



**Nottingham City Council
Executive Board**

Date: Tuesday, 19 December 2023

Time: 2.00 pm

Place: Loxley House, Station Street, Nottingham, NG2 3NG

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

Director for Legal and Governance

Governance Officer: Phil Wye **Direct Dial:** 0115 8764637

Agenda	Pages
1 Apologies for Absence	
2 Declarations of Interests	
3 Minutes Minutes of the meeting held on 21 November 2023, for confirmation	5 - 20
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NG1 7EQ

Report of the Portfolio Holder for Skills, Growth, Economic Development and Property

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| 9 | The Disposal of Investment Property Assets from the Property Trading Account
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| 11 | Exclusion of the Public
To consider excluding the public from the meeting during consideration of the remaining items in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraphs 3 and 5, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information | |
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All items listed 'under exclusion of the public' will be heard in private for the reasons listed in the agenda papers. They have been included on the agenda as no representations against hearing the items in private were received.

If you need any advice on declaring an interest in any item on the agenda, please contact the Governance Officer shown above, if possible before the day of the meeting.

Citizens attending meetings are asked to arrive at least 15 minutes before the start of the meeting to be issued with visitor badges.

Citizens are advised that this meeting may be recorded by members of the public. Any recording or reporting on this meeting should take place in accordance with the Council's policy on recording and reporting on public meetings, which is available at www.nottinghamcity.gov.uk. Individuals intending to record the meeting are asked to notify the Governance Officer shown above in advance.

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Nottingham City Council

Executive Board

Minutes of the meeting held at Loxley House, Nottingham on 21 November 2023 from 2.00 pm - 2.46 pm

Membership

Present

Councillor David Mellen (Chair)
Councillor Audra Wynter (Vice Chair)
Councillor Cheryl Barnard
Councillor Steve Battlemuch
Councillor Kevin Clarke
Councillor Jay Hayes
Councillor Corall Jenkins
Councillor Pavlos Kotsonis
Councillor Linda Woodings

Absent

Councillor Angela Kandola
Councillor Sajid Mohammed

Colleagues, partners and others in attendance:

Mel Barrett	- Chief Executive
Beth Brown	- Head of Legal Services
Ross Brown	- Corporate Director for Finance & Resources
Colin Parr	- Corporate Director for Community, Environment and Residents Services
Sajeeda Rose	- Corporate Director for Growth and City Development
Catherine Underwood	- Corporate Director for People
Phil Wye	- Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 29 November 2023. Decisions cannot be implemented until the working day after this date.

55 Apologies for Absence

Councillor Angela Kandola – other Council business
Councillor Sajid Mohammed – unwell
Malcolm Townroe

56 Declarations of Interests

None.

57 Minutes

The Board confirmed the minutes of the meeting held on 17 October 2023 as a correct record and they were signed by the Chair.

58 Appointments to Outside Bodies

Councillor David Mellen, Leader of the Council, presented the report requesting approval for the Register of Outside Bodies to which the Council makes appointments, and also approval of the appointments and/or nominations to those bodies.

Outside Bodies are separate legal entities that the Council appoints and nominates individuals to sit on for the benefit of the Council and the organisations involved, as a mechanism for community leadership, partnership working, information sharing and support for the Council's and the organisations' priorities.

In addition to the listed appointments in appendix 1 of the report, Councillor Linda Woodings was nominated and appointed as Director and Trustee for the Nottingham City of Literature.

Resolved to

(1) transfer the following companies out of the Register of Outside Bodies to a separate register of companies in which the Council has a financial interest held by the Shareholder Unit, for decision regarding future governance approach, including appointment of company directors:

- a) 12 London Road Energy Supplies Ltd**
- b) Blueprint**
- c) City of Nottingham Historic Buildings Ltd**
- d) Creative Quarter Nottingham Ltd**
- e) D2N2**
- f) Foresight Group LLP**
- g) Futures Advice, Skills and Employment Ltd**
- h) Greater Nottingham Rapid Transit Ltd**
- i) Marketing Nottingham and Nottinghamshire**
- j) Meadows Ozone Energy Services Ltd**
- k) Nottingham City Transport Ltd**
- l) Nottingham Ice Centre Ltd**
- m) Nottingham City Homes Ltd**
- n) Nottingham Revenues and Benefits Ltd**
- o) Scape Group**

(2) add the following bodies to the Register of Outside Bodies:

- a) Nottingham City of Literature**
- b) East Midlands Strategic Migration Partnership**
- c) FCC Eastcroft Electricity from Waste Community Liaison Group**

(1) To remove the following bodies from the Register of Outside Bodies:

- a) Base 51**
- b) First Enterprise**
- c) Green's Windmill Trust**
- d) Groundwork Greater Nottingham**

- e) High Sheriff's Community Safety Forum
- f) Local Government Association City Regions Board
- g) National Justice Museum Board
- h) Pupil Place Planning and Admissions Group
- i) Renewal Trust
- j) Nottingham College
- k) Joint Planning Advisory Board
- l) Nottingham's Children's Partnership Board
- m) Nottingham Community Safety Partnership
- n) One Nottingham
- o) Standing Advisory Council for Religious Education (SACRE)
- p) Queens Walk Community Association Management Committee
- q) Bakersfield Community Association Management Committee
- r) Bestwood Park Community Association
- s) Bridges Community Trust
- t) Bulwell Hall Healthy Living Centre
- u) Clifton Community Association Management Committee
- v) Crabtree Farm Community Association Management Committee
- w) Forest Fields Advice Centre
- x) Greenway Centre Management Committee
- y) Highbank Community Association Management Committee
- z) Indian Community Centre Management Committee
- aa) Leen Valley Community Association
- bb) Lenton Centre
- cc) Park Gate Community Centre
- dd) Shelia Russell Community Association Management Committee
- ee) Silverdale Community Association Management Committee
- ff) Snapewood Community Association Management Committee
- gg) Vale Community Association Management Committee
- hh) Nottingham and Nottinghamshire Integrated Care Board

(2) approve the appointments/ nominations to Outside Bodies as set out in Appendix A of the report;

(3) approve the appointment of Councillor Linda Woodings to Nottingham City of Literature;

(4) delegate the nomination of councillors to be appointed as members of the Standing Advisory Council on Religious Education (SACRE) to the Corporate Director of People, in accordance with the wishes of the majority group.

Reason for decision:

- To ensure that the bodies to which the Council makes appointments/ nominations remain relevant to its business, and that appointments/ nominations to those bodies are updated to reflect changes in Council membership and roles following local elections.

Other options considered:

- Not to make appointments/ nominations to Outside Bodies. This option was rejected as it would deny the City Council a voice on a number of key local, regional and national organisations.

59 Social Housing Decarbonisation Fund Wave 2.1 additional funding.

Councillor David Mellen, Leader of the Council, presented the report on additional funding for Social Housing Decarbonisation Fund (SHDF) schemes which aim to deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty, and support green jobs. Funding through schemes such as this is essential for the Council to continue delivering its award-winning Greener Housing programme.

The additional allocation for Nottingham City Council comes from funds originally allocated to another Local Authority within the consortium of Local Authorities who were part of the original funding bid but were unable to utilise these funds. This does not represent a change to the overall Wave 1 or Wave 2.1 allocation awarded to the Midlands Net Zero Hub (MNZH) from the Department of Energy Security and Net Zero but a repurposing of funding.

Resolved to

- (1) accept and spend the additional grant allocation of £558,822 from the Department of Energy Security and Net Zero in line with the SHDF Wave 2.1 grant funding conditions to support the regional delivery of SHDF Wave 2.1 allocated through the Midlands Net Zero Hub;**
- (2) approve the use of £558,822 of match funding from approved budgets within the Housing Revenue Account Capital Programme (HRACP). To be covered if required across both 23-24 & 24-25 financial years to maximise the grant spend and support delivery;**
- (3) delegate authority to the Corporate Director of Communities, Environment and Resident Services to manage the additional grant allocation;**
- (4) delegate authority to the Director of Housing to procure, award and enter into contracts with third party providers, utilising the additional funding for the provision of goods and services associated with the delivery of the project.**

Reasons for decision:

- The SHDF has been launched over a 10-year period to improve the energy performance of social rented homes, on the pathway to Net Zero 2050. The scheme aims to support the social housing sector across England, improving the comfort and well-being of residents by installing energy efficiency and low carbon heating upgrades.
- The SHDF scheme aims to deliver warm, energy-efficient homes, reduce carbon emissions and fuel bills, tackle fuel poverty, and support green jobs. This directly supports our 2018-25 Fuel Poverty Strategy and will see fuel bills reduce at a time

when energy prices are at a record high.

- Additionally, the project will drive retrofit measures to improve building fabric, decarbonise heating systems and see more renewable energy in social housing across the city and region; supporting our contribution to the Carbon Neutral by 2028 target and national carbon reduction targets.
- The project is also intended to stimulate the supply chain and facilitate a green economic recovery from COVID-19. These funds will help bring forward a range of works that would not otherwise take place, enabling homes in fuel poverty to reduce energy costs and improve EPCs, addressing challenging stock and creating local jobs through transferring central government funding to the private sector.
- The additional funding will allow the Council to complete a range of works across our programme, allowing us to install energy-efficiency measures to 45 additional homes, dependant on fluctuating costs and the condition of the stock.

Other options considered:

- To not accept the funding. This funding offers the opportunity to address fuel poverty and domestic decarbonisation issues within social housing across Nottingham, helping to improve the lives of citizens and directly contributing towards Nottingham City Council's carbon neutral targets. Not accepting the funding would greatly limit our ability to deliver these outcomes.

60 Annual Investment Strategy 2023-24 revision

Councillor Audra Wynter, Portfolio Holder for Finance and HR presented the report on proposed revisions to the Annual Investment Strategy for 2023-24.

Resolved to recommend to City Council the approval of revisions to the Annual Investment Strategy for 2023/24 attached as Appendix 1, and, in particular:

- a) the increase to counterparty limits;**
- b) other technical changes.**

Reasons for decision:

- The approval of a Treasury Management Strategy by Full Council is a legal requirement. The Annual Investment Strategy is incorporated into the Treasury Management Strategy and therefore also requires Full Council approval. This report sets out the proposed revisions to the Annual Investment Strategy for 2023/24, for endorsement to City Council by Executive Board.
- The Annual Investment Strategy includes details on how the Council will invest its cash balances across different counterparties and financial instruments.
- Approval of an Annual Investment Strategy is a legal requirement, to comply with:
 - a) Financial Regulations and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management by submitting

- a policy and strategy statement for the ensuing financial year incorporating an Annual Investment Strategy.
- b) guidance issued by the Secretary of State under section 15(1) (a) of the Local Government Act 2003 in approving, at Council, an Annual Investment Strategy before 1 April and any subsequent revisions to it.
- The Treasury Management Code of Practice and Prudential Code (2021 editions) are both adopted by the Council. There is a requirement for authorities to nominate a body within the organisation to be responsible for scrutiny of treasury management activity, policies and practices. It is considered that the City Council's Audit Committee is the most appropriate body for this function. The Audit Committee considered revisions to the Annual Investment Strategy 2023/24 at its July 2023 meeting and these are now being brought to Executive Board for recommendation to City Council.
 - The Annual Investment Strategy was based on the TMS projections for investment balances of between £100m to £200m in 2023/24. At 31 March 2023 investment balances were £308m and they are expected to be in the range £300m to £400m in 2023/24. Therefore, in order for the Council to continue to invest with high quality counterparties paying the most competitive investment rates, the following changes are recommended:

CounterParty Limits	Current £m	Revised £m
Banks and other institutions	20	30
Money Market Funds	30	40
Country	40	60

- The AIS also clarifies that for UK banks split into ring-fenced and non-ring fenced banks then each entity will be treated separately for determining counterparty limits. This recognises that each entity is separately capitalised without recourse to each other unlike previously.
- There is also a change to the interest earned by the HRA on its share of cash balances which will now be the average interest rate earned for the year on the Council's investments instead of the 3 month Treasury bill rate. This has the effect of HRA and General Fund balances benefitting from the actual investment returns achieved by the Council.
- The Treasury Panel reviewed these changes on 14 June 2023 and they have also been reviewed by the Council's treasury adviser Link Group.

61 Treasury Management 2022-23 Annual Report

Councillor Audra Wynter, Portfolio Holder for Finance and HR presented the report.

Resolved to note the Treasury Management performance for 2022-23

Reasons for decision:

- The Treasury Management function is governed by provisions set out under Part 1 of the Local Government Act 2003, whereby the City Council must have regard to the CIPFA Prudential Code and the CIPFA Code of Practice. Under the latter Code, an annual report is required to be submitted to and considered by councillors.
- The Council's Treasury Management Strategy for 2022-23 was approved by full Council on 7 March 2022.
- The Council borrows and invests substantial sums of money as part of its business as usual activity. In common with all local authorities, it is therefore exposed to financial risks including the loss of invested funds and the revenue account impact of changing interest rates. This report covers performance in relation to treasury management activity and the associated monitoring and control of risk.

62 Holiday Activity Fund 2024-25

Councillor Cheryl Barnard, Portfolio Holder for Children, Young People and Education presented the report on the Holiday Activity Fund (HAF) programme which will contribute towards Nottingham City Council's Cost of Living strategy by offering children and families food and activities during the school holidays.

In 2023, Nottingham City Council was awarded £1,836,270 by the Department for Education (DfE) to deliver the HAF programme. The HAF programme aims to support children in receipt of free school meals during the school holidays, by funding free holiday clubs and helping to combat holiday hunger. The Council, governed by the funding framework from the Department for Education, can choose how to allocate this funding to Community Providers, Schools and Area Based Grant Teams.

Resolved to

- (1) accept the estimated maximum £2,000,000 grant from the Government for HAF and enter into any associated grant agreement with the Government;**
- (2) delegate authority to the Director of Education to allocate the grant, in accordance with to the Council's Contract Procedure Rules and in accordance with the grant conditions from government;**
- (3) note the forecasted budget expenditure in appendix 1 of the report.**

Reasons for decision:

- The HAF programme was first awarded to Nottingham City Council in 2021 and aims to support children at risk of holiday hunger. The Department for Education devolves this funding to Local Authorities as they are best placed to understand the needs of citizens and distribute funds to organisations that support communities.
- The funding amount for 2024 will not be confirmed until December 2023, so this paper estimates a maximum figure. This is to allow the HAF Project Manager and team to conduct a full bidding process for a Lead Partner, Open and SEND

Specific delivery groups in time for delivery in 2024. If the figure awarded to Nottingham City Council is in excess of £2 million a further decision will be written to accept that funding.

- It is proposed to delegate approvals relating to this grant to the Director of Education. This is due to the frequency of sign off's on payments to providers/suppliers.

Other options considered:

- To not accept the funding. Nottingham City Council does not have to accept this funding, but this is not an option that would be considered because this support is needed by Nottingham residents.

63 London Road - Emergency Planning function - update

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth and Economic Development presented the report providing an update on the current position regarding the proposals to relocate the Council's Emergency Planning function to Loxley House and assign the Council's existing lease at the London Road Fire Station to the Police and Crime Commissioner.

The original approach from the Police in relation to this project was to enable them to establish whether it was feasible to move their Response and Neighbourhoods unit out of Riverside, as part of a plan to remove all police personnel from their Riverside base. Terms for the assignment of the council's lease and relocation of the Emergency Planning function were subsequently agreed and approved by Executive Board on the 22nd November 2022. Increasing inflation in relation to the cost of relocation of the Emergency Planning function caused some delay and a need to renegotiate some elements. Because of the uncertainty that caused, and the Police's now advised intention to remain in Riverside until 2027, they have advised that they are no longer able to proceed.

The Police have reaffirmed their commitment to continue to have a dedicated Meadows Neighbourhood Policing Team and who will remain visible and committed to working in and with the local community.

Resolved to note the current position in that the assignment of the Council's lease and transfer of the Emergency Planning function to Loxley House is no longer proceeding.

Reason for decision:

- This information is presented for noting in the spirit of openness and transparency to inform that the proposed transaction/transfer is no longer proceeding.

Other options considered:

- There are no other options available at the present time

64 Safer Roads Fund: Road Safety Improvements on the A609 and A6130

Sajeeda Rose, Corporate Director for Growth and City Development presented the report on a £1.425m grant from the Department of Transport, Safer Roads Fund, Round 3-Phase 1, that the Council has received to deliver two schemes. The schemes were selected by the Department for Transport based on data that identified these routes as having major road safety concerns. The Safer Roads Fund is part of a national programme aimed at improving road safety for users and improving reliability of the road network in doing so.

Resolved to

- (1) approve acceptance and receipt of funding secured from the Department for Transport, Safer Roads Fund, Round 3-Phase 1 grant to implement road safety improvements on the A609 and the A6130;**
- (2) approve the road safety improvement schemes for the A609 and the A6130 project to be progressed to the design and development stage and to be implemented;**
- (3) delegate final project approval, initiation of procurement activities and appointment of the contractor/s to deliver the project to the Corporate Director for Growth and City Development in consultation with the Corporate Director for Finance and Resources;**
- (4) approve an application to be submitted for the Safer Roads Fund, Round 3-Phase 2 and to accept the grant, if successfully awarded by the Department for Transport. Executive Board approval will be sought for the project once the proposals are confirmed and have been through the early design stage.**

Reasons for decision:

- The Department for Transport selected Nottingham City Council to receive £1.425m of grant funding in Round 3-Phase 1 of the Safer Roads Fund; £0.475m for the A609 and £0.950m for the A6130. The City Council were then invited to submit proposals for each scheme, which has been led by the Road Safety and Traffic Management team within the Council. Acceptance of the Grant would allow the proposals to reduce the number and severity of road traffic collisions and resultant casualties on two of the most high-risk A-roads in Nottingham for drivers, passengers and cyclists, to be progressed.
- There was a short lead time to submit the application for the Safer Roads Fund grant. Road Safety and Traffic Management submitted proposals for the A609 and the A6130 schemes based on road safety data in line with the guidance and requirements of the funding. These proposals are subject to feasibility and deliverability advice from Highway Services and early design works including surveys. The project proposals are subject to all necessary Traffic Regulations Orders and other statutory consultations ahead of implementation.
- Delegating final project approval, initiation of procurement activities and appointment of the contractor/s to deliver the project to the Corporate Director for Growth and City Development, in consultation with the Corporate Director for

Finance and Resources will ensure timely approvals to keep the project on track and to programme while maintaining governance.

- The intention is for the Council to submit a full application for Round 3-Phase 2 of the Safer Roads Fund. The Grant funding would allow for further investment in Nottingham and assist to improve road safety on the highest risk roads identified by the Department of Transport.

Other options considered:

- The option to vary the location of schemes was rejected as this would not comply with the award of the Safer Roads Fund grant and would invalidate the work completed by the Department of Transport to identify the most high-risk A-roads in Nottingham for drivers, passengers and cyclists and the requirement to reduce the risk on these roads and improve road safety.
- The option to do nothing and reject the funding was rejected as this would not improve road safety on two busy, high risk A-roads in Nottingham.

65 Period 6 2023/24 Budget Monitoring

Councillor Audra Wynter, Portfolio Holder for Finance and HR presented the report providing an assessment of the Council's 2023/24 forecast outturn position for the General Fund revenue account, Capital Programme and the Housing Revenue Account (HRA) based on activity to the end of the Period 6 (30 September 2023).

As seen across many other local authorities, the Council is also experiencing significant pressures relating to social care and temporary accommodation. At the end of Quarter 2 (Period 6), the Council is forecasting a gross General Fund pressure of c£57m which is partly being mitigated from one-off in-year management and corrective actions (including use of previously approved reserves) reducing the net forecasted pressure for the year to c£23m. Over 80% of forecasted net pressure at the end of Quarter 2 is across People's service.

Since July 2023, the Council has implemented a Financial Intervention Strategy which encompassed a range of measures intended to mitigate the Council's in-year pressure. The strategy encompassed a range of measures such as vacancy management, directorate led targeted non-essential spend control including agency and interim spend and technical reviews alongside department led management action plans reflecting other actions being undertaken. Despite the extensive efforts of the Council between July to manage its position, the operating environment and wider economic context continues to be volatile with small changes in cost and demand disproportionately materialising in large financial pressures, especially in children's social care. To date, no additional support to meet these pressures is being made available from government for the current financial year.

the overall pressure is mainly dealing with the impact of rising costs due to continued high level of inflation, increase in demand and complexity of need and costs of social care, SEND transport and temporary accommodation and the impact of cost of living crisis which also affects important income streams of the Council.

Councils are required to deliver a balanced budget each year ensuring that the projected expenditure and commitments can be matched by the available resources in year. As set out above the Council continues to face significant budget pressures and uncertainty, including increased demand for services, alongside the current backdrop of slow growing economy, continued high inflation and the precedent number of Councils who are declaring in-year financial crisis leading Council S151 Officers continuously assessing ability of their respective Councils in setting a balanced budget.

The current projected overspend requires the Section 151 Officer to make a formal assessment of Councils ability to deliver a balance budget in year as required under part 8 of the Local Government Act 1988. The 2023-24 net General Fund budget approved by Council was £261.832m. At the end Period 6, the General Fund is forecasting an overspend of £23.351m (9%) (which is a favourable movement of £2.543m from period 2 £25.894m).

The Council is committed to delivering its services within the approved budget and officers are pursuing mitigating actions to control expenditure within the approved budget. The net overspend is largely driven by inflationary and cost of living pressures, most notably resulting from the national public sector pay settlement which is above the original budgetary provision due to inflationary drivers. In response to the projected overspend the S151 Officer has introduced a series of spending controls for the remainder of 2023-24.

The following points were raised during discussion on this item:

- (a) Nottingham is not alone in its significant financial pressures, with other Local Authorities in the East Midlands reporting similar problems in delivering a balanced budget;
- (b) the social care system is broken and needs reform from the government, along with adequate funding for delivery;
- (c) homelessness is a hugely increasing burden for all councils, with some spending huge amounts on hotel accommodation due to large increases of homeless people. Nottingham City Council is building council houses and transforming its Housing Solutions department in order to mitigate these issues, but a long-term strategy is required from the government;
- (d) the social care precept on council tax is not a fair way of funding social care, but the Council has had no choice but to increase this due to the increasing pressures of the sector and steeply rising inflation over the past year;
- (e) there is a possibility of additional funding in the autumn budget statement, but this would not be settled until mid-December at the earliest, meaning that it does not help in planning a balanced budget for next year.

Resolved to

- (1) note the net forecast outturn of £285.183m on the General Fund Revenue budget of £261.832m as set out in Section 3 Table 1 of the report, which is a**

forecasted net overspend of £23.351m (9%);

- (2) note progress on the Transformation Programme savings of £15.671m as set out in Section 4 Table 4 of the report, with £6.155m (39.2%) delivered or on track and £9.516m (60.8%) at risk or non-delivery;**
- (3) note the forecast outturn underspend of £4.839m (4.1%) on the HRA against a gross budget of £117.882m as set out in Section 5 Table 6 of the report;**
- (4) approve the net reduction of (£60.261m) to the 4-year Capital Programme resulting in a revised Capital Programme of £713.196m as set out in Section 6 Table 7 of the report;**
- (5) note the forecast outturn of £255.404m on the Capital Budget 2023-24 of £323.298m resulting in a variation of £67.894m (21%) (slippage £69.211m and an underspend of £1.317m) as set out in Section 6 Table 8 of the report.**

Reasons for decision:

- This report forms a key part of formal General Fund Revenue, Capital and HRA monitoring against the 2023/24 budget. Throughout the report budget pressures are shown as a positive number, whilst any underspends are shown as a negative number.
- The General Fund (section 3) revenue outturn forecast at Period 6 is £285.183m against an approved budget of £261.832m, an overspend of £23.351m (9%). A summary of key variances is set out in section 3 Table 1 of the report.
- The Period 6 revenue forecast for the HRA (section 6) is an underspend of (£4.839m) (4%) against a gross budget of £117.882m. Should the (£4.8m) underspend be realised at year-end, this will be added to the HRA General Reserve balance.

Other options considered:

- Not applicable.

66 Enviroenergy Tariff Increases for 2024

Councillor Corall Jenkins, The Portfolio Holder for Environment, Waste Management, Open Spaces and Parks presented the report on heat and power supply charges applicable from 1st January 2024 for Nottingham City Council's District Heating Scheme and Private Wire Network operated through the Enviroenergy cost-centre, mindful of the regulatory framework of the Energy Prices Act 2022 applicable to consumers of gas and electricity, including district heating schemes. These protections ensure discounts are applied to customers, irrespective of wholesale energy trading prices where regulation prescribes.

Resolved to

- (1) set domestic heat tariffs at a daily standing charge of £0.3123 per day (Inc VAT) and retain a Unit Charge of £0.0824 per kilowatt hour (Inc VAT), applicable from 1st January 2024, inclusive of an EBRS discount of £0.03 per day;**
- (2) set domestic electricity tariffs at a daily standing charge of £0.5254 per day (Inc VAT) and retain a Unit Charge of £0.2858 per kilowatt hour (Inc VAT), applicable from 1st January 2024;**
- (3) set commercial heat tariffs to rates detailed in the Exempt Appendix of the report, applicable from 1st January 2024, unless otherwise determined by the supply contract in place;**
- (4) set commercial electricity tariffs to rates detailed in the Exempt Appendix of the report, applicable from 1st January 2024, unless otherwise determined by the supply contract in place;**
- (5) delegate authority to the Corporate Director for Communities, Environment and Residents Services, in consultation with the Portfolio Holder for Environment, Waste Management, Open Spaces and Parks, the Director of Legal and Governance and the Corporate Director for Finance & Resources to vary heat and power supply contracts and tariff charges from time to time as necessary to protect the commercial risk exposure of the Council.**

Reasons for decisions:

- Energy Prices for both commercial and domestic customers of the Council's District Heating and Private Wire Networks are determined and applied annually from 1st January each year. Prices are determined through a combination of contractual indexation mechanisms, benchmarking the cost of energy against counterfactual wholesale energy markets and the expenditure required to operate and maintain the Combined Heat and Power plant and distribution networks providing energy to customers.
- The recommended tariff changes for 2024 also take account of the latest Energy Price Guarantees and payments received under the Energy Bill Relief Scheme.

Other options considered:

- Options for domestic heat tariffs:

Option	Description
1	In anticipation of an increase in the January 2024 Energy Price Guarantee, keep domestic Unit Charges the same as current 2023 charges, whilst increasing the Standing Charge in line with the October Energy Price Guarantee
2	Apply the October Energy Price Guarantees' unit charge, but increase the daily standing charge in line with RPI (All items)
3	Apply both the October Energy Price Guarantees'

	unit charges and standing charges
4	Apply the October Energy Price Guarantees' unit charges with a percentage increase for the efficiency of heat, and apply the October Energy Price Guarantee Standing charges

Options 2, 3 & 4 are rejected on the basis that they are not equitable with the latest energy price cap market intelligence and it is fair and equitable to use this information to set charges.

- Options for increasing Domestic Electricity Tariffs:

Option	Description
1	Keep current Enviroenergy tariff
2	Apply October OFGEM price cap for Standing Charge and retain existing Unit Charge
3	Apply OFGEM price cap discounted by 15%

The recommended option is **Option 2**. This applies the latest OFGEM price cap guarantee for Standing Charges for electricity suppliers whilst retaining the current Unit Charge. The Standing Charge therefore increases by 14p per day whilst the Unit Rate remains unchanged.

Options for commercial tariffs:

- Options regarding commercial tariff increases are provided in the exempt appendix to the report.

67 Land and buildings situated at Pavilion Road and Trentside, West Bridgford, Nottingham

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth, Economic Development and Property presented the report seeking authority to enter into without prejudice (subject to contract and formal approval) discussions with the tenant to explore all options in relation to the site to inform the most appropriate position for the council to meet its best consideration obligations. The options to be considered will include:

1. Retain the current arrangement and lease and continue as is;
2. Renegotiate and re-grant the lease
3. Disposal of the freehold

The risks and benefits of all options relating to maintaining the current position, considering a possible surrender and regrant (lease re-gear) of the leasehold interest, or disposal of the Council's freehold interest have been considered in the exempt appendix of the report and will be reviewed once the options have been explored to determine which is the most appropriate outcome for the council. Any formal decision based on the outcome of the negotiations will still be subject to formal consideration and approval.

Resolved to

- (1) approve to enter into without prejudice (subject to contract and formal approval) negotiations with the tenant to explore all options in relation to the arrangements for the site. This will include consideration of a possible surrender and regrant (lease re-gear) of the leasehold interest, continue as is or disposal of the Council's freehold interest in respect of land and buildings situated at Pavilion Road and Trentside, West Bridgford, Nottingham and with a further report being brought back to Executive Board on the outcome of those negotiations in due course;**
- (2) approve to appoint an external specialist commercial property consultant to advise the Council and subject to satisfactory terms being agreed between the parties to provide a formal valuation report that satisfies the Best Consideration requirements under S.123 of the Local Government Act 1972.**

Reasons for decisions:

- The Council owns the freehold interest in the property which is subject to a lease held by the tenant. The parties wish to enter into without prejudice discussions, which will be subject to a further approval to consider all options in relation to the arrangements with the property and establish a mutually agreed position between both parties and in doing so meets the Council's best consideration obligations.
- External advice is required from a specialist commercial property consultant given the nature of the asset and to provide independent valuation advice in relation to the council's best consideration obligations.

Other options considered:

- Not to proceed with entering into negotiations with the tenant and continue with the existing lease – this is not recommended as the tenant has asked the Council to enter into negotiations regarding their occupation of the property and it would be beneficial for the Council to consider all options. To agree final terms negotiations need to be conducted between the parties to establish whether mutually acceptable terms can be agreed in the context of the councils best consideration responsibility.
- Other options considered are as set out in the exempt appendix of the report.

68 Exclusion of the Public

Resolved to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraphs 3 and 5, on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information.

69 Enviroenergy Tariff Increases for 2024 - Exempt Appendix

Executive Board - 21.11.23

Councillor Corall Jenkins, Portfolio Holder for Environment, Waste Management, Open Spaces and Parks, presented the Exempt appendix, which the Board noted.

