debt Charges	13.165	13.500	13.663	13.663
Direct Revenue Financing	3.717	0.877	0.000	0.000
Higher Value Asset Levy	0.000	0.500	0.500	0.500
Additional savings to be identified				(0.483)
<b>TOTAL EXPENDITURE</b>	<b>103.700</b>	<b>101.338</b>	<b>100.052</b>	<b>99.089</b>
<b>Deficit / (Surplus)</b>	<b>0.000</b>	<b>(0.470)</b>	<b>0.414</b>	<b>0.056</b>
Add Working Balance B/F	4.000	4.000	4.470	4.056
<b>WORKING BALANCE C/F</b>	<b>4.000</b>	<b>4.470</b>	<b>4.056</b>	<b>4.000</b>

## 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 was refreshed in 2015 to reflect the revised rent policy introduced by the Government from 1 April 2015. The Welfare Reform & Work Act 2016 requires an annual 1% reduction to rents until 2019, making the existing plan unaffordable.

An interim review of the Asset Management Plan (AMP) for the next 5 years has been undertaken to inform the revised capital programme, whilst work on a fundamental review of the 30 year Business Plan is being undertaken.

### 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 7** shows the level of investment to 2021/22 against the existing capital programme approved to 2020/21.

<b>TABLE 7: PUBLIC SECTOR HOUSING CAPITAL PROGRAMME</b>							
<b>PROGRAMME MOVEMENT</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</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>
Existing programme	57.867	63.287	43.472	34.647	30.920	0.000	230.193
New/amended schemes	0.001	(2.186)	(2.511)	(1.596)	2.557	35.141	31.406
<b>TOTAL PROGRAMME</b>	<b>57.868</b>	<b>61.101</b>	<b>40.962</b>	<b>33.050</b>	<b>33.477</b>	<b>35.141</b>	<b>261.599</b>

The detailed programme is shown in **Appendix B** and is based on existing approved commitments, new projects and amendments to existing schemes. **Appendix C** sets out those new/amended schemes recommended for inclusion within the programme. The 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 B**.

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; and
- 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 (refreshed to 2021/22), known commitments from schemes in progress, health and safety issues and other service investment needs. The AMP has been reviewed and £10m of works have been deferred to beyond 2021/22 to match resource availability. **Table 8** shows the summary resources identified to support the programme.

<b>TABLE 8: CAPITAL PROGRAMME &amp; RESOURCES</b>							
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</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>TOTAL INVESTMENT</b>	<b>57.868</b>	<b>61.101</b>	<b>40.962</b>	<b>33.050</b>	<b>33.477</b>	<b>35.141</b>	<b>261.599</b>
<b>RESOURCES</b>							
Capital Resources	51.075	53.780	38.177	32.850	33.277	34.941	244.100
Capital Receipts	1.265	3.604	1.908	0.200	0.200	0.200	7.377
Direct Revenue Financing	5.528	3.717	0.877	0.000	0.000	0.000	10.123
<b>TOTAL RESOURCES</b>	<b>57.868</b>	<b>61.101</b>	<b>40.962</b>	<b>33.050</b>	<b>33.477</b>	<b>35.141</b>	<b>261.599</b>

The financing of the capital programme is shown in **Appendix D**. The summary HRA capital programme for 2017/18 is shown in **Table 9**.

<b>TABLE 9: SUMMARY CAPITAL PROGRAMME 2017/18</b>	
<b>DESCRIPTION</b>	<b>£m</b>
Maintaining the Nottingham Decent Homes Standard	15.275
Additional tenant priorities:	
- City wide energy efficiency	11.219
- Additional improvements	15.160
Building a Better Nottingham	19.448
<b>TOTAL</b>	<b>61.101</b>

#### Maintaining the Nottingham Decent Homes Standard

Nottingham City Council, through its delivery agent NCH, has achieved the Decent Homes standard in the council's housing stock. We are committed to Maintaining Decency and have developed a programme which invests **£85.500m** over 5 years to deliver the Nottingham Standard for decent homes.

#### Energy Efficiency and Tackling Fuel Poverty

Over the 5 years of the programme £41.373m is being invested in energy efficiency measures including external wall insulation and LED lighting to reduce energy costs and improve living standards for tenants. The costs to the Council are reduced by ECO funding (the Energy Company Obligation – ECO) and EU funding that will benefit over 300 council homes in Sneinton (Remo-Urban).

#### Building a Better Nottingham – new build programme

The HRA’s Capital Programme for Public Sector Housing includes **£28.380m** for decommissioning, demolition and new build council housing. This supports the aim of the Council Plan 2015-19 for 2,500 new homes that Nottingham people can afford to rent or buy.

In July 2014 the Council and NCH were awarded £3.333m of grant funding from the Homes and Communities Agency (HCA). The funding will contribute 13% of the cost of building 182 new homes within the city by March 2018 including the development of 17 NCH owned family homes in Lenton.

Other schemes in the new build programme are supported by “1-4-1” capital receipts from Right to Buy – see Table 12 below.

#### HRA Capital Receipts

**Table 10** shows the estimated capital receipts from RTB sales based on updated assumptions after applying the pooling requirement and costs of disposal. Currently the balance of RTB receipts available are used to support the private sector housing programme in the ‘All Other Services’ programme in the General Fund. The table excludes 1-4-1 receipts of which more detail is given below.

TABLE 10: HRA RTB CAPITAL RECEIPTS							
PROJECTION	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	TOTAL £m
RTB Sales	10.726	8.045	6.034	4.525	3.394	2.545	<b>35.269</b>
Less Paid to Government	(2.103)	(1.577)	(1.183)	(0.887)	(0.665)	(0.499)	<b>(6.914)</b>
Less Transaction Costs	(0.364)	(0.273)	(0.205)	(0.154)	(0.115)	(0.086)	<b>(1.197)</b>
Less 1-4-1 Receipts (Table12)	(4.393)	(3.295)	(2.471)	(1.853)	(1.390)	(1.043)	<b>(14.446)</b>
To repay HRA debt	(0.202)	(0.774)	(1.208)	(1.283)	(0.965)	(0.724)	<b>(5.156)</b>
<b>Balance to General Fund Capital Programme</b>	<b>3.664</b>	<b>2.126</b>	<b>0.967</b>	<b>0.348</b>	<b>0.258</b>	<b>0.193</b>	<b>7.557</b>

The level of right to buy disposals is at such a level that the policy for RTB receipts has been reviewed. An element of future receipts will be retained to voluntarily set aside against HRA debt. The current proposal is to ensure that the level of capital charges is no more than 12.5% of the HRA turnover as a proxy for sustainability. This policy will be reviewed in 2017.

**Table 11** shows the profile of capital receipts (excluding 1-4-1 receipts), that can be used up to the values stated and may be used to finance any capital expenditure. Previously approved Council policy on the allocation of capital receipts will require

these sums 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 11: HRA CAPITAL RECEIPTS							
PROJECTION	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£m	£m	£m	£m	£m	£m	£m
Corporates	0.320	0.640	0.640	0.000	0.000	0.000	1.600
Housing land sales	0.945	0.200	0.200	0.200	0.200	0.200	1.945
<b>Total</b>	<b>1.265</b>	<b>0.840</b>	<b>0.840</b>	<b>0.200</b>	<b>0.200</b>	<b>0.200</b>	<b>3.545</b>

#### 1-4-1 Receipts from additional Right to Buy (RTB) sales

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.

Where RTB sales exceed the sales predicted prior to the government’s reinvigoration of RTB, the Council may keep an additional proportion of the receipt (known as the 1-4-1 receipt) for spend on new build. 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 must be spent within 3 years of the related RTB sale (excluding schemes with HCA grant). Any receipt unspent within the timeframe must be returned to the DCLG.

