



Additional / To Follow Agenda Items

This is a supplement to the original agenda and includes reports that are additional to the original agenda or which were marked 'to follow'.

Nottingham City Council Communities and Environment Scrutiny Committee

Date: Wednesday, 8 January 2025

Time: 2.00 pm

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

Governance Officer: Kate Morris **Direct Dial:** 0115 876 4214

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Communities and Environment Scrutiny Committee 8 January 2025

Impact of the Proposed 2025/26 Budget on Communities, Environment and Residents Services

Report of the Statutory Scrutiny Officer

1 Purpose

- 1.1 To scrutinise the potential impacts of the Council's 2025/26 proposed budget savings on the provision of services within Communities, Environment and Residents Services.

2 Action required

- 2.1 The Committee is asked:
 - 1) to make any comments or recommendations in response to the report to the Executive Board meeting on 17 December 2024 regarding the Council's proposed budget savings for 2025/26 to 2028/29, in the context of Communities, Environment and Residential Services; and
 - 2) to consider whether any further scrutiny of the issue is required (and, if so, to identify the focus and timescales)

3 Background information

- 3.1 The Council is continuing its budget planning process to build on the existing Medium-Term Financial Plan (MTFP) approved by Full Council on 4 March 2024. As part of its annual work programming for the 2024/25 municipal year, the Committee requested that a report on the proposed new budget savings was brought to its meeting in January 2025 so that it could scrutinise the potential impacts on citizens, service users.
- 3.2 At its meeting on 17 December 2024, the Executive Board considered a report on the initial proposals in relation to budget savings for 2025/26 to 2028/29. The Board resolved to note the ongoing proposed efficiencies to form further savings within the 2025/26 base budget (as outlined within Appendix 2), and this information forms the basis for the Committee's scrutiny of the potential impacts.
- 3.3 The overarching objective of the Council's overall Budget Strategy is to ensure that the Council has set a priority-led budget over the medium term that is balanced and supported by achievable saving plans. However, the Council is currently facing significant financial challenges, which require it to transform the way in which it works and delivers services. The saving proposals set out in the Executive Board report are intended to contribute towards reducing the Council's budget gap for 2025/26 to 2028/29, but the final decision on whether to implement given

proposals will only be made once all of the implications that may emerge from further preparatory work are known.

- 3.4 The current overall savings proposals total £24.191 million over the next four years of the MTFP, with £17.91 million scheduled to be delivered in 2025/26. £1.098 million in savings are set for delivery in 2025/26 from within Communities, Environment, and Resident Services.

4 List of attached information

- 4.1 Presentation slides

5 Background papers, other than published works or those disclosing exempt or confidential information

- 5.1 None

6 Published documents referred to in compiling this report

- 6.1 Report to Executive Board (17 December 2024): Budget Savings 2025/26 to 2028/29
Appendix 2 - efficiency saving and income proposals that do not require consultation

7 Wards affected

- 7.1 All

8 Contact information

- 8.1 Kate Morris, Scrutiny and Audit Support Officer.
Kate.morris@nottinghamcity.gov.uk

Communities, Environment & Resident Services Directorate

Budget Scrutiny

January 8th 2025

Cllr Coral Jenkins - Executive Member for Communities, Waste & Equality
Cllr Sam Lux - Executive Member for Carbon Reduction, Leisure and Culture

**Colin Parr - Corporate Director for Communities, Environment & Resident
Services**



Savings Proposals Overview

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Budget Savings Proposals

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Equality Impact Assessments

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Timeline

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Museums and Galleries - Additional Information

Slide 12

CERS Budget Scrutiny will set out:

- Assessment of impact of the proposals including copies of EIAs that have been completed in relation to proposals being consulted on.
- Details of how proposals may impact other services.
- How proposals impact on partners, details of engagement that has taken place/is planned with those partners and the outcomes.
- Risks associated with delivery and impact on citizens and plans for mitigation.
- Clarity about where proposed savings occur over multiple years with savings broken down by year.

CERS Savings Overview

For 25/26 the Directorate are proposing further savings of **£1.096m** and **£0.589m** in 26/27 for a combined total of **£1.685m**.