70 Land and buildings situated at Pavilion Road and Trentside, West Bridgford, Nottingham - Exempt Appendix

Councillor Steve Battlemuch, Portfolio Holder for Skills, Growth, Economic Development and Property, presented the Exempt appendix, which the Board noted.

Executive Board – 19 December 2023

Subject:	Budget Strategy and Medium Term Financial Plan (MTFP) 2024/25 to 2027/28
Corporate Director(s)/Director(s):	Ross Brown, Corporate Director for Finance and Resources
Portfolio Holder(s):	Councillor Audra Wynter, Deputy Leader and Portfolio Holder for Finance and HR
Report author and contact details:	Shabana Kausar, Director of Finance (Deputy s151) shabana.kausar@nottinghamcity.gov.uk
Other colleagues who have provided input:	Corporate Leadership Team Colleagues within Technical, Strategic and Commercial Finance Teams
Subject to call-in: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	The report does not contain any decisions that are eligible for call in
Key Decision: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Criteria for Key Decision:	
(a) <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	If Capital, provide the date considered by Capital Board Date:
Total value of the decision: Nil	
Wards affected: All	
Date of consultation with Portfolio Holder(s): Throughout	
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input checked="" type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Healthy and Inclusive	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The Council in March 2023 approved a balanced 4-year Medium Term Financial Plan (MTFP) based on the best available information at the time. However, the environment within which the Council is operating is constantly evolving and continues to present significant financial challenges both in the current year of 2023/24 and through into 2024/25.</p> <p>The Council faces significant budget pressures and uncertainty, including not just the increased demand for services, the long-term impact of COVID-19 and the current backdrop of economic uncertainty and inflation, but also from the current level of financial support from Central Government over the medium term.</p>	

It should be noted that the Chief Finance Officer issued a s114(3) report for 2023/24 financial year that highlights the scale of financial challenges faced and the availability of deployable resources and it very much frames the incredibly difficult circumstances the Council has to contend with.

An initial refresh of the potential MTFP position for the 4-year period 2024/25 to 2027/28 and a proposed budget strategy was reported to 18 July 2023 Executive Board.

This report further updates Members on the latest 2024/25 indicative budget gap and progress in delivering a credible medium term financial strategy able to ensure the Council is in a position to meet its statutory legal requirement to set a balanced 2024/25 General Fund Budget by 11 March 2024 and continues to address IAB instructions with regard to demonstrating Best Value.

As part of delivering this financial strategy this report seeks approval to enter into public and staff consultation on an initial range of new saving proposals.

However, after taking these new savings into account the current MTFP forecast still remains unbalanced in 2024/25 and over its 4-year period and as such further work is urgently being undertaken over the coming months to identify further budget proposals so to try and ensure a balanced final budget and MTFP can be reported to Executive Board and approved at Full Council in late February 2024.

The MTFP forecast is predicated on a number of assumptions that are subject to change prior to final budget setting. For example, the announcement of the provisional Local Government Finance Settlement is expected the week commencing 18 December 2023. Once known any variation in assumptions will be reflected in the MTFP forecast and appropriately reported in future updates.

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

- 1 To note the latest indicative budget gap for 2024/25 of £33.215m.(Para 6.5)
- 2 To note the officer developed savings proposals totalling £35.553m using the Duties and Powers framework that will be used to undertake the necessary consultation (Para 6.2).
- 3 To note the details of all proposals contained within Appendix 1 and 2.
- 4 To authorise the Corporate Director or Director(s) with responsibility for each proposal to carry out all necessary steps required in relation to each proposal, including undertaking any further consultation in accordance with the Council's legal duties and responsibilities.
- 5 To approve, where any staffing reductions result from the savings proposals set out in this report, the reductions be supported through a targeted voluntary redundancy approach and that redundancy compensation be in accordance with the Council's agreed Discretionary Compensation Regulations Policy provisions for voluntary redundancies.
- 6 To note that the Council is operating in a dynamic environment that could lead to further growth requirements in key demand led areas that may result in increasing the indicative budget gap.
- 7 To note that further work is continuing to identify ways in which a balanced budget for 2024/25 and a robust MTFP can be achieved, and that these will form part of future reports to Executive Board as appropriate.

1. **Reasons for recommendations**

- 1.1 This report is part of the Council's continuing budget planning process and builds on existing MTFP decisions previously approved and considered by Full Council on 6 March 2023 and Executive Board on 18 July 2023 respectively.
- 1.2 It primarily sets out the assumptions made for the General Fund revenue element of the draft budget and MTFP and sets out the saving proposals developed by officers for 2024/25 to 2027/28 using the Duties and Powers framework to undertake the budget consultation. The proposed budget consultation will run for a four-week period between 19 December 2023 to 16 January 2024. The responses to the proposed budget consultation and any proposed changes will be considered and agreed by the Executive Board and Full Council respectively in February 2024.
- 1.3 The overarching objective of the Councils budget strategy is to try to deliver a balanced budget by deploying a framework which allows the Council to resize to a scale that matches its financial envelope and is financially sustainable on a continued basis. That framework is the Duties and Powers approach (equivalent to legal minimum), that has been deployed and utilised to articulate the minimum cost of service provision against the Council's legal obligations as set out in legislation and guidance. The Council will need to both transform the way in which it delivers its services and what it is able to deliver. Fundamental change to its operating base is required to ensure that the Council is on a firm financial footing and is able to live within the resources available to be deployed.
- 1.4 It must be recognised that due to the ongoing volatility of the operating environment as articulated through the continued pressures seen in-year across council's demand-led services, there is high probability that the current indicative budget gap may increase, beyond that currently stated. Corporate Leadership Team (CLT) are currently undertaking detailed work for their respective demand led areas which will feed into the updated MTFP position alongside the impact of the Local Government Finance Settlement and collectively will be presented to the Executive in the new year.
- 1.5 Overall, the officer developed saving proposals set out within this report contribute towards reducing the indicative budget gap for 2024/25 to 2027/28. In few cases such as those which set out policy direction, detailed implications will only begin to emerge as preparatory work commences following the budget consultation and subject to budget approval. Where this is the case, the final decision whether or not to implement the proposal will only be undertaken once full implications are known and mitigated, including whether or not a proposal should be amended prior to implementation. Where proposals, when considered in more detail result in a lower financial saving, it will be the responsibility of the relevant Corporate Directors to find alternative savings to the equivalent value to replace the reduced amount. Where required and in accordance with the Council's legal duties and responsibilities, respective departments may undertake additional targeted consultation in relation to specific proposals.
- 1.6 Proposals that include workforce reductions will be subject to collective consultation with Trade Unions and affected colleagues in line with established policy and procedures. Details of proposals may be amended during the

consultation and consequently alter the way in which the identified proposals will be delivered.

2. Background (including outcomes of consultation)

2.1 The Council continues to face significant budget pressures in future years and uncertainty, including the continuing level of support from Central Government, over the medium term. Due to an increased demand for services, the long-term impact of the pandemic, alongside the backdrop of the cost-of-living crisis including most notably the rising inflation and energy prices, council services continue to operate in a challenging resource environment where demand change can lead to material budget variances.

3. Section 114(3) Report Impact

3.1 On 29 November 2023, the S151 Officer issued a report to all councillors under section 114(3) of the Local Government Finance Act 1988 (the Act). The purpose of the report was for the S151 Officer to formally notify the Council that in his professional opinion, the Council is unable to meet its statutory requirement to deliver a balanced budget for 2023/24, as the expenditure of the Council incurred (including expenditure it proposes to incur) in the 2023/24 financial year is likely to exceed resources (including sums borrowed) available to it to meet that expenditure.

3.2 From the date of issuance until the day after the Council meeting, a Prohibition Period that legally stops all new agreements that may incur expenditure (at any time) has been implemented. During this time, no new agreement that might incur expenditure can be entered into without the explicit written authority of the S151 Officer.

3.3 To ensure compliance with the Policy, the S151 Officer has implemented a Spend Control Policy and issued council-wide instruction regarding new requests to spend. A Spend Control Board, chaired by the S151 Officer, meets regularly to review, and consider spend over this period. Any spend decisions made without the authorisation of the S151 officer during this period will be deemed ultra vires and will be reviewed as a disciplinary matter.

4. Financial Context and Overview

4.1 Autumn Budget Statement 2023

4.1.1 On 22 November 2023, the Chancellor of the Exchequer presented his Autumn Statement to the House of Commons, with a focus on economic growth, low taxation and productivity.

4.1.2 No new funding was announced for councils and prospects for future finance settlements in the next Spending Review period look very tight. The Government confirmed the future path of departmental spending will remain unchanged from that announced at the Spring Budget Statement 2023, with an overall increase of 1% in real terms to government's Resource Departmental Expenditure Limit (RDEL). With some departments 'protected' such as Health and/or Defence, this is likely to mean real-terms cuts for unprotected services over the next parliament, including most of

local government, with a 0.5% annual productivity target required to deliver improvements across the public sector.

4.1.3 Set out below are other key announcements relevant to Local Government:

a) Business Rates

- Extension of the 75% Business Rates discount for retail, hospitality and leisure sites for another year.
- Small business multiplier will be frozen for a fourth consecutive year whereas the standard multiplier will be uprated in line with September Consumer Price index (CPI) inflation. This is the first time that the two multipliers have had different increases applied to them, the finer details of how this will operate in practice and its impact on business rates income will not be known until the publication of the Local Government Finance Settlement.

b) Housing and Planning

- £450m for a third round of the Local Authority Housing Fund to deliver 2,400 new housing units to house Afghan refugees and ease wider housing and homelessness pressures.
- £120m funding for the devolved administrations and councils in England to invest in homelessness prevention, including support to Ukrainian households who can no longer remain in sponsorship. Details of whether this is new funding and how it will be distributed is not yet known.
- Extension of the Homes for Ukraine ‘thank you’ payments scheme into a third year.
- Extension of the discounted PWLB policy margin to June 2025, supporting councils borrowing for the Housing Revenue Accounts (HRA) to invest in social housing.
- Introduction of a new “premium planning service” for major planning applications, which will allow councils to charge higher fees to recover their full costs. Guaranteed and accelerated timescales will have to be accepted by the local planning authority (LPA). If the Council fails to deliver on time, then it will have to refund the entire planning fee.
- £5m additional funding for DLUHC’s Planning Skills Delivery Fund for LPA to target application backlogs.
- £110m will be made available through the Local Nutrient Mitigation Fund. This will support LPA’s affected by nutrient neutrality rules to deliver high-quality local nutrient offsetting schemes, unlocking up to 40,000 homes over the next five years.
- Consultation on new ‘Permitted Development Right’ for subdividing houses into two flats without changing the façade, is planned to be implemented in 2024 following consultation early in the New Year.

c) Employment and Welfare

- The local housing allowance rate is being increased to the 30th percentile of local market rent for the next financial year but will be frozen again in 2025/26. This decision will increase the housing benefit that tenants can claim. There is no direct impact on councils but indirectly it is expected to reduce the pressure on temporary accommodation and homelessness.
- National Living Wage (NLW) to rise by 9.8% from £10.42 to £11.44 per hour from April 2024 (for those aged 21 and over).

d) Levelling Up and Devolution

- New investment zones have been announced, including one in the East Midlands focussed on advanced manufacturing and green industries across Nottinghamshire, Derby and Derbyshire.
 - New devolution deals:
 - Level 3 mayoral deals in Greater Lincolnshire and Hull and East Yorkshire.
 - Level 2 non-mayoral deals in Lancashire, Cornwall and Surrey.
 - Level 4 framework to extend “deeper devolution” to existing Level 3 Mayoral Combined Authorities. Arrangements will be based on the trailblazer deals negotiated in Greater Manchester and West Midlands
- e) Other
- Announcement of a new Funding Simplification Plan to be delivered over three phases:
 - i) Immediate simplification of existing funding and communication to councils from Department of Levelling Up, Housing and Communities (DLUHC). This will include
 - A new ‘Simplification Pathfinder Pilot’ to test the streamlined delivery of capital funding for a small group of councils.
 - Amendment to the Levelling Up, Town Deals and Future High Streets Funds, providing councils more flexibility in changing projects.
 - ii) Establishment of a new ‘Funding Simplification Doctrine’ to streamline the way in which government departments deliver funding to councils, proposed to be implemented in January 2024.
 - iii) Reforms to be implemented at the next Spending Review, including multi-year, single departmental-style funding settlements for the trailblazer Mayoral Combined Authorities.
 - Extension of UK Emissions Trading Scheme (ETS) to cover emissions from energy from waste in 2028. Details of funding and impact not yet known.

4.1.4 Since the announcement of the Autumn Budget Statement 2023, the government issued a policy statement on Local Government Finance on 5 December 2023, reiterating the key messages as set out in the Autumn Budget Statement with the only additionality being confirmation of the Council Tax increase proposed for next year of 5% (3% core council tax element and 2% adult social care precept).

4.2 Economic Growth

4.2.1 The UK economy has performed better than was forecast this year, but growth remains sluggish and there are fears that the economy could slip into a shallow recession next year, comparable to Institute for Fiscal Studies forecast which shows the UK economy falling into recession in 2024.

4.2.2 The Office of Budget Responsibility have also reduced their growth forecasts for future years and now assumes growth will be 0.7% and 1.4% in 2024 and 2025 respectively, both 1.1% lower than previously projected at the March 2023 Budget.

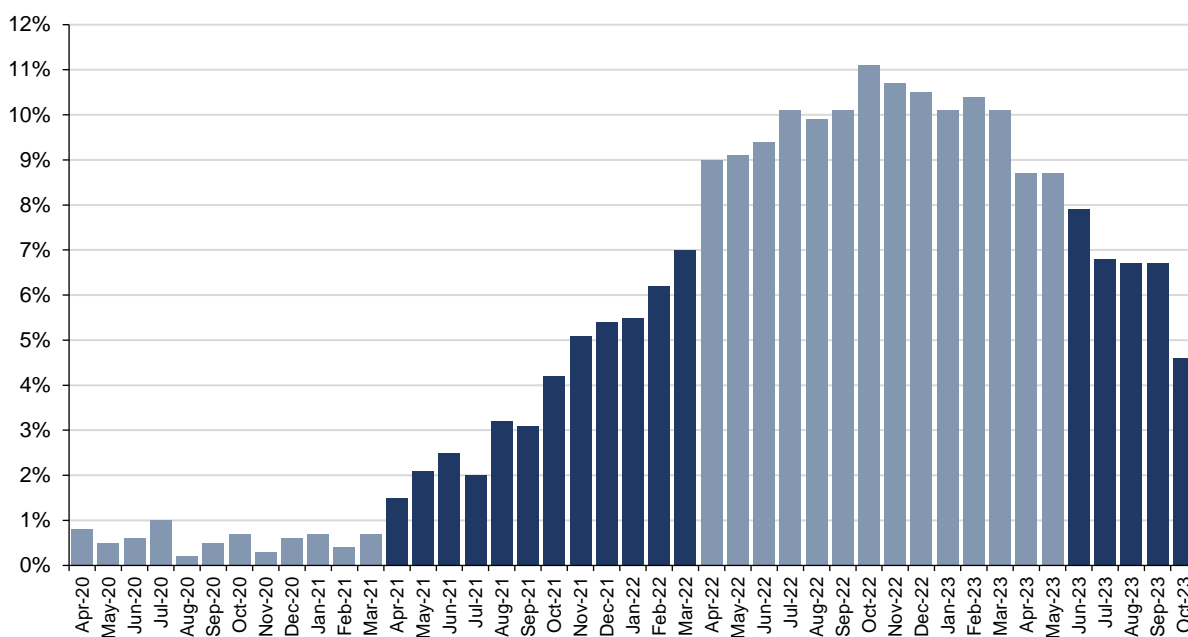
4.3 Inflation

4.3.1 Currently inflation stands at 4.6% (Consumer Price Index (CPI) October 2023) which is still 2.6% above the Bank of England inflation target rate of 2%. Although current inflation rate is lower than October 2022 when it peaked at 11.1%, the highest rate

since the last 40 years, it continues to be relatively high. The Office for Budget Responsibility is currently forecasting CPI inflation to fall to an average 3.0% for 2024/25, a slightly slower reduction than previously predicted, and will only reach the Bank of England target of 2% by the second quarter of 2025.

4.3.2 The chart below illustrates the high levels of monthly CPI inflation across recent years. As a result of the recent inflation volatility, it is hard to predict with any certainty the future impact on council services and therefore on the MTFP.

Chart 1: Consumer Price Index (CPI) Monthly Rate (April 2020 to October 2023)



Source: <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>

4.3.3 Continued high inflation has significantly impacted both the local and national economy. Below is list of service areas or contracts which continue to be impacted by the economic context. In many cases the increases in prices are exacerbated by increases in demand due both to demographic changes, government policy changes and the cost-of-living crisis.

- a) Social care (adults and children) – expect increased costs in relation to higher fees to care providers to offset their rising costs. This is made worse by continued demographic demand pressures and market capacity including shortages in both the labour and placement markets.
- b) Home to school transport – cost increases driven by rising fuel prices and increases in demographic growth.
- c) Construction - the soaring cost of construction materials and labour shortages means the viability of capital projects is at risk and will impact both the General Fund and Housing Revenue Account (HRA) programmes.
- d) Private sector rental market/ homelessness/ loss of housing benefit subsidy – the availability of affordable private rented properties and the impact of the cost-of-living crisis on households and landlords (repayment of mortgages) could lead to increased homelessness caseload requiring temporary

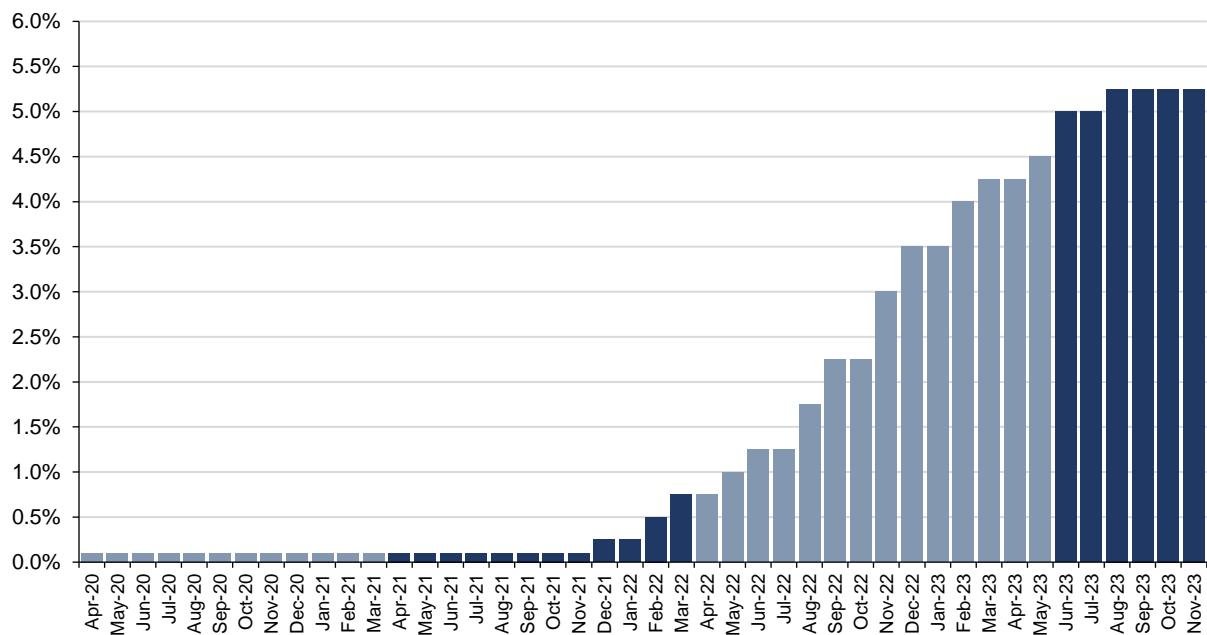
accommodation and use of bed and breakfast. If the Local Housing Allowance does not rise in line with inflation this could impact council budgets due to the differential between the rent income from housing benefits and cost of property lease in relation to temporary accommodation.

- e) Pay inflation – as part of the 2023/24 pay award review the National Joint Committee (NJC) on 1 November 2023 agreed, with effect from 1 April 2023:
- an increase of £1,925 on all NJC pay points (pro rata for part-time and term-time employees)
 - an increase of 3.5% for Chief Executives
 - an increase of 3.5% for Chief Officers was previously agreed in May 2023
 - There has been no indication of the pay deal expected for 2024/25.

4.4 Interest Rates

- 4.4.1 Since December 2021, the Bank of England has increased interest rates from 0.10% in November 2021 to an unchanged 5.25% as at November 2023. The Monetary Policy Committee will review this next on 14 December 2023.

Chart 2: Bank of England Official Bank Rate (April 2020 to November 2023)



Source: <https://www.bankofengland.co.uk/monetary-policy/the-interest-rate-bank-rate>

4.5 Local Government Funding

Challenging landscape for local government

- 4.5.1 The financial landscape facing the sector including the Council is becoming increasingly challenging with 2023 seeing an increasing number of councils, including noticeably those with social care responsibilities, give warnings about their ability to balance their 2023/24 budgetary positions and beyond.
- 4.5.2 Many of the sectoral bodies (Local Government Association, County Councils Network, Society of County Treasurers and Special Interest Group of Municipal Authorities) have recently published warnings illustrating the current local government finance system is failing to tackle issues around social care funding

(including children's), plus the continued impact of high inflation, have put many councils in a perilous financial position with many S151 Officers considering issuing of S114 reports for not being able to balance their budget for the coming year. In a briefing from the Institute of Government published on 9 October 2023 there is an increasing incidence of councils issuing Section 114 reports due to significant financial viability issues.

Funding and relative needs

- 4.5.3 The balance of overall funding has altered in recent years with a greater proportion coming from Council Tax and specific Social Care funding with significantly less coming from Revenue Support Grant (RSG). Whilst the RSG received by Nottingham has reduced by £97m (or 76%) between 2013/14 and 2023/24, the overall 'Core Spending Power' measure as utilised by DLUHC has increased by £52m (or 18%).
- 4.5.4 Notwithstanding the recent acute inflationary and service pressures on councils there are also longstanding issues with how the current local government finance system recognises the funding needs of authorities, such as Nottingham, with significant deprivation and associated high relative needs.
- 4.5.5 The Institute for Fiscal Studies (IFS) published a report on the 15 August 2023 titled 'How much public spending does each area receive? Local authority level estimates of health, police, school and local government spending'. The report's analysis found that while more deprived areas receive more funding, they do not receive as high a share of the national funding pot as the formulae used in official spending needs assessments suggest they should. The data that accompanies the IFS report shows that in their assessment, the funding position for local government services in Nottingham is £916 per person (compared to the national average of £865 per person). The equivalent estimated need per person in Nottingham is £1,033 (compared to the national average of £865 per person). This gives a gap between the funding per person and the estimated need per person, of (£117) or (11.3%). This gap, between the estimated need and the funding per person, places Nottingham towards the lower end of the range quoted in the report (117 lowest out of 150), meaning that the council has a larger gap per person compared to many other local authorities.

Local Government Financial Settlement

- 4.5.6 It is important to note that much uncertainty remains regarding the resources that will be available to the Council. Consequently, the updated MTFP has been completed without any confirmation of potential 2024/25 funding other than the broad guidelines previously issued by the Government alongside the last settlement where it indicated that we could expect only a one-year rolled-over settlement following the same principles as 2023/24:
- Indicating core council tax referendum principles of 2.99% core Band D threshold and a further 2% adult social care precept
 - Revenue Support Grant will be uplifted in line with the September CPI and Base Funding Level will increase in line with the business rate multiplier, with any under-indexing fully funded via the cap compensation grants
 - Social Care Grant and other social care grants will increase as set out at the Autumn Statement

4.5.7 As set out above there was little further information on local government funding announced in the Autumn 2023 Budget Statement. This means that specific details for local government funding, including councils' allocation will not be known until the publication of the provisional Local Government Finance Settlement and accompanying technical consultation later this month. This is not expected until week commencing 18 December 2023. The final MTFP reported to Executive Board in February 2024 will fully reflect any funding announcements known at the time.

4.5.8 It should be noted there are several long-standing funding issues that remain unresolved by central government:

- Details and revised timeline of the 'Fair Funding Review' and Business Rates baseline reset.
- Future of the New Homes Bonus grant scheme
- Long-term funding arrangements for Social Care
- Impact and funding of implementing new waste recycling legislation schemes (Deposit Return Scheme and Extended Producer Responsibility).

4.5.9 This continued lack of clarity regarding multi-year settlements makes budget planning, particularly in the current environment unnecessarily complex and challenging.

4.6 **Business Rates**

4.6.1 As set out above, the Autumn Statement 2023 announced the following with effect from 1 April 2024:

- small business multiplier will be frozen at 49.9p
- standard multiplier will be updated in April by September's CPI figure (6.7%), increasing the multiplier from 51.2p to 54.6p
- 2023/24 Retail, Hospitality and Leisure (RHL) scheme will be extended into 2024/25, retaining the existing scope and providing eligible properties with 75% relief, up to a cap of £110,000 per business
- Councils are expected to be fully compensated for the loss of income, due to these business rates measures and will receive new burdens funding for administrative and IT costs

4.6.2 Confirmation of the decoupling of the standard and small business multipliers means that the layout and the level of detail required for completing the 2024/25 NNDR1 business rates return due in late January 2024 will significantly change. Detailed technical changes will not be known until the publication of the provisional financial settlement and technical consultation which impact council's ability to fully complete the NNDR1 return as the Council will be heavily dependent on our revenue system provider's ability to update their software in time.

4.6.3 The business rates projections drawn from the NNDR1 return will be those required to be reflected in 2024/25 budget reported to the February 2024 Executive Board.

5. Approach to Budget Setting

5.1 Budget Strategy

5.1.1 The budget strategy for the 2024/25 budget process was set out in the report to Executive Board in July 2023, focussing on delivering saving proposals through the Duties and Powers Framework (equivalent to legal minimum) alongside the following budget strands:

- Transformation including Best Value reviews and service redesign
- Efficiency
- Asset
- Income and Debt
- Technical Review

5.1.2 The combined outcomes of these budget strands were required to several objectives:

- Set and deliver a balanced budget.
- Establish financial resilience to ensure council's long term financial health and viability is sound on a continued basis.
- Maximise the 'One Council' as a vehicle to transform the way in which it delivers its services and what it can deliver.
- Address emerging pressures that are unavoidable.

5.1.3 These key objectives were to be met first before any new investment growth is considered for delivering Strategic Council Plan priorities.

5.2 Progress Towards Delivering the Budget Strategy

5.2.1 In recognition of the financial challenge, the Council adopted the Duties and Powers framework (equivalent to legal minimum) to develop saving proposals and set a balanced budget for 2024/25. The process included two key stages with the first being the mapping of general fund budgets against legal duties and powers and the second being to develop proposals. The second stage of the process has involved various challenge sessions, with the CLT and members, of officer proposals. Officers have made iterations throughout this process before consolidating into this report.

6. Medium Term Financial Plan (MTFP) 2024/25 to 2027/28

6.1 2024/25 Budget and MTFP as at July 2023

6.1.1 By necessity, the MTFP and financial strategy is being compiled in a period of unprecedented financial uncertainty and requires continued refinement to reflect changing circumstances, updated priorities, the latest financial situation, and external factors such as continued uncertainty regarding the government funding.

6.1.2 Table 1 summarises the various elements of the previous MTFP refresh reported to the July 2023 Executive Board. These initial projections, based on the best service and national information available at the time and previously approved savings,

indicated the likely size and scale of the financial challenge facing the authority was £50.903m in 2024/25 rising to a cumulative £58.714m by 2027/28.

- 6.1.3 The proposed mitigations and options to begin addressing these gaps was initially scoped as likely to provide £34.689m in 2024/25, including council tax which is subject to approval by Council, resulting in an outstanding gap of £16.213m to be balanced with further options being developed by the CLT.

Table 1: 2024/25 - 2027/28 MTFP Update including Options as at July 2023 (incremental figures)					
Budget Item	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative £m
Demographic/Service Growth	39.326	5.374	15.048	3.353	63.101
Pay Inflation	23.672	7.747	9.000	9.000	49.419
Contractual Inflation	8.822	8.217	8.741	2.211	27.991
Reserve & Technical Movements	13.886	(11.831)	(3.719)	0.013	(1.651)
Grants & Contributions	(13.492)	(2.324)	(7.094)	(0.738)	(23.648)
Previous Income & Savings	(10.459)	(12.416)	(12.672)	(0.278)	(35.825)
Net Budget Requirement	61.757	(5.233)	9.304	13.561	79.388
Assumed Funding (Settlement & Council Tax)	(10.854)	(3.220)	(3.274)	(3.326)	(20.674)
Indicative Gross Budget Gap (+) / Surplus (-) as at July 2023	50.903	(8.453)	6.030	10.235	58.714
Technical Reviews	(10.951)	11.709	3.732	0.000	4.489
Capping Growth Assumptions	(7.684)	(0.476)	(1.739)	(1.230)	(11.129)
High Value Best Value Reviews	(8.985)	0.000	0.000	0.000	(8.985)
Subtotal: Mitigations and Options	(27.620)	11.233	1.992	(1.230)	(15.625)
4.99% increase in 2024/25 Council Tax (Subject to Member Approval)	(7.069)	(0.030)	(0.030)	(0.030)	(7.159)
Indicative Net Budget Gap (+) / Surplus (-) as at July 2023	16.213	2.750	7.992	8.976	35.930

6.2 Officer Developed Saving Proposals

- 6.2.1 The tables below summarises the officer saving proposals proposed in this report to begin closing the indicative 2024/25 and MTFP budget gaps.