**Table 12** shows the projected 1-4-1 receipts and the use to finance expenditure on schemes that meet the eligibility criteria within the capital programme. The available receipts are those currently without a scheme in the capital programme and if suitable schemes are not identified will need to be repaid to central government.

TABLE 12 : PROJECTED 1-4-1 RECEIPTS							
PROJECTION	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
	£m	£m	£m	£m	£m	£m	£m
Opening balance	0.000	4.393	4.925	6.328	8.182	9.572	
Add new 1-4-1 receipts	4.393	3.295	2.471	1.853	1.390	1.043	<b>14.446</b>
HRA use in year	0.000	2.764	1.068	0.000	0.000	0.000	<b>3.832</b>
<b>Available</b>	<b>4.393</b>	<b>4.925</b>	<b>6.328</b>	<b>8.182</b>	<b>9.572</b>	<b>10.614</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 13**. The planned 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 13: HRA DEBT POSITION</b>	
<b>DESCRIPTION</b>	<b>£m</b>
HRA CFR at 1 April 2016	280.789
Less: debt planned to be repaid in year	(0.505)
HRA CFR at 1 April 2017	280.284
<b>Debt cap</b>	<b>319.748</b>
<b>Estimated headroom at 1 April 2017</b>	<b>39.464</b>

The MTFP assumes the use of the headroom over the life of the plan primarily to support investment in new social housing – see **Table 14** for impact on the debt cap. 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 14: HRA DEBT POSITION - PROJECTED</b>	
<b>DESCRIPTION</b>	<b>£m</b>
HRA CFR at 1 April 2017	280.284
Add: borrowing taken out over 5 year investment plan	24.350
Less: debt planned to be repaid over 5 years	(7.179)
HRA CFR at 1 April 2022	297.456
<b>Debt cap</b>	<b>319.748</b>
<b>Estimated headroom at 1 April 2022</b>	<b>22.292</b>

## APPENDIX A – SERVICE CHARGES INCREASES 2017/18

### Service charges (over 50 weeks)

**Table 1** lists the range of services provided to specific groups of tenants. It is proposed that service charges are increased by **1.0%** (CPI September 2016), apart from Estate and Block maintenance charges which are increased by £0.77 to recover the costs of maintaining communal grounds and spaces. It is also proposed that an additional service charge is created for the provision of communal laundry rooms and replace the existing collection of payments using coin operated machines. This will reduce operating costs and to allow for investment in the equipment. Applying the revised rates would produce additional annual income of **£1.110m**.

<b>TABLE 1: WEEKLY SERVICE CHARGES</b>			
<b>SERVICE</b>	<b>CURRENT 2016/17 (£)</b>	<b>PROPOSED 2017/18 (£)</b>	<b>INCREASE (£)</b>
Caretaking	5.30	5.35	0.05
Cleaning Service	3.12	3.15	0.03
Communal lighting	0.55	0.56	0.01
Communal TV system	0.93	0.94	0.01
Homewatch	0.53	0.54	0.01
Security (CCTV)	5.53	5.59	0.06
Emergency Alarm	2.54	2.57	0.03
Scooter storage	1.04	1.05	0.01
Estate Maintenance	1.26	2.03	0.77
Block Maintenance	1.26	2.03	0.77
Laundry facilities	n/a	1.40	n/a

Furnished tenancy service charges will also increase by **1.0%**.

### 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 **1.0%** to support the recovery of associated costs - see **Table 2** below. Applying the revised rates would produce additional annual income of **£0.013m**.

<b>TABLE 2: INDEPENDENT LIVING CHARGES</b>			
<b>CHARGE</b>	<b>CURRENT 2016/17 £</b>	<b>PROPOSED 2017/18 £</b>	<b>INCREASE (£)</b>
Independent Living	3.13	3.16	0.03
Intensive Housing Management	10.58	10.69	0.11
Independent Living charge where no intensive HM	3.30	3.33	0.03

### Scheme Charges

Foxton Gardens is an independent living scheme with its own service charge and charges for heat and water. Charges for heat and water are recommended to be increased by **1.0%** in line with other recommended service charge increases, whilst following a review the main service charge this is proposed to be reduced by £0.77/week. Details are set out in **Table 3**.

<b>TABLE 3: FOXTON GARDENS CHARGES</b>			
<b>TYPE</b>	<b>CURRENT 2016/17 £</b>	<b>PROPOSED 2017/18 £</b>	<b>CHANGE (£)</b>
<b>FOXTON GARDENS: SERVICE CHARGES</b>			
One bed	34.24	33.47	-0.77
Two bed	35.96	35.19	-0.77
<b>FOXTON GARDENS: WATER</b>			
One bed	3.04	3.07	0.03
Two bed	4.23	4.27	0.04
<b>FOXTON GARDENS: HEATING</b>			
One bed	14.85	15.00	0.15
Two bed	20.16	20.36	0.20

Sutton House is an independent living scheme purchased by the Council in January 2017 which has its own service charges. It is proposed that these increase by 1.0% in line with all other service charges.

### Highwood House

Highwood House is the Council's homeless families unit. Charges are recommended to be increased by **1.0%** in line with other proposed service charge increases. The increase will generate additional income of **£0.002m** and has been allowed for in the budget. Details are set out in **Table 4**.

<b>TABLE 4: HIGHWOOD HOUSE CHARGES</b>			
<b>TYPE</b>	<b>CURRENT 2016/17 £</b>	<b>PROPOSED 2017/18 £</b>	<b>INCREASE £</b>
Eligible Service Charge	123.95	125.19	1.24
<b>Ineligible Service Charge (Flat heating, lighting, water)</b>			
One bed	12.72	12.85	0.13
Two bed	18.36	18.54	0.18

## APPENDIX B - CAPITAL PROGRAMME BY SCHEME 2015/16– 2020/21

PROGRAMME AND SCHEME	Approval	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £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>	0.210	0.080	0.086	0.201	0.111	0.409	1.097
Fire Alarm Installations	<b>NCH</b>	0.102	0.090	0.090	0.090	0.114	0.116	0.602
Asbestos Works	<b>NCH</b>	1.275	0.694	0.200	0.200	0.200	0.200	2.769
Lift Replacement Programme	<b>NCH</b>	0.949	1.080	0.949	0.600	0.000	0.000	3.578
Radon Awareness	<b>NCH</b>	0.040	0.200	0.000	0.000	0.000	0.000	0.240
Water Infrastructure Managed Supplies	<b>NCH</b>	0.034	0.010	0.010	0.000	0.000	0.000	0.054
High Rise Sprinkler Systems	<b>NCH</b>	0.136	0.250	0.277	0.000	0.000	0.000	0.663
Window Restrictor Programme	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Structural Surveys & Rectification Works	<b>NCH</b>	0.242	0.073	0.050	0.050	0.050	0.050	0.515
Renew Bin Store/Refuse Chute	<b>NCH</b>	0.000	0.000	0.000	0.524	0.468	0.500	1.492
Management Fee	<b>NCH</b>	0.172	0.124	0.083	0.083	0.047	0.064	0.573
		<b>3.160</b>	<b>2.601</b>	<b>1.745</b>	<b>1.748</b>	<b>0.990</b>	<b>1.339</b>	<b>11.583</b>
<b><u>Secure Warm &amp; Modern</u></b>								
Nottingham Secure	<b>NCH</b>	2.074	2.670	2.601	2.663	3.243	2.036	15.286
Modern Living	<b>NCH</b>	3.827	2.085	2.926	3.789	4.000	5.498	22.124
Warmth for Nottingham - (Includes EWI / DLO Heating)	<b>NCH</b>	1.677	3.030	2.316	3.232	2.191	3.590	16.036
Roof & Chimney Replacement	<b>NCH</b>	2.915	1.533	1.533	1.533	2.000	3.500	13.014
External Fabric	<b>NCH</b>	1.007	2.824	3.425	3.547	4.000	4.000	18.802
Management Fee	<b>NCH</b>	0.578	0.532	0.565	0.663	0.697	0.856	3.891
		<b>12.077</b>	<b>12.674</b>	<b>13.365</b>	<b>15.427</b>	<b>16.131</b>	<b>19.480</b>	<b>89.153</b>