Ref No.	Proposal Title	Proposal Narrative	25/26	26/27
CER001	Redesign of Sport and Leisure services	Subsidy reduction within the Sports and Leisure delivered through staffing redesign.	0.251	0.255
CER002	A revised management model for Museums and Galleries	To secure financial sustainability for museums and galleries service by increasing revenue, reducing operating costs and establishing a charitable development trust and exhibitions company.	0.467	0.334
CER003	Theatre Royal Concert Hall	Introducing a new ticket insurance product for consumers and operating efficiencies through a front of house restructure.	0.093	-
CER005	Reduce subsidy of the commissioned events programme	A revised events programme refocused towards delivery of cost neutral or commercial events.	0.085	-
CER006	Managing government funded programmes focused on sustainability and reducing carbon emissions.	Increasing the number of government funded programmes where NCC receives 10% as a management fee by delivering projects and securing funding for future programmes.	0.200	-

Total	1.096	0.589
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Accumulative Total	1.685
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CER001 – Sports and Leisure

Timeframe	Impact	Complexity	Pace of Delivery	Fund	EIA Completed
Multi-year	High	Medium	Medium	General Fund / Other Grants	N/A

Opportunity Financials	
Net target (£) - 2025/26	£0.251
Net target (£) - 2026/27	£0.255

Budget Proposal Summary

Sport and Culture subsidy reduction delivered through staffing redesign. Savings will be achieved through existing vacancies and service redesign over next two years. The operation efficiencies proposed are consistent with measures being taken by leisure operators to address rising costs and membership challenges following the pandemic.

One off investment required for specialist resource to explore outsourcing of leisure centre management (£75k).

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Impact Summary

- Low** No anticipated impacts on citizens
- Low** No anticipated impact on partners
- Low** No anticipated impact on other services

Risk	Original impact	Mitigations	Mitigated impact
Dependent on cross cutting organisational redesign	M	This can be mitigated through robust overarching programme management.	H

CER002 – Museums Service

Timeframe	Impact	Complexity	Pace of Delivery	Fund	EIA Completed
Multi-year	High	High	Medium	General Fund / Other Grants	Yes

Opportunity Financials	
Net target (£) - 2025/26	£0.467
Net target (£) - 2026/27	£0.334

Budget Proposal Summary

Transformation of Museums & Galleries service delivered through a revised management model consisting of a new 5-year business plan and the establishment of a charitable development trust and exhibitions company. Delivery of the business plan to improve income optimization (this includes items such as the introduction of charges for access to Wollaton Hall) and efficiencies achieved from the establishment of a third-party delivery vehicle.

By setting up a charitable development trust, leveraging and maximising the benefit of various financial incentives within the cultural sector such as Gift Aid, Museums & Galleries Exhibition Tax Relief, and greater opportunities for fund raising as a way of contributing both revenue and capital towards on-going viability of the service.

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Impact Summary

- Low** No anticipated impacts on citizens
- Low** No anticipated impact on partners
- Low** No anticipated impact on other services

Risk	Original impact	Mitigations	Mitigated impact
Legal implications	M	Specialist Legal support required to set up Charitable Development Trust and Council Controlled Exhibitions Company	M
Price sensitivity in relation to increases in museum prices.	M	This will be mitigated by the services understanding of the local market when developing fees and charges proposals.	M

CER003 – Theatre Royal Concert Hall

Timeframe	Impact	Complexity	Pace of Delivery	Fund	EIA Completed
Multi-year	Medium	Medium	Medium	General Fund / Other Grants	N/A

Opportunity Financials	
Net target (£) - 2025/26	£0.093
Net target (£) - 2026/27	-

Budget Proposal Summary

Saving to be realised through existing vacancies and associated establishment change a new ticket insurance product will also be introduced for customers which will provide a new income stream. Operating efficiencies through Front of House restructure will achieve a savings of £53k.

Ticket income protection is a type of insurance that helps to protect the financial stability of the theatre in the event of unexpected cancellations or interruptions, this can help to cover the costs of running the theater, Ticket income protection is expected to achieve a saving of £40k.