Table 2: Officer Developed Saving Proposals (incremental figures)					
Officer Developed Saving Proposals	Manage Demand £m	Charge More £m	Reduce Costs £m	Cease/ Stop £m	Total £m
Adults	0.000	(0.477)	(6.389)	(0.401)	(7.267)
Children's	(1.300)	0.000	(2.712)	0.000	(4.012)
Commissioning & Partnership	0.000	0.000	(0.449)	0.000	(0.449)
Education	0.000	(0.024)	(1.273)	(0.126)	(1.423)
Total Peoples Directorate	(1.300)	(0.501)	(10.823)	(0.527)	(13.151)
Community, Environment and Resident Services	(0.702)	(1.884)	(5.691)	(4.117)	(12.394)
Growth and City Development	0.000	(1.129)	(2.912)	(0.053)	(4.094)
Finance and Resources Services	0.000	0.000	(3.340)	(1.801)	(5.140)

Table 2: Officer Developed Saving Proposals (incremental figures)					
Officer Developed Saving Proposals	Manage Demand £m	Charge More £m	Reduce Costs £m	Cease/ Stop £m	Total £m
Chief Executive	0.000	0.000	(0.686)	(0.087)	(0.773)
Total	(2.002)	(3.514)	(23.453)	(6.585)	(35.553)
	5.63%	9.88%	65.97%	18.52%	100.00%

6.2.2 Detail of the savings proposals are set out in Appendix 1 and 2. Proposals which have been endorsed by the Executive Board have been shaded in grey with the remaining proposals under consideration left unshaded.

Proposals Requiring Public Consultation

6.2.3 The table below summarises the £14.947m of saving proposals developed by officers which require public consultation.

Table 3: Officer Developed Saving Proposals for Public Consultation (incremental figures)					
Officer Developed Saving Proposals - Public Consultation	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total
Adults	(0.933)	(1.764)	0.000	(0.313)	(3.011)
Children's	(0.145)	(0.073)	0.000	0.000	(0.218)
Commissioning & Partnership	0.000	0.000	0.000	0.000	0.000
Education	(0.095)	(0.032)	0.000	0.000	(0.126)
Total Peoples Directorate	(1.173)	(1.869)	0.000	(0.313)	(3.355)
Community, Environment and Resident Services	(6.531)	(2.005)	0.000	0.000	(8.536)
Growth and City Development	(0.805)	(1.159)	0.000	0.000	(1.964)
Finance and Resources Services	(0.728)	(0.364)	0.000	0.000	(1.092)
Chief Executive	0.000	0.000	0.000	0.000	0.000
Total	(9.237)	(5.397)	0.000	(0.313)	(14.947)
	25.98%	15.18%	0.00%	0.88%	42.04%

Proposals Not Requiring Public Consultation

6.2.4 The table below summarises the £20.606m of saving proposals developed by officers which do not require public consultation.

Table 4: Officer Developed Saving Proposals not for Public Consultation (incremental figures)					
Officer Developed Saving Proposals - Public Consultation	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total
Adults	(0.861)	(3.396)	0.000	(0.000)	(4.257)
Children's	(1.124)	(2.670)	0.000	0.000	(3.794)
Commissioning & Partnership	(0.355)	(0.095)	0.000	0.000	(0.449)
Education	(0.952)	(0.305)	(0.039)	0.000	(1.297)
Total Peoples Directorate	(3.292)	(6.466)	(0.039)	(0.000)	(9.797)
Community, Environment and Resident Services	(3.846)	(0.012)	0.000	0.000	(3.858)

Table 4: Officer Developed Saving Proposals not for Public Consultation (incremental figures)					
Officer Developed Saving Proposals - Public Consultation	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total
Growth and City Development	(1.735)	(0.295)	(0.100)	0.000	(2.130)
Finance and Resources Services	(1.770)	(1.898)	(0.380)	(0.000)	(4.048)
Chief Executive	(0.605)	(0.168)	0.000	0.000	(0.773)
Total	(11.248)	(8.839)	(0.519)	(0.000)	(20.606)
	31.64%	24.86%	1.46%	0.00%	57.96%

6.3 Investment Required to deliver savings

6.3.1 Currently, it is estimated that a one-off investment of £7.554m will be required to deliver the saving proposals contained within this report, all of which is expected to be funded from reserves.

6.4 Council Tax

6.4.1 The MTFP assumes a 2024/25 Band D increase of 4.99% resulting in an additional £7.1m of Council Tax income. This is based on the referendum criteria (3%) and Adult Social Care precept (2%) allowed in 2023/24 and the current assumptions with regard to the tax base.

6.4.2 This additional income is only illustrative and will be subject to Members' final approval at Full Council in late February 2024.

6.4.3 Confirmation of the availability of further Adult Social Care flexibility and the 2024/25 referendum criteria set by Government is unlikely to be confirmed until the provisional settlement in mid to late December.

6.5 2024/25 Budget Gap as at December 2023

6.5.1 Due to the ongoing volatility of the operating environment as articulated through the continued pressures seen in-year across council's demand-led services, there is a high probability that the current indicative budget gap will increase, beyond that currently stated as above. CLT are currently undertaking detailed work for their respective demand led areas which will feed into the updated MTFP position alongside the impact of the Local Government Finance Settlement and collectively will be presented to the Executive in the new year.

6.5.2 As set out above, confirmed details of the Council's funding for next year are not yet known and therefore only some changes to the growth assumptions in 2024/25 have been made to the MTFP, with further changes to be reflected in the next updated report to the Executive Board.

6.5.3 However, the Autumn Statement indicated that is very unlikely that the provisional settlement will provide sufficient additional funding to balance the remaining indicative gap for 2024/25 and as such, work is underway across the Council to review assumption and identify further options.

6.5.4 If required, an additional consultation report will be reported to Executive Board setting out any further proposals deemed necessary to ensure a legally balanced budget for 2024/25.

6.5.5 The table below provides an updated summary of the 2024/25 indicative budget gap that equates to £53.700m on a gross basis and net to £33.215m after the application of officer saving proposals.

Table 5: 2024/25 Budget Gap Update as at December 2023		
Budget Item	2024/25 £m	Ref
Indicative Net Budget Gap (+) / Surplus (-) as at July 2023	16.213	
Best Value Review Target Removed	8.985	a
Estimated additional recurring budget pressure	18.502	b
Use of Reserves in 2023/24 to balance budget	10.000	b
Net Budget Requirement before saving proposals	53.700	
Officer developed saving proposals	(20.485)	a
Indicative Net Budget Gap (+) / Surplus (-) as at December 2023	33.215	

a) The best value review target previously included in the July's MTFP has now been superseded by the Duties and Powers framework approach, with the best value principles being applied through the legal duties and powers lens.

b) Estimated additional recurring growth reflects the significant increase in the 2023/24 in-year net pressure, as reported to November 2023 Executive Board in Period 6, with potential use of reserves in 2023/24.

7. Companies

7.1 The Council has a range of companies in its ownership and some owned jointly with others that have developed over time. Many of these companies have experienced trading difficulties that have impacted on dividends and other loan repayments that are factored into the Council's budget.

7.2 As a working assumption the current MTFP refresh assumes that there will be no future company dividends. In line with previously agreed policy, it assumes that if dividends do materialise then they will be contributed into reserves i.e., the MTFP will not be balanced by using inherently volatile projections of company income.

8. Schools Budget

8.1 The Schools Budget will be presented to the Schools Forum for review and approval in January 2024.

9. Housing Revenue Account

9.1 The HRA budget strategy will be presented to the Executive Board for review in the new year.

10. Reserves

- 10.1 As reported to the July 2023 Executive Board with the 2023/24 Provisional Outturn, the General Fund Balance was £13.5m with provisional Earmarked Reserves of £184.805m, as of 31 March 2023.
- 10.2 In light of the current in-year and 2024/25 budget positions, the S151 Officer is currently conducting a review of the reserves policy and the adequacy of all reserve levels. This review may look to recategorise and reprioritise, where possible, existing reserves.
- 10.3 Any revision to the existing reserves policy and how reserves will be managed in the future will be incorporated into the 2024/25 budget and MTFP report to the Executive Board in February 2024.

11. Budget Timetable

- 11.1 It is proposed that the Council continues with the timetable as set in Table 6 so that all required proposals to balance the MTFP 2024/25 to 2027/28 can be considered, as appropriate, before final decisions are made.

Table 6: Budget Timetable	
Month	Activity
December	<ul style="list-style-type: none"> Budget consultation on draft MTFP with citizens, local business, community & voluntary sector, other stakeholders as appropriate Provisional Local Government Financial Settlement
January	<ul style="list-style-type: none"> Executive Board report agrees tax base and forecast collection fund surplus or deficit Executive Board report reflecting updated MTFS forecast and funding position, including savings proposals and impact of provisional finance settlement (<i>if required</i>) Executive Board report to approve HRA budget and 30-year business plan (<i>provisional</i>) Corporate Scrutiny Committee to be consider Budget consultation Schools Forum to approve Schools Budget
February / March	<ul style="list-style-type: none"> Executive Board report to consider for approval including to Council, revenue and capital budgets, draft MTFP (revenue and capital) Corporate Scrutiny Committee to be consulted on Budget Proposals Audit Committee to be consider Treasury Management strategy City Council approves Budget, Treasury Management strategy and sets Band D Council Tax for 2024/25 Final Local Government Financial Settlement

12. Other options considered in making recommendations

- 12.1 Throughout the budget process a range of different options have been considered including various levels of council tax, investment, expenditure reductions and income generation proposals. This is a complex process with many iterations and possibilities too numerous and detailed to present as discrete options here. This report presents the overall set of current draft proposals which together seek to balance levels of investment, income, cost reductions and an appropriate level of Council Tax.

13. Consideration of Risk

- 13.1 The S151 Officer is required to provide his statutory advice to Council on the robustness of the budget estimates and adequacy of reserves. As such an assurance was provided to Full Council that at the time it set the 2023/24 budget it had been reasonably based on the best available information and assumptions at the time.
- 13.2 More recently the S151 officers' professional opinion has been clearly stated in the s114(3) report issued on the 29 November 2023.
- 13.3 The uncertainties of the economic environment over the short to long term present a high risk to the Council with regard to the continued delivering of balanced budgets and inevitably there remains potential for further, as yet unrecognised, risks.
- 13.4 It will be essential for CLT to continue to exercise firm financial management throughout this year and for the forthcoming year through the close monitoring of budgets and, in particular, the agreed council action plan in response to the s114(3) report alongside the delivery of previously approved savings. The spend measures currently in place during the Prohibition Period will most likely need to continue to be in place for the foreseeable future.
- 13.5 Even though previous budget statements provided some indication of proposed additional funding for social care, the Local Government Finance Settlement published in February 2023 only provided certainty for one-year 2023/24, beyond this there remains a great deal of uncertainty. The MTFP therefore includes various assumptions on future funding which is based on Government announcements made up to July 2023. The MTFP will be fully updated once the full details of the provisional Local Government Finance Settlement are announced, week commencing 18 December 2023.
- 13.6 Given the unique operating context of Nottingham City Council, the following are most immediate risks for the budget process which need to be considered by the S151 when determining adequacy of reserves and financial resilience:
- Organisational ability to develop and deliver
 - 2023/24 in-year General Fund balance budget following issuance of s114(3) report; and
 - the scale of change required in delivering the officer developed saving proposals, as presented within this report.
 - Delivery record on approved savings programmes to date
 - Likelihood of further in year variances (overspends) against approved budget in particular social care placement and temporary accommodation pressures, which continue to be partly mitigated by one-off spend controls and transformational cost reduction programmes which are closely monitored by Leadership and CLT
 - Unforeseen shocks or circumstances resulting in financial cost spikes
 - Subsidiary company risk - loans and risk of liabilities materialising
 - Prior year accounts and historic accounting treatments & practice corrections
 - Assumptions regarding debt collection and impact on the collection fund
 - Economic factors such as inflation and interest rate environment

- Major project challenges and failure
- Capital receipts not being sufficient to meet existing capital obligations
- Unfunded income loss pressures as a result of the long-term impact of the pandemic and cost of living crisis, particularly in relation to Council Tax and Business rates income.

13.7 Given the Councils recent history, and in the context of the strategic risks set out above, it is reasonable and prudent to set aside material amounts within reserves to provide for either a single or multiple scenarios manifesting, which will be considered by the S151 officer when determining adequacy of overall reserves as part of the annual budget setting process.

13.8 As set out above, the Council's MTFP is continually under review and builds in projections for the current period and beyond as further details and analysis become available. Throughout the budget process a range of different options will continue to be considered including various levels of council tax, investment, expenditure reductions and income generation proposals. These will be regularly reported and thoroughly considered as part of an iterative process involving CLT, Leadership and Portfolio Holders. Any sustainability impacts will be considered before final decisions are taken on whether or not to implement each proposal.

13.9 Given the uncertainties of the economic environment, impact of cost of living, inflation and interest rates, long-term impact of the pandemic and expenditure reductions of a significant scale required, there are inevitably significant risks involved in delivering balanced budgets over the medium term. Key strategic risks will continue to be;

- included in the Corporate Risk Register;
- regularly reported to Audit Committee; and
- reviewed through updated Budget and MTFP Strategy reports to the Executive Board.

14. **Best Value considerations**

14.1 To ensure we are delivering continuous service improvement and good outcomes for citizens the Council will embed a culture of Best Value Transformation across all our services and work together as 'One Council'.

14.2 Encompassing Best Value Transformation alongside the 'Together for Nottingham Plan' and a refreshed MTFP the 'One Council' approach will enable us to work on a more stable financial footing.

14.3 Throughout the budget process the Council will take a proactive and planned approach to delivering Best Value.

14.4 At the conclusion of this process the Council's published reports will clearly set out how it plans to meet its Best Value requirement to demonstrate the continued financial sustainability of services to its communities over the longer term.

15. **Finance colleague comments**

- 15.1 This report represents a further step in a continuing budget process that will culminate in the Chief Finance Officer's assessment of the robustness of the proposed 2024/25 budget and adequacy of reserves statement contained within the final report presented to Executive Board in February 2024.
- 15.2 In the majority of officer developed savings proposals, the application of service redesign has been adhered to against the principle of the lowest resource deployment possible to comply with the necessary legal obligations for service delivery. In instances where there is no legal duty to provide or undertake activity and instead a legal power is the appropriate consideration, then activity has been designed in such a way as to remove the provision. The primary purpose of this approach is to try and ensure sufficient savings can be tabled to allow the Council to set a balanced budget for 2024/25. There are in a limited number of instances, proposals that are not put against the Duties and Powers framework (equivalent to legal minimum) as there are alternative means of delivering a service that provides for a greater level of financial savings, these are all services that have a large proportion of income associated with them that can be commercialised in a way that yields a greater financial benefit.
- 15.3 It should also be noted that some proposals are increases to fees and charges and not the application of the Duties and Powers methodology.

16. **Legal colleague comments**

- 16.1 The recommendations in this report of themselves raise no significant legal issues but need to be viewed in the context of the s114 (3) report recently issued by the s151 Officer and the legal requirement to set a balanced budget for 2024/25.. before 11 March 2024. This report should be viewed as one of the formal steps to achieving that requirement. The report also approves the requirement to formally consult the public on elements of the budget proposals in accordance with the statutory requirements. Any responses received as a result of the consultation will need to be fully and properly considered.
- 16.2 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.

Malcolm R. Townroe – Director of Legal and Governance – 11 December 2023

17. **Procurement comments**

- 17.1 Not applicable

18. **Crime and Disorder Implications**

- 18.1 Not applicable

19. **Social value considerations**

19.1 Not applicable

20. **Regard to the NHS Constitution**

20.1 Not applicable

21. **Equality Impact Assessment (EIA)**

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

Not at this stage but will be.



21.2 An EIA is not required because any decisions relating to the draft budget proposals will be set out in further reports to Executive Board and Full Council in February 2024. Equality Impact Assessments are being carried out, where appropriate, for all relevant budget proposals and a summary will be provided with these reports.

22. **Data Protection Impact Assessment (DPIA)**

22.1 Not applicable.

23. **Carbon Impact Assessment (CIA)**

23.1 The carbon impact assessment of proposed proposals will be considered in due course.

24. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

24.1 None

25. **Published documents referred to in this report**

- S114 (3) report issued by the s.151 officer – 29 November 2023
- Budget Strategy and Medium Term Financial Plan (MTFP) Refresh 2024/25 to 2027/28 – 18 July 2023 Executive Board
- Budget 2023/24 – 6 March 2023 City Council
- Medium Term Financial Plan 2023/24 to 2026/27 – 21 February 2023 Executive Board

Appendix 1: Saving Proposals - Public Consultation

Proposal Reference	Option Type	Directorate / Department	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(D)-2417	Manage Demand	Communities, Environment & Resident Services	Improve recycling performance	Implementation of a side waste policy to regularise domestic waste tonnages collected and a programme of activity to support residents in presenting consistent materials for recycling thereby reducing contamination penalties.	(0.250)	(0.250)	0.000	0.000	(0.500)	0
SUB TOTAL: MANAGE DEMAND					(0.250)	(0.250)	0.000	0.000	(0.500)	0

Proposals shaded in grey have been endorsed by Executive Board

DP(D)-2423	Charge More	Communities, Environment & Resident Services	Increased income from Woodthorpe Nursery	Additional income generation through a fees and charges review and an increased number of community events taking place at the Woodthorpe nursery and plant shop	(0.010)	0.000	0.000	0.000	(0.010)	0
DP(D)-2430	Charge More	Communities, Environment & Resident Services	Introduce charges for garden waste collection	To continue to offer a kerbside collection for residents who wish to pay for the service. Free disposal will be available at the Household Waste Recycling Centre.	(0.292)	(0.208)	0.000	0.000	(0.500)	0
DP(E)-2408b	Charge More	Growth & City Development	Proposal to introduce a charge for use of public toilets	Introduction of charges for use of Greyhound Street public toilets.	(0.064)	0.000	0.000	0.000	(0.064)	0
SUB TOTAL: CHARGE MORE					(0.366)	(0.208)	0.000	0.000	(0.574)	0

Proposals shaded in grey have been endorsed by Executive Board

DP(A)-2401 DP(A)-2402 DP(A)-2403	Reduce Costs	Adults	Restructure and reduce Adult Social Care Assessment function	Restructure and reduce tiers of management and overall resource across the Adult Social Care Assessment function including Occupational Therapy and Sensory Teams.	(0.636)	(1.567)	0.000	0.000	(2.203)	(40)
DP(A)-2411	Reduce Costs	Adults	Close Jackdawe in-house homecare and source from external market	Close Jackdawe in-house homecare service and commission homecare packages from external care providers.	(0.189)	(0.095)	0.000	0.000	(0.284)	(46)
DP(E)-2402	Reduce Costs	Adults	Closure of Barkla Close and purchase of Residential Respite Care from the external market.	Closure of Barkla Close In-house Residential Respite care for adults with learning disabilities and to instead commission this respite care from the external market..	(0.061)	(0.061)	0.000	0.000	(0.123)	(13)
DP(A)-2473	Reduce Costs	Childrens	Reduces Youth Service	Closure of the Ridge Adventure Playground and Bulwell Play and Youth Centre with increase targeting of youth services to those young people in most need.	(0.145)	(0.073)	0.000	0.000	(0.218)	(6)
DP(A)-24225	Reduce Costs	Growth & City Development	Reduce public transport infrastructure	To reduce provision in the city to only provide accessible bus stops and remove funding to operate two bus-based park and ride sites and Victoria Bus Station.	(0.158)	(0.342)	0.000	0.000	(0.500)	(4)

Appendix 1: Saving Proposals - Public Consultation

Proposal Reference	Option Type	Directorate / Department	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(A)-24226	Reduce Costs	Growth & City Development	Review Concessionary Fares	Review of concessionary fares in conjunction with the wider region and emerging combined authority to ensure consistency of approach.	0.000	TBC	TBC	TBC	TBC	TBC
DP(A)-24227	Reduce Costs	Growth & City Development	Reduce all linkbus services, remove Easylink and withdraw funding contribution to the Medilink service	Tendered services reduced to a minimum level of service to residential areas which otherwise have no access to public transport networks. This would mean replacement of existing link bus network with minimum service level provided to residential areas, but no regular service to places of employment and education.	(0.583)	(0.717)	0.000	0.000	(1.300)	(1)
DP(E)-2419	Reduce Costs	Communities, Environment & Resident Services	Review of Museums Service to identify alternative delivery model reducing reliance on council funding	The Museums Service is currently undergoing a Delivery Model Assessment (DMA) process to identify an alternative delivery model for these primarily discretionary services that minimises reliance upon contribution from the Council.	TBC	TBC	TBC	TBC	TBC	TBC
DP(E)-2426	Reduce Costs	Communities, Environment & Resident Services	Remove council contribution to One Nottingham	Increase third party income to maintain existing service provision and remove council contribution to One Nottingham.	(0.023)	0.000	0.000	0.000	(0.023)	0
DP(E)-2427	Reduce Costs	Communities, Environment & Resident Services	Risk based approach to environmental health work relating to Planning Applications.	Adopt a risk based approach to environmental health work relating to Planning Applications relating to high-risk cases.	(0.100)	0.000	0.000	0.000	(0.100)	(2)
DP(E)-2410	Reduce Costs	Communities, Environment & Resident Services	Review of Library Service	Undertake an assessment of the Library Service provision whilst maintaining a comprehensive and efficient service offer appropriate to the needs of our citizens. Will require a further public consultation regarding a review of the Council's Library Needs Assessment and 'the Next Chapter' Libraries Strategy.	(1.143)	(0.381)	0.000	0.000	(1.524)	(31)
DP(D)-2431	Reduce Costs	Communities, Environment & Resident Services	Introduce baseline service level for mechanical road sweeping	Establish city wide baseline level for mechanical sweeping of the highway and other maintained areas of once every 12 weeks.	(0.126)	(0.042)	0.000	0.000	(0.168)	(6)
DP(E)-2413 DP(E)-2414 DP(E)-2415 DP(E)-2416 DP(E)-2417 DP(D)-2422	Reduce Costs	Communities, Environment & Resident Services	Green Spaces and Natural Environment Service Review	Review of the Green Spaces and Natural Environment Service current operating model which includes a wide range of service reductions.	(0.254)	0.000	0.000	0.000	(0.254)	(8)
DP(E)-2428	Reduce Costs	Communities, Environment & Resident Services	Reduction of contribution to Area Based Grants	Reduction of contribution to voluntary and charity sector through area based grants.	(1.340)	0.000	0.000	0.000	(1.340)	0

Proposal Reference	Option Type	Directorate / Department	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(A)-24255	Reduce Costs	Growth & City Development	Reduction in Not in Employment, Education or Training Prevention Budget	Review and restructure the Not in Employment, Education or Training prevention services across the city.	0.000	(0.100)	0.000	0.000	(0.100)	0
SUB TOTAL: REDUCE COSTS					(4.759)	(3.378)	0.000	0.000	(8.137)	(156)

Proposals shaded in grey have been endorsed by Executive Board

DP(A)-2412	Cease/ Stop	Adults	Cease all grant funding of Lunch Clubs	Cease grant funding for all lunch clubs recipients.	(0.037)	(0.037)	0.000	0.000	(0.073)	0
DP(A)-2410	Cease/ Stop	Adults	Close The Oaks and Cherry Trees Residential Care Homes for Adults	Close or sell the existing in-house residential homes as a business and provide care through external providers as required.	0.000	0.000	0.000	(0.313)	(0.313)	(88)
DP(A)-2458	Cease/ Stop	Education	Close Colwick Park Activity Centre	Closure of Colwick Park Activity Centre which provides outdoor sport and learning opportunities for children and young people.	(0.095)	(0.032)	0.000	0.000	(0.126)	(5)
DP(A)-2404	Cease/ Stop	Adults	Cease Chronically Sick and Disabled Persons Telephone Service	Cease existing service and meet any assessed needs through the individuals' care package, where required.	(0.010)	(0.005)	0.000	0.000	(0.015)	0
DP(E)-2412	Cease/ Stop	Communities, Environment & Resident Services	Reduction of Community Protection and Resident Development service areas	Reduction of both the Community Protection and Resident Development services. Requirement to deliver duties relating to environmental enforcement and antisocial behaviour will be met.	(2.274)	(0.758)	0.000	0.000	(3.032)	(63)
DP(E)-2409	Cease/ Stop	Communities, Environment & Resident Services	Review of Community Centres	Review of the current operational model for Community Centres to seek to remove all Council contribution from their operation.	(0.337)	(0.337)	0.000	0.000	(0.674)	(6)
DP(D)-2425	Cease/ Stop	Communities, Environment & Resident Services	Permanent closure of City Centre water features	To remove maintenance budgets for the water features at Old Market Square and Sneinton Square.	(0.030)	0.000	0.000	0.000	(0.030)	0
DP(D)-2427	Cease/ Stop	Communities, Environment & Resident Services	To cease to deliver an in-house pest control service	Externally commission pest control work at Council assets and direct social housing tenants to external pest control providers.	(0.029)	(0.029)	0.000	0.000	(0.058)	(3)
DP(E)-2429	Cease/ Stop	Communities, Environment & Resident Services	Cease contributions to the Cultural Sector	Removal of contribution to the cultural sector.	(0.198)	0.000	0.000	0.000	(0.198)	0

Appendix 1: Saving Proposals - Public Consultation

Proposal Reference	Option Type	Directorate / Department	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(E)-2430	Cease/ Stop	Communities, Environment & Resident Services	Ceasing of Ward Budgets	Removal of locally distributed ward budgets.	(0.125)	0.000	0.000	0.000	(0.125)	0
DP(A)-24337	Cease/ Stop	Finance & Resources	Proposal to cease Welfare Rights service	Proposal to remove Council's benefit and welfare advice offer except to Council tenants.	(0.261)	(0.131)	0.000	0.000	(0.392)	(23)
DP(A)-24338	Cease/ Stop	Finance & Resources	Digital only Customer Services Hub offer	This proposal moves transactional contact with the Council to a digital only offer. Telephone contact would be automated and no face-to-face provision would remain at Loxley House. Support for residents with specific needs will remain through relevant service areas.	(0.467)	(0.233)	0.000	0.000	(0.700)	(23)
SUB TOTAL: CEASE STOP					(3.862)	(1.561)	0.000	(0.313)	(5.736)	(211)
<i>Proposals shaded in grey have been endorsed by Executive Board</i>										
TOTAL: PUBLIC CONSULTATION SAVING PROPOSALS					(9.237)	(5.397)	0.000	(0.313)	(14.947)	(367)

Proposal Reference	Option Type	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(A)-2407	Charge More	Grant funding of Sheltered Alarm costs	Sheltered alarm costs for adults in care will be funded from the Housing Revenue Account	(0.177)	0.000	0.000	0.000	(0.177)	0
DP(A)-2408	Charge More	Expand Deputyship Service leading to increased fee revenue	Expansion of the Deputyship service to accommodate citizens who currently benefit only from appointeeship via Adult Residential Services, but who require Deputyship. This would ensure a more effective and efficient process for both the citizen and the Council.	0.000	(0.300)	0.000	0.000	(0.300)	0
DP(C)-2402	Reduce Costs	Consistent purchasing of Adult Social Care home care packages	Ensure all packages of home care are purchased at contracted provider rates. This may mean a change in care provider for some citizens.	0.000	(0.210)	0.000	(0.000)	(0.210)	0
DP(A)-2405	Reduce Costs	Reduce Learning and Development Team resource	Reduction in resource of Learning and Development Team.	(0.026)	(0.013)	0.000	0.000	(0.039)	(1)
DP(A)-2406	Reduce Costs	Increase impact of social care reablement to reduce need for long-term care	Reduce ongoing need for homecare through changes in social care reablement work to increase citizens' independence.	0.000	(0.300)	0.000	0.000	(0.300)	0
DP(A)-2409	Reduce Costs	Reduce the Personalisation Hub capacity	Reduce resources and redesign our Personalisation Hub which supports citizens with direct payments.	(0.148)	(0.148)	0.000	0.000	(0.295)	(6)
DP(C)-2401	Reduce Costs	Adult Social Care Placements - External	Review and revision of external placement policy guidance to enable the service to continue to meet the care needs of citizens in the most appropriate way.	0.000	(1.184)	0.000	0.000	(1.184)	0
DP(C)-2405	Reduce Costs	External Residential and Nursing Care Placements	Reduce the cost of existing care packages by securing at contracted rate.	0.000	(1.071)	0.000	0.000	(1.071)	0
DP(E)-2406	Reduce Costs	Reduce Social Care Reform Activity	Reduction in resources allocated to planned improvement and transformation works, and ceasing some of this work.	(0.511)	(0.170)	0.000	0.000	(0.681)	(7)
SUB TOTAL: ADULTS				(0.861)	(3.396)	0.000	(0.000)	(4.257)	(14)

Proposals shaded in grey have been endorsed by Executive Board

DP(E)-2401	Manage Demand	Restructure support to prevent admission of young people in to residential care	Restructure resource to the Strengthening Families at Home service to prevent young people from coming into residential care	(0.900)	(0.400)	0.000	0.000	(1.300)	0
DP(A)-2472	Reduce Costs	Youth Justice Service	Remove vacant posts and re-structure of staffing, roles and responsibilities.	(0.100)	(0.100)	0.000	0.000	(0.200)	(5)
DP(A)-2477	Reduce Costs	Reduction in administrative support	Reduction in resources for support work	(0.123)	(0.062)	0.000	0.000	(0.185)	(4)

Proposal Reference	Option Type	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(C)-2403	Reduce Costs	Reduce Children's Care Placements costs	Reduce costs through commissioning workstreams including negotiation and market sufficiency.	0.000	(2.109)	0.000	0.000	(2.109)	0
SUB TOTAL: CHILDREN'S				(1.124)	(2.670)	0.000	0.000	(3.794)	(9)

Proposals shaded in grey have been endorsed by Executive Board

DP(A)-2478	Reduce Costs	Reducing the structure of the commissioning team	Reducing the structure within the commissioning and partnership team.	(0.189)	(0.095)	0.000	0.000	(0.284)	(4)
DP(A)-2479 DP(A)-2480 DP(A)-2481	Reduce Costs	Review of commissioning and partnership budget	Review of commissioning and partnership service budgets to achieve greater efficiencies.	(0.165)	0.000	0.000	0.000	(0.165)	0
SUB TOTAL: COMMISSIONING & PARTNERSHIP				(0.355)	(0.095)	0.000	0.000	(0.449)	(4)