PROGRAMME AND SCHEME	Approval	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
<b><u>Additional Tenant Priorities</u></b>								
<b><u>Energy Efficiency &amp; Tackling Fuel Poverty</u></b>								
No Fines/ Solid Wall Insulation Schemes	<b>NCC</b>	6.666	6.049	3.934	3.091	3.500	4.000	27.240
Green Deal Communities Funding	<b>NCC</b>	0.300	0.000	0.000	0.000	0.000	0.000	0.300
BISF Upgrades / External Wall Insulation	<b>NCC</b>	1.560	1.500	0.000	0.000	0.000	0.000	3.060
LED Communal Lighting	<b>NCH</b>	0.250	0.250	0.250	0.000	0.000	0.000	0.750
Woodthorpe & Winchester – CHP	<b>NCC</b>	0.100	2.886	2.500	0.000	0.000	0.000	5.486
Colwick Woods Court	<b>NCC</b>	0.000	0.000	2.500	0.000	0.000	0.000	2.500
Management Fee	<b>NCH</b>	0.514	0.534	0.459	0.155	0.175	0.200	2.037
		<b>9.390</b>	<b>11.219</b>	<b>9.643</b>	<b>3.246</b>	<b>3.675</b>	<b>4.200</b>	<b>41.373</b>
<b><u>Modernising Housing For Older People</u></b>								
Independent living Re-Design	<b>NCH</b>	0.900	0.981	0.584	0.230	0.100	0.100	2.895
Independent Living Re-Designation	<b>NCH</b>	0.000	0.014	0.000	0.000	0.000	0.000	0.014
Carnforth Court Major Alterations	<b>NCC</b>	0.017	0.000	0.000	0.000	0.000	0.000	0.017
Mobile Scooter Stores	<b>NCH</b>	0.383	0.250	0.250	0.117	0.000	0.000	1.000
Refurbishment Of Sheltered Housing Scheme	<b>NCH</b>	0.150	0.150	0.000	0.000	0.000	0.000	0.300
Management Fee	<b>NCH</b>	0.073	0.070	0.042	0.017	0.005	0.005	0.212
		<b>1.523</b>	<b>1.465</b>	<b>0.876</b>	<b>0.364</b>	<b>0.105</b>	<b>0.105</b>	<b>4.438</b>

PROGRAMME AND SCHEME	Approval	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
<b><u>Decent Neighbourhoods</u></b>								
City Wide Environmentals - AREA CAPITAL FUND	<b>NCH</b>	1.000	1.324	1.000	1.000	1.000	1.000	6.324
Estate/Area Impact works	<b>NCH</b>	1.116	1.000	1.000	1.000	1.000	1.000	6.116
Paving Works - AREA COMMITTEE SCHEMES	<b>NCH</b>	0.328	0.360	0.360	0.360	0.360	0.360	2.128
Garage / Outbuildings - CITYWIDE	<b>NCH</b>	0.212	0.298	0.200	1.028	0.203	1.166	3.107
Management Fee	<b>NCH</b>	0.133	0.149	0.128	0.169	0.128	0.176	0.884
		<b>2.789</b>	<b>3.131</b>	<b>2.688</b>	<b>3.557</b>	<b>2.691</b>	<b>3.702</b>	<b>18.559</b>
<b><u>Existing Stock Investment</u></b>								
Major Void Works - DLO	<b>NCH</b>	2.400	2.400	2.400	2.400	2.400	2.400	14.400
Fire Damaged Properties - DLO	<b>NCH</b>	0.160	0.100	0.100	0.100	0.100	0.100	0.660
Victoria Centre Roof	<b>NCH</b>	0.050	0.266	0.000	0.000	0.000	0.000	0.316
Victoria Centre External Refurbishment	<b>NCC</b>	0.000	0.000	0.000	3.000	5.000	1.600	9.600
Management Fee	<b>NCH</b>	0.003	0.013	0.000	0.150	0.250	0.080	0.496
		<b>2.613</b>	<b>2.779</b>	<b>2.500</b>	<b>5.650</b>	<b>7.750</b>	<b>4.180</b>	<b>25.472</b>

PROGRAMME AND SCHEME	Approval	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
<b><u>Building a Better Nottingham</u></b>								
Lenton - DECOM, DEMO & NEW BUILD	<b>NCC</b>	2.551	0.000	0.000	0.000	0.000	0.000	2.551
Cranwell Road & Meadows Q Blocks Leaseholder Acquisitions	<b>NCC</b>	0.128	0.000	0.000	0.000	0.000	0.000	0.128
Cranwell Road Flats - DECOM, DEMO & NEW BUILD	<b>NCC</b>	3.197	0.514	0.000	0.000	0.000	0.000	3.711
Meadows Q Blocks - DECOM, DEMO & NEW BUILD	<b>NCC</b>	3.567	0.055	0.000	0.000	0.000	0.000	3.622
Rehousing Costs	<b>NCC</b>	0.000	0.459	0.000	0.000	0.000	0.000	0.459
Demolition	<b>NCC</b>	0.097	0.087	0.000	0.000	0.000	0.000	0.184
Raddale Road - DEMO & NEW BUILD	<b>NCC</b>	0.404	0.373	0.000	0.000	0.000	0.000	0.777
Meadowvale Road - DEMO & NEW BUILD	<b>NCC</b>	0.417	0.000	0.000	0.000	0.000	0.000	0.417
Aspley JSC / Stepney Court - DECOM, DEMO & NEW BUILD	<b>NCC</b>	0.400	2.815	0.414	0.000	0.000	0.000	3.629
Affordable Homes Infill Sites - DECOM, DEMO & NEW BUILD	<b>NCC</b>	5.316	6.169	0.000	0.000	0.000	0.000	11.486
New Build Phase 1 - UNALLOCATED	<b>NCC</b>	0.207	0.373	0.000	0.000	0.000	0.000	0.580
New Build Phase 2 - UNALLOCATED	<b>NCC</b>	0.000	2.250	4.750	0.879	0.000	0.000	7.879
Morley School - DECOM, DEMO & NEW BUILD	<b>NCC</b>	2.576	1.300	0.000	0.000	0.000	0.000	3.876
Acquisition	<b>NCC</b>	0.650	0.381	0.000	0.000	0.000	0.000	1.031
Woodthorpe & Winchester - New Build	<b>NCC</b>	0.200	3.800	2.500	0.000	0.000	0.000	6.500
Management Fee	<b>NCH</b>	1.102	0.872	0.346	0.044	0.000	0.000	2.364
		<b>20.813</b>	<b>19.448</b>	<b>8.009</b>	<b>0.923</b>	<b>0.000</b>	<b>0.000</b>	<b>49.193</b>