One off investment required for specialist advice on most economical delivery model (£30k).

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Impact Summary

Low	No anticipated impacts on citizens
Low	No anticipated impact on partners
Low	No anticipated impact on other services

Risk	Original impact	Mitigations	Mitigated impact
Price sensitivity in relation to increases in ticket prices.	M	This will be mitigated by the services understanding of the local market when developing fees and charges proposals.	M

CER005 – Events and Tourism

Timeframe	Impact	Complexity	Pace of Delivery	Fund	EIA Completed
Multi-year	Medium	Low	High	General Fund	Yes

Opportunity Financials	
Net target (£) - 2025/26	£0.085
Net target (£) - 2026/27	-

Budget Proposal Summary

Reduce subsidy of the commissioned events programme, to be refocused towards delivery of cost neutral or commercial events. This will see the removal of the bonfire from the commissioned events programme (c.£20k subsidy) and to continue Riverside festival as a cost neutral event as was in 2024.

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Impact Summary

Medium	Citizens on low incomes may be disproportionately affected as these events are free to attend with limited alternative free or low-cost events/activities available that are free or low cost.
Low	No anticipated impact on partners, support from partners will be similar to previous years though reduced.
Low	No anticipated impact on other services, support from other services areas will be similar to previous years though reduced.

Risk	Original impact	Mitigations	Mitigated impact
Loss of positive economic impact for city from hosting events.	H	Rely on IIN and commercial sector for event content	H
Loss of support for city-wide community events, in many cases will mean these events no longer happen	H	Rely on communities to deliver through volunteers	H

CER006 – Exceed Management Fee Target

Timeframe	Impact	Complexity	Pace of Delivery	Fund	EIA Completed
Multi-year	Medium	Medium	Medium	Other Grants	N/A

Opportunity Financials	
Net target (£) - 2025/26	£0.200
Net target (£) - 2026/27	-

Budget Proposal Summary

Increased management fee from NCC acting as administering body for the Midlands Net Zero Hub.

MNZH delivers Local, regional and national programmes on low carbon energy projects, energy efficiency advice and retrofitting schemes to homes across the city and wider Midland's region. Each programme includes an administration budget and NCC receives 10% of administration budget as a management fee.

The government has announced significant long-term funding over a 3-to-5-year period, with values to be confirmed in the budget. There continues to be a strong appetite in the region for us to continue to lead to access this funding.

Impact Summary

Low	No anticipated impacts on citizens
Low	No anticipated impact on partners
Low	No anticipated impact on other services

Risk	Original impact	Mitigations	Mitigated impact
Funding not successfully secured	L	To work closely with DESNZ and stakeholders to delivery robust bids	H
Funding lower than anticipated	M	Identify and bid for alternate funding / work with other Departments	H

Equality Impact Assessments

Ref No.	Proposal Title	Equality Impact Assessments
CER001	Redesign of Sport and Leisure services	No EIA as this will be achieved by reallocating staff roles, no planned compulsory redundancies' to be made, any staff savings will be through not filling longstanding vacant posts.
CER002	A revised management model for Museums and Galleries	The savings to be made through an in-house revised delivery model for which the business plan has already been approved and there is an existing EIA following that decision.
CER003	Theatre Royal Concert Hall	No EIA, as there will be no change to the service offering. The introduction of ticket insurance is optional for the customer.
CER005	Reduce subsidy of the commissioned events programme	Link to EIA - https://www.nottinghaminsight.org.uk/Document-Library/Document-Library/ac0WHi8L
CER006	Managing government funded programmes focused on sustainability and reducing carbon emissions.	EIA not required for this proposal, no impact on staff or citizens.

Key dates:

17th Dec	Budget consultation launched
13th Jan	Close of consultation; analysis and interim CLT report following
23rd Jan	Deadline for CLT papers
28th Jan	CLT
3rd Feb	Deadline for Exec Board papers
11th Feb	Exec Board
3rd March	Full Council

Museums and Galleries - Additional Information



The Museums and Galleries proposal has been the subject of considerable media interest lately. Unfortunately, this has resulted in the spread of misinformation.