Proposals shaded in grey have been endorsed by Executive Board

DP(A)-2460	Charge More	Health and safety in schools service - increasing income	This is a service which schools pay for. Charges will be increased to ensure the service covers its costs in full, and opportunities for increasing the number of schools purchasing the service explored.	(0.010)	0.000	0.000	0.000	(0.010)	0
DP(E)-2404	Charge More	Transport - annual pricing review	This is a service which schools pay for. Prices for 2024/25 will be increased in line with inflation to ensure that the service continues to fully cover its costs.	(0.007)	(0.007)	0.000	0.000	(0.014)	0
DP(A)-2453	Reduce Costs	Review of customer support budgets with Education service	Review of service budgets to achieve greater efficiencies.	(0.006)	0.000	0.000	0.000	(0.006)	0
DP(A)-2443	Reduce Costs	Maximisation of Dedicated Schools Grant for Education Welfare service	Service will be sustained at existing levels; however, it is proposed that going forward this will be fully funded by Dedicated Schools Grant (subject to School's Forum agreement)	(0.120)	(0.085)	0.000	0.000	(0.205)	0
DP(A)-2445	Reduce Costs	Maximisation of Dedicated Schools Grant for Virtual School Team	Service will be sustained at existing levels; however, it is proposed that going forward this will be fully funded by Dedicated Schools Grant (subject to School's Forum agreement)	(0.009)	0.000	0.000	0.000	(0.009)	0
DP(A)-2446	Reduce Costs	Maximisation of Dedicated Schools Grant for Teaching Teams	Service to be fully funded from the Dedicated Schools Grant, subject to Schools' Forum agreement.	(0.139)	0.000	0.000	0.000	(0.139)	0
DP(A)-2451	Reduce Costs	Review of Education Partnership service	Review and reduction of Education Partnership Consultant resource	(0.060)	0.000	0.000	0.000	(0.060)	(1)
DP(A)-2452	Reduce Costs	Reduce Schools Improvement activity	Reduce school improvement activity to future recruitment of a Standards Advisor.	0.000	(0.039)	(0.039)	0.000	(0.078)	(1)
DP(A)-2455	Reduce Costs	Fund School Uniform Grant through the Household Support Fund	Children in families who are eligible for Free School Meals are currently eligible for support with their school uniform at key points throughout the year. This will be funded by the Household Support Fund grant. If the grant does not continue, this school uniform support will cease.	(0.020)	0.000	0.000	0.000	(0.020)	0
DP(C)-2406	Reduce Costs	Catering in schools - annual pricing review	Annual uplift of fees for Schools Catering Service from April 2024.	(0.113)	(0.038)	0.000	0.000	(0.150)	0

Proposal Reference	Option Type	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £M	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(E)-2403	Reduce Costs	Seek approval for additional funding for Children with Special Educational Needs and Disabilities	Seek approval from the Secretary of State for the use of additional Dedicated Schools Grant funding for transport for Children with Special Educational Needs and Disabilities (SEND)	(0.375)	(0.125)	0.000	0.000	(0.500)	0
DP(E)-2405	Reduce Costs	Education Psychology reducing costs	Securing Education Psychologists assessment capacity at better value.	(0.019)	(0.006)	0.000	0.000	(0.025)	0
DP(E)-2407	Reduce Costs	Review of Catering in schools service	Review of management structure within the Catering service.	(0.015)	(0.005)	0.000	0.000	(0.020)	(1)
DP(A)-2444 DP(A)-2454	Reduce Costs	Increase budget efficiencies	Review of service budgets to achieve greater efficiencies.	(0.061)	0.000	0.000	0.000	(0.061)	(3)
SUB TOTAL: EDUCATION				(0.952)	(0.305)	(0.039)	0.000	(1.297)	(6)
SUB TOTAL: PEOPLE				(3.292)	(6.466)	(0.039)	(0.000)	(9.797)	(32)

Proposals shaded in grey have been endorsed by Executive Board

Appendix 2: Saving Proposals - Non-Public Consultation

Proposal Reference	Option Type	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(D)-2432	Manage Demand	Efficiencies through centralisation of Fleet Services	Efficiencies through the Centralisation of fleet budgets and review of management and operation of Fleet Services	(0.202)	0.000	0.000	0.000	(0.202)	0
DP(D)-2410	Charge More	Provision of District Heating, Metering and Billing services to district heating customers	Increase to charges commenced January 2024.	(1.000)	0.000	0.000	0.000	(1.000)	0
DP(E)-2421 DP(E)-2422	Charge More	Increase in charges for Energy Assessment work	Increase in charges for Energy Assessment income generating work in Climate Service.	(0.009)	0.000	0.000	0.000	(0.009)	0
DP(D)-2424	Charge More	Increased income generation for the Council's Landscape Service	Landscape Service to increase charges and prioritise externally grant funded income generating work.	(0.020)	0.000	0.000	0.000	(0.020)	0
DP(E)-2418	Charge More	Expansion of Commercial Waste Partnership	Increase income from existing commercial waste partnership.	(0.100)	0.000	0.000	0.000	(0.100)	0
DP(D)-2418	Charge More	Increase to MOT Charges	Increase to charges for enhanced MOTs for Taxis to ensure full cost recovery.	(0.040)	0.000	0.000	0.000	(0.040)	0
DP(D)-2419	Charge More	Bereavement Services fees and charges uplift	Increase to charges commenced January 2024.	(0.083)	0.000	0.000	0.000	(0.083)	0
DP(D)-2426	Charge More	Reduction in Museums Conservation Service resource	Deletion of conservation resource above grant match funding requirements.	(0.009)	0.000	0.000	0.000	(0.009)	0
DP(E)-2424	Charge More	Maximise income opportunity at Theatre & Concert Hall	Maximising income opportunities through Theatre Royal and Concert Hall	(0.095)	0.000	0.000	0.000	(0.095)	0
DP(D)-2401 DP(E)-2425	Reduce Costs	Directorate Senior Management Review	Review of senior management structure across the Directorate	(0.515)	0.000	0.000	0.000	(0.515)	(6)
DP(D)-2411	Reduce Costs	Reduction of utilities costs	Reduction of utilities costs as a result of price stability through procurement processes and consolidated council asset base.	(1.500)	0.000	0.000	0.000	(1.500)	0
DP(E)-2411	Reduce Costs	Improved financial performance for Leisure Centres	Through a combination of increased income and operational efficiencies reduce the Council contribution of Leisure Centre operations.	(0.165)	0.000	0.000	0.000	(0.165)	0
DP(E)-2420	Reduce Costs	Review of Carbon Neutral 2028 programme management function	As part of a wider review of delivery of the Council's Carbon Neutral 2028 commitments realise efficiencies in programme management functions.	(0.050)	0.000	0.000	0.000	(0.050)	(1)
DP(D)-2421	Reduce Costs	Review of Parks Development Service	To reduce resources allocated to site inspections and grant applications to minimum levels and increase income generation work for the Parks Development Service.	(0.058)	(0.012)	0.000	0.000	(0.070)	(2)
SUB TOTAL: COMMUNITIES, ENVIRONMENT & RESIDENT SERVICES				(3.846)	(0.012)	0.000	0.000	(3.858)	(9)

Proposals shaded in grey have been endorsed by Executive Board

Proposal Reference	Option Type	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(A)-24262	Charge More	Increase in property rental income	Increase rents through annual rent review cycle for commercial properties owned by the Council	(0.100)	0.000	0.000	0.000	(0.100)	0
DP(A)24266-1	Charge More	Introduce parking charges in District Centre Car Parks	Introduce car parking charges for long stay customers in district centre car parks.	0.000	(0.015)	0.000	0.000	(0.015)	0
DP(A)24283-1	Charge More	Range of on-street car park price increases	Parking zones 1, 2 and 3 in the City Centre see increase to charges	(0.375)	(0.075)	0.000	0.000	(0.450)	0
DP(A)24290-1	Charge More	Change to Workplace Parking Levy collection model	Additional officers recruited to ensure that all required sites are paying the Workplace Parking Levy. Consideration of hybrid workers and construction sites	(0.250)	0.000	0.000	0.000	(0.250)	0
DP(C)-2408	Charge More	Range of off-street car park price increases	Parking zones 1, 2 and 3 in the City Centre see increase to charges	(0.250)	0.000	0.000	0.000	(0.250)	0
DP(A)-24251	Reduce Costs	Reduce contribution to Place Marketing Services	Reduce contribution to Place Marketing Services, that supports promotion of Nottingham as a destination.	(0.030)	0.000	0.000	0.000	(0.030)	0
DP(A)-24220	Reduce Costs	Remove council contribution for Devolution costs	Remove council contribution for Devolution costs as these will now be funded by the East Midlands County Combined Authority.	(0.200)	0.000	0.000	0.000	(0.200)	0
DP(A)-24215	Reduce Costs	Review and prioritisation of work undertaken by the Housing Strategy team.	Review and prioritisation of work undertaken by the Housing Strategy Team in context of the emerging East Midlands County Combined Authority.	(0.022)	(0.045)	0.000	0.000	(0.067)	(2)
DP(A)-24261-1 DP(A)-24218	Reduce Costs	Efficiencies through Corporate Landlord programme	Efficiencies through Corporate Landlord programme by reducing duplication and increasing efficiency through the centralisation of management across the Council's estate.	(0.145)	0.000	0.000	0.000	(0.145)	0
DP(A)-24294	Reduce Costs	Review and prioritisation of work undertaken by the Transport Strategy team	Review and prioritisation of work undertaken by the Transport Strategy team in context of the emerging East Midlands County Combined Authority.	0.000	(0.100)	(0.100)	0.000	(0.200)	(2)
DP(A)-24296	Reduce Costs	Highway Asset Management & Maintenance efficiencies	Review operational and procurement opportunities to mitigate costs with regards to highways asset repair / maintenance.	(0.021)	(0.021)	0.000	0.000	(0.041)	0
DP(A)-24299	Reduce Costs	Reduce Highway Development Management advice	Reduce Highway Authority advice to Planning Applications.	(0.040)	(0.040)	0.000	0.000	(0.080)	(2)
DP(A)-24252	Cease/ Stop	Review contributions to Regional Bodies	Review of annual contributions to regional bodies in context of the emerging East Midlands County Combined Authority.	(0.053)	0.000	0.000	0.000	(0.053)	0
DP(A)-24222	Reduce Costs	Review of the Regeneration Team	Review and prioritisation of work undertaken by the Regeneration Team in context of the emerging East Midlands County Combined Authority.	(0.249)	0.000	0.000	0.000	(0.249)	(3)
SUB TOTAL: GROWTH AND CITY DEVELOPMENT				(1.735)	(0.295)	(0.100)	0.000	(2.130)	(9)

Proposals shaded in grey have been endorsed by Executive Board

Appendix 2: Saving Proposals - Non-Public Consultation

Proposal Reference	Option Type	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(A)-24343	Reduce Costs	Leadership support review	Review and realign the support available to senior management and leadership.	(0.430)	0.000	0.000	0.000	(0.430)	(13)
DP(A)-24351	Reduce Costs	Finance Team review	Review the Finance Team structure and ensure that core requirements continue to be met.	(0.076)	(0.025)	(0.203)	0.000	(0.305)	(10)
DP(A)-24355 DP(A)-24356	Reduce Costs	Review of Insurance & Risk and Audit & Fraud Teams	Review the current structures and redesign the service.	(0.058)	(0.173)	0.000	0.000	(0.230)	(13)
DP(A)-24319	Reduce Costs	Review of Organisational Development and Learning & Development Teams	To review the current Organisational Development and Learning & Development Teams offer.	(0.072)	(0.072)	0.000	0.000	(0.143)	(4)
DP(A)-24321	Reduce Costs	Trade Union facility time review	Review of Trade Union facility time.	0.000	(0.064)	(0.021)	0.000	(0.085)	0
DP(A)-24324	Reduce Costs	Review of Occupational Health service	Review the overall service offer to ensure the Council continues to be compliant.	(0.029)	(0.087)	0.000	0.000	(0.116)	(3)
DP(A)-24325	Reduce Costs	Review of Pensions Administration Team	Review and reduce the in-house Pensions Administration Team.	(0.038)	(0.114)	0.000	0.000	(0.152)	(5)
DP(A)-24328	Reduce Costs	Review of the HR business partnering team	Review the size of the HR business partnering team and embed a full partnering model.	(0.100)	(0.200)	(0.100)	0.000	(0.400)	(10)
DP(A)-24345	Reduce Costs	IT service focus on compliance activities	IT service to focus and prioritise on supporting the compliance activities of the organisation.	(0.239)	(0.239)	0.000	0.000	(0.479)	(12)
DP(A)-24362	Reduce Costs	Health & Safety Advice consolidation	Review, centralise and consolidate all staff discharging Health & Safety duties across the Council.	(0.015)	(0.024)	0.000	0.000	(0.039)	(1)
DP(A)-24363	Reduce Costs	Review of Emergency Planning function	Reviewing the Emergency Planning Team in line with proposed national reforms.	0.000	(0.065)	0.000	0.000	(0.065)	(2)
DP(A)-24366 DP(A)-24371 DP(A)-24372 DP(A)-24373	Reduce Costs	Review of Legal service	Review and redesign the structure in Legal Services.	(0.016)	(0.308)	0.000	(0.000)	(0.323)	(7)
DP(A)-24367	Reduce Costs	Review of Committee Administration	Review administration and support of committees.	(0.030)	(0.049)	0.000	0.000	(0.079)	(2)
DP(A)-24369	Reduce Costs	Review of Member Allowances	Review the allowances paid to Members.	(0.100)	0.000	0.000	0.000	(0.100)	0
DP(A)-24374	Reduce Costs	Review of the Information Compliance team	Review and redesign the structure in the Information Compliance Team	0.000	(0.063)	0.000	0.000	(0.063)	(2)
DP(A)-24358	Reduce Costs	Commercial Procurement Team and Management restructure	Restructure the Commercial and Procurement team and move to a model of central strategic support and advice on contract management and procurement through Strategic Category Management.	(0.165)	(0.165)	0.000	0.000	(0.331)	(7)

Appendix 2: Saving Proposals - Non-Public Consultation

Proposal Reference	Option Type	Proposal Title	Proposal Narrative	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Cumulative MTFP Impact £m	Cumulative Staffing Impact FTE
DP(A)24323-1	Cease/ Stop	Review of apprenticeship support	Review of apprenticeships support offer.	(0.153)	0.000	0.000	0.000	(0.153)	(1)
DP(A)-24326	Cease/ Stop	Review recruitment support and talent acquisition	Review recruitment support and talent acquisition team including service offer.	(0.250)	(0.250)	0.000	0.000	(0.500)	(9)
DP(A)-24347	Cease/ Stop	Remove IT contribution to Schools Support	Remove corporate contribution towards schools IT service.	0.000	0.000	(0.056)	0.000	(0.056)	(19)
SUB TOTAL: FINANCE & RESOURCES				(1.770)	(1.898)	(0.380)	(0.000)	(4.048)	(119)

Proposals shaded in grey have been endorsed by Executive Board

DP(A)-24306 DP(A)-24307 DP(A)-24310 DP(A)-24313	Reduce Costs	Review of Policy, Performance and Communication services	Review and reduction in Policy, Performance and Communication functions.	(0.503)	(0.168)	0.000	0.000	(0.671)	(18)
DP(A)-24309(ii)	Reduce Costs	Review of engagement and consultation with children and young people	Reviewing the way in which the Council engage and consults with children and young people.	(0.015)	0.000	0.000	0.000	(0.015)	0
DP(A)-24312	Cease/ Stop	Cease the Arrow Magazine and corporate campaigns	Stop producing the Arrow Magazine for residents, and remove the budget for high profile campaigns	(0.054)	0.000	0.000	0.000	(0.054)	0
DP(A)-24309(i)	Cease/ Stop	Cease the Citizens' Survey	Stop the annual Citizens' Survey of residents.	(0.033)	0.000	0.000	0.000	(0.033)	0
SUB TOTAL: CHIEF EXECUTIVE				(0.605)	(0.168)	0.000	0.000	(0.773)	(18)

TOTAL: NON-PUBLIC CONSULTATION SAVING PROPOSALS				(11.248)	(8.839)	(0.519)	(0.000)	(20.606)	(187)
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Proposals shaded in grey have been endorsed by Executive Board

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Subject:	Establishment of a Waste Transformation Board
Corporate Director(s)/Director(s):	Colin Parr, Corporate Director for Communities, Environment and Residents Services Mary Lester, Director for Residents Services
Portfolio Holder(s):	Councillor Corall Jenkins, Portfolio Holder for Environment, Waste Management, Open Spaces and Parks
Report author and contact details:	Antony Greener, Head of District Heating and Waste Strategy antony.greener@nottinghamcity.gov.uk
Other colleagues who have provided input:	Mary Lester, Director for Residents Services mary.lester@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input checked="" type="checkbox"/> for the provision of project resources and/or
(b)	Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: N/A
Total value of the decision:	financial resources to be allocated within the 2024-25 MTFP as detailed in the report
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not required Spend Control Board approval reference number:
Wards affected:	All wards
Date of consultation with Portfolio Holder(s):	
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
The report seeks support from Executive Board to establish a Waste Transformation Board to oversee the development of critical statutory services and discretionary services comprising waste collection and disposal, district heating and the associated depot and fleet services implications.	

It sets out the principles upon which the transformation programme will determine preferred options for service development and identifies the resource requirements to enable the workstreams to progress. Delivery of waste management services directly impacts all citizens within the city serving 158,000 households in addition to c. 4,700 businesses. The District Heating Scheme serves c.5,000 domestic properties and c.80 commercial and public buildings.

Does this report contain any information that is exempt from publication?

An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose the information because it contains confidential information relating to the commercial interests of the parties which could prejudice those interests in this and other procurement exercises.

Recommendation(s):

- 1** To support the establishment, membership and resourcing of a Waste Transformation Board providing officer and external oversight and governance to the development of waste operations, waste disposal, depot, fleet and district heating services for the Council.
- 2** To approve the key principles upon which the Waste Transformation Board will consider, direct and recommend actions to develop these services within the formal decision-making processes of the Council.
- 3** To consider the future recommendations of the Board and to allocate appropriate financial resources within the 2024-25 MTFP to enable the activities and actions set out in the report to progress, cognisant of the critical programme path.

1. Reasons for Recommendations and Background

- 1.1 The Council is a statutory Waste Collection Authority (WCA) and Waste Disposal Authority (WDA), requiring it to collect and dispose of municipal waste, including household waste, within its administrative boundary. Its statutory obligation as a WCA/WDA extends to complying with specific regulations and statutory guidance which set out acceptable minimum standards of performance, but the Council also retains a level of flexibility in determining how to ensure that it complies with such obligations. Historically, WCA obligations have been delivered as an in-house service, whilst through legislative requirement, WDA functions have been externally commissioned.
- 1.2 Following extensive public consultation, in March 2023, the Council formally adopted a Municipal Resources and Waste Strategy setting out its key objectives in delivering its obligations as a WCA and WDA, including the delivery of high quality, customer focused waste management services that are accessible and inclusive. The Strategy also commits the Council to:
- Manage wastes as resources, using the waste hierarchy as a guide: to prevent wastes arising in the first instance; then reuse; then recycle / compost; then recover energy, and finally, to dispose of waste as a last resort.
 - To reduce the amount of waste landfilled, working towards zero waste to landfill.
 - Continually seek to reduce carbon emissions to improve performance and contribute to the City and Council ambitions on carbon emissions.
 - 'Lead from the front' and improve the environmental performance of activities within Council buildings and via services it provides, including the management of waste and resources.
 - Work in partnerships with the community sector, private sector or other public sector bodies to expand the resource and expertise available to the municipal waste management service and engage with the residents and the customers of the service to promote environmental awareness and improve participation in waste reduction, re-use and recycling schemes.
 - Ensure that options facilitate / integrate the management of commercial, industrial and other wastes where it is environmentally, socially and economically feasible to do so.
 - Seek efficiencies and economies of scale through partnering and procurement to retain a cost-effective service.
 - Utilise and improve existing infrastructure where it can contribute to sustainable waste management and innovate in the development of new infrastructure where required
 - Develop local solutions wherever practicable to minimise transport impacts of the service. The value of secondary raw materials / energy should be used locally where practicable.
- 1.3 Alongside the ambitions within the Strategy there are national drivers which require the Council to review how it collects and disposes of waste, both domestic and commercial:
- 1.3.1 The Environment Act 2021 presents new obligations on councils to deliver new minimum standards in delivery of their waste services.
- 1.3.2 The Department for Environment, Food and Rural Affairs (DEFRA) has produced statutory guidance under its "Simpler Recycling" plans which

obligate councils to introduce weekly food waste collections, extend the range of waste materials to be separately collected for recycling, and encourage adoption of a minimum frequency of collections of residual (non-recyclable) waste in return for New Burdens funding to support the delivery of the improvements set out.

1.3.3 District Heating growth opportunities through DESNZ appraisal to be completed

1.4 Local Drivers include:

1.4.1 Need to drive a Waste Policy that clarifies service standards and expectations of residents, on how waste is to be presented.

1.4.2 Review of where subsidy exists within the service, for example, exploring charging arrangements where there is not a duty to collect such as garden waste

1.4.3 Disposal contract arrangements and expiry dates (incinerator contract expires 2030) including option reviews for service independencies such as district heating

1.4.4 Requirement to understand procurement needs for future disposal options – green waste, recycling, Household Waste Recycling Centre (HWRC)

1.4.5 Workforce Transformation and Culture

1.4.6 Behavioural Change to optimise waste collections (the right waste in the right waste stream)

1.4.7 Member visibility of waste services

1.4.8 Future resourcing requirements, fleet, training, depot

1.4.9 Financial position of the Council

1.4.10 Market Testing delivery options across the range of waste and district heating services

1.4.11 Infrastructure investment is necessary as the existing District Heating Network heat station approaches the end of its economic life and parts and maintenance skill approach obsolescence

1.4.12 To mitigate potential financial risks associated with the long term delivery of the city's District Heating Network and our obligations to the network's existing commercial and domestic customer base

1.5 The financial position of the Council requires a fundamental review of the waste service provision to ensure that ambition and delivery deliver best value and are best use of public funds.

1.6 A primary strategic driver for the programme will be mitigating the significant financial challenges that the execution of our statutory waste duties and obligations to customers to deliver District Heating will present to the Council in the next decade.

1.7 The recommendations will require dedicated project teams, with the assistance of appropriate expert advisors, to develop improvements in the delivery of key Council waste services within a robust governance framework to ensure that the Council secures Best Value in the future delivery of those services.

1.8 The establishment of a Waste Transformation Board will ensure that there is appropriate assurance that the options available for future service delivery have been robustly developed and reviewed in the context of the financial,

construction and technical risks of each option in the short, medium and longer term.

- 1.9 The strategic drivers for improving waste services resonate directly with the “One-Council” philosophy, requiring significant cultural change in the way that services are delivered and the way that service users access these essential services. Financial impact has traditionally driven decision making in the provision of waste services, such that whilst waste service costs are bottom quartile across English unitary authorities, service quality and recycling performance is also bottom quartile (least expensive per head of population). Consultation shows that 67% of customers are either very satisfied or fairly satisfied with all forms of household waste collections, whilst 71% are either very or fairly satisfied with the services received at the Household Waste and Recycling Centre.
- 1.10 The requirement to transform waste services to achieve Best Value will have direct implications for fleet and depot management, particularly the waste collection and street cleansing services currently operating out the Eastcroft Depot. Changes to the delivery model for waste collection, and the contracting arrangements for its disposal, require consideration of collection vehicle types and numbers, their associated fleet maintenance requirements and identification of other essential depot infrastructure required to ensure services are transformed to meet the objectives and principles set out in the report.

2. Proposals

2.1 The Board will support transformational change in the following areas:

- Service redesign including:
 - Collection strategy – increase recycling, reducing contamination
 - Side waste
 - Charging – bulky, garden waste
 - Missed bins
 - Commercial Waste
- Depots and fleet requirements
- Disposal contracts
 - Market appraisal of disposal options – residual, MRFs, food waste
 - Integration of disposal and collection contracts
- HWRC provision
- Communication and Engagement
- District Heating future operation and investment
- Enforcement
- Health and Safety

2.2 To develop a Waste Transformation Board who will have oversight over three core workstreams:

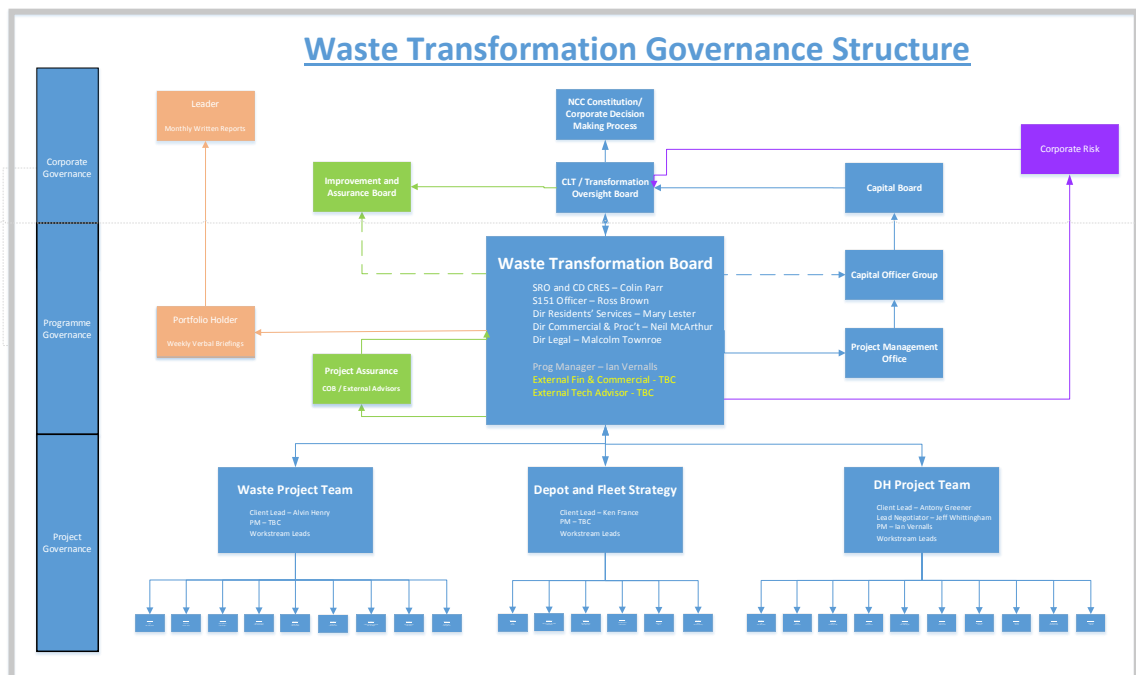
- Waste collection and disposal
- Fleet and Depot Infrastructure
- District Heating

There are clear interdependencies between the three workstreams forming the basis of a Waste Transformation Programme which requires robust

governance arrangements and oversight to ensure that development and delivery of these services are managed to serve the best interests of the Council's service stakeholders in the future. Decisions regarding these services must be taken in the context of all relevant corporate considerations including commercial, financial and risk management.

2.3 In decision making the Waste Transformation Board will be guided by the following five principles, forming its formal Terms of Reference:

1. The requirement to deliver affordable improvements to statutory Waste Collection and Waste Disposal Authority services cannot be compromised by determining the best outcome for the future of district heating in Nottingham. Therefore, decisions on the future development of waste management services cannot be influenced by the need for district heating to secure an energy source from Eastcroft EfW plant but must be viewed through a Best Value lense.
2. Whilst the Council recognises the District Heating Scheme as a valued infrastructure asset for the city, its retention as a discretionary Council service must be demonstrably affordable and deliver Best Value for the Council as a whole.
3. The Council will ensure that all decisions relating to the Waste Collection and Waste Disposal Authority services and decisions relating to the future of the District Heating network are taken within a robust and transparent governance framework which obtains independent assurance where necessary, and are consistent with the Councils Strategic Plan, Commercial Strategy, Risk Management Policy & Framework and other relevant policies. Decisions will be supported by expert assurance, with the role of the Council's Commercial Oversight Board clearly distinct from the role of the Waste Transformation Board.



4. If the District Heating Scheme requires investment or subsidy which proves to be either unaffordable or presents unsustainable and significant commercial and/ or financial risk or fails to fulfil the Council's Best Value duty, then the

Council will decommission the scheme, having explored all options including seeking government support. The business case for capital and revenue requirements must be clearly understood with sufficient contingent liabilities appropriately identified and adequately resourced.

5. The Council will seek to mitigate financial, construction and other technical risks through the procurement of an experienced district heating investment partner before determining whether retention of the District Heating Scheme presents an unacceptable financial burden on the Council.

2.4 Programme Resources and Critical Path

Delivering the programme of Waste Transformation requires dedicated resources. Key programme workstreams with milestones include, but are not limited to:

- Management of segregated waste streams to enhance and improve recycling performance:
 - Introduction of kerbside collections for new target materials for recycling including soft plastics, foil and cartons (tetrapaks®) before 2026
 - Introduction of food waste collections citywide before 2030
 - Improving income for chargeable waste collection services (bulky, garden waste etc.) before 2025
 - Improving collection efficiency to reduce operational costs through communication and enforcement of clear customer service standards regarding presentation of waste and making accessible, through promotion, the appropriate service to meet the relevant customer need
 - Improving education and enforcement to minimise waste, reduce misuse and improve waste segregation by service users
 - Assessment of the performance and cost of alternative waste collection proposals including their waste treatment requirements

- Review of the future waste disposal requirements to compliment any changes to waste collection including potential for integration to deliver economies of scale

- Development of a Depot Strategy to accommodate Waste Transformation alongside other critical depot services

- Further exploration of alternative heating solutions to serve existing customers if preservation of district heating proves not to deliver Best Value for the Council as a whole

- Commission design and build of a replacement heat station

- Securing an energy source for district heating beyond 2030

- Exploration of investment/divestment options to preserve and expand district heating through various potential financing solutions.