PROGRAMME AND SCHEME	Approval	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	TOTAL £m
<b><u>Joint NCC / NCH Involvement</u></b>								
Sanctuary Project	<b>NCC</b>	0.035	0.035	0.035	0.035	0.035	0.035	0.210
HRA Shop Investment Strategy	<b>NCC</b>	0.140	0.039	0.000	0.000	0.000	0.000	0.179
St Anns Estate Action - Stonebridge Park (PHASE 3 & 6)	<b>NCC</b>	0.030	0.520	0.000	0.000	0.000	0.000	0.550
Empty Homes	<b>NCC</b>	0.632	0.000	0.000	0.000	0.000	0.000	0.632
Office Improvements	<b>NCC</b>	0.030	0.000	0.000	0.000	0.000	0.000	0.030
IT Development Programme	<b>NCC</b>	0.000	0.026	0.000	0.000	0.000	0.000	0.026
PV Installation Programme	<b>NCC</b>	0.000	5.064	0.000	0.000	0.000	0.000	5.064
Adaptations For Disabled Persons	<b>NCC</b>	1.224	0.731	0.731	0.731	0.731	0.731	4.879
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
Grant to NCH for acquisition of Lenton land	<b>NCC</b>	0.745	0.000	0.000	0.000	0.000	0.000	0.745
Acquisition Of Sheltered Housing Scheme	<b>NCC</b>	1.300	0.000	0.000	0.000	0.000	0.000	1.300
		<b>5.504</b>	<b>7.784</b>	<b>2.135</b>	<b>2.135</b>	<b>2.135</b>	<b>2.135</b>	<b>21.828</b>
<b>TOTAL</b>		<b>57.868</b>	<b>61.101</b>	<b>40.962</b>	<b>33.050</b>	<b>33.477</b>	<b>35.141</b>	<b>261.599</b>



## APPENDIX C - CAPITAL PROGRAMME SCHEMES AMENDMENTS FOR APPROVAL 2015/16 – 2020/21

PROGRAMME AND SCHEME	Approval	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £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>	0.000	0.000	0.000	0.000	0.000	(0.409)	(0.409)
Fire Alarm Installations	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(0.116)	(0.116)
Asbestos Works	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(0.200)	(0.200)
Lift Replacement Programme	<b>NCH</b>	0.000	0.000	(0.600)	(0.600)	0.000	0.000	(1.200)
Radon Awareness	<b>NCH</b>	0.096	(0.200)	0.000	0.000	0.000	0.000	(0.104)
Water Infrastructure Managed Supplies	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
High Rise Sprinkler Systems	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Window Restrictor Programme	<b>NCH</b>	0.027	0.000	0.000	0.000	0.000	0.000	0.027
Structural Surveys & Rectification Works	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(0.050)	(0.050)
Renew Bin Store/Refuse Chute	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(0.500)	(0.500)
Management Fee	<b>NCH</b>	(0.016)	(0.010)	(0.030)	(0.030)	0.000	(0.064)	(0.150)
		<b>0.107</b>	<b>(0.210)</b>	<b>(0.630)</b>	<b>(0.630)</b>	<b>0.000</b>	<b>(1.339)</b>	<b>(2.702)</b>
<b><u>Secure Warm &amp; Modern</u></b>								
Nottingham Secure	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(2.036)	(2.035)
Modern Living	<b>NCH</b>	0.000	0.000	0.000	0.000	1.000	(5.498)	(4.498)
Warmth for Nottingham - (Includes EWI / DLO Heating)	<b>NCH</b>	0.000	0.000	0.000	0.000	(1.000)	(3.590)	(4.590)
Roof & Chimney Replacement	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(3.500)	(3.500)
External Fabric	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(4.000)	(4.000)
Management Fee	<b>NCH</b>	(0.078)	0.075	0.075	0.075	0.075	(0.856)	(0.634)
		<b>(0.077)</b>	<b>0.075</b>	<b>0.076</b>	<b>0.075</b>	<b>0.075</b>	<b>(19.480)</b>	<b>(19.256)</b>

<b>PROGRAMME AND SCHEME</b>	<b>Approval</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>2020/21 £m</b>	<b>TOTAL £m</b>
<b><u>Additional Tenant Priorities</u></b>								
<b><u>Energy Efficiency &amp; Tackling Fuel Poverty</u></b>								
No Fines/ Solid Wall Insulation Schemes	<b>NCC</b>	0.000	0.000	1.000	1.000	1.000	(4.000)	(1.000)
Green Deal Communities Funding	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
BISF Upgrades / External Wall Insulation	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
LED Communal Lighting	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Woodthorpe & Winchester - CHP	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Colwick Woods Court	<b>NCC</b>	0.000	2.500	(2.500)	0.000	0.000	0.000	0.000
Management Fee	<b>NCH</b>	(0.070)	0.125	(0.075)	0.050	0.050	(0.200)	(0.120)
		<b>(0.070)</b>	<b>2.625</b>	<b>(1.575)</b>	<b>1.050</b>	<b>1.050</b>	<b>(4.200)</b>	<b>(1.120)</b>
<b><u>Modernising Housing For Older People</u></b>								
Independent living Re-Design	<b>NCH</b>	0.100	(0.100)	0.000	0.000	(0.050)	(0.100)	(0.150)
Independent Living Re-Designation	<b>NCH</b>	0.014	(0.014)	0.000	0.000	0.000	0.000	0.000
Carnforth Court Major Alterations	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mobile Scooter Stores	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Refurbishment Of Sheltered Housing Scheme	<b>NCH</b>	0.030	(0.030)	0.000	0.000	0.000	0.000	0.000
Management Fee	<b>NCH</b>	0.007	(0.007)	0.000	0.000	(0.002)	(0.005)	(0.006)
		<b>0.151</b>	<b>(0.151)</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.052)</b>	<b>(0.105)</b>	<b>(0.156)</b>

<b>PROGRAMME AND SCHEME</b>	<b>Approval</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>2020/21 £m</b>	<b>TOTAL £m</b>
<b><u>Decent Neighbourhoods</u></b>								
City Wide Environmentals - AREA CAPITAL FUND	<b>NCH</b>	0.324	(0.324)	0.000	0.000	0.000	(1.000)	(1.000)
Estate/Area Impact works	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(1.000)	(1.000)
Paving Works - AREA COMMITTEE SCHEMES	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(0.360)	(0.360)
Garage / Outbuildings - CITYWIDE	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(1.166)	(1.166)
Management Fee	<b>NCH</b>	0.016	(0.016)	0.000	0.000	0.000	(0.176)	(0.176)
		<b>0.340</b>	<b>(0.340)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(3.702)</b>	<b>(3.702)</b>
<b><u>Existing Stock Investment</u></b>								
Major Void Works - DLO	<b>NCH</b>	0.000	0.000	0.000	0.000	0.000	(2.400)	(2.400)
Fire Damaged Properties - DLO	<b>NCH</b>	(0.060)	0.000	0.000	0.000	0.000	(0.100)	(0.160)
Victoria Centre Roof	<b>NCH</b>	0.116	(0.116)	0.000	0.000	0.000	0.000	(0.000)
Victoria Centre External Refurbishment	<b>NCC</b>	0.000	0.000	3.000	2.000	(3.400)	(1.600)	0.000
Management Fee	<b>NCH</b>	0.005	(0.005)	0.150	0.100	(0.170)	(0.080)	(0.000)
		<b>0.061</b>	<b>(0.121)</b>	<b>3.150</b>	<b>2.100</b>	<b>(3.570)</b>	<b>(4.180)</b>	<b>(2.560)</b>