These slides will accurately depict the current situation and the future direction of the Museums and Galleries service.

What is the new Exhibitions Company?

- The new Exhibitions Company will be owned and controlled by Nottingham City Council. It will produce, host, and develop exhibitions. By doing this, the Council can claim a tax break on the costs of these exhibitions.
- Current staff won't be directly transferred, but new or project-based staff might be hired.
- Council representatives will be the directors of the company.
- Initial setup and running costs will be covered by savings within the Museums and Galleries Service.
- The Council's tax team will work closely with the company to ensure all tax rules are followed.
- The Exhibitions Company is a way for the Council to save money on taxes while continuing to produce great exhibitions.

What is a Development Trust?

A Development Trust is a charitable organisation that will raise money to support Nottingham City Council's Museums and Galleries. It will be independent from the Council but will work closely with it.

Why is a Development Trust needed?

- The Trust will help the Museums and Galleries get funding from more sources, making them less reliant on the Council.
- The Trust will raise money for big projects that the Council might not be able to fund on its own.
- By having a separate fundraising organisation, the Museums and Galleries will be more resilient to future financial challenges.

How will the Development Trust work?

- The Trust will have its own board of directors who will make decisions about how to raise and spend money.
- The Trust will work closely with the Council to ensure that the money raised is used effectively.
- The Trust will be a Charitable Incorporated Organisation, which is a specific legal structure for charities.
- The Council will still own and manage the museums and galleries.
- The Trust will focus on fundraising and won't be involved in day-to-day operations.
- The Trust will need to follow strict rules and regulations, including those related to charity law and tax.

In summary, the Development Trust is a strategic move to secure the long-term future of Nottingham's Museums and Galleries.

How will the museum collections be protected?

- Nottingham City Council will own and manage the museum collections. They will be operated by the Nottingham City Council Museums & Galleries Service.
- The Service must follow strict national standards for museums. These standards ensure the safety and proper care of the collections. They also prevent the sale of collections.
- If these standards are not followed, the museum could lose funding and damage its reputation. This could take many years to recover.

Museums and Galleries

- Nottingham City Council will retain ownership and management of key heritage sites like Nottingham Castle, Wollaton Hall, Newstead Abbey, and more.
- These sites will continue to be operated by the city council's Museums & Galleries Service.
- The service is actively seeking grants to fund repairs and maintenance, reducing the council's financial burden.
- The council is conducting a full appraisal of these properties to understand their value, opportunities, and liabilities.
- Any potential sale or closure of these sites would require extensive consultation and a full council decision.

The city council will keep ownership of important heritage sites like Nottingham Castle and Wollaton Hall. These sites will continue to be managed and operated by the council's Museums & Galleries Service. The service is working hard to secure funding for repairs and maintenance. To make informed decisions about the future of these sites, the council is conducting a full assessment. However, any major changes, such as selling or closing these sites, would require significant public consultation and a decision by the full council.

NCC Performance Nationally

Metric	NCC Value	England	Core Cities	East Midlands
Level of LA Subsidy	24%	5 th Lowest	Lowest	Lowest
Employee Costs / Total Expenditure	32%	120 th	Lowest	Lowest
Total Income	£4.828m	2 nd Highest	Highest	Highest
Net Expenditure Per Capita	£4.75	136 th	3 rd	14 th
Income Per Capita	£15.11	Highest	Highest	Highest

Notes

- Based on data submitted under the 22/23 general fund revenue outturn RO5 (line 114 – Museums & Galleries).
- “England” = 193 Authorities including London Boroughs with an active M&G Service (RO5 income and expenditure figures suggesting a live current operation).
- “Core Cities” = in England: Bristol, Leeds, Manchester, Newcastle Upon Tyne, Sheffield (excludes Liverpool who are under National Status and Birmingham who operate under a separate Council-controlled Trust).
- “East Midlands” = the 17 Authorities forming the East Midlands Council.
- NCC 2022/23 submission excludes Nottingham Castle (pre-return to the Council) the performance of which is being monitored monthly against the agreed business plan.

Any Questions?

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Nottingham
City Council

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