Investigation of some of the delivery models and options identified will require formal procurement activity to take place to provide the Council with commercial certainty in evaluating the cost-of-service transformation including the affordability of any investment needs.

- 2.5 Assessment of the additional resources required to deliver the programme of work set out, identifies a requirement for £1.7 million to be available within the 2024-25 MTFP. The funding will enable the delivery of Programme Management Office (PMO) function and wider project support to enable workstream support in the areas of disposal, operations, fleet, depot redesign and district heating; this resource will enable the Waste Transformation Board to secure internal and external resources to ensure waste collection, waste disposal and district heating options appraisals and reviews are completed

and that a robust options appraisal to meet future in-scope service requirements is completed and costed.

- 2.6 For internal resource requirements, data analysts, logistics specialists, additional project management support and enhanced communications to service users is identified together with the development of a Depot Strategy.
- 2.7 For more complex options and those requiring contractual agreement with strategic partners, specialist advisors for the technical, legal, commercial and financial aspects of such options are necessary so that the Council can confidently dismiss or pursue less, or more favourable options based on securing acceptable risk profiles and investment needs.

3. Other options considered in making recommendations

- 3.1 The option to not form a Waste Transformation Board was rejected on the basis that significant decisions would not be developed with appropriate corporate oversight and governance. The scale and significance of the decisions required for the services in scope are critical for the short, medium and long-term development of the Council's statutory waste service functions and for decisions to be taken regarding the longer-term future of district heating in Nottingham.
- 3.2 Not allocating the appropriate resources to develop business cases for Waste Transformation options will not enable the Council to make informed decisions regarding the future of these services, potentially exposing the Council to unknown and unsustainable future costs without the security of appropriate arrangements in place to deliver Best Value.

4. Consideration of Risk

- 4.1 Programme risks will be managed in accordance with the Council's Risk Management Policy and Framework, forming a key consideration of the Waste Transformation Board.

5. Finance colleague comments (including implications and value for money/VAT)

- 5.1 The formation and operation of the Waste Transformation Board will require funding. Following the issuing of the Section 114 Report, the Council is currently in the Prohibition Period and the request to approve funding will need to go through the s114 approvals process. Therefore, this paper is not requesting the Executive Board to approve any funding for the formation of the Waste Transformation Board

Ian McLellan, Strategic Finance Business Partner, 4th December 2023

6 Legal colleague comments

- 6.1 This report seeks authority to create a Waste Transformation Board ("WTB").
- 6.2 The report suggests that the WTB will not be a formal decision-making Board but will inform matters for consideration by the Commercial Oversight Board, the Capital Programme Board and the Corporate Leadership Team before

formal decision-making by the appropriate delegated decision-maker, in particular the Council's Executive Board.

- 6.3 It is proposed that there will be three main project workstreams, each covering various issues including legal risks. These are Waste collection and disposal, Fleet and Depot infrastructure and District Heating. Whilst, as the report notes, there are clear interdependencies between the three workstreams, each of these three areas are subject to a number of different legal obligations and regulation.
- 6.4 The report identifies a number of principles upon which the WTB will determine preferred options; care is required that the principles set out in the report are regularly reviewed and the risk (actual or perceived) of the discretion of the Council being fettered by unacceptable adherence to the principles is explicitly managed.
- 6.5 Clear Terms of Reference ("ToR"), based on the information in this report, setting out the role and remit of the proposed WTB, will be beneficial in ensuring that the members of the WTB are clear on what is expected of them and what role their work will play in the Council's wider governance and decision-making framework. The ToR should also assist in setting clear KPI's to allow the effectiveness of the Board to be measured beyond the proposed "improvements" set out in section 1.1. Following on, each main project workstream should have their own ToR that will reflect, for example, the different legal obligations and frameworks to be considered in each workstream.
- 6.6 Specialist external legal support is, and is likely to continue to be, required to support the Council in formulating a strategy and implementing that strategy – funding to cover such costs needs to be identified to ensure Council decisions are fully informed from a legal perspective.
- 6.7 In particular, any consideration of the option to decommission the District Heating Network will require considerable legal resource to understand and scope out the potential legal consequences and agree a strategy for addressing, as far as possible, the legal and financial risks to the Council. There is no resource presently available within Legal Services to undertake this work and no indication that funding will be made available to try to resource this requirement internally. This means funding for external legal support will need to be identified.

Anthony Heath, Senior Solicitor, Contracts and Commercial, 30th November 2023

7 Other relevant comments

7.1 Director of Commercial and Procurement comments

- 7.2 The Commercial Hub are fully engaged in the work around the Waste Transformation Board and will provide advice and guidance on all commercial matters. Specifically advice on Delivery Model Assessment to inform long term decisions about the waste transformation programme and support with Procurement to ensure any contracts required to support the programme are compliantly procured in line with Nottingham City Council's Contract Procedure Rules, the Public Contract Regulations 2015 and Utility Contract

Regulations 2015. Any decision to spend the budget outlined above will need separate approval in line with the relevant governance processes.

8 Crime and Disorder Implications (If Applicable)

8.1 Not Applicable

9 Social value considerations (If Applicable)

9.1 As detailed in the report

10 Regard to the NHS Constitution (If Applicable)

10.1 Not Applicable

11 Equality Impact Assessment (EIA)

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

No

Yes

12 Data Protection Impact Assessment (DPIA)

12.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because there are no relevant data protection issues resulting from the activities described in the report

Yes

13 Carbon Impact Assessment (CIA)

13.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because the carbon impact of operating waste collection, waste disposal and the District Heating Scheme are reported separately in the Municipal Resources and Waste Strategy adopted by the Council in March 2023, and the annual carbon impact statement published by Enviroenergy. The Nottingham District Heating Scheme offset 15,313 tonnes of CO₂e in 2022 through supplying low carbon heat and power to its customer base, by comparison to a standard supply to this same customer base through gas and power national grids.

Yes

14 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

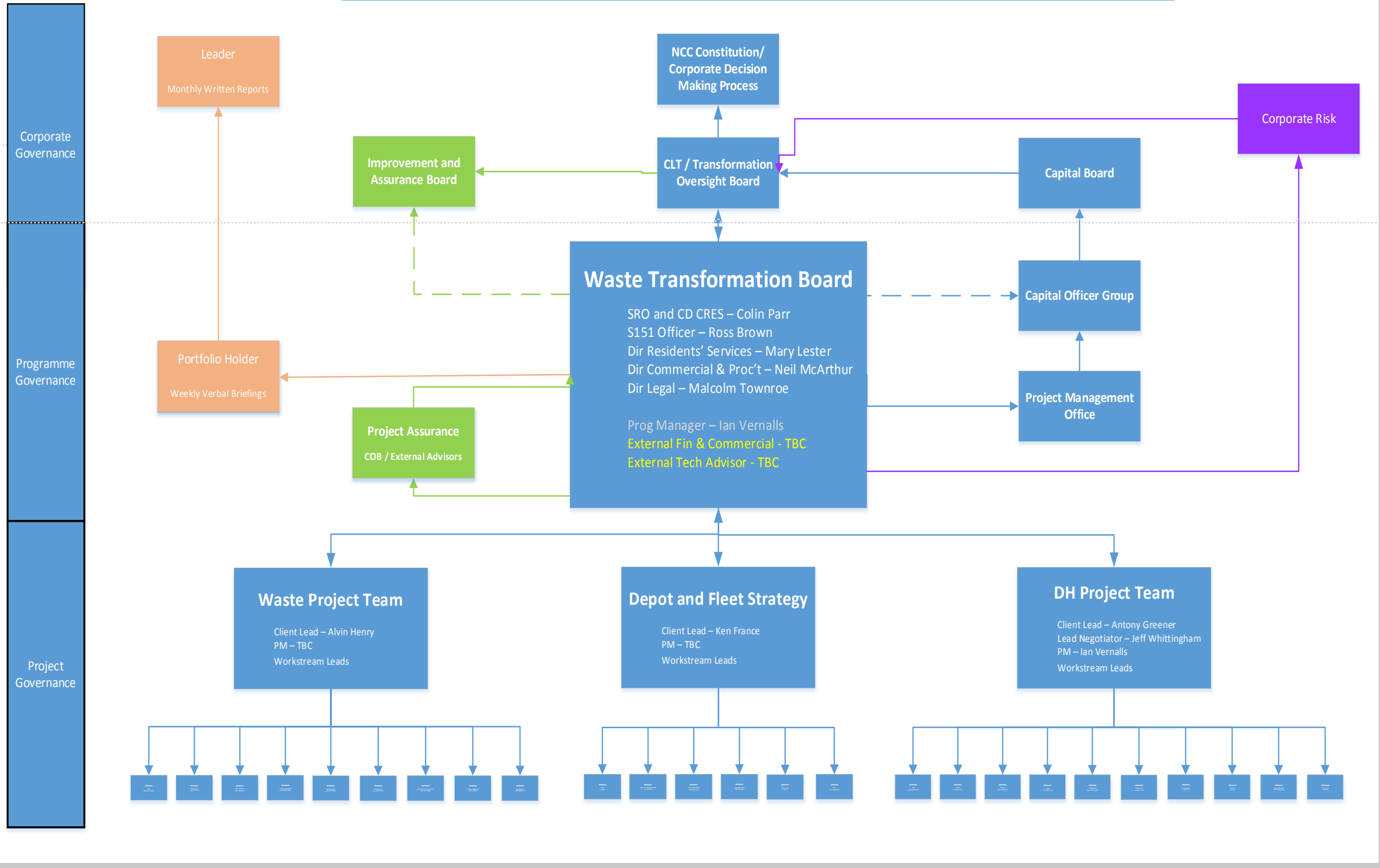
- 14.1 i. [Municipal Resources and Waste Strategy for Nottingham 2023-2050.](#)
ii. [Strategic Council Plan 2023-27.](#)

- iii. [Nottingham City Council Commercial Strategy.](#)
- iv. [Risk Management Policy & Framework.](#)

15 Published documents referred to in this report

- 16.1 [Environment Act 2021.](#)

Waste Transformation Governance Structure



Subject:	Homelessness Grants
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director for Growth and City Development Kevin Lowry, Strategic Director of Housing
Portfolio Holder(s):	Councillor Jay Hayes, Portfolio Holder for Housing
Report author and contact details:	Rachael Harding rachael.harding@nottinghamcity.gov.uk
Other colleagues who have provided input:	Michelle Pullen, Senior Commercial Business Partner Julie Herrod, Lead Procurement Officer Jo Pettifor, Category Manager Sarah O’Bradaigh, Senior Solicitor Leanne Sharp, Senior HR Consultant
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
Total value of the decision:	£6,977,947
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Spend Control Board approval reference number: 263
Wards affected:	All
Date of consultation with Portfolio Holder(s):	14/11/2023
Relevant Council Plan Key Outcome:	
Green, Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Living Well in our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>There is a national crisis in homelessness that has seen a rise across the country in regard to homeless presentations, use of “bed and breakfast” for temporary accommodation and increased incidents of rough sleeping. The current homelessness situation in Nottingham is exacerbated by broader features of the national policy context around housing and the housing market. A recent report giving further detail was heard at the Overview and Scrutiny Committee in October 2023.</p> <p>Nottingham City Council is seeking to address the pressure through a wide review of homelessness including designing and delivering a major restructure within the statutory service</p>	

to provide capacity to undertake active preventative work and reduce the numbers of people becoming homeless, as well as increasing investment in temporary accommodation in the short term to manage demand.

However, to support the delivery of our Homelessness Prevention and Rough Sleeping Strategy, Nottingham City Council is also required to maximise government grant opportunities and in the past 5 years has successfully applied to every available homelessness government funding programme and has achieved one of the highest combined awards outside of London.

This report concerns the acceptance of a number of these grants and seeks agreement to accept the grant income and spend it in accordance with the defined programmes, developed in adherence with strict grant conditions that the spend is for homelessness prevention activity and/or directly supporting a reduction in rough sleeping. The report also seeks permission for Nottingham City Council budgetary spend on an interim arrangement to maintain the compliant procurement of emergency temporary accommodation pending the establishment of an ongoing arrangement.

Does this report contain any information that is exempt from publication?

The report Appendices A-E are exempt from publication under paragraph number 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to employees and commissioned services and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because the issue affects individuals and companies and contains commercially sensitive information which could impact the council's ability to obtain value for money during tender processes.

Recommendation(s):

1. Accept all 2023/24 and 2024/25 Homelessness Prevention Grant allocations and agree the programme of spend for 2023/24, outlined at Appendix A
2. Accept all 2022-2025 Rough Sleeping Initiative grants for spend upon the programme agreed by the Department for Levelling Up, Housing and Communities, as outlined at Appendices B, C and D.
3. Accept all 2022-25 Accommodation for Ex Offenders (AfeO) grants for spend against the programme agreed by the Department for Levelling Up, Housing and Communities, outlined at Appendix E.
4. To note that Call off of an interim order from the YPO Travel Management Solutions 2 framework at the value of £1,284,489 will be made to ensure the continuation of arrangements to secure emergency temporary accommodation for homeless households as detailed at point 2.8, and to note that this expenditure has been approved by the Section 151 Officer.
5. Delegate authority to the Corporate Director for Growth and City Development to adjust the programmes of spend for these grants, within their financial envelopes and to accept future grants ringfenced for Homelessness and approve the programmes of spend in agreement with the Department for Levelling Up, Housing and Communities as required.

1. Reasons for recommendations

- 1.1 There has been a significant increase in homelessness and rough sleeping nationally and locally. This has been driven by a range of factors including the undersupply of housing, increased private sector rents, the failure of local

housing allowance rates to keep up with rent rises, increased cost of living pressures and an increase in mortgage costs. These problems have been further exacerbated locally by low average wages and high levels of deprivation. Nottingham City Council has been proactive in responding to these pressures, making best use of available funding and has prioritised efforts to prevent homelessness.

- 1.2 Homelessness pressures are significant in Nottingham. There are an average of 126 new applications to Nottingham City Council Housing Solutions per week from homeless households and the city has over 2,540 open homelessness cases which is on average over 165 cases per statutory officer. There are around 470 families in temporary accommodation and 156 in hotels or nightly paid provision. Nottingham City Council commissions over 490 units of supported accommodation for single homeless people, 50 units of accommodation for rough sleepers and over 60 Housing Led properties, all of which are full with a further 29 single people in hotels as temporary accommodation and 26 in the Nottingham Winter Shelter.
- 1.3 Nottingham City Council invests £1.186m in the statutory operational and strategic service (and from this financial year has agreed further investment of £0.904m) as well as £4.2m in housing related support community sector services (including community based support and accommodation based services to prevent and respond to homelessness and rough sleeping). In 2023/24 the council has committed £4.36m to provide temporary accommodation, through a range of measures including commissioned services and via a booking system for short term placements. Despite this, due to the reliance on hotels to meet statutory duties to provide temporary accommodation, there is a projected budget overspend in 2023/24.
- 1.4 Nottingham City Council has developed a plan to address the overspend and a Best Value review of homelessness is underway. However, Nottingham City Council must seek to maximise any government grant opportunity in order to invest in homelessness staffing and services to help meet local need and to achieve the Nottingham City Council plan aim to reduce rough sleeping in the city and deliver the Nottingham Homelessness Prevention and Rough Sleeping Strategy.
- 1.5 Grant funding is also critical in supporting the council to fulfil statutory duties and responsibilities. The Housing Act 1996, Part VII as amended by the Homelessness Act 2002 and the Homeless Reduction Act 2017, sets out the council's statutory duties to prevent and relieve homelessness and provide temporary and settled accommodation. Furthermore, the cross government strategy Ending Rough Sleeping For Good places a requirement on local authorities to work with the Department for Levelling Up, Housing and Communities to reduce street homelessness and minimise the risk of rough sleeping.

2. Background (including outcomes of consultation)

- 2.1 The government allocates an annual Homelessness Prevention Grant (HPG) issued to support councils to meet their statutory homelessness duties. The HPG was introduced in 2021/22 to replace the Flexible Homelessness Support Grant. The HPG is ringfenced for spend on activity that delivers the following priorities:

- To fully enforce the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness
 - Reduce family temporary accommodation numbers through maximising family homelessness prevention
 - Eliminate the use of unsuitable bed and breakfast accommodation for families for longer than the statutory 6-week limit
- 2.2 The programme of spend for the Homelessness Prevention Grant 2023/24 is available at Appendix A.
- 2.3 In order to support councils to deliver the government requirement to end rough sleeping in the local area, the government launched the Rough Sleeping Initiative (RSI) fund in 2018 and invited local authorities to develop proposals which included interventions that met local need and were reflective of the scale of the issue in the area. The process required bids to be prepared and discussed with specialist DLUHC advisers before outcomes were decided by a panel and signed off by the Housing Minister. Nottingham was successful in bidding to the fund in 2018/19 (DD3299), 2019/20 (DD3748), 2020/21 (DD3927) and 2021/22 (DD4356). In 2022, the government relaunched their rough sleeping strategy and announced an extension of the RSI fund spanning a three year duration from 2022-25. Nottingham was successful in a bid and the grant programme was agreed at the Nottingham City Council Commissioning and Procurement Executive Committee in May 2022. Government has since expanded funding for rough sleepers with additional and targeted bidding rounds, move on and prevention funding and a programme focussing on accommodation for ex-offenders.
- 2.4 The programme of spend for the Additional Rough Sleeping Initiative (RSI) 2022/23 is available at Appendix B
- 2.5 The programme of spend for the Targeted Rough Sleeping Initiative 2023/24 and the reprofile for 2023-25 is available at Appendix C.
- 2.6 The programme of spend for the Move On and Prevention Rough Sleeping Initiative is available at Appendix D.
- 2.7 The programme of spend for the Accommodation for Ex-Offenders funding is available at Appendix E.
- 2.8 When required, the council secures short term temporary accommodation arrangements via a booking system in order to ensure value for money and provide auditable safeguards. The current contract ended on 30 November 2023 and the council requires an interim arrangement from 01 December 2023 to 31 January 2024 to enable continued fulfilment of statutory duties to provide temporary accommodation to homeless households. This will be achieved via a temporary order called off from the YPO Travel Management Solutions 2 framework pending the arrangement of an ongoing compliant route to securing emergency temporary accommodation thereafter.
- 2.8 Where this decision seeks permission to retrospectively accept and spend grant, the reason that it could not be taken in advance of the grant period is primarily because of the quick timescales given by government to bid, the short-term nature of the funding, delayed award confirmation and lengthy embargoes which often surpass mobilisation periods. Additionally, because of the multiple grants there can be dependencies on each other which require understanding of the total funding landscape before fully agreeing individual spend programmes.

Furthermore, the grant programmes also need to be adjusted in line with presenting need and current context, leading to confirmation within or after the grant period.

3. Other options considered in making recommendations

- 3.1 Not accepting the grant funding. This was rejected as whilst the grant allocation and award does not currently sufficiently cover the cost of meeting local need, not accepting the grant award allocated and awarded would mean it is not possible to effectively deliver the interventions focussed on preventing homelessness and rough sleeping which would extend the pressure on council budgets.
- 3.2 Not spending the grant funding according to the prescribed programme of spend. This was rejected because it is not an option to accept the grant and use it for an alternative purpose within the council as the allocation is ringfenced for use on meeting statutory homelessness duties and a condition of the grant award is to use it according to the programme agreed by DLUHC.

4. Consideration of Risk

- 4.1 The Head of Housing Solutions and the Homelessness Strategy Manager regularly meet with allotted DLHUC advisers regarding delivery of the grant funded programmes and to ensure compliance with the grant conditions.
- 4.2 A budget monitoring and management regime has been established to enable tracking of spend against the grant and to inform the report to support the declaration of spend at the end of the financial year. Finance business partners are aware of this in order to support the process of obtaining section 151 officer sign off.

5. Best Value Considerations, including consideration of Make or Buy where appropriate

- 5.1 The council is using the grants to fund a number of Nottingham City Council staffing posts which are required to meet statutory homelessness duties. The posts are set within a structure that has recently been redesigned to achieve Best Value by supporting increased prevention and reduce temporary accommodation demand.
- 5.2 The grant will also fund a number of commissioned services for delivery by community sector partners. Ongoing consultation throughout the implement of the Nottingham Homelessness Prevention and Rough Sleeping Strategy determined the need for a mixed economy of delivery to maximise accessibility of services and achieve effective outcomes. Service specifications are created with input from a cross-sector partnership and commissioned via the Homelessness Procurement Framework to ensure Best Value and quality assurance for the council.
- 5.3 The services are designed as part of a wider system of services spanning homelessness prevention, identification, engagement, support and resettlement. A range of services that are provided or commissioned by other public sector bodies are interlinked within this system to ensure that Best Value is achieved by their

delivery complementing the aims of the Nottingham Homelessness Prevention and Rough Sleeping Strategy - particularly around addressing the causes of homelessness.

- 5.4 A comprehensive contract management regime is established to ensure that grant funded services are delivering on outcomes with oversight from a dedicated coordinator and under the scrutiny of DLUHC, the programme is reviewed every 6 months and activity redeployed, reduced or ended where it is not effectively achieving outcomes.

6. Finance colleague comments (including implications and value for money/VAT)

- 6.1 This decision seeks the approval to receive and spend a number of grants awarded to the Council via the Housing Strategy service. All have been awarded by The Department of Levelling Up, Housing and Communities.

- 6.2 1 – Homeless Prevention Grant awarded £1,388,906 for 23/24 with a further top up of £411,897 and a further £1,457,668 for 24/25. This is required in order for the Council to continue with the Homelessness Prevention and continue working towards implementing the Homelessness Reduction Act. This decision seeks the approval to receive the funding for both years. This decision also requests permission to spend the allocation for 23/24 as detailed in the schedule of planned spend in **appendix A**. It has been aligned for the purpose of the terms of the grant

2 – Rough Sleeping Initiative approval to receive retrospectively the additional Rough Sleeping Initiative allocation grant 2022/23 of £293,474 for spend upon the programme agreed by DLUHC. The detailed spend attached in **appendix B**. Funding for the Rough Sleeping Initiative is strictly ring fenced.

3 – Targeted Rough Sleeping Initiative – Approval to receive and spend £811,238. The funding for the Rough Sleeping Initiative is strictly ring fenced to be spent on Rough Sleeping Initiatives and in accordance with the appendix of spend as detailed in **appendix C**

4 - Move On and Prevention Rough Sleepers Initiative 2023/24 grant of £416,184. As above, this is strictly ring fenced and is to be spent as detailed in **appendix D**

5 - Accommodation for Ex Offenders– approval to retrospectively to receive and spend grants of £25,958 and £94,017 and accept the grant of £794,116 as detailed in **appendix E**

- 6.3 All above grants are subject to terms and conditions and adherence to these will be monitored by the relevant colleagues in Homelessness Strategy with support from their respective finance colleagues. Each separate grant has its own ring fenced cost centre to ensure clarity and transparency to support sound monitoring and reporting. The spend and forecasting will be monitored regularly as part of the usual Nottingham City Council forecasting process.
- 6.4 The decision does also seek to delegate authority to the Corporate Director of Growth and City Development to adjust the remit of spend or re-invest any underspend on services, but this must be in agreement with the Department

for Levelling Up, Housing and Communities and remain within the funding envelope for each specific grant.

- 6.5 There are no base budgets for any of the above, the provision for each is provided entirely through grants.
- 6.6 Any grants that remains unspent but committed will be treated appropriately at the year end. It is not envisaged that any grant will be unspent with a view to paying anything back to the Department for Levelling Up, Housing and Communities.
- 6.7 To approve the spend of £1,284,489 to ensure the continuation of arrangements to secure emergency temporary accommodation for homeless households. The spend for temporary accommodation has been forecast for the entire year, last updated and reported during the period 6 monitoring. It continues to be forecast on a weekly basis to ensure the forecast does not worsen significantly, although it is clear that costs this year are substantially higher than first reported in period 2

Comments provided by Michelle Pullen, Senior Commercial Business Partner (Growth & City Development) 24th October 2023

7. Legal colleague comments

- 7.1 Grant funding will be subject to grant funding conditions which if not complied with, could be subject to clawback from the grant funder. Any grant funded posts must be engaged solely on the homelessness prevention programme for which the grant funding was secured.
- 7.2 A short term direct award to Click Travel through an established framework agreement (from 1st December 2023 to 31 January 2024) will enable the council to meet its statutory duty to provide temporary accommodation to homeless citizens in Nottingham whilst a procurement exercise is undertaken to secure these services in the longer term.

S O'Bradaigh, Senior Solicitor 23-11-23

8. Other relevant comments

***Procurement comments** provided by Julie Herrod, Lead Procurement Officer 25th October 2023 and Jo Pettifor, Category Manager – People, 22nd November 2023*

- 8.1 This decision relates to the receipt and expenditure of the Homelessness Prevention Grant funding at £1,388,906 (2023/24) with a further top up of £411,897, and £1,457,668 (2024/25) from the Government Department of Levelling Up, Housing and Communities (DLUHC), the Additional Rough Sleeping Initiative 2022/23 grant of £293,474, the Targeted RSI 2023-25 grant of £811,238, the Accommodation for Ex-Offenders grants of £25,958 and £94,017 (and to accept the grant of £794,116 against this programme), and the Move On and Prevention RSI 2023/24 grant of £416,184.
- 8.2 All spend is as agreed by DLUHC and in the use of this funding for each programme the grant conditions set out by DLUHC should be complied with.

- 8.3 A framework of providers of services was procured and established in April 2023 to provide a compliant mechanism for contracting for the community sector services delivered under this programme. This process has enabled the appointment of suitably qualified and experienced providers and ensures best value for money in the delivery of these services.
- 8.4 An interim award of contract to Click to 31st January 2024 will ensure continuity of this essential service provision while the establishment of an ongoing arrangement for emergency accommodation is completed. The award will be made through a compliant framework call off, supported by the Procurement Team.

***HR comments** provided by Leanne Sharp, Senior HR Consultant 24th October 2023*

- 8.5 This proposal is to accept the Homelessness Prevention Grant to support and develop the work undertaken by Housing Solutions to undertake the statutory duties enforced by the Homelessness Reduction Act. The aim of the programme and the work outlined in the appendices is to look to increase activity to prevent homelessness within the City.
- 8.6 Service re-design activity has already been underway with a new structure implemented from September 2023. This has involved reshaping the service and looking at the creation of a number of positions outlined in appendix A alongside the extension of fixed term contracts within the structure to 31st March 2025.
- 8.7 All job descriptions have been subjected to the job evaluation process and grading outcomes have been confirmed. Recruitment for the positions has been obtained in light of the vacancy freeze implemented within the Council. Appropriate business cases were submitted through the recruitment portal and the vacant positions were advised with effect from 4th October 2023. Recruitment activity has been staggered to support with management capacity to undertake the relevant actions.
- 8.8 The decision has been for recruitment to be undertaken for the majority of posts on a permanent contract as employees will have accumulated over 2 years continuous service and therefore will have accumulated employment rights at that time.
- 8.9 As part of the service re-design activity, details were provided to management in terms of the recruitment activity and processes, potential exit strategies for all fixed term contracts alongside the training and development required for new postholders. The figures quoted include the salaries plus on costs as well as a nominal amount for each post for redundancy contingency.
- 8.10 As stated in this report, the funding cannot be used for any other purpose. HR is supportive of the proposal to accept the grant, as this will enable NCC to plan for a future delivery model within which the function of the posts can be sustained.

9. Crime and Disorder Implications (If Applicable)

- 9.1 N/A

10. Social value considerations (If Applicable)

- 10.1 Homelessness is detrimental to health and wellbeing, can impact on crime and disorder and the economy. Investment in services to prevent and respond to homelessness will change lives for the better by tackling social exclusion and deprivation, financial hardship and health inequalities.
- 10.2 Social value was assessed as a criteria for registration on the Homelessness Procurement Framework, from which all grant funded services are commissioned.
- 10.3 The grant funding enables the delivery of around 50 full time equivalent staffing posts in the city.

11. Regard to the NHS Constitution (If Applicable)

11.1 N/A

12. Equality Impact Assessment (EIA)

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

No



An EIA is not required to accept the funding because the Homelessness Prevention and Rough Sleeping Strategy has an EIA covering the initiatives this grant funding will support. Additionally, the Homelessness Procurement Framework, which will be used to call off services commissioned through this grant funding, has a further EIA.

13. Data Protection Impact Assessment (DPIA)

13.1 Has the data protection impact of the proposals in this report been assessed?

No



A DPIA is not required because this decision does not include the processing of any personal data. Any services commissioned as a result of this grant funding will be sourced via the Homelessness Procurement Framework which has a DPIA.