<b>PROGRAMME AND SCHEME</b>	<b>Approval</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>2020/21 £m</b>	<b>TOTAL £m</b>
<b><u>Building a Better Nottingham</u></b>								
Lenton - DECOM, DEMO & NEW BUILD	<b>NCC</b>	(0.279)	0.279	0.000	0.000	0.000	0.000	0.000
Cranwell Road & Meadows Q Blocks Leaseholder Acquisitions	<b>NCC</b>	(0.002)	0.000	0.000	0.000	0.000	0.000	(0.002)
Cranwell Road Flats - DECOM, DEMO & NEW BUILD	<b>NCC</b>	0.514	(0.514)	0.000	0.000	0.000	0.000	(0.000)
Meadows Q Blocks - DECOM, DEMO & NEW BUILD	<b>NCC</b>	(0.078)	(0.055)	0.000	0.000	0.000	0.000	(0.133)
Rehousing Costs	<b>NCC</b>	0.114	2.145	0.000	0.000	0.000	0.000	2.259
Demolition	<b>NCC</b>	0.124	(0.087)	0.000	0.000	0.000	0.000	0.037
Ragdale Road - DEMO & NEW BUILD	<b>NCC</b>	0.209	(0.209)	0.000	0.000	0.000	0.000	(0.000)
Meadowvale Road - DEMO & NEW BUILD	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Aspley JSC / Stepney Court - DECOM, DEMO & NEW BUILD	<b>NCC</b>	0.445	(0.445)	0.000	0.000	0.000	0.000	0.000
Affordable Homes - Garage Sites - DECOM, DEMO & NEW BUILD	<b>NCC</b>	1.485	(1.485)	0.000	0.000	0.000	0.000	(0.001)
New Build Phase 1 - UNALLOCATED	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
New Build Phase 2 - UNALLOCATED	<b>NCC</b>	0.000	(2.250)	1.242	(0.879)	0.000	0.000	(1.887)
Morley School - DECOM, DEMO & NEW BUILD	<b>NCC</b>	0.250	(0.250)	0.000	0.000	0.000	0.000	0.000
Acquisition	<b>NCC</b>	(0.001)	0.000	0.000	0.000	0.000	0.000	(0.001)
Woodthorpe & Winchester - New Build	<b>NCC</b>	0.081	(0.081)	0.000	0.000	0.000	0.000	0.000
Management Fee	<b>NCH</b>	(0.005)	(0.110)	0.099	(0.044)	0.000	0.000	(0.060)
		<b>2.856</b>	<b>(3.062)</b>	<b>1.342</b>	<b>(0.923)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.213</b>

<b>PROGRAMME AND SCHEME</b>	<b>Approval</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>2020/21 £m</b>	<b>TOTAL £m</b>
<b><u>Joint NCC / NCH Involvement</u></b>								
Sanctuary Project	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	(0.035)	(0.035)
HRA Shop Investment Strategy	<b>NCC</b>	0.039	(0.039)	0.000	0.000	0.000	0.000	(0.000)
St Anns Estate Action - Stonebridge Park (PHASE 3 & 6)	<b>NCC</b>	0.520	(0.520)	0.000	0.000	0.000	0.000	0.000
Empty Homes	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Office Improvements	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
IT Development Programme	<b>NCC</b>	0.026	(0.026)	0.000	0.000	0.000	0.000	0.000
PV Installation Programme	<b>NCC</b>	0.500	(0.500)	0.000	0.000	0.000	0.000	0.000
Adaptations For Disabled Persons	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	(0.731)	(0.731)
Adaptations For Disabled Persons - <b>DLO</b>	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	(1.269)	(1.269)
Preventive Adaptations For Older People – <b>PAD</b>	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	(0.100)	(0.100)
Grant to NCH for acquisition of Lenton land	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Acquisition Of Sheltered Housing Scheme	<b>NCC</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000
		<b>1.085</b>	<b>(1.085)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(2.135)</b>	<b>(2.135)</b>
<b>TOTAL</b>		<b>4.454</b>	<b>(2.270)</b>	<b>2.362</b>	<b>1.672</b>	<b>(2.497)</b>	<b>(35.141)</b>	<b>(31.419)</b>

## APPENDIX D

<b>HRA CAPITAL RESOURCES APPLIED</b>							
<b>RESOURCE TYPE</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</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>
Resources b/f	50.110	28.753	5.574	0.000	1.690	0.724	<b>50.110</b>
Prudential Borrowing	0.000	0.000	4.296	7.174	5.408	7.472	<b>24.350</b>
Major Repairs Reserve	27.078	27.329	27.260	27.066	26.903	26.745	<b>162.381</b>
Grants Capital Grants	2.640	3.272	1.047	0.301	0.000	0.000	<b>7.259</b>
Direct Revenue Financing	5.528	3.717	0.877	0.000	0.000	0.000	<b>10.122</b>
Capital Receipts	1.265	3.604	1.908	0.200	0.200	0.200	<b>7.377</b>
<b>Total resources</b>	<b>86.621</b>	<b>66.675</b>	<b>40.962</b>	<b>34.741</b>	<b>34.201</b>	<b>35.141</b>	<b>261.599</b>
<b>Capital expenditure</b>	<b>57.868</b>	<b>61.101</b>	<b>40.962</b>	<b>33.050</b>	<b>33.477</b>	<b>35.141</b>	<b>261.599</b>
<b>Resources c/f</b>	<b>28.753</b>	<b>5.574</b>	<b>0.000</b>	<b>1.690</b>	<b>0.724</b>	<b>0.000</b>	<b>0.000</b>

# ANNEX 5

## ROBUSTNESS OF THE BUDGET

<b>CONTENTS</b>	
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<b>APPENDICES</b>	
<b>APPENDIX NUMBER &amp; TITLE</b>	
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 Strategic Director of 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 multi-year Medium Term Financial Plan (MFTP). 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 and performance boards).
- 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 proportion and profile of savings that is permanent, ongoing and sustainable. For example partnership working, 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 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, 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 individual budget and accountability details issued to all budget 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. Individual budget and accountability details are sent to budget 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 2016/17 will show an overspend of **£1.003m** (before applying any trading surpluses) 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**.

##### 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 2016/17 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. Current monitoring indicates that the HRA is forecast to be on budget for 2016/17.

### 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 **£538.627m** compared to resources of **£540.605m**. There is a projected surplus of resources in 2020/21 of **£1.978m**.
- Public Sector Housing  
The forecast spend to 2020/21 is **£261.599m** which is fully financed from available resources generated within the HRA.

#### 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 significant 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£0.492m 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;
- all future schemes will need to address the consequences of cash flow shortfalls in the early years, and available funding must be identified and approved prior to the commencement of projects;
- 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. The four year settlement confirms continued reduction in funding in the medium term. 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 increases the significance of Council reserve levels as these are 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 core cities. The data is based on 2015/16 CIPFA Finance and General Estimates, demonstrating Nottingham's reserve position is lower relative to similar councils.

<b>TABLE 1 : COMPARISON OF RESERVES WITH CORE CITIES</b>			
<b>Authority</b>	<b>Net Revenue Expenditure * £m</b>	<b>Estimated Unallocated Reserves as at 1 April 2016 £m</b>	<b>Estimated Unallocated Reserves as % of NRE</b>
Birmingham	868.388	106.900	<b>12.3%</b>
Newcastle	239.398	14.134	<b>5.9%</b>
Bristol	348.297	20.000	<b>5.7%</b>
Liverpool	436.987	24.789	<b>5.7%</b>
Manchester	455.757	25.402	<b>5.6%</b>
Leeds	524.481	20.891	<b>4.0%</b>
<b>Nottingham</b>	<b>247.615</b>	<b>9.600</b>	<b>3.8%</b>
Sheffield	465.185	12.037	<b>2.6%</b>

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 ways of working, 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 Portfolio Holders.

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 MTFP requires the opening balance on the general reserves to be between 2% and 4% of the total net general fund revenue budget. The proposed General Fund balance for 2017/18 is **£11.600m**, which is **4.8%** of the net general fund budget, as at 1 April

2017. This represents an increase of **£2.000m** from 2016/17 and will be funded from a review of the existing earmarked reserves.