14. Carbon Impact Assessment (CIA)

14.1 Has the carbon impact of the proposals in this report been assessed?

Yes



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

15. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

15.1 None

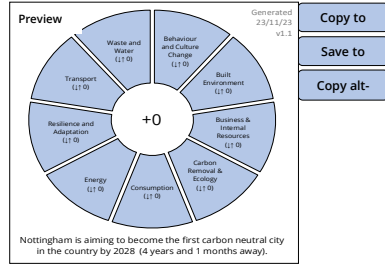
16. Published documents referred to in this report

- 16.1 Nottingham City Council Delegated Decision 3299 (RSI 2018/19)
- 16.2 Nottingham City Council Delegated Decision 3748 (RSI 2019/20)
- 16.3 Nottingham City Council Delegated Decision 3927 (RSI 2020/21)
- 16.4 Nottingham City Council Delegated Decision 4356 (RSI 2021/22)
- 16.5 Nottingham City Council Commissioning and Procurement Executive Committee Meeting Minutes 10 May 2022
- 16.6 Nottingham City Council Overview and Scrutiny Committee Public Reports Pack Homelessness and Rough Sleeping 16 October 2023

Assessment Dashboard Tool (v1.1)

Homelessness Grants
17.11.2023

This proposal is to accept Homelessness Grant funding to support the council in meeting its duties under homelessness legislation and to deliver the councils aim to reduce rough sleeping in Nottingham. The grant funding will enable the delivery of around 50 full time equivalent staffing posts, some of whom will be NCC colleagues based at Loxley House and others within commissioned community



Impact	Notes / justification for score / existing work (see guidance sheet or attached notes for more information)	Score (-5 to +5)
Communication & engagement	New Housing Solutions employees will talk with service users about energy efficiency at home. They will also assess that all properties are of a decent standard and sustainable.	-
Wider influence	NA	-
Working with communities	New Housing Solutions employees will train service users how to use electric meters and they will raise their awareness regarding actions they can take to be more sustainable.	-
Working with partners	New Housing Solutions employees will assess that all properties are of a decent standard and sustainable and they will encourage service providers to keep them as such.	-
Building construction	NA	-
Building use	New employees will encourage service users to live more sustainably (to track the usage of electricity and how to save it, as well as how not to waste water and food, etc).	-
Switching away from fossil fuels	NA	-
Developing green businesses	NA	-
Marketable skills & training	New employees will provide a training to service users on how to live more sustainably (use electronic meters to save energy).	-
Sustainability in business	NA	-
Material / infrastructure requirement	NA	-
Carbon storage	NA	-
Biodiversity & Ecology	NA	-
Bee friendly city	NA	-
Carbon offsets	NA	-
Food & Drink	NA	-
Products	NA	-
Services	NA	-
Local and low-carbon production	NA	-
Local renewable generation capacity	NA	-
Reducing energy demand	NA	-
Improved energy storage	NA	-
Green / blue infrastructure	NA	-
Natural flood management	NA	-
Drought vulnerability	NA	-
Flooding vulnerability	NA	-
Heatwave vulnerability	NA	-
Staff travel requirement	If this proposal is accepted, newly employed staff will need to travel to different Nottingham City Council estates. Housing Solutions can recommend to their new employees to choose coming to work by public transport, to cycle or walk to work, or to work remotely, over coming to work by car. They can also encourage new workers to share a car if no other option is viable.	-
Decarbonising vehicles	If this proposal is accepted, Housing Solutions can recommend to their employees to choose coming to work in decarbonising vehicles.	-
Improving infrastructure	NA	-
Supporting people to use active travel	NA	-
Reduced need to travel	If this proposal is accepted, there will be an increase of travel to the city by new employees.	-
Single-use plastic	NA	-
End of life disposal / recycling	If this proposal is accepted, we can assume that having more employees will increase the proportion of waste which is recycled in the Nottingham City Council estates.	-
Waste volume	If this proposal is accepted, we can assume that having more employees will increase the total amount of waste in the Nottingham City Council estates.	-
Water use	If this proposal is accepted, we can assume that having more employees will increase the total amount of water use in the Nottingham City Council estates.	-
Other 1		
Other 2		
Other 3		
Other 4		

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Cheat Sheet

1. We are looking at the effects of **this** decision (not our past perf that represent future decisions)
2. We are looking at the **whole impact** of the decision (regardless location or organisational boundary)
3. We are only looking at the **climate impact** - other impacts, and wellbeing measures are recorded elsewhere.
4. We need to stay **accessible**. Click on the "copy alt-text" button & paste the result into the alt text box for your infographic in word. guide
5. Your report must include some explanation as well as the infog **decision will have consequences past 2028 you must say so in y**
6. While there are no other specific rules for writing the summary you may want to discuss include:
 - What are the biggest costs and benefits of this activity in terms
 - Are there things that we will have to include in future iterations: you have a recommendation?
 - Are there measures already included in your plan to minimise & maximise benefits with respect to climate change?
 - Are there other costs and benefits which are outside the scope example, does the project have high value in terms of economy which outweighs the climate cost? Is this a valuable climate act elsewhere?
 - What are your ambitions for this activity - what is technically fe you think we should be aiming for?
 - If we were to carry out the activity in the best possible way for would that look like?
 - What method(s) if any are available to monitor our climate per activity? This might include internal data (electricity bills, mileage external verification process. Is this feasible? If not, why not?
 - What are the constraints which stop you doing more? Time, m political support, partner buy in, something else?

If you get stuck, please contact climatechange@nottinghamcity.g

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Subject:	Sutton House – Decommissioning of Independent Living Accommodation & conversion to Temporary Accommodation for homeless families.
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director of Growth & City development
Portfolio Holder(s):	Cllr Jay Hayes, Portfolio Holder for Housing
Report author and contact details:	Mark Lowe, Head of Housing & Regeneration Telephone: 0115 8763532 Email: mark.lowe@nottinghamcity.gov.uk
Other colleagues who have provided input:	Thomas Straw, Senior Accountant Raina Mason, NCC Senior Solicitor Antony Dixon – Head of Supported Housing Catherine Stocks – Head of Housing Options
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 2 August 2023
Total value of the decision:	£1,143,781 (£80,000 Revenue, £1,063,781 Capital)
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Spend Control Board approval reference number: 271
Wards affected:	Radford & City Wide
Date of consultation with Portfolio Holder(s):	12 Sept 23
Relevant Council Plan Key Outcome:	
Green, Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Living Well in our Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
Nottingham City Council (NCC) has a statutory duty to provide temporary accommodation to people in priority need who are facing homelessness and whilst they have their application for permanent housing assessed. Whilst the long-term strategy for the Council is to focus on prevention, there is in the meantime a requirement for temporary accommodation to ensure it is able to meet its duties, the alternative is to continue to rely on Bed and Breakfast (B&B) and Nightly Paid Temporary Accommodation (NPTA), which is costly and unsuitable for families over an extended period.	

Sutton House is currently an Independent Living (IL) scheme owned by NCC as a Housing Revenue Account (HRA) asset managed by NCC Housing Services. The scheme, which is situated in Radford, has over the last few years suffered from a steady decrease in demand. This report seeks approval to decommission Sutton House from its current use as IL accommodation and for it to be refurbished for use as Temporary Accommodation (TA) for homeless families.

Does this report contain any information that is exempt from publication? Yes

“An appendix to this report is exempt from publication under paragraph number 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the anticipated works cost and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

“It is not in the public interest to disclose this information because the capital works are subject to tender, and publishing the anticipated value could prejudice negotiations”

Recommendation(s):

To agree:

- 1 that Sutton House be decommissioned from use as Independent Living accommodation
- 2 that the outcome of consultation with tenants regarding decommissioning be considered
- 3 that Sutton House be repurposed for use to provide temporary accommodation for homeless families
- 4 to note that the conversion works and decommissioning costs totalling £1,143,781 will be funded by the HRA Capital Programme and revenue respectively, and that this expenditure has been approved by the Section 151 Officer
- 5 a Registered Provider (RP) be procured to lease the building from the Council for less than 21 years to manage the temporary accommodation (lease terms to be agreed by the Director of Economic Development & Property)

1. Reasons for recommendations

- 1.1 The Council has a statutory duty to provide TA to people in priority need who are facing homelessness and while they have their application for permanent housing assessed. Currently the Council utilises over 441 units of temporary accommodation (not including Bed & Breakfast). All this accommodation is full and there are currently an additional 185 households in B&B or Nightly Paid Temporary Accommodation (NPTA)
- 1.2 The demand for IL accommodation at Sutton House has been declining over recent years and therefore has been identified as needing an alternative use or declared surplus. Its current use means that it lends itself easily for conversion for use as temporary accommodation, which will keep costs to a minimum and can be provided relatively quickly.

2. Background (including outcomes of consultation)

- 2.1 The Housing Act 1996, Part VII as amended by the Homelessness Act 2002 and the Homeless Reduction Act 2017 sets out the council's statutory duties to prevent and relieve homelessness and provide temporary and settled accommodation.

Under this legislation, the Council has a statutory duty to provide TA to people in priority need who are facing homelessness and while they have their application for permanent housing assessed.

- 2.2 The Council's first approach to tackling homelessness is prevention. The Council encourages households at risk of homelessness to contact Housing Solutions (formerly Housing Aid) at the earliest opportunity. This enables the statutory housing assessment to be completed and the personalised housing plan formed. There is an opportunity to prevent homelessness either by saving a tenancy or housing situation or moving a household into alternative accommodation before they become homeless, Housing Solutions can case-manage an approach including referral to commissioned partners for housing related support and specialist services to meet support needs that could be contributing to the risk of homelessness. If homelessness cannot be prevented, the local authority has a duty to relieve homelessness and provide TA if the household meets the relevant priority need criteria.
- 2.3 Despite the focus on homeless prevention, Nottingham, like many other areas of the country is seeing a very high demand for homelessness services including a growing number of households who require TA placements while their applications are assessed, or a permanent housing solution is found. The Council currently has 441 units of TA, either provided directly or through partners and subsidiary companies. All provision is currently full and (as of October 2023) there are an additional 185 households in B&B or NPTA. When homeless households are provided with TA operated by a Registered Provider, then the accommodation costs can be largely met from exempt supported accommodation housing benefit charges. However, when this is not available and households are accommodated in hotels/B&B, the Council has to meet these costs from its budget.
- 2.4 Wider issues with the national and Nottingham housing market have made this homelessness crisis acute, including very high rents in the private sector, well above Local Housing Allowance (LHA) levels, and a shortage of affordable homes. Average incomes in Nottingham are well below national averages while rent increases in the East Midlands over the last 12 months have been higher than in any other English Region. Even lower quartile rents within the private sector market are higher than LHA limits. At the same time, the private rental market within our boundaries receives pressure from the expanding student market and city professionals, further limiting supply. Affordability issues are worsening as the cost-of-living crisis continues and utility and food inflation impacts on a broader spectrum of household income levels, including owner occupiers who have also been significantly affected by the increase in mortgage interest rates. High levels of Right to Buy sales are also reducing the number of available council homes.
- 2.5 Due to the factors described above, the high demand for homelessness services is anticipated to continue for the foreseeable future. In this context, further provision of TA managed by a third-party RP, would help the Council to meet its duties whilst limiting the cost to Council budgets. Hostel type accommodation provides the best opportunities for residents to be supported to find permanent housing from on-site support staff and so has the quickest rates of throughput. This helps to manage demand and so further reduce costs.

2.6 In recent years the demand for IL accommodation has declined. Sutton House provides a total of 48 flats, 39% of these (19) were void as of October 2023. The level of voids at Sutton House has increased steadily over the last 4 years (9 voids in 19/20). The average re-let time for flats at Sutton House between 2018 and 2023 is 275 days and as of January 2023 had reached 611 days – the highest for any NCC IL scheme in the city. The Radford ward, where Sutton House is located, has 1 NCC IL home for every 3.32 residents of the ward over 65 (1 IL) home for every 1.6 residents including RP IL provision. This is the highest level of this type of provision per ward in the City which is a significant contributory factor in low demand for the scheme. Sutton House has subsequently been identified as highest priority for decommissioning.

2.7 The Council proposes to refurbish the building, retain ownership within the Housing Revenue Account (HRA) and lease the facility to a RP to manage the TA. The scheme is estimated to cost £1.143m which includes the cost of the refurbishment works & decommissioning costs. The full breakdown of these costs is provided at exempt Appendix 1. As per the external legal advice provided by Trowers & Hamblins detailed in section 7 of this report, it is legitimate for the Council to own the bricks and mortar of this building within the HRA and to meet the costs for the conversion of the building from within the HRA as long as the property is leased for a period of under 21 years.

2.8 The anticipated timescales for the scheme are set out below:

Milestone	Start	End
Tenants to be informed of Executive Board decision (if proposal approved)	Dec 2023	Jan 2024
Recruitment of additional Temporary Relocation Officer	Jan 24	Feb 24
Relocation of tenants	Feb 2024	Sept 2024
Conversion Works (7 months)	Sept 24	Feb 25
PC & Handover	Feb 25	Apr 25

2.9 Outline Business case

2.9.1 Finance have completed an outline Business Case which has resulted in a viable scheme based on the following assumptions. The modelling includes both incorporating the projected revenue savings and also as a stand-alone scheme, in both scenarios the scheme is viable over the 30-year modelling period, breaking even in 3 years and 11 years respectively.

2.9.2 Business Case Assumptions

- Income projection from lease to RP - £199,680 p.a. based on 48 units
- Sinking fund for major repairs assuming an Operational Lease to RP has been set at 4% (£57,000 p.a)
- Revenue savings made from 48 units of B&B accommodation at £124 per night (Oct 23) - £2,172,480 p.a.
- 1% inflation on B&B savings per annum
- 7% inflation to rental income every 5 years
- 5% inflation per annum added to Security and Running Costs
- Based on a 30-year model

2.9.2 30 Year Business Case Results

Financial Implications			
	Impact on the HRA £m	Impact on the General Fund £m	Combined Position £m
Income			
Rental Income	(6.582)	-	(6.582)
Council Tax Generated	-	(2.719)	(2.719)
Revenue Saving B&B	-	(65.437)	(53.294)
Total Income (30 yrs)	(6.582)	(68.156)	(74.738)
Expenditure			
Sinking Fund	3.313	-	3.313
Security Costs/site holding costs	0.080	4.672	4.752
Running Costs	-	1.603	1.603
Total Expenditure (30 yrs)	3.393	6.275	9.668
Net Revenue Surplus	(3.189)	(61.881)	(65,070)
Capital Assumptions			
Expenditure	1.064	-	1.064
Funding – Per Finance Comments	(1.064)	-	(1.064)
Net Present Value (NPV) at 4.5%			
Position in Year 15	(0.155)	(19.367)	(19.522)
Position in Year 30	(0.761)	(32.675)	(33.436)
Payback Period from approval	11 years	N/A	3 years

2.9.3 Revenue costs

Current assumptions include:

- There are currently 29 tenants residing in Sutton House that have been consulted as part of the initial process. If the decision to proceed is agreed then further consultation with tenants will be carried out and they will be offered alternative accommodation. The tenants will each be entitled to £8,100 home-loss payments and disturbance costs. The full decommissioning costs are expected to be £333,403 which includes the home-loss and disturbance payments as well as the recruitment of an additional Relocation Support Officer on a fixed term contract of 12 months. It is worth noting that these costs would also be incurred if the alternative option to decommission and sell the property was taken.
- The requirement for NCC to make revenue payment to the RP to cover personal support allowances in order to access/qualify for Enhanced Housing Benefit. These revenue costs for additional TA will have to be covered by Homelessness Prevention Grant/current TA budgets, however offset against the savings made on B&B/NPTA.
- Security Costs: A security or a concierge service is required at Sutton House a proportion of this would qualify as further support provision and be required from NCC to provide to the operator.

2.10 Consultation

2.10.1 A 28 day consultation about the possible decommissioning of Sutton House as IL accommodation started in September 23. This was undertaken in the form of a questionnaire being provided to each tenant asking for their views about the proposal to close Sutton House as an IL community, the impact they felt this would have on them,

what could be done to improve the appeal of Sutton House as older persons housing and should the decision be made to close Sutton House what preferences and requirement for moving would they need. 8 questionnaires were returned. There were also 2 consultation events held for tenants to attend, of the 29 residents, 17 attended these and 3 were visited separately in their homes. Translation was offered to those that needed this. The general feedback was that a majority of current tenants enjoyed and were happy living at Sutton House. A majority were sorry that it was proposed the property would close although some tenants commented they understood the reasons, given the lack of demand. Officers explained the support and compensation that would be offered to them if decommissioning proceeds. A majority of tenants stated that if they needed to be resettled, they would prefer to remain in the Radford/Lenton area. In the event of decommissioning the Council will utilise the Relocation Team to best meet the requirements and aspirations of tenants as far as this is reasonably possible.

Should the decision be made to close this IL scheme, and repurpose as a homeless family accommodation, home visits will be carried out by the council's relocation team to identify any specific individual requirements and to support the tenants move to alternative IL accommodation in the city. This will include the payments of statutory homelessness and disturbance. The timescales for consultation and relocation of tenants is estimated to take approx. 8 months.

3. **Other options considered in making recommendations**

- 3.1 Deliver a new build scheme instead of a refurbishment – this option has been discounted as this would be too costly and would take too long to deliver - B&B costs will be expended in the meantime. The existing building is in good condition so to demolish and rebuild would not only be expensive but would also have a significant carbon impact.
- 3.2 Sale of Sutton House on the open market for capital receipt – Although this option would benefit the Council with a capital receipt, the costs for providing TA through the use of B&B accommodation will still need to be found and the costs to decommission Sutton House will still need to be paid. There is also a risk that due to current market uncertainty the property may take time to sell, incurring holding costs.
- 3.3 Sale of the site to a developer with the requirement to deliver TA. This would likely result in an impairment issue due to the value of the site being less as TA reducing the amount of capital receipt compared to the value site for alternative development.
- 3.4 Do nothing – This option would result in a) the property continuing to operate even though demand is declining b) severe financial implications for the Council to continue paying B&B and NPTA costs c) the detrimental impact on families by placing them in unsuitable TA.
- 3.5 **Preferred Option** - Our preferred and recommended option is to progress with the remodelling of Sutton House into TA for homeless families. Sutton House will remain in the HRA and the conversion works and decommissioning costs will be funded by the HRA, the building will then be leased for less than 21 years to an RP to manage the accommodation. Revenue generated from the lease agreement will reimburse the HRA.

4. **Consideration of Risk**

- 4.1 There is a risk of a drop in demand for homeless accommodation however this is highly unlikely in the short to mid-term and also this is already partly mitigated by the fact that within the wider TA units the Council currently uses there are a large number of units on shorter leases or with alternative exit routes that could be reduced more quickly, before demand for Sutton House became a concern. Many of these have much higher average stay times than hostel accommodation, making a new hostel a more suitable option for managing demand.
- 4.2 A further risk is that the Government removes RP's access to exempt housing benefit. This would have huge implications for the whole sector and would require major national mitigation, however if it did occur NCC could step down from most of the other TA provision, if it was no longer viable to operate these. NCC would still have a duty to house homeless families and this accommodation would still be cheaper than using B&Bs to do so.

5. **Best Value Considerations, including consideration of Make or Buy where appropriate**

As IL accommodation Sutton House is a poorly performing HRA asset with significant void losses, extended void turnaround times and resultant Council tax liabilities. It no longer represents the best use of resources to the Council in its current guise. Decommissioning the facility will release the Council from these ongoing liabilities

The current layout and design of Sutton House lends itself to be easily converted for use as TA at a minimum cost. The refurbishment works will consider efficiency, effectiveness and economy.

The change of use requires a capital investment which will be recouped through the lease agreement with an RP. The investment is expected to deliver significant benefit to the General Fund through the avoidance of B&B costs, outstripping the cost of development within 3 years.

The RP management of the facility will be procured through a compliant call off from the Council's framework of Homelessness Provision. This will include assessment of quality and price to secure best value for money. It will be a more efficient way of providing TA than third party private sector provision, as this is becoming increasingly hard to source. The refurbishment work will be procured through the use of Fusion 21 contract to ensure best value.

The scheme will allow the Council to effectively deliver its statutory duty to house homeless families in priority need by housing up to 48 families in one place where they can be supported to find permanent accommodation.

6. **Finance colleague comments (including implications and value for money/VAT)**

- 6.1 Sutton House was originally purchased and intended to be used as Independent accommodation, however significant void losses, extended void turnaround times, and resultant council tax liabilities mean that the property is no longer viable. Changing the use of the building to deliver TA requires a capital investment of over £1m, however, these sums will be recouped through the lease agreement with a Registered Provider (RP)

6.2 The investment is expected to deliver significant benefit to the General Fund and HRA. through the avoidance of B&B costs in the GF and additional lease income to the HRA As Sutton House is a HRA asset, the costs associated with re-housing current tenants, and the necessary remedial works to enable the transition from Independent Living to Temporary Accommodation will be funded by the HRA. The HRA currently has the capacity to fund this expenditure.

David Worthington, Interim HRA Accountant, 6 November 2023

6.3 Any consideration received from the lease of land or property is exempt from VAT unless the lessor has elected to opt to tax the property. The Council elected to opt to tax this property in 2017 however as the proposed lessee is a Registered Provider of Social Housing they will be able to disapply the option to tax therefore the income from the lease will be exempt from VAT.

6.4 VAT incurred on expenditure on assets used to generate VAT is irrecoverable unless the total amount of such VAT incurred by the Council in a tax year is below a de-minimis level. It is estimated that the Council will incur £0.120m of VAT on this scheme, this will not result in the Council exceeding its de-minimis level so the VAT will be recoverable and no additional VAT costs will be incurred.

6.5 The Council has processes in place to manage and monitor this VAT risk, this scheme will be included within this monitoring to ensure that the Council does not incur unnecessary VAT costs from this or any other scheme.

6.6 The Council will need to ensure that it has received the required documentation from the Registered Provider to disapply the option to tax before raising the invoice for the rent, if it has not then the rent will be subject to VAT at standard rate.

Gary Robbins, Senior Accountant Tax, 27th October 23

6.7 As detailed within the financial implications table within the body of the report the proposed scheme generates a revenue surplus for both the HRA and the General Fund.

6.8 The financial model meets the requirements as set out in the Council's approved Capital Strategy (Full Council March 2023). The proposed funding is from savings within the current capital programme or a revenue contribution from the HRA. This is due to the current Debt Reduction Policy capping borrowing for both the General Fund and the HRA, meaning the HRA is not able to undertake additional borrowing to fund this scheme.

6.9 This project was endorsed at August's Capital Board enabling it to progress to formal approval.

Tom Straw, Senior Accountant Capital Programmes, 20th November 23

7. **Legal colleague comments**

Housing law comments

- 7.1 Sutton House is currently occupied by secure tenants of the council. There is therefore a risk to the council, that the existing tenants will refuse to vacate the premises and there is no legal basis to compel them to do so under the grounds for possession in Schedule II, Housing Act 1985. This risk must be taken into account in light of the proposals and due diligence undertaken prior to any redevelopment or refurbishment costs being incurred, to ensure that tenants are willing to move, that there is alternative, suitable accommodation for them to occupy and that correct legal processes are followed.
- 7.2 Under Part VII Housing Act 1996 (“the Act”), local authorities have a statutory duty to provide temporary accommodation to those who are homeless, eligible and in priority need for accommodation. Such accommodation must be suitable for an applicant and their household. The current Homelessness Code of Guidance makes it clear that LHAs have a continuing obligation to keep the suitability of accommodation under review, and to respond to any relevant change in circumstances which may affect suitability, until such time as the accommodation duty is brought to an end (paragraph 17.8). Determining suitability will involve consideration of a number of statutory and non-statutory factors including: affordability, the standard of the accommodation, location, the financial resources available to the applicant, the costs of the accommodation and other reasonable factors. Therefore, in any remodelling of Sutton House and in making offers to applicants, these factors must be taken in to account. Offers of accommodation should only be made to those it would be suitable for taking in to account the legislation, Regulations and Code of Guidance, on a case-by-case basis.
- 7.3 If Sutton House is to be used as accommodation for homelessness purposes, those placed in accommodation must also be granted appropriate rights of tenure (for example licenses or non-secure tenancies) and it needs to be made clear which section of the Act the accommodation is being provided pursuant to. All statutory provisions, including notifications to applicants of decisions made in respect of their homelessness application and their rights to any review, must be followed. If the council let this property directly as temporary accommodation it could use the exemption under Housing Act 1985 Schedule 1 Para 4, to enable the accommodation to be used as temporary accommodation without it being a secure tenancy.

Raina Mason, Interim Team Leader & Senior Solicitor, 6 November 2023

HRA legal considerations

Legal advice is that it is possible (using the Council's Section 9 power) for the 'bricks and mortar' of the temporary accommodation to be accounted for in the HRA and paid for from HRA resources. It is also possible for the repair and maintenance of that accommodation to also be paid for from the HRA. However, any services provided pursuant to a Council's homelessness duties under the 1996 Act must be accounted for out of the General Fund.

If the council continue to hold Sutton House in the HRA, which is the intention, then the decommission and conversion costs, in so far as they are **revenue** costs could therefore be paid for from HRA resources. The repair, maintenance, supervision and management of the property when it becomes

used for temporary accommodation can also be debited from the HRA. Capital expenditure falls outside of this ring fence (save for RCCOs).

If we lease Sutton House to a Registered Provider, following the plans to set it up as temporary accommodation, that must be on the basis that we justify why such a route is being pursued rather than letting the temporary accommodation directly. Legal have been advised that such an arrangement is viewed as being best value for the council but also in practical terms of management of the stock and the council's move towards more hostel based temporary accommodation. The council would look for an RP, as part of the procurement process, that has a specialism in temporary accommodation management as well (allowing EHB to be claimed and additional support to be provided to occupants). If this is the case and as long as this justification remains true, the council's case for disposal is strengthened as there is a proper purpose for the disposal.

Pursuant to Section 74 (3) (a) a property would cease to be able to be accounted for in the HRA if it is disposed of by the Council. A disposal in this context, is a "long tenancy" which means if the property is leased to an RP for over 21 years, it could not continue to be accounted for in the HRA. If the lease is for under 21 years, it would not be a long tenancy and so could be accounted for in the HRA.

Legal are instructed that a lease of under 21 years is being proposed, to a RP. Whilst it is correct that under the HRA rules, a lease of under 21 years is not a disposal triggering appropriation to the General Fund, there is a separate (but related) regime governing "disposals" of land that is held in the HRA under s.32 Housing Act 1985. Under s.32 any "disposal" of HRA land requires Secretary of State's (SoS) consent. For the purpose of s.32 "the grant of a lease of any duration" requires SoS consent. The SoS has published a number of general consents which have various conditions attached. General Consent A of the s.32 general consents permits the disposal of a (void) dwelling held in the HRA "for a consideration equal to its market value". The general consent specifies that the market value is calculated by a valuation of a disposal "between a willing buyer and willing seller in an arm's-length transaction". Additionally, to rely on the valuation it must be no older than 3 months at the point at which a buyer agrees to purchase at that value. Therefore, if there is a lease to an RP of any length, it would need to be for consideration equal to its market value and consent would need to be sought. Further, if the council lease the property to an RP, legal advice should be sought on the content, nature and type of lease and any consents required as set out above.

Legal advice provided by external Solicitors, Trowers & Hamblins, 6 July 2023

Legal Conveyancing Advice:

The legal advice is correct that the Council requires Secretary of State consent to dispose of HRA land and the Council rely upon The General Housing Consents 2013 to make disposals subject to the conditions within the general consent. It appears from the information provided in the report that the Council can make the disposal by way of a lease to an independent RP relying on A3.1.1 provided the Council is satisfied that the disposal is for market value. Our understanding and this advice is given on the basis that the

disposal will not be to a body to which the Council owns an interest so the Council may rely on the general consent.

The proposal would be for a lease for under 21 years which is contracted out of the security of tenure provisions so that the RP does not gain any rights to remain. We recommend that the heads of terms for the grant of the lease shall contain provisions that:

- a) Sutton House shall only be used as a hostel for temporary accommodation for homeless families (as outlined in this report) for the duration of the lease term with a prohibition against any other use;
- b) there is total prohibition on assignment of Sutton House in whole or in part;
- c) there is a restriction on underletting of Sutton House in whole or in part except by way of a short-term licence to homeless people; and
- d) the lease of Sutton House is contracted outside provisions of sections 24 to 28 of the Landlord and Tenant Act 1954.

The lease will be subject to the normal due diligence and the negotiation and drafting of legal documentation which is agreed and completed between the parties.

Comments provided by Fezil Veli, Senior Solicitor, Conveyancing. 7 Nov 2023

8. **Strategic Assets & Property comments**

Strategic Assets & Property support the decision set out in this report.

Sutton House is an asset owned by the HRA and as such any disposal will need to comply with the General Consent Order as stated in the Legal Services advice above. It is proposed that the property is leased to a Registered Provider for a period of 21 years. In accordance with the General Consent Order this must be at market value and this can be assessed by Council Officers at the time the lease agreement is approved.

Strategic Assets & Property will assist the Housing Team to facilitate this project going forward with the development lease terms through to completion of the occupational lease.

Beverley Gouveia, Development and Disposals Manager 31 October 2023.

Procurement comments

- 9. The selection of a Registered Provider to deliver housing related support at the scheme will be through a compliant call off from the Council's framework of Homelessness Provision (Lot 3 - Temporary Accommodation for Homeless Households). The call off competition should be in accordance with the terms of the framework and should include assessment of quality and price to secure best value for money. The Procurement Team will support this process as needed.

Jo Pettifor, Category Manager (People), 26th October 2023

The procurement strategy for the construction elements will be developed in conjunction with the client and procured in line with (CPR) Public Contract Regulations. In view of the Works costs being lower than NCC's current Contract Financial Thresholds (£750k), we would expect to utilise LOT1, of the National Framework Agreement provided by Fusion 21 for Construction

and Refurbishment projects. that was procured under Contract Award Notice 2022/S 000-036089 on the 20th December 2022 with an end date on 30th January 2026 The value of the decisions will need to be the true anticipated cost of the works over the proposed contract period. It is understood from discussion with the report author that the cost will be based on current market information and makes reasonable calculations to reflect inflation or other foreseeable impacts on cost during this time. Any savings from this procurement exercise will (where applicable) be allocated in respect of the Council's corporate savings target for procurement. Such savings will be calculated by deducting the actual contract value awarded from the approved budget. Details will be confirmed with the service area at the time of contract award, via the Tender Summary and Decision form.

Jeremy Delderfield, Procurement & Sourcing Manager, Housing Services 14 Nov 2023

10. Crime and Disorder Implications (If Applicable)

N/A

11. Social value considerations (If Applicable)

- 11.1 The proposal will provide additional TA for homeless households which will reduce the need to accommodate families in Bed and Breakfast accommodation while the Council fulfils its statutory duties. TA occupants will receive regular, enhanced support to find permanent accommodation.

12. Regard to the NHS Constitution (If Applicable)

N/A

13. Equality Impact Assessment (EIA)

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

No

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

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

14. Data Protection Impact Assessment (DPIA)

- 14.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because:
(Please explain why a DPIA is not necessary)

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

15. Carbon Impact Assessment (CIA)

15.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because:
(Please explain why a DPIA is not necessary)

Yes

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

16. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

16.1

17. Published documents referred to in this report

17.1

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Equality Impact Assessment (EIA) Tool

Please ensure you have read the [guidance pages](#) prior to completing this tool

Document Control

Decision (DDM):		Sutton House - Decommissioning of Independent Accommodation & conversion to Temporary Accommodation for homeless.
Code (if applicable):		
EIA please ensure the title and budget booklet as the title used within the budget booklet (Assigned to Pentana):		Debra Ross/Mark Lowe
		Housing & Regeneration
		Kevin Lowry
		Growth & City Development
Lead EIA:		Mark Lowe mark.lowe@nottinghamcity.gov
Publication:		No
Due to be taken:		19 December 2023

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Document Amendment Record

Version	Author	Date
1	Debra Ross	6/11/23

Contributors/Reviewers (Anyone who has contributed to this document to be named)

Name	Title role	Date
Antony Dixon	Head of Supported Living	06/11/23
Catherine Stocks	Head of Housing Options	06/11/23
Nasreen Miah	Equality & Employability Consultant	16/11/2023

Glossary of Terms

Term	Description
IL	Independent Living
RP	Registered Provider
EIA	Equality Impact Assessment
NCC	Nottingham City Council

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Section 1 – Equality Impact (NCC staff/ Service users/ Citizen/ Community impact)

1. a. Brief description of proposal/ policy/ service to be assessed

Sutton House is situated in Radford and currently provides older persons accommodation (55+) for tenants living completely independently. Housing management support is provided according to each tenant’s need based on an annual assessment and is focused on securing additional support for those that need it (eg referral to social care, referral to debt advice).

The proposal is to decommission Sutton House from its current use as Independent Living (IL) accommodation and convert the building for use as temporary accommodation for homeless families. Should the decision be approved, the project will have two stages to it which will impact on two distinct groups of people. The first

stage is the decommissioning of Sutton House which will involve the relocation of the current tenants who are aged 55+ to alternative Independent Living accommodation in the city. The second stage is the refurbishment of the building, which will then be leased to an RP to manage for use as temporary accommodation for homeless families.

1. b. Information used to analyse the equalities implications

Stage 1 - Decommissioning of Sutton House from use as Independent Living (IL) accommodation

The decommissioning of Sutton House will involve the relocation of the 29 tenants to other IL accommodation in the city. As IL is accommodation specifically for people aged 55+ and is located in Radford which is an ethnically diverse area of Nottingham it will inevitably have some impact in particular on older persons and ethnic groups.

The impact of this will be mitigated by the involvement of the councils' relocation team, who will provide support to the tenants throughout their move. Every resident will be offered the opportunity of a personal interview in their own home and can be accompanied by family or friend. Consultation will be ongoing, supported by information being made available in a variety of formats, to maximise involvement. The moves will take account of each residents' individual needs, including any cultural preferences regarding rehousing arrangements and location. To support the decommissioning process, financial assistance and support packages will be in place.

In Sept 2023, a 28 day consultation period began with the current tenants to discuss the possible decommissioning of Sutton House. All were provided with a questionnaire asking their views on the proposal and the impact this would have on them. Of a total of 29 tenants, 8 (27%) have responded and the findings are summarised as follows:

Q1 – What do you think about the proposal to close Sutton House as an independent living community?

- 6 of the 8 respondents did not want to move and felt sad, stressed or disappointed about the decision
- 2 respondents were happy to move.

- 3 respondents referenced that they had lived at Sutton a long time and it would be a big upheaval

Q2 - What will be the impact on you if Sutton House is closed as older persons' housing?

- 2 respondents said it would have a positive impact if accommodated appropriately
- 6 respondents stated that the impact would be the move itself
- 2 respondents stated that the loss of the community would have an impact

Q3 - Do you have any ideas of what could be done to improve the appeal of Sutton House as older persons' housing?

- 2 respondents said better staff presence
- 2 respondents said that Sutton House was not suitable as older persons accommodation

Q4 – If the proposal to close Sutton House is accepted, do you have any preferences or requirements for moving, if needed (for example, is there a particular part of the city that you'd like to live)?

- 4 respondents wanted to stay in the Radford/Lenton area with 2 specifically requesting Garfield Court
- 3 other respondents stated specific localities outside of Radford
- Proximity to a bus stop, access to lift and scooter storage were each mentioned by one tenant

Q5 – Do you have any other comments?

- 2 respondents reiterated their wish for the scheme to remain open

In addition to this, 2 separate consultation events have been held, in the form of meetings held at Sutton House on 21 Sept & 17th October. Of the 29 tenants, 17 attended the consultation events and an additional 3 were visited in their home. The general feedback from these events was that a majority of current tenants enjoyed and were happy living at Sutton House where a clear sense of community has developed. A majority were sad that it was proposed that the property would close. Though some commented they understood the reasons why, A majority also stated that, if they needed to be resettled, that they would prefer to remain in the Radford/Lenton area.

Stage 2 – Refurbishment of building and procurement of RP to provide temporary accommodation for Homeless families

This will provide much needed temporary accommodation appropriate for homeless families. This will be delivered and managed by an RP who will be selected through a compliant call off from the Councils framework of Homelessness Provision which has been subjected to its own EIA.
 This EIA will be updated to reflect any changes that may occur going forward and where any negative impact is identified, appropriate mitigations will be put in place.

1. c. Who will be affected and how?

Impact type (NCC staff/ Service users/ Citizens/ Community)	Equality group/ individual	Positive	Negative	None	Reasons for your assessment (Including evidence)	Details of mitigation/ actions taken to advance equality	Details of any arrangements for future monitoring of equality impact (Including any action plans)
Page 97	People from different ethnic groups	x	x		39% of residents are from a non white British background and 16% are black Caribbean	All tenants' individual needs will be considered as part of the relocation process IL accom becoming vacant in areas which have already been identified as preference for tenants to move to are being held back in readiness to accommodate these moves.	

	Men	x	x		72% of residents are male	All tenants' individual needs will be considered as part of the relocation process	
	Women	x	x		28% of residents are female	As above	
	Trans				Data not currently collected Not recorded	As above	
Page 98	Disabled people/ carers	x	x		Some residents have mobility issues and 2 tenants are wheelchair users. The relocation process will provide them with the opportunity for their specific needs to be reassessed and any reasonable adjustments to be provided	As above	
	Pregnancy and maternity				N/A	N/A	
	Marriage/Civil Partnership	x	x		Tenants include 2 married couples	All tenants' individual needs will be considered as part of the relocation process	

	People of different faiths/ beliefs and those with none				Data not currently collected	As above	
	Lesbian/ Gay/ Bisexual people				Not recorded	As above	
	Older	x	x		IL accom. is specifically for people aged 55+	As above	
	Younger			x	N/A – IL accom is for aged 55+		
Page 99	Care Experience (Please refer to the guidance notes for further information)			x	n/a		
	Other (e.g. cohesion/ good relations, vulnerable children/ adults), socio-economic background. <i>Please underline the group(s) /issue more adversely affected or which benefits.</i>		x		A majority of tenants have stated they enjoyed and were happy living at Sutton House where a clear sense of community has developed. Though some commented they understood the reasons why the decommissioning is being proposed. Some tenants have	The NCC relocation team will support all tenants through the move. One to one visits will be held with each tenant in their home to discuss any concerns they may have and what could be put in place to help alleviate any concerns or stress the move may create. All tenants' individual needs will be considered as part of	

<p>Page 100</p>					<p>stated that they would prefer to stay in the Radford/Lenton area</p>	<p>the relocation process. This will include, where possible, relocating them to their preferred areas.</p> <p>All tenants being relocated will be entitled to Statutory homelessness and disturbance payments</p> <p>Tenants will continue to receive personalised contact through an Independent Living Co-ordinator to help them integrate.</p>	
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1. d. Summary of any other potential impact (including cumulative impact/ human rights implications):

This project will see the loss of IL accommodation (48 flats) being provided in the city and specifically in the Radford Ward. However, in recent years the demand for IL accommodation has declined and Sutton House has especially seen a steady increase in voids from 9 voids in 19/20 to 19 voids as of October 2023. The average re-let time for flats at Sutton House between 2018 and 2023 is 275 days and as of January 2023 had reached 611 days – the highest for any NCC IL scheme in the city. Sutton House has subsequently been identified as highest priority for decommissioning from its current use. Radford has the highest level of this type of provision per ward in the city. There is currently 1 NCC IL home for every 3.32 residents of the ward over 65 (1 IL) home for every 1.6 residents including RP IL provision. This is the highest level of this type of provision per ward in the City which is a significant contributory factor in low demand for the scheme.

Section 2 – Equality outcome


Please include summary of the actions identified to reduce disproportionate negative impact, advance equality of opportunity and foster good relations. Please pull out all of the mitigations you have identified and summarise them in this action plan

Equality Outcome	Adjustments to proposal and/or mitigating SMART actions	Lead Officer	Date for Review/ Completion	Update/ complete
<p>Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010.</p> <p>Page 101</p>	<p>The councils' relocation team will conduct personal interviews with each tenant in their own home, who can if they wish, be accompanied by family or friend. This will inform the relocation team about each individual preferences and needs.</p> <p>Consultation will be ongoing, supported by information being made available in a variety of formats, to maximise involvement.</p> <p>To support the decommissioning process, financial assistance and support packages will be in place</p>	Catherine Stocks	Sept 2024	
<p>Advance equality of opportunity between those who share a protected characteristic and those who don't</p>	<p>The moves will take account of each residents' individual needs, including any cultural preferences or special adaptations regarding their rehousing arrangements.</p>	Catherine Stocks	Sept 2024	
<p>Foster good relations between those who share a protected characteristic and those who don't</p>	<p>IL accom becoming vacant in areas which have already been identified as preference for tenants to move to are being held back in readiness to accommodate these moves.</p>	Catherine Stocks	Sept 2024	

(Please add other equality outcomes as required – e.g. mitigate adverse impact identified for people with a disability)				
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Please note: All actions will need to be uploaded onto Pentana

Section 3 – Approval and publishing

<p>The assessment must be approved by the manager responsible for the service /proposal. Approving Manager details (name, role, contact details):</p>	<p>Date sent for advice:</p> <p>13/11/2023</p>
<p>Approving Manager Signature:</p> 	<p>Date of final approval:</p> <p>29/11/23</p>

For further information and guidance, please visit the [Equality Impact Assessment Intranet Pages](#)
 Alternatively, you can contact the Equality and Employability Team by telephone on 0115 876 2747

Send document or link for advice and/ or publishing to: edi@nottinghamcity.gov.uk

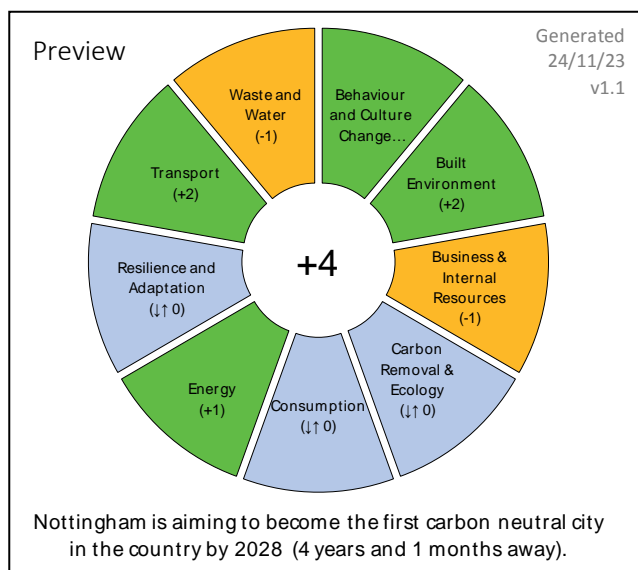
PLEASE NOTE: FINAL VERSION MUST BE SENT TO EQUALITIES OTHERWISE RECORDS WILL REMAIN INCOMPLETE.

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Sutton House – Decommissioning of Independent Living Accommodation & Conversion to Temporary Accommodation for homeless families

The main objectives of this scheme is to decommission Sutton House from it's current use as Independent Living accommodation and repurpose it for use as Temporary Accommodation (TA) for homeless families. This will help to reduce the costs currently being faced by Council in providing TA through the use of B&B accommodation.

The carbon impact of the proposals have been scored through the use of the council's Carbon Impact Assessment Dashboard Tool (v1.1) which has generated the following results:



The infographic above shows the relative costs and benefits of the decision on 9 different categories with respect to the climate:

Behaviour and Culture Change, plus 1.

- Once vacated, refurbishment of the building will be undertaken to repurpose it for use as TA for homeless. An RP will be procured to manage the accommodation. RPs are in general working towards improving their climate change performance, but as this is just one building any overall impact will be negligible.

Built Environment, plus 2.

- The proposal is to refurbish an existing building rather than construction of a new one. The current use of the building makes it suitable to adapt to the needs of the new user.
- The building is currently underoccupied and is heated by a communal heating system. The project to repurpose it for temp accom for homeless families will mean that there will be full occupancy making energy consumption more economical

Business & Internal Resources, minus 1.

- Full capacity of the building will inevitably mean more material/infrastructure use than currently

Carbon Removal & Ecology, no net effect.

Consumption, no net effect.

Energy, plus 1.

- Full occupation will help the existing building to be more energy efficient, and in conjunction with upgrading the heating system with secondary controls for the flats other than TRVs on each radiator will reduce the overall energy consumption.

Resilience and Adaptation, no net effect.

Transport, plus 2.

- Staff will be located on site providing homelessness support, reducing the amount of travel to B&Bs around the city. There is on road parking with no restrictions in the location of the premises. The site is just off Ilkeston Road which is a main bus route into and out of the city. There is potential to provide secure bike storage at the premises
- The need to travel will be reduced as staff will be located at the premises, allowing families easier access to the support they require. .

Waste and Water, minus 1.

- Full capacity of the building will inevitably mean more water use than currently

DATA PROTECTION IMPACT ASSESSMENT - Sutton House – Proposal to decommission V1.0

Reference number: DPIA-523

Author: xxxxxxxxxxxxxxxx
Email: xxxxxxxxxxxxxxxx@nottinghamcity.gov.uk

DATA PROTECTION IMPACT ASSESSMENT

When to complete this template:

Start to fill out the template at the beginning of any major project involving the use of personal data, or, where you are making a significant change to an existing process that affects personal data. Please ensure you update your project plan with the outcomes of the DPIA.

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1. Document Control

1. Control Details

Author of DPIA:	Debra Ross
Owner of project:	Mark Lowe
Contact details of Author:	Debra Ross telephone: 0115 8763955 email: debra.ross@nottinghamcity.gov.uk

2. Document Amendment Record

Issue	Amendment Detail	Author	Date	Approved

3. Contributors/Reviewers

Name	Position	Date
Antony Dixon	Head of Supported Housing	6/11/23
Catherine Stocks	Head of Housing Options	6/11/23

4. Glossary of Terms

Term	Description
<i>IL</i>	Independent Living

Author: xxxxxxxxxxxxxxxx
 Email: jeremy.lyncook@nottinghamcity.gov.uk

2. Screening Questions

1. Does the project involve personal data? Yes	If 'Yes', answer the questions below. If 'No', you do not need to complete a DPIA but make sure you record the decision in the project documentation.
2. Does the processing involve any of the following data: medical data, ethnicity, criminal data, biometric data, genetic data and any other special/ sensitive data?	Yes/No
2. Does the processing involve any systematic or extensive profiling?	Yes/No
3. Does the project involve processing children's data or other vulnerable citizen's data?	Yes/No
4. Does the processing involve decisions about an individual's access to a product, service, opportunity or benefit that is based on any evaluation, scoring, or automated decision-making process?	Yes/No
5. Does the processing involve the use of innovative or new technology or the novel application of existing technologies?	Yes/No
6. Does this project involve processing personal data that could result in a risk of physical harm in the event of a security breach?	Yes/No
7. Does the processing combine, compare or match data from multiple sources?	Yes/No
8. Does the project involve processing personal data without providing a privacy notice?	Yes/No
9. Does this project process data in a way that tracks on line or off line location or behaviour?	Yes/No
10. Will the project involve using data in a way it has not been used before?	Yes/No
11. Does the project involve processing personal data on a larger scale?	Yes/No
12. Will the project involve processing data that might prevent the Data Subject from exercising a right or using a service or entering into a contract?	Yes/No
If you answered 'Yes' to any <u>two</u> of the questions above, proceed to Question 3 below. If not seek advice from the DPO as you may not need to carry out a DPIA.	

Project Title: Sutton House

Team: Housing & Regeneration

Directorate: Development

DPIA Reference number: *(This will be allocated by the Information Compliance Team or the DPO and must be quoted in all correspondence)*

Has Consultation been carried out?

Yes, a 28 day consultation period has been held with the current tenants of Sutton House. All were provided with a questionnaire asking their views on the proposal to decommission and the impact this would have on them.

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1. DDM attached?	No is subject of an Exec Board Report Dec 23
2. Written evidence of consultation carried out attached?	Yes
3. Project specification/ summary attached?	No, info about the proposals are set out in the Exec Board Report – December 23
4. Any existing or previous contract / SLA / processing agreement attached?	No
5. Any relevant tendering documents attached?	No
6. Any other relevant documentation attached?	Lettings Data Flow Map includes reference to relocation & decant.

3. Project - impact on individual’s privacy

Issue	Questions	Examples	Yes/No	Initial comments on issue & privacy impacts
Purpose and means		Profiling, data analytics, Marketing. Note: The GDPR requires a DPIA to be carried out where there is systematic and extensive evaluation of personal aspects relating to individuals based on automated processing, including profiling, and on which decisions about individuals are based.		
	Please give a summary of what your project is about (<i>you can also attach or embed documents for example a project proposal</i>).		Decommissioning of Sutton House which is currently used as Independent Living (IL) accommodation and the conversion for use as Temporary Accommodation (TA) for homeless families.	
	Aims of project Explain broadly what the project aims to achieve and what types of processing it involves.		The decommissioning of Sutton House will involve the relocation of the current tenants which will involve information being gathered in order to ascertain their preference to location of alternative IL accommodation and ensure the move is suitable to their needs.	
	Describe the nature of the processing How will you collect store and delete data? Will you be sharing with anyone? You might find it useful to refer to a flow diagram or another way of describing data flows. What types of processing identified as likely high risk are involved? Who will have access to the project personal data, how is access controlled and monitored and reliability of staff assessed? Will data be separated from other data with in the system?		The proposal is to decommission Sutton House from its current use as Independent Living (IL) accommodation and convert the building for use as temporary accommodation for homeless families. Should the decision be approved, the project will have two stages. The first stage is the decommissioning of Sutton House which will involve the relocation of the current tenants who are aged 55+ to alternative Independent Living accommodation in the city. This information will be obtained by NCC Housing Management services, Tenant Relocation team. The information will be collected by face-to-face meetings with each tenant in their home. The information will be recorded on the NCC housing management system and sharepoint. The information will only be accessible by Housing Management staff. and will be managed in compliance with the NCC’s information management policies and procedures (including data protection, information security, electronic communications)	

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			The second stage is the refurbishment of the building, which will then be leased to an RP to manage for use as temporary accommodation for homeless families. Any information obtained through the course of delivering this will be managed by the RP who will be selected through a compliant call off from the Council’s framework of Homelessness provision, which has been subjected to it’s own DPIA. (DPIA -483)
	<p>Privacy Implications</p> <p>Can you think of any privacy implications in relation to this project? How will you ensure that use of personal data in the project is limited to these (or “compatible”) purposes?</p>		All information obtained will only be used to help relocate the 29 tenants currently living at Sutton house to suitable alternative Independent Living accommodation in the city. The information will be limited for internal use and will be kept secure by housing management services in accordance with GDPR regulations
	<p>New Purpose</p> <p>Does your project involve a new purpose for which personal data are used?</p>		No, the use of personal data to relocate tenants to alternative suitable accommodation is not a new purpose
	<p>Consultation</p> <p>Consider how to consult with relevant stakeholders: Describe when and how you will seek individuals views- or justify why it’s not appropriate to do so. Who else do you need to involve in NCC? Do you plan to consult Information security experts, or any other experts?</p>		A 28 day consultation period has been held with the tenants of Sutton House about the decommissioning proposal This was in the form of questionnaires being distributed and 2 consultation events held at Sutton House. Should the proposal be approved further consultation in the form of home visits, to discuss individual preferences/requirements will be carried out. Any information obtained will be held by the Relocation team and shared within the Independent Living team.
	Will the project:	Expanding customer base; Technology which must be used by individuals; Hidden or complex uses of data; Children’s data	

Individuals (data subjects)	Affect an increased number, or a new group, or demographic of individuals (to existing activities)?			No
	Involve a change to the way in which individuals may be contacted, or are given access to services or data? Are there any areas of public concern that you should factor in?			No
	Affect particularly vulnerable individuals, including children?			Children are not involved in the project but Independent Living accommodation is specifically for people aged over 55, and therefore tenants are older persons and some do have disability and mobility issues.
Page 115	Give rise to a risk that individuals may not know or understand how their data are being used?			No – the relocation team will explain the reason for requiring information.
Parties	Does the project involve:	Outsources service providers; Business partners; Joint ventures		
	The disclosure of personal data to new parties?			No
	The involvement of sharing of personal data between multiple parties?			No
Data categories	Does the project involve:	Special personal data; Biometrics or genetic data; Criminal offences; Financial data; Health or social data; Data analytics: Note: the GDPR requires a DPIA to be carried out where there is processing on a large scale of special categories of data or of data relating to criminal convictions and offences		

	The collection, creation or use of new types of data?			no
	Use of any special or privacy-intrusive data involved? <ul style="list-style-type: none"> • Political opinions (no) • Religious beliefs or philosophical beliefs (no) • Trade union membership (no) • Genetic data no • Biometric data no • Sexual life no • Prosecutions no • Medical data yes • Criminal data yes (Criminal data processing, i.e. criminal convictions, etc. also has special safeguards under Article 10)			In order to help identify suitable alternative IL accommodation, residents may wish to share information relating to any disability or mobility issues. Any criminal data already held will be taken into consideration when identifying appropriate new accommodation, as with any tenant who needs or requests to move. As per Lettings process and data flow map.
	New identifiers, or consolidation or matching of data from multiple sources? (For example a unique reference number allocated by a new management system)			no
Technology	New solutions:	Locator or surveillance technologies; Facial recognition; Note: the GDPR requires a DPIA to be carried out in particular where new technologies are involved (and if a high risk is likely)		

	Does the project involve new technology that may be privacy-intrusive?			no

Data quality, scale and storage	Data:	New data		
	Does the project involve changes to data quality, format, security or retention? What are the benefits of the processing? i.e. will the new system have automatic retention features? Will the system keep the information in a safer format etc.?			no
	Does the project involve processing data on an unusually large scale?			no
Monitoring, personal intrusion	Monitoring:	Surveillance; GPS tracking; Bodily testing; Searching; Note: the GDPR requires a DPIA to be carried out where the project involves systematic monitoring of a publicly accessible area on a large scale		
	Does the project involve monitoring or tracking of individuals or activities in which individuals are involved?			no
	Does the project involve any intrusion of the person?			no
Data transfers	Transfers	Transfers outside the EEA		
	Does the project involve the transfer of data to or activities within a country that has inadequate or significantly different data protection and privacy laws?			no (Is any information held on the cloud? If so check where it is held)

4. Legal Framework and Governance – Compliance

Ref.	Question	Response	Further action required (and ref. to risk register as appropriate)
1. Applicable laws and regulation			
1.1	Which data protection laws, or laws which impact data protection and privacy, will be applicable to the project?	<ul style="list-style-type: none"> • General Data Protection Regulation 2016/679 • UK General Data Protection Regulation • Data Protection Act 2018 • Human Rights Act 1998 	
1.2	Are there any sector-specific or other regulatory requirements or codes of practice, which should be followed?	Care Act 2014 Localism Act 2011 (Section 1)	
2. Organisation's policies			
2.1	Is the project in compliance with the organisation's information management policies and procedures (including data protection, information security, electronic communications)?	Yes.	

2.2	Which policy requirements will need to be followed throughout design and implementation of the project?	Data Protection Policy Information Security Policy Records Management Policy	
2.3	Are any changes/updates required to the organisation`s policies and procedures to take into account the project? Note: new requirements for “Accountability” under the GDPR, including record-keeping, DPOs and policies	no	
3. Training and roles			
3.1	Will any additional training be needed for staff in relation to privacy and data protection matters arising from the project?	Staff already complete GDPR awareness and inform security awareness courses	

5. Personal Data Processing Compliance

Ref.	Question	Response	Further action required (and ref. to risk register as appropriate)
1. Personal Data Processing			
1.1	Which aspects of the project will involve the processing of personal data relating to living individuals?	Relocation of tenants to identify alternative Independent Living accommodation to meet their needs	
1.2	Who is/are the data controller(s) in relation to such processing activities?	Nottingham City Council	
1.3	Who is/are the data processor in relations to such processing activities?	Relocation Team, Housing Management Services, Nottingham City Council	
2. Fair and Lawful processing - GDPR Articles 5(1)(a), 6, 9, 12, 13			
Page 121 2.1	Which fair processing conditions are you relying on? GDPR: Article 6(1) (legal basis for processing) and, for sensitive personal data, Article 9(2).	6(1). Choose at least one of the following for personal data, usually (e) -(Cross out the rest) <ul style="list-style-type: none"> a) Consent b) Performance of contract c) Legal obligation d) Vital interests e) Public interest / exercise of Authority 9(2) Choose at least 1 for special data-usually g (cross the rest out) <ul style="list-style-type: none"> a)Explicit consent b) Employment / social security / social protection obligations c) Vital interests d) <u>Non-profit bodies</u> e) Processing made public by data subject f) Legal claims g) Substantial public interest 	

- h) Health, social care, medicine
- l) Public interest for public health
- j) Archiving, statistics, historical research

For any criminal Data

Comply with Article 10 if it meets a condition in Part 1, 2 or 3 of Schedule 1.

- Employment, social security and social protection
- Health and social care purposes
- Public health
- Research

Substantial public interest:

- Statutory and government purposes
- Equality of opportunity and treatment
- Racial and ethnic diversity at senior levels of organisations
- Preventing or detecting Unlawful Acts
- Protecting the public against dishonesty etc
- Regulatory requirements relating to unlawful acts and dishonesty etc
- Journalism etc in connection with unlawful acts and dishonesty etc
- Preventing fraud
- Suspicion of terrorist financing or money laundering
- Counselling
- Safeguarding of children and of individuals at risk
- Safeguarding of economic well-being of certain individuals
- Insurance
- Occupational pensions
- Political parties processing

		<ul style="list-style-type: none"> • Disclosure to elected representatives • Informing elected representatives about prisoners <p>Additional Conditions</p> <ul style="list-style-type: none"> • Consent • Vital interests • Personal data in the public domain • Legal claims • Judicial Acts 	
<p>Note: different conditions may be relied upon for different elements of the project and different processing activities. Also, the scope of special category data is wider under the GDPR, and in particular includes genetics & biometric data, and sexual orientation.</p>			
2.2	How will any consents be evidenced and how will requests to withdraw consent be managed?	NCC is not relying on consent as a basis of processing data for the management of relocation of tenants as this is already in place given they are existing tenants	
Page 123	<p>Note: new requirements for obtaining and managing consents within the GDPR.</p>		
2.3	Is the data processing under the project covered by fair processing information already provided to individuals or is a new communication needed (see also data subject rights below)?	This information is covered by an existing privacy notice and no new communication is needed.	
<p>Note: more extensive information required under the GDPR than under current law, and new requirements on how such information is provided. Also a general principle of “<i>transparency</i>”. It is important to assess necessity and Proportionality</p>			
2.4	If data is collected from a third party, are any data protection arrangements made with such third party?	n/a	
2.5	Is there a risk of anyone being misled or deceived?	no	
2.6	Is the processing “fair” and proportionate to the need’s and aims of the projects?	yes	

2.7	Are these purposes clear in privacy notices to individuals? (see above)	Yes	
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3. Adequate, relevant and not excessive, data minimisation - GDPR Article 5(1)(c)

3.1	Is each category relevant and necessary for the project? Is there any data you could not use and still achieve the same goals?	Yes	
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Note: GDPR requires data to be “limited to what is necessary” for the purposes (as well as adequate and relevant).

3.2	Is/can data be anonymised (or pseudonymised) for the project?	no	
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4. Accurate and up to date - GDPR Article 5(1)(d)

4.1	What steps will be taken to ensure accurate data is recorded and used?	Each tenant will be interviewed so as to ensure information is up to date.	
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For example: checks when receiving/sending information from/to third parties, or transcribing information from oral conversations or handwritten documents, any automatic checks on information not meeting certain criteria.

4.2	Will regular checks be made to ensure project data is up to date?	The information obtained will only be used to inform the relocation of the tenant.	
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5. Data retention - GDPR Article 5(1)(e)

5.1	How long will personal data included within the project be retained?	In accordance with the guidelines	
5.2	How will redundant data be identified and deleted in practice? Consider paper records, electronic records, equipment?	No paper retained, stored in sharepoint/Serengeti by year.	
5.3	Can redundant data be easily separated from data which still need to be retained?	Yes, based on date saved	

6. Data subject rights - GDPR Articles 12 to 22

6.1	Who are the relevant data subjects?	Current tenants of Sutton House	
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6.2	Will data within the project be within the scope of the organisation`s subject access request procedure?	Yes	
6.3	Are there any limitations on access by data subjects?	No	
6.4	Is any data processing under the project likely to cause damage or distress to data subjects? How are notifications from individuals in relation to damage and distress managed?	No, however any notifications received will be handled by the service and info compliance under the council`s information rights mechanisms,	
6.5	Does the project involve any direct marketing to individuals? How are requests from data subjects not to receive direct marketing managed?	no	
6.6	Does the project involve any automated decision making? How are notifications from data subjects in relation to such decisions managed?	no	
6.7	How will other rights of data subjects be addressed? How will security breaches be managed?	These rights will be processed by the Information Compliance Team at Nottingham City Council. All breaches will be dealt with by the Information Compliance team and the Data Protection Officer.	