The increase to **£11.600m** exceeds the percentages within the current MTFs however an increase to the overall level of reserves is required due to the difficulties in meeting a reducing annual budget together with the significant funding implications from Health Integration and the wider commercial drive in 2017/18. This change to **4.8%** aligns the reserves level with other Core Cities and a refreshed MTFs will be presented in 2017/18 which will include updated guidance on the level of general reserves. **Appendix A** details individual risks and 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 **£1.800m** (i.e. **0.7%**) 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 2017/18 is **£4.000m**, which is **2.2%** of the gross spend.

#### Earmarked Reserves

Earmarked Reserves are funds set aside to provide for specific future expenditure plans. The Council held balances of **£174.931m** in earmarked reserves at 31 March 2016 which includes schools budget balances of **£21.864m**. 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 main categories of earmarked reserves that the Council holds:

- Sums set aside for major schemes, including Private Finance Initiatives, capital developments, or to fund transition and transformation
- Potential Liabilities
- School Balances
- Insurance and risk management
- Traded surpluses

During the course of 2016/17 it is anticipated that there will be a net **£3.623m** increase in earmarked reserves and a net **£4.375m** will be utilised in 2017/18. 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 2016/17 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 2017/18 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 for budget managers;
- 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, new partnership arrangements, 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**  
**Strategic Director of Finance**  
**Chief Finance Officer**  
**Nottingham City Council**

**February 2017**

**GENERAL FUND- RISK ASSESSMENT**

**APPENDIX A**

DEPARTMENT/ POTENTIAL RISK	WORST CASE £m	ASSESEMENT OF RISK £m	ESTIMATED EXPOSURE £m
<b>CORPORATE RISK</b>			
<b>Cost overrun on Capital Schemes</b> The Council has an ambitious investment strategy which may be subject to cost overrun. 5% cost overrun on Capital Programme is £8.229m	8.229	Low	2.057
<b>Company Returns</b> Risk that companies do not meet the planned trading position, require one-off investments.	1.546	High	1.391
<b>Works Perks</b> Impact of the Government's Finance Bill 2017 to remove the Income Tax and employer NICs advantages of salary sacrifice schemes.	0.250	Medium	0.125
<b>TOTAL CORPORATE RISK</b>	<b>10.025</b>		<b>3.573</b>

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DEPARTMENT/ POTENTIAL RISK	WORST CASE £m	ASSESSMENT OF RISK £m	ESTIMATED EXPOSURE £m
<p><b>CHILDREN AND ADULTS RISK</b></p> <p><b>Delivery of the savings included in the Sustainable Transformation Plan</b> The delivery of the STP is predicated on a number of partnerships. This savings constitutes nearly 50% of the savings in 2017/18 and any shortfall could be significant for the MTFP.</p> <p><b>Adults Demand</b> Changes to the demand for Adults services are included in the budget process however a 1% change to those assumptions would equate to £0.906m. Demand changed by 3.35% in 2016/17 above budget.</p> <p><b>Children's Demand</b> Changes to the demand for Childrens services is included in the budget process on the assumption of 3.1% however a 1% change to those assumptions would equate to costs increasing by £0.894m.</p> <p><b>Increased costs associated with Unaccompanied Asylum Seekers</b> Budgeted levels for UACS are 8; in 2016/17 these numbers have risen to 22 and there is a possibility they could rise further 46. The costs associated with this cohort are not fully funded by government and are reflected as a risk.</p>	8.680	Medium	4.340
<b>TOTAL CHILDREN AND ADULTS RISK</b>	<b>13.356</b>		<b>6.977</b>

<b>DEPARTMENT/ POTENTIAL RISK</b>	<b>WORST CASE £m</b>	<b>ASSESSMENT OF RISK £m</b>	<b>ESTIMATED EXPOSURE £m</b>
<b>COMMERCIAL AND OPERATIONS RISK</b>			
<b>Traded Activities</b> A range of trading activities have trading surplus target; a consequence of under achievement of the target could be an increase to the net charge to the general fund.	3.526	Low	0.882
<b>TOTAL COMMERCIAL AND OPERATIONS RISK</b>	<b>3.526</b>		<b>0.882</b>
<b>DEVELOPMENT &amp; GROWTH RISK</b>			
<b>Economic conditions on the property trading account</b> Ability to achieve £12.415m surplus on property trading account due to the impact of the economy & regeneration of the city. Elements of this are at risk however mitigation plans will always be expected.	1.500	Medium	0.750
<b>Increase in volume &amp; cost of homelessness</b> Nottingham City Council's Housing Aid Service had not used bed and breakfast for 7 years and there was no reliance on B+B as a form of emergency accommodation. National-level policy changes have led to increases in homelessness around the country, including Nottingham. In 2015/16 the service was forced to use B+B, but had reserves in place which could deal with the issue. This situation was not addressed at a national level and the issue has therefore arisen again in 2016/17 and could continue into 2017/18.	0.500	Medium	0.250
<b>TOTAL DEVELOPMENT AND GROWTH RISKS</b>	<b>2.000</b>		<b>1.000</b>
<b>STRATEGY AND RESOURCES RISK</b>			
<b>Insurance</b> Additional risk related to historical claims not yet assessed	1.500	Low	0.375
<b>TOTAL STRATEGY AND RESOURCES RISK</b>	<b>1.500</b>		<b>0.375</b>
<b>TOTAL POTENTIAL RISK</b>	<b>30.407</b>		<b>12.807</b>

<b>HRA – RISK ASSESMENT</b>			
<b>POTENTIAL RISK</b>	<b>WORST CASE</b> £m	<b>ASSESSMENT OF RISK</b> £m	<b>ESTIMATED EXPOSURE</b> £m
<b>HRA RISK</b>			
<b>Universal Credit</b> Increase in bad debt levels due to payment of rent direct to tenant	1.000	High	0.900
<b>Fixed term tenancies</b> Causing an increase in void properties	0.600	Low	0.150
<b>Housing Benefit capped at LHA rate</b> Certain properties harder to let resulting in increase to void properties	0.500	Low	0.125
<b>Asset Levy greater than estimated</b> An additional cost to be borne by the Housing Revenue Account	1.500	High	1.350
<b>Capital programme funding</b> Shortfall in external funding or capital receipts creating pressure for additional funding from the HRA	0.600	Medium	0.300
<b>Capital programme costs increase</b> Costs of new build projects exceed budgets	1.500	Medium	0.750
<b>More Right to Buy sales</b> Reduced rental income to cover fixed costs of managing and maintaining the council's housing stock	1.000	Medium	0.500
<b>TOTAL - HRA</b>	<b>6.700</b>		<b>4.075</b>

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# ANNEX 6

## BUDGET CONSULTATION 2017/18

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<b>A</b>	Your City Your Services 2016 Data Report
<b>B</b>	Formal response from Nottinghamshire Disabled People's Movement

# ANNEX 6: BUDGET CONSULTATION 2017/18

## SUMMARY

Nottingham City Council is setting its budget within a very challenging financial environment. It has seen a substantial reduction in Government funding and faces uncertainty over future levels of funding. Across the country there is a funding crisis in providing care for the elderly. This year the Council must find more money for Adult Social Care so must make difficult decisions about some services and levels of Council Tax and social care precept.

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 27 January 2017.

## 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 incorporate the views of citizens into the processes of policy making and service improvement. This helps the Council to understand the issues and services that matter to local communities. Budget consultation ensures that citizens' priorities guide the Executive Board in developing the budget proposals.

The Council has been guided by the following principles:

- Take account of the Council's priorities within the Council Plan 2015-2019 agreed by the Council on 9 November 2015;
- Address demographic and service pressures;
- Reflect the significant reductions in external funding (especially general and specific Government grants) by reducing expenditure on those activities;
- Support the Council's determination to be efficient, improve performance and modernise the organisation;
- Minimise the impact of service reductions and changes on vulnerable citizens by protecting frontline services;
- To pursue commercialisation opportunities to generate income for the Council.