7. Data Security - GDPR Articles 5(1)(f), 32

For example:

- **Technology:** encryption, anti-virus, network controls, backups, DR, intrusion detection;
- **Physical:** building security, clear desks, lock-leads, locked cabinets, confidential waste;
- **Organisational:** protocols on use of technology, asset registers, training for staff, pseudonymisation, regular testing of security measures.

Describe the source of risk and nature of potential impact on the individuals. Include associated compliance and corporate risks as necessary -What security measures and controls will be incorporated into or applied to the project to protect personal

Likelihood of harm

Remote, Possible or Probable

Severity of harm

Minimal, Significant or Severe

Overall Risk

Low, Medium or High

data? Consider those that apply throughout the organisation and those which will be specific to the project. N.B Measures that are appropriate to the nature of the data and the harm which may result from a security breach			
1. Collection of feedback from current tenants could result in paper records being created which are then lost or inappropriately accessed	Possible	Severe	High
2. New supplier of accommodation at Sutton House is procured without having appropriate data processing or sharing terms in place	Possible	Significant	Medium
3. Tenants being relocated are sent to private providers of accommodation, and their personal data transferred without lawful basis, insecurely or other data protection legal requirements necessary	Possible	Significant	Medium
4. Risk of citizen hard copy records or IT equipment being left in building before works take place, potentially resulting in serious data breach	Remote	Severe	Medium
5. CCTV at the building does not have appropriate DPIA and measures in place such as privacy notices	Remote	Severe	

Identify measures to Reduce Risk- Identify additional measures you could take to reduce or eliminate risks identified as medium or high risk that you have identified

Risk	Options to reduce or eliminate risk	Effect on risk Eliminated/ Reduced or Accepted	Residual risk Low/Medium/High	Measures approved Yes/No
1. Collection of feedback from current tenants could result in paper records being	Advice is that electronic records of meetings should have made to reduce risk (<i>Sam</i>	Eliminated – as retrospective	Low	

created which are then lost or inappropriately accessed	<i>Williams has advised the consultation exercise has already happened.)</i>			
2. New supplier of accommodation at Sutton House is procured without having appropriate data processing or sharing terms in place	Supplier will be called off existing Framework which has already has a DPIA and advice has been given that an ISA must be signed	Eliminated	N/A - Low	
3. Tenants being relocated are sent to private providers of accommodation, and their personal data transferred without lawful basis, insecurely or other data protection legal requirements necessary	No external providers of accommodation will be used, all tenants will be sent to will be Council-run accommodation so no external transfer of data will take place	Eliminated	N/A - Low	
4. Risk of citizen hard copy records or IT equipment being left in building before works take place, potentially resulting in serious data breach	Antony Dixon has confirmed that no paper records are kept at Sutton House. There are no computers	Eliminated	Low	
5. CCTV at the building does not have appropriate DPIA and	Housing Services to ensure that CCTV has a DPIA in place	Reduced	Low	

measures in place such as privacy notices				
8. Data processors - GDPR Article 28 & direct obligations in other articles				
8.1	Are any data processors involved in the project?	No		
8.2	What security guarantees do you have?	NA		
For example: specific security standards or measures, reputation and reviews				
8.3	Please attach the processing agreement	NA		
For example: security terms, requirements to act on your instructions, regular audits or other ongoing guarantees Note: new requirements for the terms of contracts under the GDPR (much more detailed than current law).				
8.4	How will the contract and actions of the data processor be monitored and enforced?	NA		
8.5	How will direct obligations of data processors be managed?	NA		
Note: New direct obligations for processors under the GDPR, including security, data protection officer, record-keeping, international data transfers.				
For example: fair & lawful, lawful purpose, data subject aware, security, relevance.				
9. International data transfers - GDPR Articles 44 to 50				
9.1	Does the project involve any transfers of personal data outside the European Union or European Economic Area?	No		
9.2	What steps are taken to overcome the restrictions?	NA		
For example: Safe Country, contractual measures, binding corporate rules, internal assessments of adequacy Note: GDPR has similar methods to overcome restrictions as under current law, but there are differences to the detail and less scope for an "own assessment" of adequacy.				
10. Exemptions				

10.1	Will any exemptions for specific types of processing and/or specific DP requirements be relied upon for the project?	no	
<p>For example: crime prevention, national security, regulatory purposes</p> <p>Note: Exemptions under the GDPR to be assessed separately, and may be defined within additional EU or UK laws.</p>			

6. Sign off and record outcomes

Item	Name	Date
Measures approved by: (project owner) This must be signed before the DP can sign off on the DPIA.	M.Lowe	4/12/2023
Residual risks approved by: (If accepting any residual high risk, consult the ICO before going ahead)	M.Lowe	4/12/2023
DPO advice provided: (DPO should advise on compliance, measures and whether processing can proceed)	T.Pollard	01/12/2023
Summary of DPO advice: I have advised on and written the risks after speaking with Debra. The residual risks are either eliminated or lower. Further instructions on the CCTV are needed.		
DPO advice accepted or overruled by		If overruled, you must explain your reasons
Comments:		
IT Security Officer: Where there are IT security issues		
IT Officer comments:		
SIRO Sign off: (For major projects)		
Consultation responses reviewed by:		
This DPIA will be kept under review by:		The DPO should also review ongoing compliance with DPIA

Subject:	Letting of premises at 3, 5, 7, 9 & 11 Carrington Street, Nottingham, NG1 7EQ
Corporate Director(s)/Director(s):	Sajeeda Rose – Corporate Director for Growth and City Development
Portfolio Holder(s):	Councillor Steve Battlemuch – Portfolio Holder for Skills, Growth, Economic Development and Property
Report author and contact details:	Riazul Ahad – Estates Surveyor Riazul.Ahad@nottinghamcity.gov.uk – 01158763687
Other colleagues who have provided input:	Bevis Mackie – Corporate Portfolio & Investment Manager Mick Suggett – Solicitor - Team Leader Conveyancing Sarah Baker – Senior Commercial Business Partner (Strategic Assets & Property)
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a) <input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:	
Total value of the decision: See Exempt Appendix	
Section 151 Officer expenditure approval Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Spend Control Board approval reference number: 722	
Wards affected: N/A	
Date of consultation with Portfolio Holder(s): 29 th November 2023	
Relevant Council Plan Key Outcome:	
Green, Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Living Well in our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
Letting of Units 3, 5, 7, 9 & 11 Carrington Street on market facing terms to a prime UK covenant.	
The unit has been openly marketed by a retail property specialist which has recommended the Council accept the terms of the letting.	
The letting will provide income and remove void costs.	

Does this report contain any information that is exempt from publication?

This report / an appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of particular persons (including the authority holding the information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it could prejudice future negotiations.

The Legal Services comments in the appendix are also exempt from publication under paragraph number 5 of Schedule 12A to the Local Government Act 1972 because they contain information in respect of which a claim to legal professional privilege could be maintained in legal proceedings relating to a proposed transaction and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it contains confidential legal advice in respect of the proposed transaction and disclosure could prejudice the Council's position.

Recommendation(s):

- 1** To approve the lease terms agreed with the prospective tenant in respect of the subject property as set out in the attached exempt appendix.
- 2** To note that associated fees will be paid, and to note that this expenditure has been approved by the Section 151 Officer.
- 3** To delegate the approval of final terms to the Director of Economic Development & Property

1. Reasons for recommendations

- 1.1 The property has been vacant since completion of construction, with the opportunity marketed by an external agent on behalf of the Council. Acceptable lease terms have been negotiated with the prospective tenant.

2. Background (including outcomes of consultation)

- 2.1 The property forms part of the Broadmarsh Bus Station complex. The property has been openly marketed by a specialist commercial property agent and market facing terms have been agreed. The letting will ensure the Council mitigates against ongoing void costs and ensure a secure rental income is received from this asset.

3. Other options considered in making recommendations

- 3.1 Not to proceed with the letting to the prospective tenant – this is not recommended as the premises have marketed and terms have been agreed with a single occupier on market facing terms. The Council is responsible for meeting all associated void costs.

4. Consideration of Risk

- 4.1 The proposed letting would ensure the premises are fully let under a single transaction providing a single revenue stream and remove the financial risks associated with separate lettings on potentially less favourable terms. In completing the letting it will remove ongoing void costs and ensure a secure rental income is received from this asset.

5. **Finance colleague comments (including implications and value for money/VAT)**

Comments are provided in the exempt appendix

Sarah Baker – Senior Commercial Business Partner (Strategic Assets & Property)
24th November 2023

6. **Legal colleague comments**

6.1 Comments are provided in the exempt appendix

Mick Suggett, Solicitor – Team Leader Conveyancing 30th November 2023

7. **Other relevant comments (Property Services)**

7.1 Comments are provided in the exempt appendix

Bevis Mackie – Corporate Portfolio & Investment Manager – Strategic Assets & Property 27th November 2023

8. **Crime and Disorder Implications (If Applicable)**

8.1 Not applicable

9. **Social value considerations (If Applicable)**

9.1 Not applicable

10. **Regard to the NHS Constitution (If Applicable)**

10.1 Not applicable

11. **Equality Impact Assessment (EIA)**

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

No
An EIA is not required because the decision does not impact Council services or policy.

Yes

12. **Data Protection Impact Assessment (DPIA)**

12.1 Has the data protection impact of the proposals in this report been assessed?

No
A DPIA is not required because the decision will not involve the transfer of data to any parties. If this is required at a later date as part of the letting process and DPIA will be completed.

Yes

13. Carbon Impact Assessment (CIA)

13.1 Has the carbon impact of the proposals in this report been assessed?

No

A CIA is not required because the subject of this report will not have any impact on carbon impact.

Yes

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1 None

15. Published documents referred to in this report

15.1 None

Subject:	The Disposal of Investment Property Assets from the Property Trading Account
Corporate Director(s)/Director(s):	Sajeeda Rose - Corporate Director for Growth & City Development
Portfolio Holder(s):	Cllr Steve Battlemuch - Portfolio Holder for Skills, Growth, Economic Development and Property
Report author and contact details:	Beverley Gouveia - Disposals & Development Manager - Strategic Assets & Property Beverley.gouveia@nottinghamcity.gov.uk
Other colleagues who have provided input:	Christopher Cocks – Disposals Surveyor - christopher.cocks@nottinghamcity.gov.uk Paul James – Disposals Surveyor - Paul.James@nottinghamcity.gov.uk Glenn Hammons - Interim Finance Lead – Technical Finance – glenn.hammons@nottinghamcity.gov.uk Thomas Straw – Senior Accountant (Capital Programmes) – Thomas.straw@nottinghamcity.gov.uk Sarah Baker – Senior Commercial Business Partner (Corporate Landlord) sarah.baker2@nottinghamcity.gov.uk Geetha Blood – Interim Finance Business Partner – Geetha.blood@nottinghamcity.gov.uk Mick Suggett – Team Leader, Conveyancing – mick.suggett@nottinghamcity.gov.uk Jonathan Whitmarsh – Corporate Procurement Officer – Jonathan.whitmarsh@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital - N/A If Capital, provide the date considered by Capital Board Date: - N/A
Total value of the decision:	Exempt from Publication
Section 151 Officer expenditure approval	
Has the spend been approved by the Section 151 Officer?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Spend Control Board approval reference number:	1222
Wards affected:	Berridge, Bestwood, Castle, Dales, Hyson Green & Arboretum, Lenton & Wollaton East, Meadows, Radford, and St Ann's. One asset is located within Rushcliffe District Council area.
Date of consultation with Portfolio Holder(s):	
	Portfolio Holder consultation was undertaken on the 16 th November 2023.

The recommendations contained in this report and exempt appendix were discussed with the Corporate for Growth & City Development and the Corporate Director for Finance & Resources/Section 151 Officer on the 22nd November 2023.

Relevant Council Plan Key Outcome:

Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

In response to the Council's Together for Nottingham Recovery and Improvement Plan refresh 2022, the Council commenced a review of assets within the Property Trading Account which could be considered for disposal.

The assets proposed for disposal have been reviewed in accordance with the "Asset Rationalisation Programme" and endorsed as being suitable for disposal.

The proposed disposals support the Council's Together for Nottingham Recovery and Improvement Plan refresh 2022 and would provide a capital receipt.

Does this report contain any information that is exempt from publication?

The appendix to this report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the strategic management of the Council's Surplus Property Assets and in particular contains commercially sensitive information relating to asset management and disposals. Having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because disclosure of the information will compromise the Council's negotiation strategy in the event of a disposal, and this may adversely impact the revenue/capital the Council could receive.

Legal comments contained in the exempt appendix are exempt from publication under paragraph number 5 of Schedule 12A to the Local Government Act 1972 because it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings relating to a proposed transaction and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

It is not in the public interest to disclose this information because it contains confidential legal advice in respect of the proposed transaction and disclosure could prejudice the Council's position.

Recommendation(s):

1. To make the assets detailed in the exempt appendix surplus to the requirements of the Property Trading Account.

2. To approve the disposal of the surplus assets detailed in the exempt appendix on terms to be agreed;
3. To delegate the approval of the asset management and/or method of sale to the Director of Economic Development & Property;
4. To delegate approval of the final terms of sale to either the Director of Economic Development and Property or the Corporate Director for Growth and City Development in line with constitutional value bands.
5. To note spend of £130,000 on associated disposal fees has been approved by the Section 151 Officer
6. To appoint sales agent(s) or any other required consultant via a procurement compliant process (tender/framework/quotation) to facilitate the disposals process.
7. To delegate the approval of any licences/agreements or required legal agreements to facilitate a sale to the Director of Economic Development & Property;

1. Reasons for recommendations

- 1.1 The disposals will generate significant capital receipts which can be used by the Council as considered appropriate. It will also mitigate potential future financial risks arising from capital and revenue expenditure required to meet the council's repairing and statutory obligations and remove resource-intensive assets from the Council's ownership, and remove any costs associated with voids/re-letting and refurbishment.
- 1.2 Property specific reasons are contained in the exempt appendices.

2. Background (including outcomes of consultation)

- 2.1 In response to the Council's Together for Nottingham Recovery and Improvement Plan 2021-2024 - Refresh 2022, the Council is reviewing its property assets held within the Property Trading Account (PTA) which could be considered for disposal.
- 2.2 The assets proposed for disposal have been reviewed in accordance with the, "Asset Rationalisation Programme" as being suitable for disposal. The assets have been reviewed using a decision matrix which considers key property and finance inputs relating to condition, future capital and revenue liabilities, energy performance ratings, management of the asset, performance of the asset and marketing. Financial considerations include capital/revenue and capital financing implications. Each element has been scored with the results being endorsed by Senior Officers in both Strategic Assets & Property and Finance. The results of the decision matrix are set out in the exempt appendix.
- 2.3 The assets identified are a mix of property types comprising, industrial estates and premises, licensed leisure, retail, and office premises. Assets have been identified for sale based on their individual characteristics. Asset specific issues are referenced within the Exempt Appendix.
- 2.4 Local Ward Councillors have been advised of the proposal to dispose of the assets which form the subject of this report, and no objections have been received at the time of writing this report.

3 Other options considered in making recommendations

- 3.1 **Not to sell the assets.** This option has been rejected as retention of the assets could present a financial risk to the Council. It would also forego a potentially significant capital receipt which could be used by the Council.

- 3.2 Significant Capex is required on the vast majority assets proposed for disposal, to ensure compliance with the Council's contractual and statutory obligations. This expenditure is necessary to preserve existing income streams and protect the value of an asset.
- 3.3 Required expenditure includes repairs to buildings for which the Council is liable, and compliance with statutory requirements, most notably works to satisfy minimum energy efficiency standards (MEES) and obtain valid Energy Performance Certification (EPC)
- 3.4 In the absence of a valid EPC certificate, the council is prevented from letting assets which fail to meet required legislation. EPC requirements are becoming increasingly stringent, with the next major uplift in standards being implemented on 1st April 2027.
- 3.5 Failure to expend monies will result in fines, loss of income, reputational damage and incur void costs and impairment in capital value.
- 3.6 It is also anticipated market sentiment will turn negative on non-EPC compliant assets in advance of the 1st April 2027 deadline.
- 3.7 Currently no provision to implement EPC compliance works exists within the Capital Programme and urgent Budgetary provision is required to comply with impending legal requirements. It is considered unlikely that Capex on EPC and repair works will generate increased rental income, as compliance with contractual lease obligations and legislation is expected.

4 Consideration of Risk

- 4.1 Failure to dispose of the assets identified in this report resents a business risk to the Council as the assets require capital investment to protect and maintain existing income and maximise future potential income.
- 4.2 In the absence of a valid EPC certificate, the council is prevented from letting assets which fail to meet required legislation. EPC requirements are becoming increasingly stringent, with an impending major uplift in standards due for implementation on 1st April 2027.
- 4.3 Failure to expend monies will result in fines, loss of income, reputational damage and incur void costs and impairment in capital value.
- 4.4 Void holding costs are currently being incurred pending re-letting of some assets identified for disposal.
- 4.5 A sale will remove a significant amount of revenue from the Property Trading Account, and this will need to be mitigated.

5 Finance colleague comments (including implications and value for money/VAT)

- 5.1 The Finance team comments are contained in the exempt appendix.
- 5.2 Finance comments provided by Glenn Hammons 29th November 2023.

6 Legal colleague comments

6.1 The Legal comments are contained in the exempt appendix.

6.2 Mick Suggett; Solicitor and Team Leader – Conveyancing – 29th November 2023.

7 Other relevant comments

7.1 Strategic Assets and Property

7.2 The Strategic Assets and Property comments are contained in the exempt appendix.

7.3 Beverley Gouveia; Disposals & Development Manager - Strategic Assets & Property – 29th November 2023.

8 Procurement Comments

8.1 As the report is concerned with disposals of land & property, the majority of the value of the decision falls outside of the Public Procurement regime with the value of spend on appointing sales agents and other consultants to represent the Council estimated to be less than £114,100. Such appointments made in support of this decision must comply with Contract Procedure Rules and the relevant provisions of the Public Contracts Regulations 2015.

8.2 Jonathan Whitmarsh – Corporate Procurement Officer – 28th November 2023.

9 Crime and Disorder Implications (If Applicable)

9.1 Not Applicable.

10 Social value considerations (If Applicable)

10.1 Not Applicable.

11 Regard to the NHS Constitution (If Applicable)

11.1 Not Applicable.

12 Equality Impact Assessment (EIA)

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

No



An EIA is not required because: the decision does not impact Council policy or procedure.

13 Data Protection Impact Assessment (DPIA)

13.1 Has the data protection impact of the proposals in this report been assessed?

No



A DPIA is not required because there are no issues arising from the release of information held by the Council in respect of the existing tenants as:

- a). The information is required for the purposes of entering into a contract with a prospective purchaser.

b). The information is required for the purposes of legal proceedings- i.e. the conveyancing process.

14 Carbon Impact Assessment (CIA)

14.1 Has the carbon impact of the proposals in this report been assessed?

No



A CIA is not required because: The decision will not impact on carbon production by the Council.

15 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

15.1 None.

16 Published documents referred to in this report

16.1 None.

Subject:	Increase to Eastglade development budget
Corporate Director(s)/Director(s):	Sajeeda Rose – Corporate Director for Growth & City Development Kevin Lowry – Director for Housing
Portfolio Holder(s):	Cllr Jay Hayes, Portfolio Holder for Housing
Report author and contact details:	Ceri Davies, Regeneration Team Leader. ceri.davies@nottinghamcity.gov.uk ; x.63530
Other colleagues who have provided input:	Paul Stanley – Head of Development David Worthington – Senior Accountant (HRA) Thomas Straw – Senior Accountant (Capital Programme) Antony Heath – Senior Solicitor (Contracts & Commercial) Beverley Gouveia – Development & Disposals Manager Steve Oakley – Head of Contracting & Procurement
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 06/12/2023
Total value of the decision:	£2.11m
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Spend Control Board approval reference number:
Wards affected:	Bestwood
Date of consultation with Portfolio Holder(s):	21/11/2023
Relevant Council Plan Key Outcome:	
Green, Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Living Well in our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>Eastglade is a 106 council home development in Bestwood that started on site in 2021. In 2022, the principal contractor went into liquidation when the scheme was around three-quarters completed, meaning the development was paused and a replacement principal contractor required.</p> <p>The increased costs associated with procuring a second contractor two years after approved budget was set and those incurred in securing the site whilst inactive, has meant an increased budget is required to complete the development.</p> <p>Phase A of the development resumed with Lovell Partnership as principal contractor in Summer 2023, with properties to start handover in December for letting to households on the waiting list.</p>	

Retaining the existing (replacement) contractor presents the most time and cost effective way to complete the development, which is a key component of Nottingham's new council home provision that is required to meet waiting list need and subsequently ease pressures on homelessness resources and budgets.

Does this report contain any information that is exempt from publication?

This report contains an appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the Council's anticipated expenditure on a construction contract and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it may impact on value for money to be achieved

Recommendation(s):

- 1** To seek approval via the section 151 officer's spend control panel put in place as a result of the issuance of the s114(3) report to spend £2.11m to increase the budget for the Eastglade development, noting that the spend cannot proceed until the above approval has been given.
- 2** To seek approval via the section 151 officer's spend control panel put in place as a result of the issuance of the s114(3) report to use £1.26m HRA revenue to capital contribution and £0.84m RTB replacement receipts to fund the £2.11m budget increase, noting that the spend cannot proceed until the above approval has been given.
- 3** To appoint Lovell Partnership to undertake the completion of Phase B of the scheme.

1. Reasons for recommendations

- 1.1 The Eastglade development is three quarters complete and critical to Nottingham's new supply of council housing, with homes having already been allocated to households from the waiting list. Completion of the scheme is the only viable option.
- 1.2 The proposed approach of appointing the existing principal contractor for the remaining phase B reduces a further round of pause, re-tender and associated transition costs.
- 1.3 The existing contractor has been retained to quote because they demonstrate good value via the procurement approved Fusion 21 framework.
- 1.4 The proposed funding of the budget increase does not require any HRA borrowing and allows the use of RTB replacement receipts to meet 40% of increased cost.

2. Background (including outcomes of consultation)

- 2.1 The Eastglade new build housing development consists of 106 affordable council owned homes. The scheme has subsequently been split into two phases, A and B, each including 53 new homes, approved in February 2020 Decision link: ([EXECUTIVE BOARD - 2010 \(nottinghamcity.gov.uk\)](#)).
- 2.2 The principal contractor appointed to the scheme, Robert Woodhead Ltd, ceased trading in September 2022. At this point, build on half of the site was 79-88% completed (now Phase A), and 58-79% complete on the other half (Phase B).

- 2.3 Approval was granted on 16 February 2023 for a direct award for Phase A (formerly Phase 1 and 2 of 4) to Lovell Partnership as the new principal contractor. The completion of the scheme continued in two separate phases to accelerate getting activity back on site, reduce security costs and get delivery of the first 53 homes back on track as far as possible. Lovell re-started work to Phase on 3 July 2023 with handovers due to start in December 2023.
Decision link: [DD4862.pdf \(nottinghamcity.gov.uk\)](#)
- 2.4 As Phase A costs could be accommodated within the original total approval, no budget increase was sought at this point, though it was anticipated that it would be required to complete the project owing to the addition of costs external to legal advice for both severance from Robert Woodhead Ltd and retendering, inactive site security costs, replacement contractor premium (mobilisation of subcontractors and plant, risk and complex defects process) and resolution of arrangements with subcontractors.
- 2.5 The project was also tendered over 2 years after the original contract was awarded, so labour and materials costs would have increased over this time, as would supply chain risk/required contingency. Further, as the costs of construction increase, so do the fee and contingencies which are calculated on a percentage basis.
- 2.6 The preferred option for Phase B was to retain Lovell Partnership on the scheme for continuity; and so avoid incurring further delay or pause and a repeat of the spend associated with a further change of principal contractor. A single point of contact for all items effecting the scheme is also the most desirable approach going forward.
- 2.7 Lovell Partnership were retained in August 2023 to quote via the Fusion 21 framework for Phase B. This is a compliant procurement method, where Lovell Partnership were selected from the framework to quote and will also, subject to approval, be awarded the contract via the framework system, representing a procurement compliant approach/route to market.
Decision link: [230809b Form.pdf \(nottinghamcity.gov.uk\)](#)
- 2.8 Using Fusion 21 meant that NCC could demonstrate that a value for money assessment has taken place by utilising the submitted rates for all of their framework members. – including Lovell Partnership. Fusion 21, which was reviewed in April 2023, provided a formal assessment notifying NCC that Lovell Partnership can provide value for money as they are first/second lowest priced on their framework across all regions they operate in.
- 2.9 The scheme is majority complete, and homes due to be handed over and made available for letting. The homes are critical to Nottingham's ability to house households from its waiting list and subsequently to ease pressures on homelessness and homelessness budgets.
- 2.10 It is not a viable option to abandon the project at this late stage, nor would another pause be cost effective owing to the rent loss and security cost implications. Moving the scheme to another provider would also not be possible as households have already been allocated council tenancies, and another provider would unlikely find the purchase plus implications of it being incomplete an attractive or viable proposition.

2.11 The approach set out demonstrates value for money because:

- a) Lovell Partnership have been assessed as providing the lowest costs as per an independent procurement framework.
- b) Lovell are already on site so there are no mobilisation costs, delay or pause implications.
- c) Retaining the same contractor avoids the costs associated with retendering and replacement principal contractor premiums.
- d) The increase can be funded through a HRA revenue to capital contribution and RTB replacement receipts, therefore avoiding any further HRA borrowing and utilising RTB replacement receipts in a timely and overall cost effective manner

2.12 **Financial Summary** (Refer Appendix A for detail and finance colleague advice):

- a) The original approved budget for Eastglade was £19.143m, reduced to £16.719m upon finalising of contract.
- b) To date the project has spent or committed £14.21m with a further £4.62m required to complete it, and therefore an increase of £2.11m is needed.
- c) The increase can be funded 60% via a HRA revenue contribution to capital and 40% via RTB replacement receipts.

3. **Other options considered in making recommendations**

3.1 As above completion of the scheme for the best value possible is the only viable option, no others were considered.

4. **Consideration of Risk**

4.1 The risk of the contract sum increasing further and another increase to budget is low, and mitigated by the inclusion of contingency sums.

5. **Best Value Considerations, including consideration of Make or Buy where appropriate**

5.1 The proposed contractor is already on site therefore reducing costs associated with re-tendering, further replacement contractor premium, mobilisation or further pause and interim site security The contractor is on the Fusion 21 framework and are assessment as being either first or second lowest cost across all the regions in which they operate. The proposed funding of the budget increase allows 40% of it to be met from RTB replacement receipts.

6. **Finance colleague comments (including implications and value for money/VAT)**

6.1 Please refer exempt appendix A

7. **Legal colleague comments**

- 7.1 This decision seeks approval to increase the budget for the project and award a contract to the Lovell Partnership via the Fusion 21 Framework for completion of the works.
- 7.2 Procurement colleagues will advise on compliance with our own Contract Procedure Rules and other requirements of this proposed approach to award.
- 7.3 The Framework will impose a set of terms and conditions for use when engaging suppliers under the framework; those terms and conditions needs to be confirmed as meeting the needs of the Council and the Council being able to comply with any obligations imposed on them by the terms and conditions. As a construction contract, should legal advice be required, funds to cover the cost of external lawyers should be identified as there is no construction law expertise in Legal Services. If funds are identified and there is a need for such support, it may be prudent to engage the same law firm who advised previously via the EMLawshare arrangement.
- 7.4 Subject to the above, and comments from Procurement colleagues, this decision presents no significant legal risk for the Council beyond what would be expected for a project like this.
Anthony Heath, Senior Solicitor, 27th November 2023.

8. **Other relevant comments**

8.1 **Procurement:**

- 8.2 The proposal to retain Lovell Partnership utilising a compliant procurement method was agreed and for the Fusion 21 Framework to publish; via a formal notice on its "Find a Tender service". The opportunity description is for Refurbishment, Construction, New Build & Modular Building Framework that is available to NCC as a Fusion 21 Consortium Member using Contract reference: 2022/S 000-036086.
- 8.3 The formal Tender was published on 20 December 2022 and was the most suitable as provides a compliant procurement route for awarding a contract to Lovell Partnership.

Jeremy Delderfield, Housing Services Procurement Manager, 24/11/2023

8.4 **Strategic Assets & Property:**

- 8.5 The proposals set out in this report do not cause any issues from a Strategic Assets & Property perspective. The increased budget will enable more housing to be delivered.
- 8.6 Strategic Assets & Property will support the Regeneration Team as required.

Beverley Gouveia, Disposals & Development Manager, 24th November 2023.

9. **Crime and Disorder Implications (If Applicable)**

- 9.1 Keeping the development site live until completion and households start to move into their home, reduces the risk of ASB and theft on the site, which were significant issues when the site was inactive between contractors.

10. **Social value considerations (If Applicable)**

- 10.1 The development is for council, social rented housing. The principal Lovell Partnership have performance measures relating to the employment of local people and to recycling targets.

11. **Regard to the NHS Constitution (If Applicable)**

11.1 n/a

12. **Equality Impact Assessment (EIA)**

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

No
An EIA is not required because this is an amend/extension to previous decision regarding delivery of homes.

Yes

13. **Data Protection Impact Assessment (DPIA)**

13.1 Has the data protection impact of the proposals in this report been assessed?

No
A DPIA is not required because the decision does not contains nor seeks to obtain any personal information.

Yes

14. **Carbon Impact Assessment (CIA)**

14.1 Has the carbon impact of the proposals in this report been assessed?

No
A CIA is not required because this is an amend/extension to previous decision and the development is already majority complete.

Yes

15. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

15.1 **Appendix A – Financial Detail and Advice (exempt)**

16. **Published documents referred to in this report**

16.1 **Executive Board (No. 2010)** – Redevelopment of Eastglade School site and Southchurch Court garages for new council Housing

16.2 **Operational Decision (No. 4862)** – Appointment of new/replacement contractor for completion of Eastglade phases 1 and 2

16.3 **Operational Decision (No. 5001)** - Eastglade new build development (phase B) – procurement approach for the direct award to a principal contractor.

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