## 2. THE CONSULTATION

### How we consulted

Consultation on the budget was conducted in two phases:

#### Pre-budget

Before the budget settlement for 2017/18 was announced in December, pre-budget consultation was carried out during October and November 2016. This gathered views through a survey, available both on-line and through the October edition of the Council's Arrow magazine. Citizens were asked:

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

Following this process, the draft budget was approved for consultation by Executive Board on 20<sup>th</sup> December 2016.

#### Consultation on budget proposals

The Council consulted on the draft budget proposals from December 20<sup>th</sup> 2016. 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. Attendees were invited to provide feedback via the consultation form and verbal feedback from these events was recorded and collated. Consultation with businesses, colleagues, One Nottingham partners and the voluntary and community sector was also undertaken. Young people's views were also sought via a discussion at Youth Cabinet.

#### The consultation events

The local public consultation events provided the opportunity for citizens to engage directly with members of the Council's Executive Board and ask them about the proposals. The Council's neighbourhood management teams arranged four 'drop-in' sessions, one in each of the Joint Service Centres. At each event a presentation was available, providing background to the budget and information about the proposals. A short animated video was also available which used graphics to explain the current budget position in Nottingham. In addition, agenda items on the budget consultation were added to some pre-existing meetings and citizens had the opportunity to discuss the budget during regular weekly surgeries with councillors. Interpreters were present at the community event at the Mary Potter Joint Service Centre to help members of the deaf community engage with the consultation.

Members of the local business community attended a breakfast briefing and a lunchtime event on the Council's budget was arranged for One Nottingham Partners. There was also an additional event hosted by Nottingham Community and Voluntary Service for voluntary and community groups and Communities of Identity. All of these events involved a formal presentation from a Portfolio Holder or Executive Assistant, followed by a Q&A session.

The views of young people in the City were also sought via a session at a Youth Cabinet meeting. Cllr Mellen introduced the young people to the budget and fielded questions and encouraged discussion about the proposals and the budget as a whole.

Nottingham City Council colleagues were also given the opportunity to be involved in the consultation, this involved:

- Presentations by the Chief Executive or the Deputy Chief Executive and the Deputy Leader, followed by question and answer sessions.
- Intranet news articles

#### Feedback to services

Feedback received on the budget proposals from this series of events and via the consultation form is being forwarded to senior officers on a regular basis for appropriate consideration.

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

#### Pre-budget consultation

2,034 responses were received from the pre-budget consultation with 98% of these coming from the survey in the October edition of the Council's Arrow magazine; the remainder responded online or completed a form which was available at local meetings or in Council buildings.

Respondents were asked to rate a cross section of 24 council services / functions 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
2. Refuse collection
3. Services to elderly and vulnerable people
4. Public Health
5. Child Protection

Four out of the services rated as the five most important by 2016 respondents are the same as those identified in the 2015 survey. Public Health has replaced Public Transport in the top five, Public Transport appeared 6<sup>th</sup> in the 2016 survey. The ordering of the top services has changed however; in 2015, services to elderly and vulnerable people topped the list.

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**

124 survey submissions have been received to date.

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

87 pieces of feedback relating to specific budget proposals has been received to date. The following table summarises this feedback by service area.

Service	Feedback received
Public Transport	39
Sport & Culture	12
Neighbourhood Services	8
Energy Services	6
Early Help	4
Econ Dev Partner & Policy	4
Children in Care	3
Inclusion & Disability	3
Adult Social Care	2
Community Protection	1
Education Partnerships	1
Legal & Democratic	1
Quality & Commissioning - Supporting People	1
Strategy & Policy	1
YOT	1

Most of the feedback received to date relates to the Public Transport proposals and the majority of these have been about the proposal to charge for the Medilink service.

### **Other feedback**

Around 120 comments have been received which are not specific to individual budget proposals. A number of these were concerns about a rise in Council Tax.

The rest of the comments related to a very wide range of topics with no topics dominating feedback. Topics included:

- Income generation
- Government cuts
- Concerns about Social Care costs
- Marketing spend

In some cases, feedback showed that citizens feel that the Council is doing its best given the difficult circumstances. Some citizens stated that more information is needed in order for them to fully understand what is being proposed.

The above is based on data received up to 7 February 2017.

## **Feedback from events in neighbourhoods**

Clarity was sought on the detail of a number of proposals including:

- redesigning Children's Centres,
- charging non-domestic users for use of household waste recycling centres,
- the bereavement service review,
- the proposal to charge for medilink

Topics discussed included:

- The impact of the rise on those on benefits and whether the Council recovers all the Council Tax due.
- The need for supporting people at home so as to reduce the burden on the NHS and how savings are to be made through jointly working with the NHS.
- Concern about costs of leisure centres for those on benefits
- Concerns about the loss of EU funding for construction, skills and training and business grants
- Concerns about what will happen in future years, whether there will be future rises in Council Tax
- The impact on Council Tax of having a lot of student properties within the City
- The City's Business Rates
- The Transitional Grant from the Government

Clarity was also sought on the funding sources of a number of projects and programmes and the impact of the cuts on Council staff.

## **Discussions with the business community**

Topics discussed included:

- The need to educate people about the real issues, the complexity of the budget situation facing the Council and the uncertainty of future costs
- Balancing long term returns and short term one-off opportunities
- Speculative investments
- Local Authority borrowing
- Outsourcing

## **Discussions with One Nottingham Partners**

Topics discussed included:

- The importance of retaining welfare rights interpreting services whilst trying to find savings if possible.
- Protecting services for the homeless
- How One Nottingham can work with smaller niche voluntary organisations
- Nottingham's future and its opportunities, the Council's priority to up-skill the city
- Funding for work around social cohesion
- Communicating the complex budget issues to citizens

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

Feedback, queries and discussion centred around:

- A number of the specific budget proposals, including cuts to Youth Crime Services, Nottingham Futures, bereavement services, charging for Medilink
- Co-ordinating social care and health services
- The sustainability of constant cuts
- Cuts to voluntary sector funding
- Support for the Council and the understanding that it is doing all it can

### **Feedback from the Youth Cabinet**

A number of specific proposals were discussed including:

- The proposed charge for the medilink service
- Review of fees and charges at Leisure Centres
- Reductions in the Youth Offending Team and therefore intervention work which could have a negative impact by making YOT service users more likely to reoffend

Other topics discussed included:

- How to improve Nottingham and encourage more people and business into the City
- The amount the Council spends on adult services and whether citizens realise what the Council spends its money on
- The need for care provision in the community to relieve pressure on hospitals, re-thinking how older people are cared for and the practicalities of increased caring responsibilities whilst still earning a living.

### **Formal responses**

A formal response has been received from the Nottinghamshire Disabled People's Movement which provides feedback on eight of the budget proposals. A summary is provided below and the full response has been shared with relevant senior officers and portfolio holders:

- Concern about the impact of potential cuts to the Easylink dial-a-ride service which many disabled people rely on to go out during the day, for essential meetings, appointments, social activities, etc.
- Concern that Special Education Needs services are to be sold as a means of income generation, there is a danger of these services not being available to the children who currently rely on them.
- Impact on young people's employment readiness and economic growth of the city relating to proposals affecting Nottingham Futures.
- Concern that the library proposals could impact more severely on those who are disabled or elderly and increase social isolation.
- The NCH cut is sizable and there is concern that services offered to vulnerable people will be affected.

## 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 into the decision-making process.

Overall there is recognition of the difficult position the Council is in, regarding the scale of savings that have to be made.

The results from the '2016 Your City Your Services' survey undertaken in phase one of the consultation 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 'Tackling crime and antisocial behaviour' has risen in the rankings since last year. This may in part be due to the local publicity around the City.

Findings from phase one of the consultation about citizens' priorities suggest that health is an increasingly important issue for citizens. Public Health was this year ranked as the 4<sup>th</sup> most important Council service and almost three quarters of respondents said that they were concerned or very concerned about the 'impact on my health' of the current economic situation.

Throughout the second phase of the consultation, the feedback we have received via the survey has tended to focus on the proposals which are likely to impact citizens on a day-to-day basis. However, feedback via the events and discussions has also brought out the longer term issues of future funding and how to meet the increasing costs of social care.

This suggests that, although citizens are worried about potential cuts to services which would impact upon them now, there is a growing understanding and concern amongst citizens and organisations within the city about the more long term issues such as funding for social care. The Council has been communicating widely about these complex issues and needs to continue to do so as they are becoming so fundamental to future decision-making.

## Appendix A: Your City Your Services 2016 Data Report

### Background

This report presents the detailed results from the 2016 Your City Your Services (YCYS) survey. This is the sixth annual Your City Your Services survey.

From the beginning of October 2016 the YCYS survey was available online and a paper version was distributed to every household across the City in the autumn edition of the Nottingham Arrow publication. The survey was also circulated using Social media (Facebook and twitter). Paper copies of the survey were made available at customer reception points across the City including at the Joint Service Centres, leisure centres, libraries and Angel Row Contact Centre.

As in previous years, the 2016 YCYC survey used a self-completion approach. At the date of writing this report a total of 2,034 responses have been received, compared to 1,834 in 2015, 1,982 in 2014 and 2,524 in 2013.

Results from the survey were made available to inform Councillors' decisions in the 2017/18 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)

### 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.

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.

Four out of the services rated as the five most important by 2016 respondents are the same as those identified in the 2015 survey. Public Health has replaced Public Transport in the top five, Public Transport appeared 6<sup>th</sup> in the 2016 survey.

**Table 1: Top Five Rated Services in 2015**

<b>2016 ranking</b>	<b>Service (2015 ranking in brackets)</b>	<b>Mean score</b>
1	Tackling crime and antisocial behaviour (3)	4.30
2	Refuse Collection (4)	4.29
3	Services to elderly and vulnerable people (1)	4.28
4	Public Health (6)	4.17
5	Child Protection (2)	4.15

The ordering of the top services has changed; in 2015, services to elderly and vulnerable people topped the list. **Tackling crime antisocial behaviour** and **refuse collection** have both moved up two places since last year. **Child Protection** and **Services to elderly and vulnerable people** have both dropped down within the top five. **Public Health** has entered the top five, having been sixth last year, whilst **Public Transport** has dropped into sixth place this year.

The services rated as the two least important by respondents remain the same as last year. These are **Museums** (3.13 out of 5) and **Events** (2.88 out of 5).

## **Further savings or additional income**

Respondents were asked to suggest how the Council could make further savings or additional income. 816 respondents provided their ideas. Suggestions are summarised by Portfolio below:

### **Strategic Regeneration**

A small amount of feedback was received about services in this Portfolio. The feedback received related to:

- Selling Council assets e.g. buildings and land
- The role of voluntary & community sector in providing services
- Focussing on rehabilitation to reduce re-offending

### **Resources & Neighbourhood Regeneration**

Feedback relating to this Portfolio centred around the need for the Council to develop more commercial services and reducing spend on Councillors. There was also quite a bit of feedback around Council Tax but most the suggestions are unfortunately not under the discretion of the local authority.

### **Energy & Sustainability**

Very little feedback was received about the services within this Portfolio. Feedback received related to reducing energy use in Council buildings and more use of solar panels.

### **Planning & Housing**

Not much feedback was received about the services within this Portfolio. Suggestions made included introducing fines for private landlords not maintaining properties or housing and charging social housing tenants for damages they cause to their homes and gardens.

### **Business, Growth & Transport**

We received more suggestions about services which are in this Portfolio than any other. Suggestions included:

- Reduce street lighting
- Stop spending on cycle lanes
- Levy charge on heavy vehicles which damage roads to pay towards repairs
- Look into policies on passes for free bus travel
- Reduce some bus services with lower demand outside peak hours
- More enforcement of on-street parking charges
- Raise on-street parking charges

In particular we received a large volume of responses about reducing street lighting and spending less on cycle lanes.

## Adults & Health, Reputation & Communications

Suggestions included:

- Reduce spend on marketing and communications eg the Arrow, banners around the city
- Charge some citizens who could afford it for social care
- Encourage people to be more active to reduce healthcare costs

The majority of responses relating to services in this Portfolio were about reducing spend on marketing and communications with particular reference to the Arrow publication and banners and posters around the city.

## Leisure & Culture

The services within this portfolio attracted a large volume of feedback; much of this was about events, including:

- Raise more income from events
- Charge for events
- Stop some events
- Use parks for income-generating events

There were also ideas about making the most of Nottingham and raising income from tourist attractions eg caves, Robin Hood legend, River Trent. Other suggestions included cutting library opening hours and introducing minimal charges for museums.

## Community Services (& Human Resources)

As in previous years, a lot of feedback was received relating to staff - reducing salaries, cutting staff numbers, reducing numbers of managers etc. In addition quite a large volume of feedback was received about other services in this portfolio, these included:

- More fines for littering, leaving bins out, dog fouling
- Less frequent refuse collections
- Charge for garden waste bins
- A small charge for bulky waste collection
- Use low level offenders for street cleaning
- Less street cleaning

## Areas of concern

Respondents were asked to indicate their level of concern about a number of issues during the current economic situation.

**Table 4: Stated Levels of Concern.**

<b>% Very concerned/Concerned</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Cuts to public services	94%	92%	92%	93%	90%
Impact on my health	74%	67%	69%	73%	N/A
Household money problems (Wording changed from previous survey: Debt problems in 2010/11/12/13)	68%	67%	69%	64%	58%
Changes to benefits (Wording changed from previous survey: Welfare changes 2010/11/12/13)	58%	54%	58%	77%	N/A
Losing my home <sup>i</sup>	48%	47%	N/A	N/A	N/A
Losing my job	39%	44%	45%	51%	54%

<sup>i</sup> Included in 2015 for the first time

Results show that respondents remain most concerned about cuts to public services. The level of concern relating to impact on health has increased by seven percentage points since last year.

### **Further concerns**

Respondents were asked if they had any 'further concerns' due to the current economic situation. A total of 651 respondents provided comments.

Comments covered a wide range of issues including:

- Concern for future generations, their children and grandchildren won't be able to get jobs, afford housing etc.
- Various concerns about health – current difficulties getting appointments, waiting times for appointments etc. and the feeling that it will get worse but also concerns about impacts on mental health
- Concerns over the impacts of Brexit
- Concerns about lack of school places, cuts to school funding and education levels
- Concerns about availability of social care, both now and in the future
- Concern about specific vulnerable groups particularly the homeless
- Concerns about the potential impacts of cuts to services e.g. increasing antisocial behaviour and crime
- Concern that there will be less investment in green spaces which will impact on the quality of the environment and quality of life
- Worries about the impact of benefit changes
- Many worries about money e.g. rising cost of living but no rise in wages, pensions etc. but also not being able to pay the rent, buy food, heat their homes
- Lack of affordable housing
- Concerns over how the Council prioritises its spending
- Concerns over Council Tax rises and whether they will be able to pay it

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### **ITEMS USED TO COMPILE ANNEX 6**

Your City Your Services Arrow and Online Survey October to December 2016

Comments on budget proposals: Dec 2016 - Feb 2017

Notes of consultation meetings: Jan-Feb 2017

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